FRANCHISE DISCLOSURE DOCUMENT

Ziebart Corporation – A Michigan Corporation
1290 E. Maple Road, Troy, MI 48083
(248) 588-4100
www.ziebart.com

As a franchisee, you will operate a business under the name ZIEBART performing appearance and protection services to motor vehicles that includes application of protective coatings, detailing services, window treatment, and installation of accessory products.

The total investment necessary to begin operation of a Ziebart franchise is between ~~$416,820~~370,820 and $566,100. This includes between ~~$228,500~~182,500 and $285,000 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of a Ziebart franchise under a multi-unit development agreement is between $415,820 to $611,100. This includes between $227,500 and $330,000 for 3 franchises that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale 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 Mike Riley at Ziebart Corporation, 1290 E. Maple Road, Troy, MI 48083, or email: mriley@ziebart.com.

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

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

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

Issuance Date: April ~~1~~30, ~~2023~~ 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Michigan.

   Out- of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Michigan than in your own state.

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

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

TABLE OF CONTENTS

Title	Item	Page(s)
The Franchisor and any Parents, Predecessors, and Affiliates	1:	Page 7
Business Experience	2:	Page 10
Litigation	3:	Page 12
Bankruptcy	4:	Page 13
Initial Fees	5:	Page 13
Other Fees	6:	Page 15
Estimated Initial Investment	7:	Page 21
Restrictions on Sources of Products and Services	8:	Page 25
Franchisee's Obligations	9:	Page 30
Financing	10:	Page 33
Franchisor's Assistance, Advertising, Computer Systems, and Training	11:	Page 34
Territory	12:	Page 43
Trademarks	13:	Page 47
Patents, Copyrights, and Proprietary Information	14:	Page 55
Obligation to Participate in the Actual Operation of the Franchise Business	15:	Page 57
Restrictions on What the Franchisee May Sell	16:	Page 57
Renewal, Termination, Transfer and Dispute Resolution	17:	Page 58
Public Figures	18:	Page 63
Financial Performance Representations	19:	Page 64
Outlets and Franchisee Information	20:	Page 72

TABLE OF CONTENTS (continued)

Title	Item	Page(s)
Financial Statements	21:	Page 82
Contracts	22:	Page 82
Receipts	23:	Page 84

Exhibit		Page(s) Pages
A.	Franchise Agreement (Full Service Franchise Agreement and Addenda A-Y)	86-226
B.	Personal Guarantee	Page 228
C.	Multi-Unit Development Agreement	Page232
~~A.~~D.	Multi-Unit Personal Guarantee	Page 244
~~B.~~E.	Location Authorization Application	Page 248
~~C.~~F.	Transfer Consent Agreement	Page 253
~~D.~~G.	Financial Statements	Page 260
~~E.~~H.	List of Franchisees	Page 281
~~B.~~I.	List of Former Franchisees	Page 290
~~C.~~J.	List of State Administrators and Agencies for Service of	Page 294
~~F.~~K.	Process Non-Disclosure Agreement	Page 299
~~G.~~L.	Renewal Addendum	Page 304
~~H.~~M.	Release Agreement	Page 309
~~I.~~N.	Promissory Note, Security Agreement, Guaranty	Page 313
~~D.~~O.	Franchise Relationship Acknowledgment State Effective Dates	Page 328
	State Effective Dates	Page 332
P.	Receipts	Page 334

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we", "us," or "our" means Ziebart Corporation, the franchisor. "You" or "your" means the person to whom we grant a franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity, and includes all owners and partners of the person who buys the franchise.

The Franchisor and Predecessors

We are a Michigan corporation with a principal business address of 1290 E. Maple, Troy, Michigan 48083. We do business under the name of Ziebart Corporation, the name ZIEBART and the other trademarks described in Item 13 of this Disclosure Document and other trademarks we designate (the "Ziebart Trademarks").

We offer franchises under the Marks. We also sell inventory, equipment, products and supplies to our franchisees.

Multi-Unit Development Agreement

We offer a Multi-Unit Development Agreement of the type contained as Exhibit C (the "Multi-Unit Development Agreement"). If you sign the Multi-Unit Development Agreement; we will grant you a right to develop a minimum of three (3) Ziebart Franchises according to a mandatory development schedule (the "Development Schedule"). You will be required to sign a separate Franchise Agreement, in our then-current form, for each franchise you develop under the Multi-Unit Development Agreement, which may contain material differences as compared to the Franchise Agreement disclosed in this Franchise Disclosure Document.

We began offering franchises in December 1962. From December 1990 through January 1999, we offered franchises under the name ZIEBART TIDYCAR.

Since December 1997, we have occasionally offered franchises under the name ZIEBART-ARTECH in markets where the ARTECH name is well-established. We only offer franchises under the ARTECH name for renewals or transfers of existing franchises operating under the ARTECH name. Otherwise, we do not offer franchises under any other names.

We have not previously offered franchises in any other line of business, nor do we operate any businesses under the Marks. We do not operate businesses of the type being franchised, but we have affiliates that do, as disclosed below.

We do not have any predecessors. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our agents for service of process are listed in Exhibit ~~H~~ J.

Our Parent

Our parent company is Ziebart International Corporation ("ZInt"). ZInt and its subsidiaries described below have the same principal business address as our principal business address. ZInt has approximately 400 Ziebart franchises in 37 Countries.

ZInt has never conducted the type of business you will operate. ZInt has never offered franchises in any other line of business. ZInt does not offer franchises conducting the type of business you will operate in the United States.

In December 1997, ZInt acquired the rights to the franchise system previously owned by Artech Franchising, Inc. Artech Franchising, Inc. franchised domestic franchises in Texas, which operated under the name ARTECH. ARTECH franchises sell products and provide automotive services similar to those provided by ZIEBART franchisees. We continue to service ARTECH dealers who were franchised before ZInt purchased that franchise system.

The Business You Will Conduct

As a franchisee, you will operate a specialty business that sells protection, detailing, window tint, and accessories (a "Ziebart franchise") in accordance with our specifications (the "Ziebart System"). You obtain the right to operate a Ziebart franchise by signing our standard Franchise Agreement. A copy of the Franchise Agreement is attached to this disclosure document as Exhibit A.

The services you will offer through your Ziebart franchise include:

STRUCTURAL PROTECTIVE COATINGS: Rust protection, sound deadener, and undercoating.

DETAILING AND APPEARANCE PROTECTIVE COATINGS: Interior and exterior reconditioning, paint protection, fabric protection, vinyl protection, washing, polishing and waxing.

SCRATCH REPAIR, SCRATCH AND SCUFF: Scratch and scuff repair and repainting.

FILMS: Window tinting (exterior protective films) and Z-Shield® paint protection film.

WRAPS & GRAPHICS: Color change wraps, and advertising graphics

ACCESSORIES: 12 volt electronics, styling improvements, running boards, step bars, grille guards, trailer hitches, drop-in bed liners, truck bed rails, sliding truck windows, tonneau covers, cab extenders, and new products as introduced.

POLYURETHANE PROTECTIVE COATINGS INCLUDING: Urethane sprayed-on bed liners, epoxy sprayed-on bed liners, and industrial protective coatings.

GLASS: Glass replacement and repair.

You are required to offer all above product and service categories, except sprayed-on bed liners, dent removal, accessories, and automotive glass, which are optional.

If you choose to offer the optional spray-on liner services and if Rhino Linings Corporation approves you to use the RHINO name in your market, you must offer those services using the Rhino products under the RHINO trademarks. You will obtain the right to acquire the Rhino products and use the RHINO trademarks by signing our Addendum to Franchise Agreement—Rhino Coatings, a copy of which is attached to this disclosure document as Exhibit A, Addendum H (the "Rhino Addendum").Information about our arrangement with Rhino Linings Corporation and information about Rhino Linings Corporation is described in Items 8 and 13 of this disclosure document.

Market and Competition

The market for our products and services is highly competitive and well-developed. Your competitors include automotive detailing shops, car accessory shops, window tint stores, other rustproofing stores, automotive glass stores, spray-on liner businesses, and automotive bump and paint shops.

Potential buyers of the products and services that you will offer through your Ziebart franchise include individual owners of new and used motor vehicles, automotive dealers, owners of commercial fleets of vehicles and insurance companies. Your sales of products and services may vary on a seasonal basis, and sales are generally lower during the winter months.

Industry-Specific Regulations

There are no regulations specific to the industry in which your Ziebart franchise operates. You must, however, become familiar with federal and state laws and regulations for the proper handling of chemicals and hazardous substances.

In addition to laws and regulations that apply to businesses generally, your Ziebart franchise will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

ITEM 2

BUSINESS EXPERIENCE - ZIEBART CORPORATION

Thomas E. Wolfe

Chairman of the Board of Ziebart International Corporation ("ZInt") in Troy, Michigan, January 2008 to present.
Member of the Board of Directors of ZInt, 1980 to present.
Executive Vice President of ZInt, March 2022 to present.
President and Chief Executive Officer of ZInt, November 1994 to March 2022.
~~President and Chief Executive Officer of us Ziebart Corporation ("ZC") in Troy, Michigan, November 1994 to December 2012.~~
Executive Vice President of ZC, January 2013 to present.
~~Secretary of ZC, January 2013 to December 2015.~~

Thomas A. Wolfe

ZInt President and Chief Executive Officer, March 2022 to present in Troy, Michigan.
ZInt Executive Vice President, January 2021 to March 2022. ~~in Troy, Michigan.~~
ZInt Senior Vice President, January 2017 to December 2020.
ZC Executive Vice President and Assistant Secretary, January 2021 to Present.
Senior Vice President of ~~us ("ZC") in Troy, Michigan~~, January 2017 to December 2020.
~~ZInt Vice President, November 2014 to December 2016.~~

Daniel C. Baker

Member of the Board of Directors of ZInt in Troy, Michigan, August 2008 to present.
Executive Vice President of ZInt, January 2017 to present.
Executive Vice President of ~~us Ziebart Corporation ("ZC") in Troy, Michigan,~~ December 2023 to present.
President of ~~us ("ZC") in Troy, Michigan~~, January 2013 to December 2023.
~~Senior Vice President of ZC, January 2008 to December 2012.~~

Michael W. Riley

Senior Vice President of ZInt, January 2008 to present in Troy, Michigan.
Senior Vice President of ~~us ("ZC")~~ ~~in Troy, Michigan,~~ January 2008 to present.

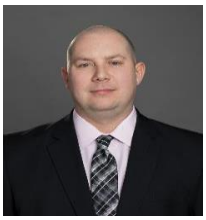
Larisa C. Walega

Senior Vice President and Chief Growth Officer of ZInt in Troy, Michigan, December 2023 to Present.
Senior Vice President of ZC, December 2023 to Present.
Vice President of Marketing, ZC, January 2021 to December 2023.
Director of Marketing of ~~us ("~~ZC~~")~~, January 2014 to December 2020.
~~Director of Field Marketing of ZC, January 2013 to December 2013.~~

Brian Jackman

Senior Vice President, Chief Operating Officer, and Assistant Treasurer of ZInt, December 2023 to Present in Troy, Michigan.
ZInt Vice President & Treasurer, January 2020 to December 2022.
ZInt Corporate Controller - January 2019 to December 2019.
President & Assistant Treasurer of ZC, December 2023 to Present.
Senior Vice President & Treasurer of ~~us ("~~ZC~~")~~, January 2023 - to November 2023.
ZC Vice President & Treasurer, January 2020 to December 2022.

Jason Theisen



Vice President, U.S. Franchise Operations, ZInt, January 2023 to present in Troy, Michigan.
Vice President, U.S. Franchise Operations, ~~of us ("~~ZC~~"), in Troy, Michigan,~~ January, 2023 to Present.
ZC Director of Franchise Operations - -, June 2020 – to December 2022.
ZC Regional Sales Director -, January 2018 - to May 2020.

Larry Stewart

Vice President, Information Technology, ZInt, January 2022 to Present in Troy, Michigan.
ZInt Director of Information Technology, ~~–~~August 2017 -to December 2021.
Vice President, Information Technology, ~~of us ("~~ZC~~"), in Troy, Michigan,~~ January 2022 – to Present.

Jason Case

Vice President and Treasurer of ZInt, December 2023 to Present in Troy, Michigan.
Corporate Controller, ZInt, January 2021 - to December 2023.
Corporate Accounting Manager, ZInt, October 2017 to December 2020.
Vice President and Treasurer of ZC, December 2023 to Present.

Michelle Chirco

Director of Marketing of ZInt in Troy, Michigan, December 2023 to Present.
Marketing Director, ZInt – August 2022 to November 2023.
Marketing Lead, Customer Relationship Management, ZInt January 2019 to August 2022.

~~**Patricia S. Lipsky** License & Trademark Manger of us ("ZC") in Troy, Michigan February 2007 to present.~~

ITEM 3

LITIGATION

Ziebart International Corporation v. Z Technologies Corporation. ZInt filed this claim on May 15, 2015 against Z Technologies Corporation, a former supplier, in the United States District Court, Eastern District of Michigan, Case # 5:15-cv-11745-JEL- APP for Trademark Infringement and Breach of Contract, for an amount to be proved at trial, and for such other and further relief as the Court may deem just and appropriate. On July 20, 2015, defendant Z Technologies Corporation filed a counterclaim against ZInt for Breach of Contract and Misappropriation of Trade Secrets. On January 23, 2017, an Order was entered Denying Defendant Z Technologies Corporation's Motion for Summary Judgment, and Granting in Part ZInt's Motion for Partial Summary Judgment as to Counts I, II, and IV. On March 13, 2018, both ZInt's and Defendant Z Technologies' Motions for Summary Judgment were denied. A Consent Judgment and Stipulated Order of Dismissal With Prejudice were entered by the Court on August 21, 2018.

Dino M Harrer v. Ziebart of Michigan, Inc. dba Ziebart of Westland. Plaintiff Dino M. Harrer's (Harrer) Claim was filed on September 27, 2019 against Defendant Ziebart of Michigan, Inc. d/b/a Ziebart of Westland in the 18th Judicial District Court of Michigan for monetary damages in excess of $25,000 for Breach of Contract, Fraud in the Inducement, Conversion, and Negligence involving alleged damage to Harrer's vehicle. Ziebart of Michigan, Inc. d/b/a Ziebart of Westland filed an Answer and Demand for Jury Trial on November 14, 2019. The case settled, and a Dismissal With Prejudice was entered on October 21, 2021.

Progressive County Mutual Insurance Company v. Ziebart International Corporation. Plaintiff Progressive County Mutual Insurance Company's (Progressive) Claim was filed on November 6, 2019 against Defendant Ziebart International Corporation in Nueces County District Court in Texas, Case #2019CCV-61944-2 for monetary damages in excess of

$4,323.45 alleging Negligence and Breach of Contract involving the alleged stolen and later returned vehicle of Progressive's Insured. Progressive is investigating the alleged incident upon Ziebart International Corporation's assertion that it was improperly named in the lawsuit, as the alleged incident occurred at an independently- owned franchise. The case was Dismissed without Prejudice as to Ziebart Corporation on July 14, 2020.

Other than these actions, no litigation is required to be disclosed in this item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Franchise Fee:

You must pay an initial franchise fee of ~~$36,000~~ 45,000 for the franchise. The initial franchise fee will be paid at the time you sign a Franchise Agreement. The ~~$36,000~~ $45,000 franchise fee is uniformly charged to all new ZIEBART franchisees and must be paid in full before you attend any training.

Multi-Unit Development Agreement Fee

If you enter into a Multi-Unit Development Agreement, you will pay us a non-refundable Development Fee for a minimum of three (3) Ziebart locations as follows: $45,000 (first location), $30,000 (second location), $15,000 (third location) and each subsequent location developed under the Development Agreement, if applicable.

The Multi-Unit Development Fee is payable in full upon execution of the Multi-Unit Development Agreement, as provided in Exhibit C. The Multi-Unit Development Fee is fully earned upon payment and is non-refundable.

Each Franchise will operate pursuant to our then current franchise agreement.

Ziebart's Veteran Franchise Fee Discount Program

Ziebart will waive the Initial Franchise Fee to qualified veterans who either have received an honorable discharge from one of the U.S. Military Branches, or are currently serving in one of the U.S. Military Branches and eligible to receive an honorable discharge.

If a Veteran with the foregoing qualifications enters into a Multi-Unit Development Agreement, he/she will pay us a non-refundable Development Fee for a minimum of three (3) Ziebart locations as follows:

$0 (first location), $30,000 (second location), $15,000 (third location) and each subsequent location developed under the Development Agreement, if applicable).

Start-up Package:

Before opening your Ziebart franchise, you must purchase opening inventory, install all required equipment and décor for your Ziebart franchise (the "Start-up Package") to our specifications. You may purchase some or all of these items from us. If any item is already available or purchased by you from an authorized vendor, the amounts paid to us, as described below, will be reduced accordingly.

Opening Inventory: The opening inventory package for your Ziebart franchise will cost between $25,000 and ~~$40,000~~30,000. You will be responsible for the shipping costs of these items. Your opening inventory package includes an initial inventory of protective coatings, detailing chemicals, Z-Shield® paint protection film, rolls of Ziebart® window tint film, polyurethane spray-on liner material, and accessory products.

Equipment Package: The equipment package for your Ziebart franchise will cost between ~~$150,000~~90,000 and ~~$180,000~~175,000. You will be responsible for the shipping costs of these items. The package consists of a minimum of general tooling and equipment items. You must purchase your computer and printer from us or an approved supplier at an additional cost between $2,500 and $3,000.

Exterior and Interior Décor Package: The exterior and interior décor package for your ZIEBART franchise will cost between ~~$10,000~~15,000 and ~~$19,000~~25,000. You will be responsible for the shipping costs of these items. This package includes minimal signage, décor modules, cube-wall display board, counter, furniture, flooring, and point of purchase material and brochures.

Grand Opening Advertising: Upon signing the Franchise Agreement and before your Ziebart franchise is opened, you are required to contribute between $5,000 and $7,000 for grand opening advertising.

Amounts paid for the franchise fee are non-refundable. We may buy back from you some of the opening inventory, equipment package, and exterior/interior décor that you buy from us if the items that you purchased from us are less than 1 year old. For equipment items, the item that we buy back from you must be functional. We will determine the value of the item based on its resale value and will pay you based on that value.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	8% of your gross sales, minimum $650.00 per week, on all products except those listed in Note A. For those products, the Royalty is 5% of your total weekly gross sales	Friday of the week following the calendar week in which the sales were made, Unpaid minimum royalty billed at calendar year end.	We will collect this amount by electronic funds transfer ("EFT"). The $650.00 weekly minimum begins on the anniversary date of the 4th year. This amount is subject to annual changes. See Note A.
~~Minimum Royalty~~	~~$765.50 USD per week~~	~~Calendar year-end~~	~~We begin collecting the minimum royalty beginning on the anniversary date of the 4th year. This amount is subject to annual changes. See Note B~~
Minimum Product Purchases	10% of your gross sales in Categories listed on Note F	Royalty year-end	Subject to annual changes. See Note F.
National Media Advertising d/b/a The Marketing Fund	~~5~~2% of total weekly gross sales via EFT, with a cap of $30,000 per year.	Friday of the week following the calendar week in which the sales were made	Subject to annual changes. See Note A
North American Liability Fund(NALF)	$2.00 to $15.00 subject to change based upon 90 days written notice for each rustproofing warranty.	Friday of the week following the calendar week in which the sales were made	Payable directly to the North American Liability Fund. See Note ~~C~~ B.
Late Charges: Royalty	2% per month or the maximum amount permitted by law, whichever is less.	Immediately	Payable only if you do not pay us your Royalty fee on time.
Late Charges: Reports	$25.00 USD per week that reports are late.	Within one week	Payable only if you do not submit required reports on time. We have the right to increase this amount based on the Consumer Price Index using a base date of January 1, 2024.
Audit Surcharge	50% of Royalty due on unreported sales and audit expenses.	At audit completion	Payable only if the audit shows an under statement greater than 5% of reported amounts.

Successor Franchise Fee	15% of the new franchise fee we are then charging to new franchisees at the time you obtain a successor franchise.	Upon signing the new Franchise Agreement	Payable only if you wish to obtain the right to continue operating as our franchisee after the end of your initial franchise term.
~~Transfer Fee~~	~~Our then-current fee charged for transfers. Our current transfer fees are as follows: $18,000 if to any person o7r entity who does not already own a ZIEBART business; $9,000 if to an existing ZIEBART franchisee; $2,500 if to an immediate family member.~~	~~At the time of the transfer~~	~~Applicable only if you choose to transfer your Franchise Agreement. Our consent is required for any transfer.~~ ~~Transfer fees are non-refundable.~~
Reminder Card Program	$1.10 for each of the first and second notice cards, handled through your computerized reporting.	Friday of the week following the calendar week in which the sales were made	Subject to annual changes. The second notice card typically will be sent 60 days after the first one.
Central Billing for National Fleet Accounts	3% of the amount charged by the processing franchisee.	On receipt of invoice	
Field Training Expenses	$750 per day, plus our trainer's airfare expenses.	As incurred.	Payable only if you ask us, and we agree, to conduct training for you in your area.
Training Cancellation Fee	$100 each occurrence, plus the amount of any non-refundable airfare for trips purchased by our trainers.	On receipt of invoice	Payable only if you cancel training that has previously been scheduled within 7 days of the scheduled start time.
Supplier or Product Approval	Between $2,000 and $10,000, depending on our time and expenses in reviewing the supplier or product.	On receipt of invoice.	We may charge you this fee if you ask us to approve a supplier or product that has not previously been approved by us.
Application of Reimbursement to Overdue Payment	The amount you owe us for royalties, or for your purchase of goods or services from us.	Upon notice from us.	See Note C.

~~Additional Location Fees~~	~~Our then-current fee for an additional location, currently: $18,000 for a Second location, and $9,000 for the 3rd or additional location.~~	~~Upon the signing of a new Franchise Agreement.~~	~~Payable if you are a current franchisee and wish to purchase an additional ZIEBART franchise from us.~~
Costs, administrative expenses, and attorneys' fees Note ~~E~~C)	Will vary under circumstances	Upon settlement or conclusion of a claim or action; in resolution of our efforts to collect past-due fees from you; or when we take action against you in response to your default of the Franchise Agreement.	Due when you do not comply with the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	Payable to indemnify us, our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to your ownership and operation of your Ziebart franchise.

Unless otherwise noted, all fees paid to us are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. All fees listed in this Item 6 are uniformly imposed by us as to all franchisees.

NOTES:

A. You will pay us a royalty of 8% on your gross sales of all products and services, with a minimum of $650.00 weekly, subject to annual changes, beginning on the anniversary date of the 4th year, except for the products listed below, which are charged 5% royalty. For the purpose of royalty and advertising contributions, "gross sales" includes the actual selling price of the products or services, whether for cash, credit or exchange of services for value, from the franchised locations or any other location that bears the licensed trademarks or trade names, or which uses our trade secrets or know- how. Gross sales do not include sales tax that you are obligated to pay any governmental agency.

Z-Liner® Spray-on Liner
Polyurea Spray-on Liner
Auto Glass Replacement
Architectural Window Film
Auto Alarms
12 Volt Electronic Accessories
Pinstriping
Bed Liners (Drop In)
Bed Mats
Bed Rails
Bug Deflectors/Hood Protectors
Cab Extenders
Car/Truck Styling Components
Car Audio
Roof Luggage Racks/Carriers
GPS Navigation Systems
Vehicle Locators
Back-up Sensors
Back-up Cameras
Grille-Guards/Brush Guards
Ground Effects
Headlight Covers
Light Packages (Cars, Trucks & Vans)
Louvers
Molded Plastic Styling Products
Nerf Bars/Step Bars
Roll/Sports Bars
Remote Car Starters
Running Boards Splash Guards Spoilers/Wings
Sunroofs
Trim Accessories
Tailgate Protectors
Tonneau Covers
Trailer Hitches & Accessories
Truck Caps & Shells
Vent Shades/Visors/Wind Deflectors
Dash Kits
Scratch & Dent Removal
Z-Clear® Paint Restorer
Bray Windshield Protection Film

You will pay royalty, trade, and marketing fund payments via EFT, Credit Card, or you can mail it to us. Until you have established the EFT or Credit Card, you will mail us all required payments.

~~B.~~ The minimum royalty you pay per week is equal to fifty (50%) percent of the royalty of average weekly sales of all ZIEBART franchised operations in the continental United States during our previous fiscal year (which ends December 31). The minimum is applied on a per-store basis. If, in any month, you have paid more than the minimum royalty in any given week, we will give you a credit towards future minimum royalty payments in the amount of the excess. The minimum royalty will not be less than $765.50 USD per week per location, which is the minimum as of December 31, ~~2022~~2023.

~~C.~~ B. We require you to offer certain warranties. The warranty program, which is operated under NALF, is self-funded. For services that are warranted under the Ziebart Trademarks, you must purchase only approved warranties. If you offer rustproofing services, you must pay a premium fee for each rustproofing warranty. Premium fees range from $2.00 to $15.00 in every state except for Wisconsin, which has special warranty requirements.

~~D.~~ C. If we prevail in any action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys' fees and court costs. In addition, if we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or your Ziebart franchise, as a result of any claimed or actual act, error or omission of you or your Ziebart franchise, then you will be liable for our reasonable attorneys' fees incurred by us in the action or proceeding.

If we are require to engage a collection agency, use legal counsel, or hire any third party in connection with any failure by you to pay us amounts when they are due, or your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with the Franchise Agreement, you must reimburse us for all costs and expenses of enforcement and collection.

~~E.~~ D. Our company-owned stores make The Marketing Fund contributions on the same basis as other franchisees.

~~F.~~ E. Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing and we will be required to consider your request. You may request that a supplier or item be approved for our System by submitting to us samples of the product to be approved. Our approval of a supplier is not blanket approval for other items the supplier may sell, but only for a specific item(s) sold by that supplier as approved by us. We will issue approval, disapproval or notification of revocation of approval of suppliers to you in memos, bulletins or in our Manual. We may charge you a fee for our time and expense in evaluating a supplier that you propose. The fee we charge will depend on the circumstances but will likely be between $2,000 and $10,000.

~~G.~~ F. In addition to minimum gross sales royalty, Ziebart franchisees agree to make minimum annual product purchases of Ziebart branded proprietary products in the protection, films, and detailing categories at the following levels:

Rust Protection
Ceramic Z-Gloss® Paint Coating
Coatings
Spray-onLiner
Window Tint
Z-Shield®Paint Protection Film
Vinyl Film
Total Cost of Sales= 10% of Gross Sales* (in these categories)

"Rust Protection" products include: Formula Q®, Formula A, Z-Gard®, and Rust Eliminator
Ceramic Z-Gloss® Paint Coating "Coatings" products include: Diamond Gloss®, Protect-A-Shine®, Renu-A-Shine®, and Express Wax
"Spray-on Liner" products include: Rhino Linings®, Z-Liner®, and Polyurea
"Window Tint" products include: Ziebart® Premium Dyed, High Performance Metalized, Nano Ceramic, and Bray Windshield Protection Film.
"Z-Shield® Paint Protection Film" products include: Z-Shield® Paint Protection Film, and Z-Shield® Pro Paint Protection Film
Vinyl Film

Minimum purchases will be calculated annually at royalty year-end. Franchisees will be invoiced at then-current product cost for any product purchase categories not meeting minimum purchase requirements. This amount is non-refundable. *Gross Sales include the actual selling price of the products or services, whether for cash, credit or exchange of services for value, from the franchised locations or any other location that bears the licensed trademarks or trade names, or which uses our trade secrets or know-how. Gross sales do not include sales tax that you are obligated to pay any governmental agency.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure	Amount-Low	Amount-High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	~~$36,000~~ 45,000	~~$36,000~~ 45,000	Lump Sum	Upon Signing of Franchise Agreement	Us
Opening Inventory/ Supplies	$25,000	~~$40,000~~ 30,000	Lump Sum	As Incurred	Us or Approved Suppliers
Equipment Package	~~$150,000~~ 90,000	~~180,000~~ 175,000	Lump Sum or Financed	As Incurred	Us or Approved Suppliers
Exterior/Interior Décor Package	~~$10,000~~ 15,000	~~$19,000~~ 25,000	Lump Sum or Financed	As Incurred	Us or Approved Suppliers
Leasehold Improvements (Note 1)	$50,000	$75,000	As Incurred	As Incurred	Landlord or Third Parties
Computer Equipment	$2,500	$3,000	Lump Sum or Financed	As incurred	Us or Approved Supplier
Utilities, Rent & Deposits(**first three months**) (Note 1)	$22,320	$27,600	Lump Sum	Before Opening	Landlord or Third Parties
Insurance	$3,000	$9,000	Lump Sum	Before Opening	Third Parties
Grand Opening Advertising	$5,000	$7,000	Lump Sum	Upon Signing of Franchise Agreement	Us or Third Parties
Travel Expenses for Initial Training	$3,000	$4,500	As Incurred	As Incurred	Third Parties
Miscellaneous Funds (Note2)	$10,000	$15,000	As Incurred	As Incurred	Third Parties
Additional Funds (Initial Period) (Note 3)	$100,000	$150,000	As Incurred	As Incurred	Third Parties
Estimated Total Investment(Note4)	~~$416,820~~ 370,820	~~$566,100~~ 566,100			

B. Multi-Unit Development Agreement Multi-Store Franchise

EXPENDITURE[B]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Multi-Unit Development Fee	$90,000 - $90,000	Lump Sum, non-refundable	When you sign the Multi-Unit Development Agreement	Us
Initial Investment for the First Franchise	$325,820 – $521,100	See Table 7(A) above. The low range is equal to the low range of the total from Table 7(A) minus the Initial Franchise Fee, and the high range is equal to the high range of the total from Table 7(A) minus the Initial Franchise Fee.		
TOTAL ESTIMATED INITIAL INVESTMENT	**$415,820 to $611,100**	In addition to the Multi-Unit Development Fee, you will incur initial investment expenses for the development and opening of each Franchise you are obligated to open under the development schedule. The current estimated initial investment range for the development of a Franchise is disclosed in the above tables and is subject to adjustment and increase in the future.		

C. Multi-Unit Development Agreement Multi-Store Franchise for Qualified Veterans

EXPENDITURE[B]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Multi-Unit Development Fee	$45,000 - $45,000	Lump Sum, non-refundable	When you sign the Multi-Unit Development Agreement	Us
Initial Investment for the First Franchise	$325,820 – $521,100	See Table 7(A) above. The low range is equal to the low range of the total from Table 7(A) minus the Initial Franchise Fee, and the high range is equal to the high range of the total from Table 7(A) minus the Initial Franchise Fee.		
TOTAL ESTIMATED INITIAL INVESTMENT	**$370,820 to $566,100**	In addition to the Multi-Unit Development Fee, you will incur initial investment expenses for the development and opening of each Franchise you are obligated to open under the development schedule. The current estimated initial investment range for the development of a Franchise is disclosed in the above tables and is subject to adjustment and increase in the future.		

Explanatory Notes to Tables A, B, and C:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Ziebart franchise. We may offer financing for a portion of the Start-Up Package that you buy from us, as described in Item 10. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Ziebart franchise may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions. We do not know whether any of the money you pay to third parties will be refundable. In compiling this chart, we relied on our experience as a franchisor, and the experience of our affiliates as the owners and operators of ZIEBART businesses similar to the franchise being offered to you.

1. Leasehold Improvements and Real Estate: The above chart shows our estimates of these fees during the first three months that you operate your Ziebart franchise. To meet our System specifications for the build-out of your Ziebart franchise, leasehold improvements may be required. We are unable to estimate your cost to purchase or construct a building because this cost is dependent upon geographical area, labor costs, size of building, cost of materials and other variables unique to each situation. Often these improvements can be included in the monthly lease payment; however, in some cases, you may be required to spend between $50,000 and $75,000 at your location for leasehold improvements. We do not recommend selecting any location that would require more than $75,000 in improvements.

These amounts do not reflect costs for the purchase of unimproved land and construction of a free-standing Ziebart franchise, which also would result in a significantly greater initial investment. These numbers assume a low rent cost of $6,800 per month and a high cost of $9,700 per month. This estimate does include tenant improvement allowance and any free rent that you may receive from the landlord for your Ziebart franchise. The premises must contain overhead doors for large vehicle access as well as a shop, office, sales showroom, and rest room. These costs could be substantially higher in certain markets, depending on the size of the cost of hiring any necessary contractors, and costs of materials, as well as shopping center construction fees, county or city building application and inspection fees, county, city, or state codes, and the cost to access existing plumbing. You should carefully investigate all of these costs in the area where you wish to establish your Ziebart franchise.

2. Miscellaneous Funds. These funds are to cover initial start-up expenses including utility deposits, licenses, and legal/accounting fees before your Ziebart franchise is opened, as well as the following items:

a. Clothes washer and dryer
b. Uniform deposits/detailing cloths
c. Power tools, hand tools, miscellaneous hardware, equipment and supplies
d. Spray booth
e. Refrigerant/Dryer

3. Additional Funds. This is an estimate of the funds needed to cover your pre- and post-

opening expenses including sales taxes, recruitment, on-site training expenses, payroll, payroll processing, janitorial services as well as additional operating capital for other variable costs (e.g., electricity, telephone, Internet service, Internet setup, etc.), paper, office supplies, cleaning, cellular telephones, and other supplies. Additional funds are also an estimate of the monies you will need on hand during the initial phase of Business operations. This estimate also includes the estimated cost of salaries for your employees but does not include an estimated salary for you.

4. Figures May Vary. This Estimated Initial Investment Item 7 includes our estimates of your initial startup expenses and funds for additional inventory and additional funds for the operation of your Ziebart franchise. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Ziebart franchise. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market demand for your product; the prevailing wage rate; competition; and the sales level reached during the initial period.

You should conduct your own independent investigation of the costs of opening a Ziebart franchise in the geographic area in which you intend to open your Ziebart franchise. Additional funds for the operation of your Ziebart franchise will be required after the first three months of operation if sales produced by your Ziebart franchise are not sufficient to produce positive cash flow. You should also review the figures listed in this Item 7 carefully with a business advisor before making any decision to purchase a Ziebart franchise.

Explanatory Note to Table B:

(1) The Multi-Unit Development Fee is described in greater detail in Item 5 of this FDD. If you enter into a Multi-Unit Development Agreement, you will pay us a non-refundable Development Fee for a minimum of three (3) Ziebart locations as follows: $45,000 (first location), $30,000 (second location), $15,000 (third location) and each subsequent location developed under the Development Agreement, if applicable

(2) The estimated initial investment for each Franchise for which you are obligated to develop under the Multi-Unit Development Agreement is subject to change (including increases) for future Franchises, based on the time of sale, and costs associated with the types of expenditures listed in Tables 7(A) above.

Except as otherwise noted, none of these payments are refundable. These payments are only estimating and your costs may be higher, depending on your particular circumstances, and subject to increases based on changes in market conditions, and our cost to provide services and future policy changes. You should review these figures carefully with your business advisor, accountant, or attorney before making any decision to purchase a franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help ensure a uniform image and uniform quality of products and services throughout the ZIEBART System, you must maintain and comply with our quality standards. Any required standards exist to protect our interest in the System and the Ziebart Trademarks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you. We publish our standards, specifications, policies, and procedures in our confidential operations manuals, our training videos, and other documents (collectively, the "Manual") that we will loan to you.

Approved and Designated Suppliers

We will provide you with a list of approved manufacturers, suppliers and distributors from suppliers approved by us ("approved suppliers") and approved equipment, signs, stationery, supplies and other items or services necessary to operate your Ziebart franchise. From time to time we, our affiliate or a third party vendor or supplier, may be the only approved supplier for certain products. Our list of approved supplies also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products. We may revise the lists of our approved suppliers and approved items. We give you the approved lists as we deem advisable.

Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing and we will be required to consider your request. You may request that a supplier or item be approved for our System by submitting to us samples of the product to be approved. Our approval of a supplier is not blanket approval for other items the supplier may sell, but only for specific item(s) sold by that supplier as approved by us. We will issue approval, disapproval or notification of revocation of approval of suppliers to you in memos, bulletins or in our Manual. We may charge you a fee for our time and expenses in evaluating a supplier that you propose. The fee we charge will depend on the circumstances but will likely be between $2,000 and $10,000.

We will approve or disapprove a supplier within six (6) months of receiving from the supplier all of the samples and information we reasonably request. Generally, we base our approvals on the supplier's ability to:

1. Demonstrate it can supply the item(s) in question to us or our franchisees over the next year in the same quality as was originally approved, in the quantities necessary to fill our needs, and in the time-frame needed by us at date of order placement.

2. Demonstrate ability to provide product support to guarantee product performance as designed and promised, implement a speedy replacement or system of refund if the item does not, and provide for future maintenance or repair parts, if applicable.

3. Provide all labeling, MSDS sheets, installation instructions, EPA or OSHA cautions, or other support needed by our franchisees to properly and safely use or sell the item(s) in question.

4. Enter into our approved form of vendor agreement with us, which includes the reporting of all sales to us to assure compliance with our trademark and quality requirements.

We will approve or disapprove a product or item to add to our approved items list within a reasonable time of our receiving all of the samples and information we reasonably request. We do not have any minimum or maximum time frame for these approvals. Generally, we base our approvals of items based on:

1. The demand for the item in the System or among our customers.

2. Whether we decide that the quality of the item is desirable to the public image and reputation of our System.

3. Whether we decide that the price of the item is within our guidelines.

4. The item's having a stable shelf life of at least one year.

5. Carry a minimum of $1,000,000 single incident insurance with a $10,000,000 umbrella policy.

We do not make our specific criteria for selecting approved suppliers available to our franchisees, nor do we make our specifications known to suppliers.

Required Purchases or Leases

We reserve the right to become approved suppliers, or the only approved suppliers, in the future for any items for which we are not currently an approved supplier or the only approved suppliers.

REQUIRED PURCHASES OR LEASES WITH ZIEBART AS THE ONLY APPROVED SUPPLIER: We are the only approved supplier for the proprietary products listed below.

Rust protection chemicals
Sound deadenerchemicals
Rust eliminator chemicals
Paint protection chemicals
Fabric protection chemicals
Vinyl protection chemicals
Interior/Exterior cleaners, polishes, and dressings
Ecolab products and equipment
iBART computer software
Z-Central Detailing Equipment
Ziebart® Window Tint
Spray-on linerchemicals
Logo identified plugs
Invoices
Warranties
Logodecals
Brochures and advertising materials
In-store merchandising displays/materials related to Ziebart proprietary services
Website Design
Industrial Protective Coatings
Rust Protection Tools
Z-Shield® Paint Protection Film

REQUIRED PURCHASES OR LEASES WHERE ZIEBART IS NOT THE ONLY APPROVED SUPPLIER. We may be an approved supplier, but are not the only approved supplier, of the goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items listed below:

Chemical Products

a. Rust protection
b. Sound deadener
c. Rust eliminator
d. Paint and fabric protection
e. Interior and exterior cleaners polishes, waxes and dressings
f. Germ Defender®
g. Spray-on liner
h. Z-Central products & equipment
i. Wraps & graphics, color change wraps and advertising graphics

Ziebart® Window Films

a. Ziebart® window films
b. Z-Shield® Paint Protection Film

Glass Repair and Replacement Products

a. Auto glass replacement products
b. Auto glass repair products

Accessory Products

a. Bolt-on automotive accessories
b. Bolt-on truck accessories
c. Automotive electronic products

Tools, Parts and Equipment

a. Initial equipment package

Miscellaneous

a. Invoices
b. Warranties
c. Logo decals
d. Brochures and advertising materials
e. Signs/decor
f. Computer/computer software (n/c)
g. Insurance (see Item 7.7)
h. Ziebart Credit Card

Bed Linings: ZInt has a supplier agreement with Rhino Linings USA, Inc. ("Rhino") to sublicense the right to sell and apply automotive applications of Rhino® bed liner coatings ("Rhino® Coatings"). If you wish to offer Rhino® Coatings, we have the right to sublicense you the right to do so, which must be approved by Rhino. We are an approved supplier of Rhino® Coatings.

North American Liability Fund (NALF): You will be required to pay NALF for each item you sell. NALF administers our warranty program. We do not use the funds in NALF for our operational expenses.

Real Estate and Site Selection: You must purchase or lease real estate for your Ziebart franchise according to the criteria that we will make available to you in the Manuals. You must operate your Ziebart franchise at a location that meets our site selection requirements and that we have approved. You must construct and equip your Ziebart franchise according to our approved design, specifications and standards. We do not require you to lease your facility from us. In order to assist you with your location search, we will refer you to a commercial real estate company or companies to help you find a suitable site for your Ziebart franchise.

Insurance: You are required to obtain and maintain adequate insurance coverage from an insurance company with a minimum AM Best rating of A- or better. You must name us and ZInt as Additional Insureds and furnish us with duplicate policies or Certificates of Insurance within thirty (30) days of business commencement of each location and within thirty (30) days of policy renewal thereafter. You are required to carry the following minimum coverage:

~~a.~~ Worker's Compensation Insurance in the amount required by statute or law;

~~b.~~ Garage Liability: Bodily Injury $1,000,000 per person/per occurrence
Property Damage: $1,000,000 per occurrence;

~~c.~~ OR a combined single limit of $1,000,000 for Bodily Injury and Property Damage Liability;

~~d.~~ Garage Keeper's Legal Liability – Direct Primary: Comprehensive Limit – $150,000, Comprehensive Deductible - $500 each claim $2,500 aggregate, Collision Limit - $150,000, Collision Deductible - $500.

Note: Higher Comprehensive & Collision limits should be purchased if you are working on high-end or very expensive vehicles.

~~e.~~ Umbrella Liability Coverage in an amount not less than $1,000,000;

~~f.~~ All Risk, Fire and Contents Insurance, including signs, for not less than full replacement cost;

~~g.~~ Worker's compensation in such minimum amounts as required by law;

~~h.~~ Cyber/Information risk coverage with a $100,000 limit to address risks in handling customers' personally identifiable information, as well as information proprietary to us.

~~i.~~ Employer's liability insurance – Minimum limits required by law or required by the Umbrella carrier. Where there are Monopolistic State Funds like in the State of Ohio, Stop Gap coverage should be purchased. These Monopolistic States do not provide Employer's Liability Coverage. If you are domiciled in a Monopolistic State, the Stop Gap endorsement would be added to your General Liability. If you are domiciled outside of a Monopolistic State, the Stop Gap endorsement is added to the Worker's Compensation policy.

Computer System and Software: We require you to purchase (lump sum or finance) your Computer System from either us or our approved supplier which will include certain software. Upgrades to the Computer System may be required periodically. We reserve the right to be the only approved supplier of the Computer System.

We will provide you with software or technology products or updates, and maintain technology services for the System, in exchange for the fees noted in Item 7.

Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that the purchase of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Ziebart franchise, from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be between 60% and 64% of your total cost to establish a Ziebart franchise and between 36% and 40% of your total cost of operating a Ziebart franchise (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, furniture, or fixtures).

Derived Revenue, Rebates, and our Owners

We derive revenue from the sale of products to our franchisees. In our fiscal year ending December 31, ~~2022~~2023 , our product revenue was ~~$10,884,017~~ 9,972,320 which is

~~54~~ 50.5% of our total revenue of ~~$20,227,887~~ 19,726,692. We do not have any affiliates that derived revenue based on franchisees' required purchases or leases.

We do not currently receive favorable pricing from third party suppliers as a result of transactions with franchisees. However, we currently receive a 2% rebate on franchisee purchases from one of our national suppliers. There are no caps or limitations on the maximum amount of payments we may receive from our suppliers as the result of franchisee purchases.

Some of our officers own an equity interest in us (the franchisor), and we are an approved supplier. We consider a variety of factors when determining whether to renew or grant additional franchises. Among the factors we consider is compliance with our sourcing requirements. Otherwise, we do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

We do not have any purchasing or distribution cooperatives.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Franchise Agreement: §3 Rhino Addendum: N/A §3.03 of Multi-Unit Development Agreement	Items 7, 8, 11, and 12
b. Pre-opening purchases/leases	Franchise Agreement:§4.b Rhino Addendum: § 4 No provision in Multi-Unit Development Agreement	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	Franchise Agreement: §3 and Addendum C Rhino Addendum: N/A §3.03 of Multi-Unit Development Agreement	Items 7, 8, and 11
d. Initial and on-going training	Franchise Agreement:§10 Rhino Addendum: § 7 No provision in Multi-Unit Development Agreement	Items 6, 7, and 11
e. Opening	Franchise Agreement:§3 Rhino Addendum: N/A §2.01, and Development Schedule of Multi-Unit Development Agreement	Item 11
f. Fees	Franchise Agreement:§4 Rhino Addendum: § 6 §5 of Multi-Unit Development Agreement	Items 5, 6, and 7

g. Compliance with standards and policies/ Operating Manual	Franchise Agreement: § 3, 7, 11 and 15 Rhino Addendum: §2.c and 4.d No provision in Multi-Unit Development Agreement	Items 8 and 11
h. Trademarks and proprietary information	Franchise Agreement: §12 and Addendum A Rhino Addendum: § 5 §1.03 & 1.04 of Multi-Unit Development Agreement	Items 11, 13, 14, and 16
i. Restrictions on products/services offered	FranchiseAgreement§8, 9 and Addendum B Rhino Addendum: §5.f No provision in Multi-Unit Development Agreement	Items 8, 11, 12 and 16
j. Warranty and customer service requirements	Franchise Agreement: § 4.l and 4.m Rhino Addendum: § 4.e No provision in Multi-Unit Development Agreement	Item 11
k. Territorial development and sales quotas	Franchise Agreement: Addendum E- Market Addenda Rhino Addendum: § 2.b Development Schedule in Multi-Unit Development Agreement	Item 12
l. On-going product/service purchases	Franchise Agreement: §9 and Addendum B Rhino Addendum: § 4.c No provision in Multi-Unit Development Agreement	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Franchise Agreement: §3 and Addendum C Rhino Addendum: § 4.d No provision in Multi-Unit Development Agreement	Items 8, 11, 16, and 17
n. Insurance	Franchise Agreement:§19 Rhino Addendum: § 4.g No provision in Multi-Unit Development Agreement	Items 7 and 8
o. Advertising	Franchise Agreement: § 4.h Rhino Addendum: § 6.a and 6.b No provision in Multi-Unit Development Agreement	Items 6, 7, 8, and 11
p. Indemnification	Franchise Agreement:§19 Rhino Addendum: § 10 §9 & 10 of Multi-Unit Development Agreement	Item 6
q. Owner's participation, management and staffing	Franchise Agreement: § 3 Rhino Addendum § 11 §6 of Multi-Unit Development Agreement	Items 11 and 15

r. Records/reports	Franchise Agreement: §5 Rhino Addendum: § 6.c No provision in Multi-Unit Development Agreement	Item 11
s. Inspections/audits	Franchise Agreement: § 6 and 11 Rhino Addendum: § 2.d No provision in Multi-Unit Development Agreement	Items 6 and 11
t. Transfer	Franchise Agreement: §4.d,13 & 14 Rhino Addendum: § 8.a §8.01 & 8.02 of Multi-Unit Development Agreement	Item 17
u. Renewal	Franchise Agreement:§4.e Rhino Addendum: § 3.b No provision in Multi-Unit Development Agreement	Item 17
v. Post-termination obligations	Franchise Agreement: § 18 Rhino Addendum: §5.e and 9.b §3.02. 4.01, 4.02, 4.03 of Multi-Unit Development Agreement	Item 17
w. Non-competition covenants	Franchise Agreement:§15 Rhino Addendum: § 5.f §6.02 of Multi-Unit Development Agreement	Items 15 and 17; Exhibit
x. Dispute resolution	Franchise Agreement:§21 Rhino Addendum: N/A §9 of Multi-Unit Development Agreement	Item 17
y. Computer software	Franchise Agreement: § 4.o Addendum F - Software Franchise Agreement Rhino Addendum: N/A No provision in Multi-Unit Development Agreement	Item 11 and Exhibit A, Addendum F
z. Reminder Card Program	Franchise Agreement: § 4.l Rhino Addendum: N/A No provision in Multi-Unit Development Agreement	Item 6

ITEM 10

FINANCING

We may offer to finance all or a portion of the amounts you will pay us for re-sellable equipment and unopened inventory, which may include a portion of the Start-Up Package described in Item 5. The maximum amount we will finance is $150,000. We will require you to sign a promissory note (Exhibit ~~M~~ N) security agreement (Exhibit ~~M~~N), and guaranty (Exhibit ~~M~~ N) as part of the financing. As of the date of this Disclosure Document, we presently charge interest at a rate of 6% compounded annually (not to exceed the highest rate allowed by law) but we reserve the right to change the interest rate to reflect increases in prevailing interest rates.

To secure your obligations under your promissory note, using the security agreement you will grant us a security interest in all of your equipment and fixtures; your inventory and all bills of lading, receipts and other documents of title; your accounts, contract rights, leases, accounts receivable, and cash. If you are a corporation or other business entity, we may require your owners to guarantee all of your obligations to us using the guaranty agreement (Exhibit ~~M~~ N).

The term of financing will typically depend on your needs, and may vary as we may determine on a case by case basis taking into account your individual needs and credit worthiness, among other factors. We are typically willing to offer a term that is equal to the term of your franchise (10 years). We require monthly payments.

An "event of default" under the promissory note is defined as: (a) your failure to pay us fees or expenses when they are due; or (b) an event of default under your Franchise Agreement with us. If you commit an event of default, we are not required under the promissory note to offer you any opportunity to cure that default.

Upon your committing an event of default, we can at our option: (1) accelerate the entire amount of the debt; (2) demand all overdue payments: (3) repossess all of your equipment and unopened inventory; (4) foreclose on our interests in your other property that is secured under the security agreement; (5) charge you a default interest rate of 8% on all unpaid amounts; and (6) terminate your Franchise Agreement and all other agreements you have with us. We can also recover from you our costs of collection, including court costs and attorney's fees.

The entire remaining balance of principal and accrued interest under your security agreement is due on any sale or other transfer of your business. The promissory note provides that you waive presentment, demand, protest, notice of protest, notice of dishonor, any requirement that we proceed against any other person, demand of performance, notice of sale and advertisements of sale, any right of subrogation to us, and any right to the collateral until you satisfy all of your obligations.

You may pay the entire remaining balance of principal and accrued interest under your promissory note at any time with no prepayment penalty.

Presently, it is not our practice or intent to sell, assign, or discount to a third party all or part of the financing arrangement, nor do we receive any consideration for placing financing with third party lenders. We do not guarantee any note, lease or other obligation of yours.

ITEM 11

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

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

Pre-Opening Assistance. Prior to the opening of your Ziebart franchise, we will provide the following initial services:

- Grant you a franchise to operate a Ziebart franchise using the method, tooling, products and trade secrets associated with the services described in Addendum B of the Franchise Agreement, and give you the right to use the Ziebart Trademarks. (Franchise Agreement (Exhibit A), Section 1 and Addendum B)

- Not unreasonably withhold our acceptance of a site for your Ziebart franchise that meets our requirements. We must approve or disapprove your site within a reasonable time after we receive from you notice of the site's location. We describe the site selection process later in this Item. (Franchise Agreement, Section 3)

- Provide you with mandatory and suggested specifications for your location, including requirements for décor, signage, showroom and shop layout. (See Exhibit A, Franchise Agreement, Addendum C)

- If you ask for permission to sell Rhino® Coatings, we will request approval from Rhino to sublicense you that right. Rhino considers the proximity of existing affiliates and whether encroachment upon an existing affiliate will occur if the request to add the service(s) is approved. If encroachment of existing affiliates is an issue, we have the sole discretion of approving the proposed location for the addition of spray-on liner, although the Rhino® brand may not be utilized.

- Provide to you, at no charge, the most current version of our iBART software. (See Item 11, Page 34; Exhibit A, Franchise Agreement, Section 4.p; and the Ziebart Software Franchise Agreement attached to the Franchise Agreement as Addendum F.)

- Make available for your purchase the Start-up Package, which includes business forms, operational manuals, promotional and advertising aids. (See Exhibit A, Franchise Agreement, Section 4.b)

- Assist you in developing the opening advertising and promotional program for your business. (See Franchise Agreement, Section 4.h)

- Before the opening of your Ziebart franchise, you are required to attend our "training program" in Troy, Michigan, or other designated location on the operation of a Ziebart franchise. We describe the training program later in this Item. (See Franchise Agreement, Section 10)

SITE SELECTION

We do not select the location of your Ziebart franchise. We generally do not own the premises or lease it to you. Finding a suitable location that conforms to local ordinances, building codes, zoning codes, and our guidelines is your responsibility. However, we will provide you with our site selection criteria.

You must obtain our approval of the site for your Ziebart franchise. The factors that we consider when we recommend or approve a site include traffic patterns, competition, proximity to other businesses, commercial characteristics, appearance and other physical characteristics of the proposed site.

The Franchise Agreement does not establish a time limit for us to approve or disapprove of a site. If you propose a site, we can usually give our approval or disapproval within thirty (30) days. If you and we disagree about the proposed location, you must locate another acceptable site for your Ziebart franchise and repeat the process. If we cannot agree on a site and your franchised business is not opened within the time specified in the Franchise Agreement, we may terminate the Franchise Agreement. We may (at our discretion) refund part of the initial franchise fee you paid to us if we terminate the Franchise Agreement for that reason. (Franchise Agreement, Section 3)

TIME TO OPEN

The typical length of time between signing the Franchise Agreement and opening your Ziebart franchise is six (6) months. The factors that may affect this length of time include obtaining a satisfactory site, remodeling and decorating the site, time for obtaining building permits, zoning and local ordinances, weather conditions, installation of software and computer systems, training, obtaining marketing materials, materials shortages, hiring as needed, obtaining financing arrangements, and delayed installation of equipment, fixtures and signs. (Franchise Agreement, Section 3)

Post-Opening Obligations: During the operation of your Ziebart franchise, we will:

- Supply and sell to you products for you to sell from your Ziebart franchise. (See Franchise Agreement, Section 9.a)

- Provide to you technical instructions through our Manual, or through other manuals or media of general distribution. We describe the Manual later in this Item. (Franchise Agreement, Section 7)

- Operate the NALF warranty fund.

- At your request, loan you signs bearing the Ziebart Trademarks. You will be responsible for the costs of shipping, but you are not required to pay us for the signs.

The signs will remain our property, and you will be required to send them back to us after your franchise relationship with us ends.

Post-Opening Optional Assistance: During the operation of your Ziebart franchise, we may:

- Perform inspections of your Ziebart franchise to operating standards. (See Franchise Agreement, Section 11.
- Offer training at no charge on a continual basis at our Troy, Michigan facility for your employees. We describe our training programs later in this Item.
- Provide ongoing training and communications via regional and national meetings. You must attend at least one regional or national meeting once every two years.

There is no specified date or period of time for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Ziebart franchise.

ADVERTISING AND PROMOTION

Your Use of Advertising Materials.

All of your advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Your advertising must also follow our Manual. Before you use them, you must send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval from us within fifteen (15) days after we receive the materials from you, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have disapproved.

To insure uniformity, your location(s) will be listed on our website, www.ziebart.com. We will develop a web page for your Ziebart franchise. You may not develop or create your own website for your Ziebart franchise. You are not permitted to use any of the Ziebart Trademarks in any domain name or URL address. You can only use the Ziebart Trademarks as outlined in the Ziebart Brand Standards Guide.

The Marketing Fund

You must pay ~~five~~two percent (~~5~~2%) of your gross sales for The Marketing Fund~~.~~, with a cap of $30,000 per year. The fee is payable on Friday of the week following the week in which the sales of products and services were made, or at other times that we designate in the Manual. The Marketing Fund Fee is a method to commit funds for advertising and promotional purposes. The advertising requirements are uniform to all franchisees. If we do not spend t h e amounts in the fiscal year in which you pay them, they are carried over to the next year to be used with that year's contributions for advertising expenses.

Your contribution to The Marketing Fund will be in addition to all other advertising requirements described in this Item 11. ZIEBART businesses owned by us or our affiliates will contribute on the same basis as our franchisees. The Marketing Fund will be

administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us.

In calendar year ending December 31, ~~2022~~2023, ~~10.5~~24.5 % of The Marketing Fund Fee was used for production materials, and ~~51~~60.6% of production fees were applied to digital advertising in the franchisee's local market. 0% was spent on media placement and ~~38.5~~14.8% was spent on administrative expenses. This information is unaudited.

The remaining funds were carried over to the next year for The Marketing Fund.

Our company-owned stores make The Marketing Fund contributions on the same basis as franchises.

Other Advertising by Us

On an annual basis, we may (but are not required to) dedicate a percentage of our revenue to The Marketing Fund. This advertising may take any form that we choose. Use of the funds and the type of advertising in which they are invested is in our sole discretion, and we are not required to spend any specific amount of money in your market.

Ziebart Franchise Owner Committees

As the business need arises, Ziebart solicits interest and then selects Franchise Owners to be members of various committees throughout the year. The purpose of these committees is to review key business areas of growth with Franchise Owners and solicit their ideas as the company moves various growth initiatives forward. Franchise Owner committees may include Marketing, Sales, Operations, Product Development, and Technology.

These committees serve in advisory capacities only. ZC may form, change, or dissolve the committees at its discretion.

Advertising Council

We do not have an advertising council comprised of franchisees, but we reserve the right to create one.

COMPUTER SYSTEM

You are required to use a Windows® based computer system in conjunction with our proprietary point-of-sale software program, "iBart," (the "iBART Software") to assist you in operating your franchise, and you are required to use it to record all sales in your Ziebart franchise. You are also required to use the Ziebart Resource Center software. Our software will allow you to create, print, and electronically file, invoices and warranties for your Ziebart franchise. The iBart Software will also produce a variety of analytical reports that can assist you in many aspects of operating your Ziebart franchise. The iBart Software is designed to specifically assist you in efficiently operating your Ziebart franchise.

You must have a computer system that is IBM compatible. Your computer system must be capable of connecting to the internet, and you must have an internet connection allowing your computer to continually be on-line. You are required to transmit your sales to us from the iBart Software system. Our current computer system requirements are as follows:

iBART Software Computer Requirements

Minimum System Requirements as of April 2016

	Minimum	Recommended
Processor	Dual Core Processor 2.8ghz or above Intel I 3 or I5 processor, or equivalent AMD processor	Dual Core Processor 3.2ghz or above, Intell7 Equivalent AMD processor
Memory	8GB	12GB+
Hard Drive	500GB Hard or solid state drive	lTB Hard or solid state drive
Floppy drive	Not required	Not required
Auxiliary Drive	CD/DVD	CD/DVD
Backup Ability	External hard drive or cloud- based backups	External hard drive or cloud-based backups
Network Interface	1GBNICforinternet connectivity	1GBNICforinternet connectivity
Monitor	19"colorLED Monitor	22"+color LED Monitor
Operating System	Windows 7, Windows 8, Windows 8.1, Windows 10	Windows 10 and above
USB Connections	USB2.0	USB 2.0 &USB3.0
Laser /Inkjet printers	B&W Laser or Inkjet printer capable or 30+ pages per minute. USB or Network connections	B&W Laser or Inkjet printer capable or 35+ pages per minute USB or Network connections
Point Of Sale Software	iBart software version 1.1.0.613 or above	iBart software version 1.1.0.613 or above
Additional Software	Antivirus and Firewall software, plus Adobe Acrobat PDF Reader software	Antivirus and Firewall software, plus Adobe Acrobat PDF Reader software

	Minimum	Recommended
Internet Access	Broadband internet connection DSL/Cable/Fiber	Broad band internet connection- DSL/Cable/Fiber
Networked PCs	If 5 or more PCs are to be connected to the iBart point of sale software a true network environment with a server must be used instead of file resource sharing.	If 5 or more PCs are to be connected to the iBart point of sale software a true network environment with a server must be used instead of file resource sharing.
Additional Hardware Required	1PBT9500 Datalogic PowerScan handheld wireless scanner is required for each PC that is running the iBart Software	1PBT9500 Datalogic PowerScan handheld wireless scanner is required for each PC that is running the iBart Software

iBART Software also requires the following items to function properly:

1. *PC Hardware requirements*

   a. Because of newer technologies and the state-of-the-art programming practices used in the creation of our point of sale software solution, iBart, we require a minimum of a Dual Core processor to run iBart, on a Windows based computer. Both AMD and Intel make these CPU's, and they are available in affordable desktop PC's from a variety of manufacturers.

b. Computer Requirements

i. Dual core processor 2.8 GHz or above Intel or AMD (A Quad core processor is even better.) Any Intel® Core™ i3, i5, i7 processor will function correctly with iBart. The Intel i3 has 2 cores (with 4 threads), the i5 has 4 cores (with 4 threads), and the i7 has 4 cores (with 8 threads). The i3 is on the lower end and the i7 is on the higher end. The speeds available are 2.2 GHz to 4.2 GHz. The faster, the better. The equivalent CPU from AMD in speed and processor cores is acceptable.

ii. 8GB RAM memory (or more)
iii. 5OOGB hard drive (or more)
iv. Windows 7, 8.1, or 10
v. Internet connection (DSL,Fiber, or Cable)
vi. Network Interface Card (1 Ghz)
vii. Anti-Virus and Firewall protection
viii. USB II and Ill ports
ix. Adobe Acrobat pdf Reader
x. A 30 page per minute (or more) inkjet or laser printer (color or black and white)
xi. A graphics card with at least 1360 x 1024 resolution capabilities
xii. A 19" or larger LED monitor.
xiii. Scanners
a. A PBT95OO PowerScan Datalogic handheld wireless scanner and base is required for Vin# scanning.

2. *Printer* The printing of invoices, warranties, quotations, work orders, and reports with iBart requires a laser printer (30+ pages per minute), as stated above.

3. A Windows® Registry Maintenance program, such as Glary Utilities or Norton System Works®, is required to occasionally assist windows in cleaning up after itself.

We estimate that the components of your computer system, which you may purchase or finance from us or an approved supplier, will cost approximately $2,200 - $2,500.

We provide the iBART Software and Ziebart Resource Center software at no charge to you. We also provide updates to the iBART Software free of charge. These updates are usually automatically delivered and installed. You are required to sign an iBART Software Franchise Agreement as an attachment to the Franchise Agreement. (See Exhibit A, Addendum F)

We reserve the right to require you to upgrade or update your computer system at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs.

We will not be obligated to provide ongoing maintenance, repairs, upgrades or updates for your computer system, except that we will provide updates to the iBART Software free of charge. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for your computer system, but we reserve the right to do so in the future. The annual cost of

maintenance, updating, upgrading, or support contracts will be dictated by the computer system supplier.

We will have independent access to all the information generated and stored in the iBART Point of Sale Software System.

MANUAL

We will loan you one copy of the *Strategic Business Development Plan* ("the Manual") after you sign the Franchise Agreement. You must comply with all policies and procedures in the Manual. We may modify the Manual at any time. The total number of pages is 840. The number of pages devoted to each topic is reflected in the Table of Contents. We will notify you if there are any changes made to the policies or procedures so that you can comply. You must update your copy of the Manual, as instructed by us. The Table of Contents to the Manual is below.

MANUAL TABLE OF CONTENTS

Topic	**Number of Pages**
Controls for Manual	5
Introduction to Ziebart	49
Analyzing Your Market	51
Site/Store Development	101
Marketing	209
Human Resources	186
Selling System	142
Accounting	87
Forecasting and Evaluating	10

TRAINING

We will provide training to you (and/or your managing owner) on the System, System guidelines, and operational and brand standards. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of your Ziebart franchise.

New Franchisees

You must successfully complete our Sales, Management and Technical Summary training programs before starting operations at your Ziebart franchise. You, or an alternate technician, must be certified in Rust Protection, Sound Deadener, Detailing/Appearance Protection, Ziebart® Films, Accessories, Wraps & Graphics, and Electronics before offering those services for sale in your franchised business. You must also be certified in the installation of spray-on liner if these services are offered for sale in your franchised business. During all normal business hours, there must be a Ziebart® Certified and Trained Technician in your store.

The initial training for all services is approximately six weeks in duration, consisting of both classroom instruction conducted at our headquarters in Troy, Michigan, and on- the- job training. Initial or ongoing training programs held at the Troy Office are available to you and your employees free of charge. Costs of travel and living expenses during the training are your responsibility. Cancellations must be received within seven (7) days before the start of each training course, or are subject to a $100.00 cancellation fee.

Our specific schedule for our training program is contained in the following table:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURSOFON-THE-JOB TRAINING	LOCATION
Sales	24	32	Troy, Michigan
Management	24	32	
Technical Summary	8		
Rust Protection / Sound Deadener	4	18	
Detailing/Appearance Protection	4	18	
Ziebart® Films	4	24	
Wraps & Graphics	16	24	
Accessories	4	16	
Electronics	6	28	
Spray-On Liner	6	12	
Windshield Chip Repair	4	24	
Totals	**104**	**228**	

Training Classes for the above subjects are held as often as needed, and are conducted at our headquarters in Troy, Michigan. Technical training in the application of Ziebart® products and services is provided by Jason Theisen, who has been employed

by ZInt since 2003. Mr. Theisen has extensive experience in conducting technical training classes for all of our products and services. We may also, in our discretion, use certain other members of our, or ZInt's, technical team to conduct all or portions of the training.

Renewing Franchisees

If you are an existing franchisee renewing your franchise, the training for you will be as follows:

- You must attend any or all of the technical training programs listed in the training table above for products/services offered at your Ziebart franchise in which you or an employee does not presently hold certification. If you or one of your employees is familiar with procedures and can pass the field certification test, our certification training course will not be required.

- You must attend the classroom portion of sales training and management training if you have not had either of those courses within the prior three years or are unable to pass our sales and management certification test.

If you request field training to be held in your area it will cost $750 per day.

Ongoing Training and Related Programs

Field training for most services is also available. The cost of field training is $750 per day. Training for one service can generally be completed within a week. If the training involves more than one service, the training may take more than a week. Cancellations must be received within seven (7) days before the start of each training course or are subject to a $100.00 cancellation fee. If you have scheduled training to occur at your location, you will be required to reimburse our trainer for his or her airfare to travel to your location. If you cancel the training and our trainer has booked non-refundable airfare to travel to your location, we will require you to reimburse us for the cost of that non-refundable airfare.

We may also offer additional training to you on an on-going basis through national, regional and local seminars, group meetings and workshops. You must attend our annual seminar at least once every two years, regardless of whether it is held regionally or nationally. There is no cost to attend the conference, however, you must pay for your travel and living expenses.

ITEM 12

TERRITORY

You will not receive an exclusive territory for your Ziebart franchise. You may face competition from other franchisees, from stores that we own, or from other channels of distribution or competitive brands that we control.

Your franchise is only granted for a specific location, which will be designated in the Franchise Agreement. We must approve your location and you cannot change your location without our approval. The factors that we consider for changing locations are the same factors we consider for your initial location. You must go through the same approval process as a new franchisee in order to open another location.

We must approve your site before you relocate your Ziebart franchise. We will not charge you a relocation fee.

We have established a Market Development Policy (see Exhibit A, Addendum E, Market Development). This policy provides our new franchisees with a protected area of a three (3) mile radius from the store for a period of three (3) years from the date of signing the Franchise Agreement. Continuation of your territorial exclusivity during that period of time does not depend on your achieving a certain sales volume, market penetration, or other contingency.

We reserve all rights not specifically granted to you in the Franchise Agreement. This includes (but is not limited to) the right to:

(1) use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your protected area using the Ziebart Trademarks.

(2) use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within your protected area of products or services under trademarks different from the Ziebart Trademarks.

We may conduct any of the above activities directly, or through other franchisees. Neither we nor any other franchisee needs to pay you for soliciting or accepting orders from inside your protected area.

You are not granted any exclusivity to conduct any marketing activities, or to claim certain customers. You can market and sell products and services to customers outside your market using other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, if your services are provided from your franchise location.

We and other franchisees reserve the right to market and sell products and services to customers located in your territory using alternative distribution, including the Internet, catalog sales, telemarketing, or other direct marketing sales, under ZC's principal trademarks or different trademarks, if those services are not provided from a location within your territory. ~~Franchisor~~ ZC does not have to pay any compensation for soliciting or accepting orders inside the franchisee's territory.

Right of First Refusal

You will have a limited right of first consideration when we want to open a store in a market that we decide has not been sufficiently penetrated. A market is considered sufficiently penetrated if the ZIEBART businesses in the market meet or exceed the

actual average store sales of the entire network of franchisees in the United States that are subject to paying royalty fees to us. When we decide a market has not been sufficiently penetrated, the following procedure will apply:

1. If you are the existing franchisee that is physically closest to the expected location of the new ZIEBART business, you are in good standing, and meet all of the qualifications for a new franchisee, we will offer to you the right of first consideration to open an additional store. If you tell us you are interested in the opportunity, we will send you our then-current franchise disclosure document.
2. To exercise the right of first consideration, you must submit a written application, pay the appropriate franchise fee and sign a Franchise Agreement within fifteen (15) days of your receiving our offer. The deadline to open a franchise is approximately 6 months from the date the Franchise Agreement is signed.

Other Franchise Systems

Since December 1997, we have occasionally offered franchises under the name ZIEBART-ARTECH in markets where the ARTECH name is well-established. We only offer franchises under the ARTECH name for renewals or transfers of existing franchises operating under the ARTECH name.

If we or our affiliates purchase, merge, acquire, are acquired by or affiliate with an existing competitive franchise network, chain or any other business, then we or our affiliates will have the right to operate, franchise or license those businesses and/or facilities under the Ziebart Trademarks.

Multi-Unit Development Agreement

The Multi-Unit Development Agreement grants you the right, subject to the terms of the Multi-Unit Development Agreement, and our Reserved Rights, as set forth below, to develop a number of Franchises in a certain area that we agree upon. Sizes and boundaries for Development Areas will vary widely depending on factors like economic conditions in the market you are developing, demographics, and site availability. The protected nature of territory for the Multi-Unit Development Agreement expires upon the opening deadline for the last scheduled Franchise, or a default in the opening schedule (see Exhibit C), whichever happens first.

After the termination or expiration of your development rights, regardless of the reason, we and our affiliates may establish and open, and franchise others to operate Franchises, in the Development Area, subject only to your rights under franchise agreements with us then in effect.

Reserved Rights

We reserve all rights not specifically granted to you in the Development Agreement. This includes (but is not limited to) the right to:

(1) use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your protected area using the Ziebart Trademarks.

(2) use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within your protected area of products or services under trademarks different from the Ziebart Trademarks.

We may conduct any of the above activities directly, or through other franchisees. Neither we nor any other franchisee needs to pay you for soliciting or accepting orders from inside your protected Area.

You are not granted any exclusivity to conduct any marketing activities, or to claim certain customers. You can market and sell products and services to customers outside your area using other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, if your services are provided from your Area.

We and other franchisees reserve the right to market and sell products and services to customers located in your Area using alternative distribution, including the Internet, catalog sales, telemarketing, or other direct marketing sales, under ZC's principal trademarks or different trademarks, if those services are not provided from a location within your Area. ZC does not have to pay any compensation for soliciting or accepting orders inside the franchisee's Area.

ITEM 13

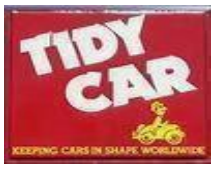
TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use the Ziebart Trademarks in connection with the operation of your Ziebart franchise. All of the Ziebart Trademarks listed below have been registered by ZInt on the Principal Register of the United States Patent and Trademark Office. All required affidavits have been filed. All marks that are due for renewal either have been renewed or are being renewed. Registration numbers and dates are as follows:

Trademark	Registration Number	Registration Date
ZIEBART® 	1,125,370	Sept. 25, 1979*
ZIEBARTHELMET & SHIELD DEVICE® 	872,779	July 8, 1969
ITS US. OR RUST® 	997,168	Oct. 29, 1974
ZEEGARD® 	1,115,089	Mar. 20, 1979
ZEE-GLAZE® 	1,126,967	Nov. 27, 1979
ZIEBART SHIELD DESIGN® 	1,125,283	Sept. 25, 1979

FORMULA Z® 	1,197,581	June 15, 1982
ZIEBART HELMET & SHIELD DESIGN® 	1,225,374	Jan. 25, 1983
PRESERV-A-SHINE® 	1,233,155	April 5, 1983
HELMET & SHIELD DESIGN (Lined for Color) ® 	1,235,567	April 26, 1983
HELMET & SHIELD DEVICE® 	1,304,504	Nov. 13, 1984
ZIEBART GOLD SHIELD PREFERRED CUSTOMER & DESIGN® 	1,497,072	July 19, 1988
ZIEBART HELMET & SHIELD DESIGN® 	1,586,399	Mar. 13, 1990

PROTECT-A-SHINE® 	1,663,650	Nov. 5, 1991
RENU-A-SHINE® 	1,669,746	Dec. 24, 1991
GOLD CARE® 	1,718,752	September 22, 1992
ZIEBART TIDYCAR & DESIGN® Ziebart TidyCar	1,799,658	Oct. 19, 1993
ARTECH® Artech	1,915, 448	Aug. 29, 1995
INNER-GUARD® 	1,940,066	Dec. 5, 1995

INNER-CLEAN® 	1,982,135	June 25, 1996
TIDY CAR® 	1,234,187	April 12, 1983
TIDY CAR DESIGN® 	1,191,005	March 2, 1982
Z-LINER® Z-Liner® 	2,248,258	May 25, 1999
Z-SHIELD® 	2,327,348	Mar. 7, 2000
DIAMOND GLOSS® 	2,544,054	Mar. 5, 2002
ZIEBART THAT'S SMART® 	3,185,265	Dec. 19, 2006

GERM DEFENDER® 	4,424,598	Jan. 20, 2015
FORMULA Q® FORMULA Q	4,675,495	Oct. 29, 2013
Z-GLASS® 	4,667,515	Jan. 6, 2015
Z-GARD® 	4,607,267	Sept. 16, 2014
ZIEBART GOLD SHIELD PROTECTION PROGRAMS® Ziebart GOLD SHIELD PROTECTION PROGRAMS	4,869,974	December 15, 2015
CERAMIC Z-GLOSS® 	5,175,380	April 4, 2017

Z-GLOSS® 	5 585,968	October 16, 2018
Z-CLEAR® **Z-Clear® Paint Restorer** 	5,944,781	December 24, 2019
LONG LIVE NEW® 	6,086,612	June 23, 2020
Z-SCREEN® **Z-SCREEN**	6,584,915	December 7, 2021
YOUR VEHICLE'S BEST DEFENSE® 	6,911,496	November 29, 2022

*This is the current registration, however ZIEBART was initially registered on February 6, 1968

We and ZInt have signed a Master Franchise Agreement (the "MFA") under which ZInt has licensed us to use and sublicense the use of the Marks and the System within the United States. The MFA is for a term of 10 years commencing on January 1, 2021, and we will have the right to obtain a new 10-year license upon the expiration of the MFA if we continue to meet ZInt's standards and we provide ZInt with written notice not less than 2 years, nor more than 3 years, prior to the MFA's expiration. The MFA can be terminated if we default under its terms, if we become insolvent, or if we file for bankruptcy protection. We will have 60 days from our receiving notice of termination to cure any default. In the event the MFA is terminated, upon ZInt's request we will assign to ZInt our outstanding Franchise Agreements, including your Franchise Agreement.

Your execution of the Rhino Addendum (Addendum H to the Franchise Agreement) will authorize you to use the trademarks listed below, all of which are owned by Rhino (the "Rhino Marks"). The registrations are on the Principal Register of the United States Patent and Trademark Office, and all required affidavits have been filed. Registration numbers and dates are as follows:

Trademark	Registration Number	Registration Date
RHINO LININGS(stylized)	1,910,469	Aug. 8, 1995
RHINO LININGS(word)	2,682,202	Feb. 4, 2003
TUFFSTUFF(word)	2,187,019	Sept. 8, 1998
BLACKRHINO (design)	2,288,606	Oct. 26, 1999
NOTHING BEATSAREAL RHINO (word)	2,408,522	Nov. 28, 2000
RHINO SHINE(design)	2,456,926	June5, 2001
RHINOLININGS&DESIGN	2,752,078	Aug. 19, 2003
HARDLINE (word)	3519241	Oct. 21, 2008
SOLARMAX (word)	3519242	Oct. 21, 2008
TUFFGRIP (word)	3629380	June2, 2009
RHINO(Word)	3812260	June 29, 2010
RHINO &DEVICE(design)	4016670	August23, 2011
RHINO ECO-Coat(standard character/word)	3996193	July 19, 2011
RHINO LININGS & DESIGN	4550651	June 17, 2014

Your use of the Rhino Marks is subject to a development agreement ("Development Agreement") dated June 15, 2009 between Rhino and ZInt that granted us a limited exclusive right to sublicense to ZIEBART businesses the right to sell and apply automotive applications of Rhino® Coatings. We may only sublicense to Ziebart franchises the Rhino Marks and the right to apply Rhino® Coatings in market areas approved by Rhino. The term of the Development Agreement is five years. The agreement automatically renews for an additional five years unless either party elects not to renew. Either we or Rhino may terminate the Development Agreement for material defaults that are not cured within any applicable cure period, if one of the parties ceases to do business or seeks protection under any bankruptcy law, or seeks the appointment of a receiver to take charge of its business. On expiration or termination of the Development Agreement, our right to license additional ZIEBART businesses to use the Rhino Marks and sell Rhino® Coatings will cease, and our right to renew any then existing sublicenses with our franchisees will cease. If you have entered into the Rhino Addendum with us and the Development Agreement has been terminated, you will be permitted to continue offering Rhino® Coatings and using the Rhino Marks until your Franchise Agreement is terminated.

There are no agreements currently in effect which significantly limit our right to use or license the use of the above-mentioned trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to the franchise.

There are presently no effective determinations by the United States Patent and Trademark Office, the Trademark Trial And Appeal Board, the Trademark Administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving the Ziebart Trademarks or the Rhino Marks. We are unaware of any infringing uses that could materially affect your use of the Ziebart Trademarks or Rhino Marks in the state where your Ziebart franchise is to be located. However, in the event that you are required to modify or discontinue the use of any of the Ziebart Trademarks or Rhino Marks as a result of a proceeding or settlement, it will be at your expense.

You must immediately inform us of any unauthorized use of the Ziebart Trademarks or Rhino Marks or a variation or them, or any claim or litigation against us involving the Ziebart Trademarks or Rhino Marks. We (or Rhino, as applicable) may, at our or their discretion, take any affirmative action necessary to protect the Ziebart Trademarks or Rhino Marks. We (or Rhino, as applicable) have the right to control any action involving the Ziebart Trademarks or Rhino Marks, and you must cooperate fully with us (or Rhino, as applicable) in any such actions. We are not obligated by the Franchise Agreement or otherwise to protect any or all rights which you have to use the above-mentioned trademarks, or to protect you against claims of infringement or unfair competition with respect to the same.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Ziebart Trademarks or Rhino Marks or unfair competition resulting from that use.

You must use the Ziebart Trademarks or Rhino Marks only for the operation of your Ziebart franchise and in the manner authorized by us. You cannot use the names or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Ziebart Trademarks or Rhino Marks in connection with the sale of unauthorized goods or services, or in a manner not authorized in writing by us. You cannot use any of our trade names or trademarks as part of a corporate name or as a domain name with modifying words, designs or symbols except for those which we license to you.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not have any pending patent applications that are material to the franchise.

We claim copyright protection of the Manual and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

ZInt owns copyrights on the iBART Software with the United States Copyright Office, which was filed on December 27, 1991 under registration number TX 3 228 The iBART Software copyright endures for a term of 95 years from the year of its first publication. Its first publication was in 1991. We can and intend to arrange for renewal of all copyrights.

There currently are no effective determinations of the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

Under the MFA with ZInt, we have been licensed to use and sublicense the use of the intellectual property belonging to ZInt within the United States. The MFA is for a term of 10 years commencing on January 1, 2021, and we will have the right to obtain a new 10-year license upon the expiration of the MFA if we continue to meet ZInt's standards and we provide ZInt with written notice not less than 2 years, nor more than 3 years, prior to the MFA's expiration. The MFA can be terminated if we default under its terms, if we become insolvent, or if we file for bankruptcy protection. We will have 60 days from our receiving notice of termination to cure any default. In the event the MFA is terminated, upon ZInt's request we will assign to ZInt our outstanding Franchise Agreements, including your Franchise Agreement.

We are not obligated by the Franchise Agreement or otherwise to protect any or all rights which you have to use the above-mentioned copyrights, or any patents, or to protect you against claims of infringement or unfair competition with respect to them.

We do not know of any infringing uses that could materially affect your use of our patents and copyrights.

We do not have any ownership or rights to any patents or copyrights material to Rhino. You are licensed to use the patents and copyrights under the terms and conditions of the Rhino Addendum.

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the "Confidential Information"). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Manual and in guidance furnished to you during the term of the Franchise Agreement.

The Manual will at all times remain our property exclusively. We may revise the Manual, and you must comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.

Improvements

If you or your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes ("Improvements") in the operation of your Ziebart franchise, you will grant-back exclusive rights in these Improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us.

We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Ziebart franchise, Manual and the System for use by all franchisees, us or any affiliate. If we seek patent protection or copyright registration for any Improvements, we will do so at our own expense. You must obtain our express written consent before making any modification or derivative work.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not required to personally manage your Ziebart franchise. If you are a legal entity, one individual owner must pass our Sales and Management training, but that individual does not need to spend his or her full time in the Ziebart franchise. During all normal business hours, you must have a Ziebart® Trained and Certified Technician in your Ziebart franchise, but that person is not required to own any equity interest in your legal entity.

If you are a legal entity, then all your owners, members, or partners and any other individual that owns an interest in you or in the Franchise Agreement must sign a personal guarantee (Exhibit B to this disclosure document) assuming and agreeing to be personally responsible for all of the obligations of the Franchise Agreement.

You must take all necessary precautions to ensure that the persons listed in the Franchise Agreement as owners of an equity interest, and any representatives and beneficial owners of the Franchise Agreement, sign the personal guarantee, and you must forward a copy of these signed agreements to us. You also must ensure that any of your employees that have access to our trade secrets and confidential information each sign the Non-Disclosure Agreement (Exhibit ~~I~~K), and you must forward a copy of these signed agreements to us.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only services and products that have been approved and specified by us in the Manual and any updates that are incorporated in the Manual from time to time, as well as those products and services identified in Addendum B to the Franchise Agreement, which we may amend from time to time. You may not offer for sale any services or products not specifically approved by us in writing and you may not use your Ziebart franchise premises for any other purpose than the operation of a Ziebart franchise and the sale of services or products approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Manual or in Addendum B (as amended from time to time). There are no limits on our ability to make changes to the services or products we require you to sell.

You may not sell products or services from or at any location other than the location of your Ziebart franchise. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales unless we approve you to do so in writing. You may not establish an account or participate in any social networking sites or mention or discuss the franchise, us or any of our affiliates, without our prior written consent and subject to our on-line policy.

You may request or we may offer certain products or services on a test market basis. We must grant written approval before you can offer test market products or services.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the Franchise Term	Franchise Agreement: § 2 Rhino Addendum: § 3 §2.01 of Multi-Unit Development Agreement	Franchise Agreement - 10 years; Rhino Addendum—minimum of 60 months and maximum of the remainder of the term of the Franchise Agreement.
b. Renewal or Extension of the Term	Franchise Agreement: § 2 and 4.E Rhino Addendum: § 3.B §4.01 of Multi-Unit Development Agreement	Must meet conditions prescribed in our then-current Manual.
c. Requirements for Franchisee to Renew or Extend	Franchise Agreement: § 2 and 4.E Rhino Addendum: §3.B §4.01 of Multi-Unit Development Agreement	You will have the option to continue to operate your Ziebart franchise after the term of the Agreement. You must execute a new Franchise Agreement, pay successor license fee, meet conditions prescribed in our then-current Manual, and sign a general release. If you seek to acquire a successor franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements.
d. Termination by Franchisee	Franchise Agreement: § 16.B and 16.C Rhino Addendum: §9.A §7.01 & 7.02 of Multi-Unit Development Agreement	You may terminate if we breach the agreement, or a provision is declared illegal or unenforceable, subject to State law.

e. Termination by Franchisor Without Cause	Franchise Agreement: § 16.C Rhino Addendum: § 9.A §7.01 & 7.02 of Multi-Unit Development Agreement	In the event a material provision is not enforceable or is illegal by any statute. If we terminate for this reason, we will prepare and offer you a new version of our then- current standard Franchise Agreement.
f. Termination by Franchisor with Cause	Franchise Agreement §16.A and 16.C Rhino Addendum §9.A §2.02, 7.01, & 7.02 of Multi-Unit Development Agreement	We can terminate the agreement and/or addendum if you violate any of the listed provisions.
g: "Cause" Defined – Curable Defaults	Franchise Agreement: §17.B Rhino Addendum: None §7.02 of Multi-Unit Development Agreement	You have thirty (30) days to cure a material breach or listed default.
h. "Cause" Defined – Non-Curable Defaults	Franchise Agreement: §17.B Rhino Addendum: None §7.01 of Multi-Unit Development Agreement	Non-curable defaults include: conviction of a felony, repeated defaults even if cured, abandonment, trademark misuse and unapproved transfers.
i. Franchisee's Obligations on Termination/Non-renewal	Franchise Agreement: §15 and 18 Rhino Addendum: § 9.B §7.01 & 7.02 of Multi-Unit Development Agreement	Complete de-identification and Return of all trademarked materials and tooling, turn telephone number over to us, and payment of all Monies owed to us. Also refer to "r" below.
j. Assignment of Contract by Franchisor	Franchise Agreement §13; Rhino Addendum: None §8.02 of Multi-Unit Development Agreement	No restrictions on our right to Assign.
k. "Transfer" by Franchisee – Defined	Franchise Agreement: §14 Rhino Addendum: § 8.A Section 8.01 of Multi-Unit Development Agreement	Includes transfer of assets or Change of ownership over 50%.
L .Franchisor Approval of Transfer by Franchisee	Franchise Agreement: §14 Rhino Addendum:	We have the right to approve all transfers, but will not unreasonably withhold approval.

	None §8.01 of Multi-Unit Development Agreement	
m. Conditions for Franchisor Approval of Transfer	Franchise Agreement §14 Rhino Addendum: None §8.01 of Multi-Unit Development Agreement	Transferee qualifies, transfer fee is paid, purchase agreement approved, training completed, release signed by current franchisee, agreement signed by new franchisee. Also refer to "r" below.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Franchise Agreement Rhino Addendum: None No provision in Multi-Unit Development Agreement	We have five (5) days from receipt of your written notice that you intend to sell to a third party to inform you that we want to purchase your Ziebart franchise business.
o. Franchisor's Option to Purchase Franchisee's Business	Franchise Agreement §14 Rhino Addendum: None No provision of Multi-Unit Development Agreement	We have the right to match any offer made to you from an outside source and to purchase your Ziebart franchise.
p. Death or Disability of Franchisee	Franchise Agreement §20 Rhino Addendum: None No provision of Multi-Unit Development Agreement	Successor must meet new-franchisee qualifications, notify us within 60 days of intentions, file a business plan within 180 days, and pay applicable transfer fee.
q. Non-Competition Covenants During the Term of the Franchise	Franchise Agreement: § 3, 8 and 15 Rhino Addendum: §5.F §6.02 of Multi-Unit Development Agreement	You cannot be involved in a conflicting enterprise or sell competitor's products, subject to State law.

r. Non-Competition Covenants After the Franchise is Terminated or Expires	Franchise Agreement: §15 Rhino Addendum: None No provision of Multi-Unit Development Agreement	No competing business within a fifteen (15) mile radius from the former ZIEBART location for two (2) years, subject to State law.
s. Modification of the Agreement	Franchise Agreement §23 Rhino Addendum: None §11.02 of Multi-Unit Development Agreement	The Franchise Agreement cannot be modified unless it is in writing and signed by both parties.
t. Integration/Merger Clause	Franchise Agreement: 23 Rhino Addendum: None No provision of Multi-Unit Development Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by Arbitration or Mediation	Franchise Agreement: None Rhino Addendum: None §9 of Multi-Unit Development Agreement	Not Applicable
v. Choice of Forum	Franchise Agreement: §21 Rhino Addendum: None §9 of Multi-Unit Development Agreement	Subject to state law, any litigation must be pursued in courts located in Michigan. See any state-specific addendum attached to the Franchise Agreement.

w. Choice of Law	Franchise Agreement: §21 Rhino Addendum: None §9 of Multi-Unit Development Agreement	Federal trademark law, and other federal laws, govern where applicable. Otherwise, Michigan law applies, except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchises.

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.

STORES

MN51 MINNEAPOLIS MARKET
For 12 Months Ending 12/31/2022

Sales	
Rustproofing	$98,976
Maintenance	26,041
Clean/Coatings	146,364
Diamond Gloss	10,430
Z-Gloss	22,891
Accessories/Other	3,642
Spray On Liner	0
Electronics	107,421
Window Tint	370,256
Z-Shield	2,604
Vinyl Graphics	420
Glass	133,308
Reminder Cards	6,427
Environmental	21,453
Discounts & Allowances	(693)
Total Income	949,541
Total Cost of Sales	508,821
Profit Contribution	440,720
Total Operating Expenses	239,936
Operating Income Before Manager Compensation	200,784

2 Company Owned Store or 18% surpassed these operating results

OH61 CLEVELAND MARKET

For 12 Months Ending 12/31/ 2022

Sales	
Rustproofing	$333,502
Maintenance	110,921
Clean/Coatings	81,485
Diamond Gloss	78,760
Z-Gloss	61,990
Accessories/Other	45,849
Spray On Liner	127,634
Electronics	39,383
Window Tint	128,149
Z-Shield	65,042
VinylGraphics	0
Glass	25,665
Reminder Cards	4,013
Environmental	13,055
Discounts&Allowances	(245)
Total Income	1,114,573
Total Cost of Sales	603,925
Profit Contribution	510,648
Total Operating Expenses	317,795
Operating Income Before Manager Compensation	192,853

3 Company Owned Stores or 27% surpassed these operating results

PA95 PITTSBURGH MARKET

For 12 Months Ending 12/31/2022

Sales	
Rustproofing Maintenance	$316,209
Clean/Coatings Diamond	109,891
Gloss Z-Gloss	102,748
Accessories/Other	138,269
Spray-On Liner	66,276
Electronics	56,651
Window Tint	163,935
Z-Shield	30
Reminder Cards	46,389
Environmental	50
Discounts & Allowances	5,963
Total Income	24,002
	0
Total Cost of Sales	1,030,414
Profit Contribution	486,899
Total Operating Expenses	543,515
Operating Income Before Manager Compensation	355,473
	188,041

4 Company Owned Stores or 36% surpassed these operating results

MI83 DETROIT MARKET

For 12 Months Ending 12/31/2022

Sales

Rustproofing	$431,810
Maintenance	151,569
Clean/Coatings	125,233
DiamondGloss	103,704
Z-Gloss	78,467
Accessories	46,047
Spray On Liner	150,903
Electronics	50
Window Tint	81,251
Z-Shield	27,239
VinylGraphics	0
Glass	0
Reminder Cards	5,845
Environmental	33,714
Discounts&Allowances	(128)
Total Income	1,235,703
Cost of Sales	431,988
ProfitContribution	803,716
Total Operating Expenses	311,986
Operating Income Before Manager Compensation	491,730

0 Company Owned Store or 0% surpassed these operating results

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

This is actual sales revenue and earnings for these stores. However, these accounts are unaudited. Your individual results may differ. There is no assurance that you'll match these sales revenue or earnings. If you rely on these figures, you must accept the risk of not matching these sales revenue or earnings. This is a historic financial performance representation from January 1, 2022 thru December 31, 2022, based on 4 of ZC's existing Company Owned Stores.

There were 97 ZC Outlets that existed during this time period, 11 of which were ZC Company Owned Stores. This information is unaudited. The financial performance of any particular Store may be affected by a number of factors that may vary due to the individual characteristics of the Store. These factors include, but are not limited to: sales by channel of trade, product and service offering, competition from other businesses, geographic and socioeconomic conditions in your locality, your experience, the quality and effectiveness of your managerial skills, adherence to the operation system, advertising programs, personnel and cost controls, business cycles, and the performance of the local, national, and world economy.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Daniel C. Baker, 1290 E. Maple Road, Troy, MI 48083 248-588-4100 or Michael W. Riley, 1290 E. Maple Road, Troy, MI 48083 248-588-4100, the Federal Trade Commission, and the appropriate state regulatory agencies.

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 stores 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 store 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 store or under particular circumstances.

A. Gross Sales and Key Performance Indicators

Part A of this financial performance representation includes historical average and historical median gross sales and certain key performance indicators for 80 Ziebart stores that operated from January 1, 2023 through December 31, 2023 (the “2023 Fiscal Year”) and that met the following criteria: (i) the Ziebart store had operated for at least 2 full years as of the end of 2023 Fiscal Year; (ii) the Ziebart store operated as a full production (as opposed to limited) store; and (iii) the Ziebart store also reported gross sales data to us for the full 2023 Fiscal Year. As of the end ofthe 2023 Fiscal Year, there were sales data to us for the full 2023 Fiscal Year. As of the end of the 2023 Fiscal Year, there were a total of 96 Ziebart stores in operation. However, we excluded the performance of: (a) 4 Ziebart stores because they had not been open and operating for at least 2 full years as of the end of the 2023 Fiscal Year; and (b) 12 Ziebart stores that operated as limited service or product sales only stores and therefore do not use the prototypical business format and operating procedures for a Ziebart store that form the basis of the franchise opportunity that we offer in this disclosure document. "Gross sales" includes the actual selling price of the products or services, whether for cash, credit, or exchange of services for value, from the franchised stores or any other store that bears the licensed trademarks or trade names, or which uses our trade secrets or know-how.

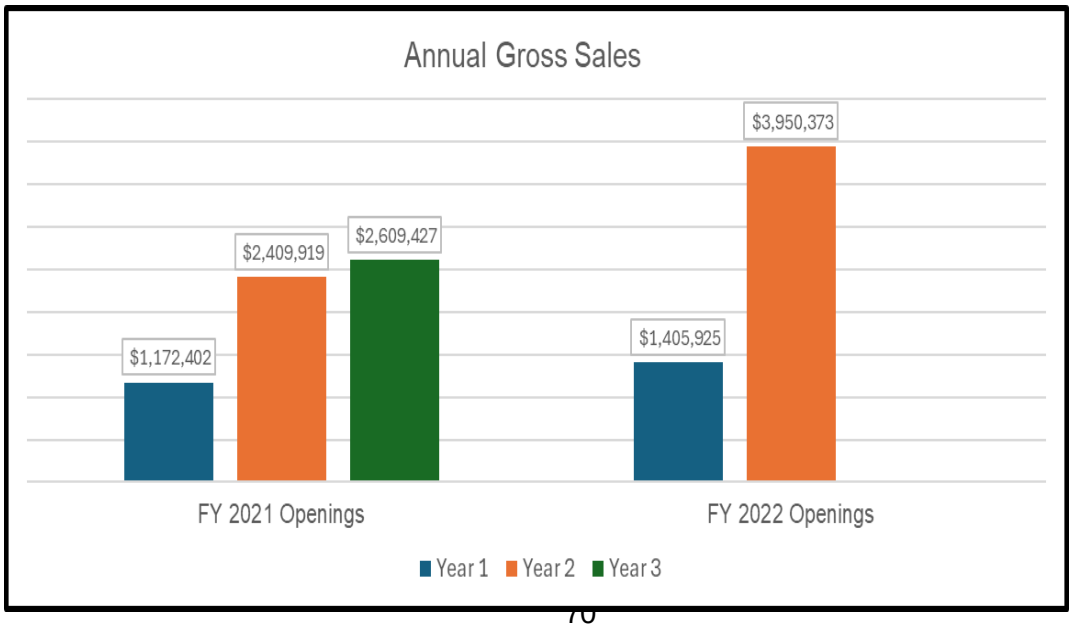
We separated the 80 Ziebart stores into the top performing 50% and bottom performing 50% based on average gross sales, with top performing 50% reflecting the results of those Ziebart stores with the highest average gross sales for the 2023 Fiscal Year, and the bottom performing 50% reflecting the results of those Ziebart stores with the lowest average gross sales for the 2023 Fiscal Year. The Ziebart stores in this financial performance representation operate throughout the United States in both urban and suburban areas and have operated for an average of 26 years.

	Top 50%	**Bottom 50%**	**Median for all Ziebart Stores**	**Average for all Ziebart Stores**	**#/% Met/Exceeded Average**
# of Ziebart Stores	40	40	80	80	
Average Gross Sales	**$2,060,808**	**$584,153**	**$969,101**	**$1,322,481**	**27 / 34%**

	Top 50%	Bottom 50%
Lowest Gross Sales	$978,090	$228,257
Highest Gross Sales	$4,117,716	$960,114
Median Gross Sales	$1,844,188	$561,480
# Met/Exceeded Average	17	20
% Met/Exceeded Average	43%	50%

There were 4 Ziebart Stores that were open for more than 1 full year and less than 2 full years at the end of the 2023 Fiscal Year. These Ziebart Stores had average gross sales of $987,593, median gross sales of $808,121, lowest gross sales of $597,697, and highest gross sales of $1,736,434 for the 2023 Fiscal Year. Of these 4 Ziebart Stores, 1 (or 25%) met or exceeded the average gross sales.

B. New Ziebart Store Gross Sales Ramp Part B of this financial performance representation reflects the historical average and historical median gross sales ramps for 6 Ziebart stores operated by franchisees that developed and opened their Ziebart Stores during the 3-year period from January 1, 2021 through December 31, 2023. There were 7 total new Ziebart Stores that opened during this period. 1 Ziebart Store was excluded from this financial performance gross sales ramp because they had not been open and operating for at least 1 full year. We separated the gross sales ramp results of 6 Ziebart stores in Part B of this financial performance representation by the fiscal year in which they opened for business as a Ziebart store within the Ziebart franchise network. In the charts below: (a) "FY 2021 Openings" include the gross sales ramp for the first 3 years of operation for those Ziebart stores that opened between January 1, 2021 through December 31, 2021 (the "2021 Fiscal Year"); and (b) "FY 2022 Openings" include the gross sales ramp for the first 2 years of operation for those Ziebart stores that opened between January 1, 2022 through December 31, 2022 (the "2022 Fiscal Year"). The beginning and ending dates of "Year 1", "Year 2" and "Year 3" in this financial performance representation differ for each Ziebart store because each Ziebart store opened for business on a different date.



FY 2021 Openings	Year 1	Year 2	Year 3
Ziebart Store Count	2	2	2
Average Gross Sales	$586,201	$1,204,960	$1,304,713
Highest Gross Sales	$637,252	$1,790,014	$2,000,225
Lowest Gross Sales	$535,150	$619,905	$609,202
Median Gross Sales	$586,201	$1,204,960	$1,304,713
#/% Met/Exceeded Average	1 / 50%	1 / 50%	1 / 50%

FY 2022 Openings	Year 1	Year 2
Ziebart Store Count	4	4
Average Gross Sales	$351,481	$987,593
Highest Gross Sales	$805,537	$1,736,434
Lowest Gross Sales	$94,188	$597,697
Median Gross Sales	$253,100	$808,121
#/% Met/Exceeded Average	2 / 50%	1 / 25%

Our management prepared this financial performance representation based on gross sales reported by our franchisees. Some stores have sold this amount. There is no assurance you will do as well. This representation is an historic financial performance representation relating to our existing Ziebart stores and includes the sales of our affiliate-owned stores as well as our franchisee-owned stores. This representation relates to all of our Ziebart System stores for which we have data. This information is unaudited.

The results of the above Ziebart System stores may differ materially from your results. Your experience may differ due to the many factors which will impact your Ziebart franchise. These factors include general economic condition of the area surrounding your Ziebart franchise, competition in the market, physical store, availability of supplies and labor, expenses or levels of expenses peculiar to the area, your effectiveness in managing your Ziebart franchise, your advertising efforts, sales by channel of trade, product and service offering, competition from other businesses, geographic and socioeconomic conditions in your locality, your experience, personnel and cost controls, overall efficiency of your Ziebart franchise. Your energy and dedication to the Ziebart franchise will also affect the results of your Ziebart franchise.

Ziebart Corporation does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised stores. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing store, however, we may provide you with the actual records of that store. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Brian Jackman, 1290 E. Maple Road, Troy, MI 48083 248-588-4100, or Larisa Walega, 1290 E. Maple Road, Troy, MI 48083 248-588-4100, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
Table No.1
Systemwide Outlet Summary
For years ~~2020~~2021-~~2022~~2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	~~2020~~	~~82~~	~~81~~	~~-1~~
	2021	81	81	0
	2022	81	86	+5
	2023	86	85	-1
Company- Owned	~~2020~~	~~11~~	~~11~~	~~0~~
	2021	11	11	0
	2022	11	11	0
	2023	11	11	0
Total Outlets	~~2020~~	~~93~~	~~92~~	~~-1~~
	2021	92	92	0
	2022	92	97	+5
	2023	97	96	-1

ITEM 20
Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For years ~~2020~~2021-~~2022~~2023

State	Year	Number of Transfers
IL	~~2020~~ ~~2021~~ ~~2022~~	~~0~~ ~~0~~ ~~0~~
FL	2021 2022 2023	0 0 1
MA	~~2020~~ ~~2021~~ ~~2022~~	~~0~~ ~~0~~ ~~0~~
MD	2021 2022 2023	0 0 1
MI	~~2020~~ 2021 2022 2023	~~1~~ 1 1 0
~~NY~~	~~2020~~ ~~2021~~ ~~2022~~	~~0~~ ~~0~~ ~~0~~
OH	~~2020~~ 2021 2022 2023	~~0~~ 0 0 2
TX	2021 2022 2023	0 0 1
~~WV~~	~~2020~~ ~~2021~~ ~~2022~~	~~0~~ ~~0~~ ~~0~~

~~VA~~	~~2020~~ ~~2021~~ ~~2022~~	~~0~~ ~~0~~ ~~0~~
T0TAL	~~2020~~ 2021 2022 2023	~~1~~ 1 1 5

ITEM 20
Table No. 3
Status of Franchise Outlets
For years ~~2020~~2021-~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of the Year
CA	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
CT	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
FL	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
HI	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
IL	~~2020~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
IN	~~2020~~	~~14~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~13~~
	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
ME	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

MD	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

ITEM 20
Table No. 3
Status of Franchise Outlets For
years ~~2020~~2021-~~2022~~2023
(Continued)

State	Year	Outlets At Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of the Year
MA	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	1	1
MI	~~2020~~	~~14~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~14~~
	2021	14	0	1	0	0	0	13
	2022	13	1	0	0	0	0	14
	2023	14	0	0	0	0	0	14
MO	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NJ	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NY	~~2020~~	~~14~~	~~0~~	~~0~~	~~1~~	~~0~~	~~0~~	~~13~~
	2021	13	1	0	0	0	0	14
	2022	14	1	0	0	0	0	15
	2023	15	0	0	0	0	0	15
OH	~~2020~~	~~13~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~13~~
	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
OK	~~2020~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

ITEM 20
Table No. 3
Status of Franchise Outlets
For years ~~2020~~2021-
~~2022~~2023
(Continued)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at Endof the Year
PA	~~2020~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5~~
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
SC	~~2020~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TN	~~2020~~	~~2~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TX	~~2020~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2021	2	0	0	0	0	0	2
	~~2022~~	2	0	0	~~0~~	~~0~~	~~0~~	~~2~~
	2023	2	0	0	0	0	0	2
VA	~~2020~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
WA	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
WV	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2

WI	~~2020~~	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
TOTAL	~~2020~~	82	2	1	1	0	1	81
	2021	81	2	2	0	0	0	81
	2022	81	5	0	0	0	0	86
	2023	86	0	0	0	0	1	85

ITEM 20
Table No. 4
Status of Company-Owned Outlets
For years ~~2020~~2021-~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
IL	~~2020~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
MI	~~2020~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
MN	~~2020~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
OH	~~2020~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
PA	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
TOTAL	~~2020~~	~~11~~	~~0~~	~~0~~	~~0~~	~~0~~	~~11~~
	2021	11	0	0	0	0	11
	2022	11	0	0	0	0	11
	2023	11	0	0	0	0	11

Table No. 5

Projected Openings as of 12/31/~~22~~23

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
~~WV~~	~~1~~	~~1~~	~~0~~
AZ	1	1	0
FL	1	1	0
PA	1	1	0
TX	1	1	0
TOTALS	~~1~~4	~~1~~4	0

The names of all current franchisees, addresses and telephone numbers of their outlets are listed as Exhibit ~~F~~H to this Disclosure Document. A list of names, last known home addresses and telephone numbers of every Franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the last fiscal year or who has not communicated with us within ten (10) weeks of the disclosure document issuance date is attached as Exhibit ~~G~~I. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

We have not created, sponsored, or endorsed any trademark-specific organization of franchisees associated with our franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Audited financial statements as of December 31, 2023, 2022, and 2021, ~~and 2020~~ are attached to this Disclosure Document as Exhibit E.

ITEM 22

CONTRACTS

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document. At this time, these are the only contracts that we expect that we will enter into with a franchisee in any state, although we reserve the right to enter into different types of contracts with our franchisees as our business develops. As a prospective franchisee, you should obtain independent legal and financial advice concerning this franchise offering as you deem appropriate before making any commitment.

EXHIBIT A – Ziebart Franchise Agreement
- Addendum A: Licensed Trademarks
- Addendum B: Licensed Products and Services
- Addendum C: Franchised Location
- Addendum D: Legal Entity Form
- Addendum E: Market Development Addendum
- Addendum F: Software ~~Franchise~~ License Agreement
- Addendum G: Authorization for Electronic Funds Transfer
- Addendum H: Addendum to Franchise Agreement - Rhino Coatings
- Addendum I: Maryland Franchise Agreement Addendum
- Addendum J: Wisconsin Franchise Agreement Addendum
- Addendum K: Illinois Franchise Agreement Addendum
- Addendum L: Minnesota Franchise Agreement Addendum
- Addendum M: Rhode Island Franchise Agreement Addendum
- Addendum N: Hawaii Franchise Agreement Addendum
- Addendum O: Indiana Franchise Agreement Addendum
- Addendum S: Washington Franchise Agreement Addendum
- Addendum U: California Franchise Agreement Addendum
- Addendum V: Addendum to Franchise Agreement – 5 Year Option
- Addendum W: United States Small Business Administration (SBA) Addendum
- Addendum X: Card Acceptance Agreement

EXHIBIT B: ~~Continuing~~ Personal Guarantee

EXHIBIT C: Multi-Unit Development Agreement

EXHIBIT D: ~~Transfer Consent Agreement~~ Multi-Unit Personal Guarantee

EXHIBIT F: Transfer Consent Agreement

EXHIBIT ~~H~~K: ~~EXHIBIT J~~ Non-Disclosure Agreement

EXHIBIT ~~J~~L: Renewal Addendum

EXHIBIT ~~K~~M:: ~~Release~~ Release Agreement

EXHIBIT ~~L~~ N: Promissory Note, Security Agreement, Guaranty

EXHIBIT ~~M~~ O: ~~Franchise~~ Franchise Relationship Acknowledgment

ITEM 23

RECEIPTS

Two copies of a Receipt of this Disclosure Document including all exhibits, are attached as Exhibit ~~N~~ P. You must date and sign one copy of the Receipt and deliver it to us.

EXHIBIT A

FRANCHISE AGREEMENT AND ADDENDA

ZIEBART FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made this _____ day of _____, 20__ (the "Effective Date"), by and between Ziebart Corporation, a Michigan corporation ("we", "us", or "our") and _____, and each of the owners, members partners, directors or officers of which are listed on the attached Legal Entity form (collectively, "you" or "your") for the location of:

_____

A. We have gained knowledge with respect to the composition and application of automotive protection and appearance coatings, automotive detailing services and processes, automotive glass repair and replacement, , car and truck accessories, window tint, windshield protection film, paint protection film, wraps, advertising wraps, electronics, and other automotive improvement services; technical material, marketing methods and building layout (our "**Trade Secrets**" and "**Know-How**").

B. We have the right to license use of the Licensed Trademarks in connection with the operation of the System.

C. You want to obtain from us the right to operate a Ziebart® Business that uses our Licensed Trademarks, System, Trade Secrets and Know-How related to the products and services licensed under this Agreement (the **"Franchised Business**").

D. You wish to locate your Franchised Business, and we have approved your locating your Franchised Business, at the following physical location:(the "**Franchised Location**").

E. We are willing to grant you the right to operate a Ziebart® Business under the terms and conditions of this Agreement.

In light of the above recitals and in consideration of the mutual covenants and conditions contained in this Agreement, you and we therefore agree as follows:

AGREEMENT

1. GRANT. We grant to you the right to use the Licensed Trademarks in connection with, and only in connection with, the methods, tooling, chemicals, Trade Secrets and Know-How that we authorize you to offer as described on Addendum "B", in our Manuals or otherwise (the "**Licensed Products and Services**"). You may not sell any products or services that are not on our list of Licensed Products and Services without our written consent.

We may update or amend the list of Licensed Products and Services by adding to or deleting from that list from time to time in our reasonable discretion. When we make those changes, we will provide you with written notice. When we make those changes, you must

adopt and begin selling or offering the new Licensed Products or Services within one (1) year of receiving that written notice from us.

You may operate your Franchised Business only at the Franchised Location. You agree to equip and operate your Franchised Business under the terms of this Agreement and the Manuals, and to use only the Licensed Trademarks only at the Franchised Location.

You do not have the right to grant franchises or sub-licenses of any kind to any other party, nor do you have the right to operate more than one Ziebart® Business, unless otherwise provided by separate agreement. You will not allow any part of your Franchised Business to be used for any purpose other than that explicitly granted to you by this Agreement or identified in the Manuals without our prior written approval.

2. TERM OF LICENSE. The License is for a term of ten (10) years from the Effective Date, unless sooner terminated as provided in this Agreement (the "**Term**"). You will be eligible to obtain rights to a new ten-year license upon the expiration of this Agreement if you meet all of the conditions prescribed by us in Section 4.d.

3. LOCATION CONSTRUCTION, DEVELOPMENT, AND OPERATION. You will operate your Franchised Business only at the Franchised Location. Our approval of the site for your Franchised Location is not a representation of the commercial value of the location or the building. WE DO NOT REPRESENT THAT WE, OR ANY OF OUR AFFILIATES, OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, DESIGNATED CONSULTANTS OR AGENTS HAVE ANY SPECIAL EXPERTISE IN SELECTING SITES FOR ZIEBART® BUSINESSES. NEITHER OUR ASSISTANCE NOR APPROVAL IS INTENDED TO INDICATE, OR INDICATES, THAT YOUR FRANCHISED BUSINESS WILL BE PROFITABLE OR SUCCESSFUL AT THE FRANCHISED LOCATION. YOU ARE SOLELY RESPONSIBLE FOR IDENTIFYING THE FRANCHISED LOCATION.

You do not have any exclusive or protected territory. We are not restricted in where we may operate, or license others to operate, a Ziebart® Business except as specified in the attached Market Development Addendum.

The license granted under this Agreement is for the Franchised Location only. In the event the Franchised Location is or becomes unusable for the Franchised Business, you must obtain written approval from us to relocate your Franchised Business to a new site.

We will communicate with you and the approved suppliers for the initial design and construction of your Franchised Business regarding our standards and specifications for the design, layout, appearance, décor, signage, equipment, fixtures, furnishings, and merchandising and equipment for Ziebart® Businesses (the "Operational Standards"). You, however, are solely responsible for developing and constructing your Franchised Business in strict compliance with our Operational Standards. We may update our Operational Standards from time-to-time. When such updates occur, we will provide you with notice, and you agree to update the décor, layout, appearance, signage, equipment, fixtures, furnishings, and merchandising of your Franchised Business within 90 days of the date we issue notice of our updated Operational Standards.

You must commence operations of the Franchised Business at the approved location not later than Six (6) months from the date of this Franchise Agreement. ("Commencement Deadline").

You must identify your Franchised Business with only the Licensed Trademarks.

You must diligently and fully exploit the rights granted by this Agreement by devoting your best efforts to the Franchised Business. If more than one individual or a Business Entity has executed this Agreement, the individual designated by you must devote his or her best efforts to the operation of the Franchised Business. You may not have any conflicting businesses, enterprises or conduct any other activities which would be detrimental to or interfere with your ability to devote your best efforts to the Franchised Business.

For the convenience of the customer, the minimum days and hours your Ziebart store must be open are 7:30 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 5:00 p.m. on Saturday.

4. FEES, ROYALTIES AND OTHER REQUIREMENTS.

a. INITIAL FEE. You must pay us an initial franchise fee of ~~thirty-six~~ forty five thousand dollars ($~~36,000~~45,000) in a lump sum when you sign this Agreement. No portion of the initial fee is refundable.

If Franchisee entered into this Agreement pursuant to a Multi-Unit Development Agreement by and between Franchisee and Ziebart Corporation, then the Initial Franchise Fee shall be reduced to $0.00 in consideration of the Multi-Unit Development Fee paid to Ziebart Corporation under the Multi-Unit Development Agreement.

b. START-UP PACKAGE. You must purchase and acquire the inventory items and equipment that we mandate as part of the Start-up Package before you commence operations. The final decision as to what will be required will be at our discretion. You must pay us for all components of the Start-up Package that you order from us prior to our shipping them, and you must pay for the cost of shipping all items in the Start- up Package. You also must pay all taxes levied upon the items included in the Start- up Package. We may permit you to purchase some of the tooling and equipment items included in the Start-up Package from a local source, provided that those items are comparable in quality and nature to the ones included in the Start-up Package that we sell.

c. OUR OPTION TO TERMINATE PRIOR TO OPENING. In the event you fail to: (a) commence operating your Franchised Business on or before the Commencement Deadline; or (b) complete training to our satisfaction, we may terminate this Agreement without refunding to you any of the fees that you have paid to us. If we exercise our right to terminate the Agreement under this Section 4.c, we will give you written notice and ten (10) days to cure your failure to open your Franchised Business or complete training to our satisfaction.

~~d. TRANSFER FEE. As stated in Section 14.g, you, or the person to whom you are making the Transfer (your proposed purchaser), must pay our then-current transfer fee that is then in effect at the time you make any Transfer.~~

~~Our current transfer fee for you to make a Transfer to any person or entity who does not already own a Ziebart® Business is eighteen thousand dollars ($18,000). This fee is non-refundable.~~

~~Our current fee for you to make a Transfer to any person or entity who already owns a Ziebart® Business is nine thousand dollars ($9,000). This fee is non-refundable.~~

~~Our current transfer fee for you to make a Transfer to a person who is a family member of the person making the Transfer is two thousand five hundred dollars ($2,500). This fee is non-refundable.~~

~~e.~~ d. OPTION TO OBTAIN SUCCESSOR LICENSE AGREEMENT. You will have the option to acquire the right to continue operating your Franchised Business after the expiration of the initial term of this Agreement for an additional ten (10) year period, if you fulfill all the following conditions:

i. You must not be in default of this Agreement or any other agreement between us (or our affiliates) and you at the end of the Term. You also must not have received from us two (2) or more notices of default during the twelve (12) month period preceding the last day of the Term, even if you timely remedied your breaches.

ii. . You must provide to us written notice of your intent to continue as a franchisee not more than twelve (12) months, and not less than six (6) months, before the end of the Term.

iii. You, throughout the Term, must have satisfied all material reporting requirements and all monetary obligations to us and any of our affiliates, as well as to your suppliers and creditors (excepting reasonable disputes that you are attempting in good faith to resolve) within the amount of time specified for satisfaction or cure of default with respect to any such obligation.

iv. You must have satisfied any additional training requirements for our new or existing franchisees, and your Franchised Business must be in compliance with our then-current Operational Standards and other standards stated in the Manuals.

v. You and each of your owners must execute a general release, in our then- current form (our current form is attached to our Franchise Disclosure Document as Exhibit K), of any and all claims against us and our affiliates and our and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual

capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release you give us will not be inconsistent with any state law regulating franchising.

vi. You must have signed and delivered to us, within thirty (30) days of your receiving it from us, our then-current form of license agreement we are then using for new franchisees, together with such other documents as we customarily use to grant new franchises, all of which will replace this Agreement. The new license agreement may have substantial differences from this Agreement, including, without limitation, different or increased royalties, advertising or other fees.

vii. You must pay us a successor franchise fee of fifteen percent (15%) of our then- current initial franchise fee that is then in effect for new franchisees when you execute the new license agreement.

Your failure or refusal to sign the new license agreement and other documents, or to pay us the required fee, within thirty (30) days after we deliver to you the new franchise agreement and other documents will be considered your election to not obtain a successor franchise.

If you do not sign a successor license agreement prior to the expiration of this Agreement and you continue to accept the benefits of this Agreement after it expires, then at our option, this Agreement may be treated either as: (i) expired as of the date of expiration with you then operating without a franchise to do so; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with 92riten notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after the date of the notice to terminate the Interim Period. In the latter case, all of your obligations will remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period. In this Agreement, all references to the Term will include any Interim Period.

~~f.~~ e. ROYALTY. A royalty must be paid for the use of the Licensed Trademarks, trade secrets and know-how which will be eight (8%) percent and five (5%) percent of the total weekly Gross Sales by you of all Products and Services as listed on Addendum "B", and all Products and Services sold at or from the Franchised Location(s) or bearing the Licensed Trademarks.

For each calendar week, you must pay the royalty fee to us on the following Friday after the end of the calendar week.

You must pay to us a minimum royalty per week which will be equal to fifty (50%) percent of the royalty on the average weekly sales of all U.S. Dealer locations in

operation more than three years during our previous fiscal year. The minimum royalty will be calculated on December 31 of each calendar year this agreement is in effect. The minimum will not be less than $650.00 per week and will not apply to the first one hundred fifty-six weeks (three years) of operations of a new Licensed Location.

~~g.~~ f. MINIMUM PRODUCT PURCHASES. In addition to minimum gross sales royalty, Ziebart franchisees agree to make minimum annual product purchases of Ziebart branded proprietary products in the protection, films, and detailing categories at the following levels:

Rust Protection
Ceramic Z-Gloss® Paint Coating
Coatings
Spray-onLiner
Window Tint
Z-Shield® Paint Protection Film
Vinyl Film

Total Cost of Sales 10% of Gross Sales (in the above categories)

Rust Protection products include: Formula Q®, Formula A, Z-Gard®, and Rust Eliminator.
Ceramic Z-Gloss® Paint Coating
Coatings products include: Diamond Gloss®, Protect-A-Shine®, Renu-A-Shine®, and Express Wax.
Spray-on Liner products include: Rhino Linings, Z-Liner®, and Polyurea
Window Tint products include: Ziebart® Premium Dyed, High Performance Metalized, Nano Ceramic, and Bray Windshield Protection Film.
Z-Shield® Paint Protection Film, and Z-Shield® Pro Paint Protection Film
Vinyl Film

Minimum purchases will be calculated annually at royalty year-end.

Franchisees will be invoiced at then current product cost for any product purchase categories not meeting minimum purchase requirements. This amount is non-refundable.

Gross Sales includes the actual selling price of the products or services, whether for cash, credit or exchange of services for value, from the franchised locations or any other location that bears the licensed trademarks or trade names, or which uses our trade secrets or know-how. Gross sales do not include sales tax that you are obligated to pay any governmental agency.

~~h.~~ g. THE MARKETING FUND. You are required to pay a weekly Marketing Fund fee not to exceed ~~five~~ two percent (~~5~~2%) of your Gross Sales, with a cap of $30,000 per

year. For each calendar week, you must pay the fee to us on the following Friday after the end of the calendar week. We retain the right to terminate or suspend The Marketing Fund fee.

The Marketing Fund is used to create brand awareness, drive lead generation, customer retention, and tactics as we deem appropriate utilizing mediums including, but not limited to, print, radio, television, billboards, or Internet, with national messaging. We own the content and maintain the right to use such content.

We have the right to direct all The Marketing Fund fees with sole discretion over the creative concepts, materials and media used, and the placement and allocation, with the purpose to maximize general public recognition and acceptance of our Licensed Trademarks, Ziebart System, Trade Secrets and Know-How for the benefit of the Ziebart System.

You agree that the fee may be used to meet any and all costs of maintaining, administering, directing and preparing advertising including, without limitation, the cost of preparing television, radio, magazine and newspaper advertising campaigns and other public relations and promotional activities (both local and national in content), including cause marketing initiatives; employing advertising agencies to assist; paying the cost of salaries, benefits and overhead expenses of our employees and independent contractors who provide services which are related to The Marketing Fund or to the planning and execution of promotional, advertising and public relation activities; funding cost of any customer comment card and/or secret shopper program (either internally or externally administered); and providing promotional brochures, in store franchise sales materials and other related marketing materials to franchisees. The Marketing Fund fee may be used for such reasonable administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration or direction of advertising programs including, without limitation, conducting marketing research, preparing marketing and advertising materials, and collecting and accounting for assessments. The fee may be used to purchase products and services from our Affiliates, regardless of whether they profit from such transactions. The Marketing Fund fee may also be used to pay costs of registering, defending or enforcing our rights to current or future Licensed Trademarks, Ziebart System, Trade Secrets and Know-How, and for other purposes related to the Ziebart System.

~~i.~~ h. OPENING ADVERTISING. In addition to The Marketing Fund fee, you must also pay between five thousand ($5,000) and seven thousand ($7,000) dollars upon your execution of this Agreement. The exact amount will be determined by us in our reasonable discretion, and it will be spent on opening advertising expenses for your Franchised Business. You will work with our field team while

you plan your grand opening advertising. All advertising orders or placements will be made by you.

~~j.~~ i. FINANCE AND LATE CHARGES. If we do not timely receive from you any fee or any other amount that is due under this Agreement on or before the applicable due date, you must pay us a finance charge equal to the lesser of: (a) the daily equivalent of two percent (2.0%) per month simple interest of any overdue amount; or (b) the highest rate then permitted by applicable law, for each day any amount is past due. This finance charge will accrue until the past-due amount is paid in full. This provision does not permit or excuse late payments, and our right to collect this amount from you is in addition to all other rights or remedies that we have. You must also pay us a late charge of $25.00 per week for each week that you are late in filing any required sales report. In our discretion, we may increase the amount of this late charge on January 1 of each calendar year according to changes in the

U.S. Consumer Price Index For All Urban Consumers ("CPI"). The base date for such calculation will be January 1, 202~~3~~4. The imposition of a late charge will not be our sole remedy.

~~k.~~ j. AUDIT FEE AND SURCHARGE. In the event an audit of your Franchised Business reveals that you have not accurately reported your Gross Sales, then you must pay us: (a) the royalty and ATF Fees that you owe on the amount that you failed to accurately report to us (the "Unreported Amount"); and (b) a surcharge equal to an additional fifty percent (50%) of the amount of the royalty owed on the Unreported Amount. In the event that you have misstated your Gross Sales by five percent (5%) or more, you must also reimburse us for all of our audit costs, including any and all of the costs and expenses we incur in connection with the audit (including, without limitation, travel, lodging and wage expenses, and reasonable accounting and legal costs). The remedies in this Section 4.0 are in addition to any other remedies we may have as a result of your underreporting, including but not limited to the right to terminate this Agreement.

k. REMINDER CARD PROGRAM. You must participate in and pay us (or our designated supplier) for our vehicle inspection reminder card program. Under this program, we (or our designated supplier) will mail to your customers one or more vehicle inspection reminder cards. The cost of this program can be adjusted by us or our suppliers according to changes in material costs and postal rates.

~~m.~~ l. WARRANTIES. You are required to image on iBart and issue only the warranties we have approved. You are required to join the North American Liability Fund ("NALF").

~~n.~~ m. MINIMUM WORKING CAPITAL. You must ensure that you have working capital available ~~f~~or your Franchised Business to use for the lease or purchase of business facilities; installation of fixtures and equipment; payment of salaries; and for general operating expenses. Estimated minimum amount of working capital is up

to $100,000 for each store that a multistore owner operates for each franchise that they own.

~~o.~~ n. ZIEBART PROPRIETARY SOFTWARE. You are required to use the most current version of the iBart for Windows and iBart for Windows Utilities software. You are also required to have and use (and purchase) a computer system compatible with the most current version of the entire iBart for Windows Point of Sale software suite (including iBart for Windows, iBart for Windows Utilities, and any additional software solutions that we may add) and agree to sign a software license agreement covering the use of these items as an attachment to this Agreement. You agree to provide us, no less frequently than annually, a full and complete list of your customers to us.

1. You must: (a) promptly enter into the computer system and maintain all information that we require you to enter and maintain; (b) provide to us such reports as we may reasonably request from the data so collected and maintained, and (c) permit us to access your computer system at all times and any time by any commercially available means we specify from time to time. You must cooperate with us to permit us access your computer system and all of its data.

2. Any and all data collected or provided by you, downloaded from your computer system, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you. During the Term, you are licensed, without additional compensation, to use such data solely for the purpose of operating your Franchised Business. This license will automatically and irrevocably expire, without additional notice or action by us, when this Agreement terminates or expires.

~~p.~~ o. DEALER WEBSITE & MAINTENANCE FEE. You must participate in our dealer website program and comply with our terms and conditions for participation, which are described in our Dealer Website Program Guidelines.

~~q.~~ p. ZIEBART ELECTRONIC GIFT CARDS . You agree to participate in, use, and offer any gift cards , electronic gift cards, money cards (Ecards) , frequency cards and other programs specified by us. You agree to honor and accept all such cards issued by us or by other franchisees in accordance with our policies. You acknowledge and agree that your participation in these programs is an important part of our System. We, or a person designated by us, will administer any gift, money, frequency, or loyalty card programs or similar programs that we specify. You understand and agree that we may charge you an administrative fee for our costs in administering those programs.

~~r.~~ q. ZIEBART CREDIT CARD. The Ziebart Credit Card program is a credit program made available to qualified customers of yours for financing products and services that they purchase from you, and from other Ziebart® Stores. You must participate in the Ziebart Credit Card program and offer the Ziebart Credit Card to your customers according to the rules, regulations, policies and procedures that we specify from time to time (subject to applicable law).

~~s.~~r. APPLICATION OF PAYMENTS. We will have the absolute right to apply any payments we receive from you to any obligation that you owe to us or our affiliates, regardless of whether that obligation arises under this Agreement or any other agreement between you and us or our affiliates, notwithstanding any designation made by you regarding how we should apply those payments.

~~t.~~ s. PROVISIONS APPLICABLE ON RENEWAL. If this Agreement is signed by you in connection with the renewal of an existing franchise operated under an existing franchise agreement that has expired or is expiring (the "Former Franchise Agreement"), then the provisions of this Section 4.t. will apply and will supersede and replace the provisions stated, in the ways described, below.

1. In lieu of the initial fee stated in Section 4.a., you will pay the renewal fee in the amount stated in the Former Franchise Agreement.

2. You release and forever discharge us, our affiliates, and our and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual capacities (the "Released Parties"), from any and all liabilities, rights, claims, debts or causes of action whatsoever, regardless of whether they are known or unknown, suspected or unsuspected (collectively, "Claims"), which you ever had, now have or may have at any time based on any agreement entered into between you and us on or before the date of this Agreement. This release extends to any and all Claims that have arisen, will arise, or could arise based on, resulting from, or relating to the Former Franchise Agreement, as well as Claims based on any act or omission that occurred on or before the date of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that this release cannot and will not under any circumstances be interpreted in a way that is inconsistent with any state law regulating franchising.

3. Section 4.c. of this Agreement is not applicable.

4. Section 4.h. of this Agreement is not applicable.

5. You will not be required to attend an initial training program in order to continue operations but may be required to attend training modules that you have not previously completed.

~~u.~~t.MERCHANT SERVICES. You agree to maintain, at all times, credit-card relationships with the credit-and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "Credit Card Vendors") that we may periodically designate as mandatory. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You agree not to use any Credit Card Vendor for which we have not given our prior written approval, or as to which we have revoked its earlier approval. We have the

right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. You must acquire, at your expense, all necessary hardware and/or software used in connection with these non-cash systems.

~~v.~~ u. PCI GUIDELINES. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org),or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance upon reasonable request, which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved vendor to assist you on an ongoing basis. Having a secure managed firewall that meets our system standards is one part of the current requirement. You will be required to enter into a contractual relationship directly with our approved managed firewall vendor.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

5. REPORTS. You must keep such complete records of your Franchised Business as a prudent and careful businessperson would normally keep. You must keep your financial books and records as we may from time to time direct in the Manuals or otherwise, including retention of all invoices, accounts, books, data, licenses, order forms, payroll records, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. You must use the standard electronic reporting system and all forms designated by us. All invoices to customers must be produced by our iBart for Windows Software and printed on our approved forms. You must provide us weekly with reports of the breakdown of Gross Sales. You must prepare each report by the Monday following the week in which the sales were made in order for us to electronically retrieve such information at our discretion. You must provide us with copies of quarterly and annual financial statements using the chart of accounts recommended by us. Annual financial statements must be accompanied by a true copy of federal income tax return within one hundred twenty (120) days of the close of your fiscal year., You must provide us annual financial statements relating to your Franchised Business, as well as an accurate copy of your federal income tax return. We may update our requirements for these reports, forms, and documents from time to time in the Manuals, an you agree to comply with these changed requirements.

6. RIGHT OF ACCESS AND AUDIT. During the Term we (either directly or through a designated agent) have the right, at any time during normal business hours and without advance notice, to enter upon and visit the place where your records are located and inspect all aspects of the operation of your Franchised Business and any other business:

(a) owned or controlled by you; or (b) affiliated with your Franchised Business, including those owned by your immediate family that are located within fifty (50) miles of the Franchised Location.

We will not unreasonably interfere with business activities while conducting the audit. You agree to cooperate with us in the conduct of the audit. You acknowledge that any evaluation or inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of your Franchised Business or to assume any responsibility for your obligations under this Agreement. When an audit of your books or records of yours is to be made, we will give at least five (5) days written notice.

As part of such visit, we have the right to: (a) inspect your Franchised Business operating materials and supplies; (b) observe the operations of your Franchised Business for such consecutive or intermittent periods as we deem necessary; (c) take photographs, movies or video recordings of your Franchised Business; (d) interview your personnel; (e) conduct customer surveys; (f) inspect and copy any books, customer information, records, and documents relating to the operation of your Franchised Business, including contracts, leases, and material and information generated by or contained in the computer system; and (g) select and take products, inventory, supplies, equipment and other items from your Franchised Business to evaluate whether they comply with our Manuals. You must cooperate fully with us in connection with these inspections, observations, surveys and interviews. We will not be obligated to give you any prior notice of any such inspection.

You authorize us or our designee to make reasonable inquiries of your bank, suppliers and trade creditors concerning your Franchised Business, and by this Agreement you direct such persons to provide us with such information and copies of documents pertaining to your Franchised Business as we request.

7. OPERATING YOUR ZIEBART® BUSINESS.

a. Manuals. Our mission is to fulfill the consumer's desire for a reliable source to help them preserve and enhance the appearance and value of their cars and trucks. The Ziebart Manuals are the blueprints to achieve this mission. Each standard addresses a key element of the Ziebart® business format and is designed to attract and fulfill the expectations of today's sophisticated consumer, making him or her a customer for life. With this understanding, you agree that you will at all times operate your Franchised Business in strict compliance with the standard procedures, policies, rules and regulations established by us from time to time and incorporated in the Manuals. You must supervise your managers, employees, independent contractors and Affiliates to ensure their compliance with the Manuals. We have the right to prescribe additions to, deletions from or revisions of the Manuals (the "Supplements"), all of which will be considered part of the Manuals. All references to the Manuals in this Agreement will include the Supplements. Supplements will become binding on you as if originally set forth in the Manuals, upon being delivered to you (unless we specify a longer period). We will provide you with up to six (6) months to comply with any material change made by us to our standards. The Manuals, and any Supplements are material in that they will affect

the operation of your Franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement. While the Manuals are designed to protect our reputation and the goodwill of the Licensed Trademarks, they are not designed to control the day-to-day operations of your Franchised Business.

1. We are permitted to revise the System, Marks, the various training programs offered to franchisees and their employees, the Manuals, and the Supplements at any time, by addition, deletion or other modification to the provisions of the Manuals or Supplements. Any such modification(s) will be made in our sole judgment. You acknowledge that such modifications may obligate you to invest additional capital in your Franchised Business and/or incur higher operating costs.

2. The contents of the Manuals and Supplements are our Confidential Information. You must not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Manuals and Supplements without our express prior written consent. You must keep any physical copies of the Manuals and Supplements up-to-date. You must also keep the Manuals and Supplements in a safe place at your Franchised Business and ensure that they, and the information, are secured and protected from unauthorized access.

b. The Marketing Fund. We will use The Marketing Fund fees that we receive from you and other Ziebart® Businesses for local, regional or national advertising.

The fees paid will be used solely on advertising-related expenses. We will not use The Marketing Fund fee for creating or placing any advertisement that is principally a solicitation for new franchisees, but we may include in all advertising prepared using The Marketing Fund (including Internet advertising) information to drive lead generation.

c. North American Liability Fund. You must participate in the NALF warranty program. You must issue warranties under the NALF for new and used vehicles that are owned for personal use, and for new vehicles that are owned for commercial use.

1. Warranties; Deductibles. You agree to issue any and all warranties as required by us or as stated in our Manuals. You acknowledge that certain warranties may have deductibles that must be paid by you**,** meaning that a specified amount of the cost of warranty service must be paid by you. You agree to pay (or honor) the required deductibles for all warranty service performed under a warranty issued by you or, if applicable, your predecessor.

2. Technicians. All warranty services you provide must be performed by a technician that is certified or qualified (as applicable) for the service being performed. A certified technician must be on staff during all normal store hours of operation.

3. Rules for Participation. In issuing and performing service relating to warranties under the NALF, you must follow the rules and standards stated in our Manuals. You must use only those products and application specifications that we approve.

4. Limitation on Number of Claims. We will reimburse you for the service that you perform under a valid rust warranty up to a limit of one non-insured rust warranty per vehicle.

8. LINE OF PRODUCTS. You must offer, sell, and maintain in your Franchised Business a full line of the Licensed Products and Services that we identify in Addendum "B" or in our Manuals, at minimum stock levels that we specify. You must not sell any products or services other than the Licensed Products and Services without our express written permission (which permission we may withhold for any reason). You must not engage in or operate any business at the Franchised Business, other than the business we approve you to operate under this Agreement, without our specific written authorization.

a. Additions or Subtractions from Licensed Products and Services**.** We may add to or subtract from the Licensed Products and Services at any time, and we may do so within our sole discretion. We will make such expansions or contractions by updating our Manuals, or by issuing an amended Addendum "B," from time-to-time. We will provide you notice of these amendments or updates. We will expand or contract our Licensed Products or Services in good faith and on a uniform basis for all franchisees in a particular geographic market. As we develop new proprietary products and/or services that are added to or become part of the Licensed Products or Services, you must adopt and begin selling or offering the new proprietary products and/or services within one (1) year of receiving notice from us.

b. Requests for Approval. You may request our approval to add certain products or services to the Licensed Products and Services, or to include certain suppliers in our list of approved suppliers. We have the right to approve or deny any such request in our sole discretion and based on the supplier approval standards we state in our Manuals. To request our approval of a new supplier, service, or product, you must submit to us samples of or from the product, service, or supplier that you want us to approve, as well as any information necessary for us to determine whether the product, service, or supplier meets our criteria. You must also submit to us (if we require) an agreement by the supplier of any product or service to comply with all of our requirements for suppliers, on our then-current form of such agreement as set forth in the Manuals. We may revoke our approval at any time if we determine, in our sole discretion, that the supplier no longer meets our standards. You must stop purchasing from a disapproved supplier upon notification from us that it has been disapproved.

c. Test Marketing; Variations. Because complete uniformity under various market circumstances may not always be possible or desirable, we, in our discretion, reserve the absolute and exclusive right to vary the standards for any Ziebart® Business based upon the customs or circumstances of a particular market area, density of population, existing business practices or any condition that we deem to be of importance to the operation of such business. You acknowledge that we may offer certain products or services on a test market basis from time to time, and that your Franchised Business may or may not be included in the test market.

You must not sell any materials in containers labeled with the Licensed Trademarks or any ZIEBART® proprietary products other than do-it-yourself products authorized by us that are properly labeled for resale and are sold to retail customers of your Franchised Business.

d. Required Inventory Levels. We have the right to require you to purchase any or all of the Licensed Products sold at or from your Franchised Business from us or our affiliates, and you will maintain in sufficient supply all products, materials, supplies, equipment, and items we designate and require you to have on-hand in your Franchised Business. You must also carry sufficient inventory to provide the complete line of Licensed Products and Services to your customers within twenty-four hours (one business day) of the initial contact.

e. Other Sales or Uses. Except as specifically authorized by us, you may not sell any Licensed Products and Services outside of your Franchised Business or to any customer for the purpose of resale by the customer. You agree that you will not use products purchased from approved suppliers for any purpose other than operating your Franchised Business.

9. SOURCES OF SUPPLY.

a. Purchase Only from Approved Suppliers. You must at all times ensure that all products, services, and equipment that you offer, use or sell from your Franchised Business are purchased only from us or from suppliers that we have approved (which may include our affiliate(s)). You must not at any time represent to any supplier that you are an employee or agent of ours.

b. Obtain Our Approval of Suppliers. You may ask us to approve a new supplier by following our supplier approval procedure. As part of seeking our approval, you must submit to us certain information we require, which may be the results of product performance tests, of the product sample(s), and a vendor agreement that complies with our policies and rules relating to supplier approval.

c. Standards for Approval. An approved supplier will be any vendor which has been designated by us in writing and that has met our standards relating to product composition, quality, packaging, their use of our Licensed Trademarks, shipment reporting, and other relevant standards established by us. To become approved, a

supplier must demonstrate on a continuing basis the consistent ability to furnish materials that meet or exceed all of our then-current technical requirements. Any such supplier must agree in writing to follow our then-current authorized vendor policy and demonstrate the ability to produce and distribute products that we approve in compliance with our requirements for product quality, volume, and consistency.

d. Approval for Certain Items Only. Our approval of a supplier is not blanket approval for all items the supplier may sell but is only for the specific item(s) sold by that supplier that have been approved by us.

10. TRAINING. Prior to your opening the Franchised Business, we will make a training program available to you in Michigan or other locations designated by us. The training program will cover characteristics of the Licensed Products and Services that Ziebart® Businesses sell and the methods of applying or providing those products and services; customer sales and service techniques; and methods of business operation. The training program will be conducted without any additional charge to you, but you must pay your own and your employees' salaries and expenses of travel, food and lodging during training. If training is performed at your Franchised Business, you must reimburse us for the travel, food and lodging expenses we incur for the trainer(s) during training.

Your technicians must complete all of our initial training courses and be certified by us before you open and begin operating your Franchised Business. You must ensure that your Franchised Business has at least two (2) people that we have determined are qualified to apply each product and service that you sell. If we require you or your employees to be certified or qualified by us in order to sell a service or apply a product, you must ensure that only those certified or qualified people sell that service or apply that product.

Although we will provide training to you on operational and brand standards, we will not train or assist in training your independent contractors. You will be responsible for training your own employees and independent contractors, and for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of your Franchised Business.

11. QUALITY CONTROL INSPECTIONS. We may perform unannounced quality control and compliance inspections of your Franchised Business, and you agree to cooperate with us and our agents and inspectors during these inspections. You acknowledge that our ability to perform these inspections is an important part of our ability to maintain uniform quality in all products sold and services provided under the Licensed Trademarks. If we determine as part of any such inspection that you are not in compliance with our System standards, you will be given thirty (30) days to correct any and all cited violations. Your failure to correct the violations within the thirty (30)-day period may result in our termination of this Agreement under Section 16.a.

12. ADVERTISING AND TRADEMARK USAGE. All advertising promotional and merchandising materials must comply with our trademark usage guidelines as contained

in our Manuals, as we modify them from time-to-time. You agree, that when you are using our Licensed Trademarks:

a. Our Ownership of the Licensed Trademarks. You acknowledge that the Licensed Trademarks and System are our (or our affiliate(s)) exclusive property, and you agree that you will never assert any claim to any goodwill, reputation or ownership relating to or associated with the Licensed Trademarks. You recognize that all goodwill relating to your use of the Licensed Trademarks belongs solely to us, and not to you, and that after this Agreement expires, is terminated, or transferred, you will have no right to any such goodwill. You will never engage in any conduct directly or indirectly, or assist another party to engage in any conduct, that would infringe upon, harm or cause damage to the Licensed Trademarks. You will not contest or assist any other party to contest our rights in any of the Licensed Trademarks or the goodwill associated with the Licensed Trademarks. You will not use, or assist others to use, the Licensed Trademarks in a derogatory, negative or other inappropriate manner in any medium.

b. Your Legal Entity Name; Phone Number. You will not use any Licensed Trademarks in your name (if you are a legal entity) or in the name of any other legal entity controlled by, or affiliated with, you. You may not use any phone number associated with your Franchised Business for any business purposes other than those that are licensed to you in this Agreement, or with any other trademarks, unless you first obtain our prior written approval.

c. Notice of Franchise Relationship. You must post a conspicuous notice on or near the front entrance of your Franchised Business that clearly states: "EACH ZIEBART® BUSINESS IS INDEPENDENTLY OWNED AND OPERATED" or any modification of this statement as we may require in the Manuals. You must include this disclaimer on all business cards, stationery, promotional and advertising materials, website and Internet communications, real estate documents, and all other materials you use. In all public records, in relationships with other persons, and on letterhead and business forms, you must indicate that you independently own your Franchised Business, and that you are solely a franchisee of Ziebart Corporation.

d. Websites. For so long as you are not in default of this Agreement, we will list your Franchised Business location on our Internet website, www.ziebart.com. We will develop a web page for your franchise location that will be hosted on our domains as part of our website. You may not develop or create your own independent website for your Franchised Business for any purpose. You, your employees, independent contractors, sales associates and representatives may not use, license, or register any domain name, URL, social media account name, blog name, or other means of identifying you or your Franchised Business on the Internet that uses a mark, image, or words confusingly similar to the Licensed Trademarks or any abbreviation, acronym, or phonetic or visual variation of the Licensed Trademarks without our prior written consent. Any violation of this Section 12.d will be grounds for termination pursuant to Section 16.

e. Marking. You must comply with all of our trademark, trade name and service mark notice marking requirements, including affixing "SM," "TM," or "®," adjacent to all Licensed Trademarks in any and all uses of the Licensed Trademarks, in the manner that we direct.

f. Your Use of Licensed Trademarks. You must use and provide only the Licensed Products and Services at your Franchised Business. You must not advertise, feature, promote or sell any other products or services at the Franchised Business or with the Licensed Trademarks without the express written consent of our President. You may use only the Licensed Trademarks to identify and distinguish the products and services offered by you, and no other names or trademarks of any type. You cannot use the Licensed Trademarks for any service or product that is not specifically authorized in the Agreement or Manuals without our express written consent. All advertising and promotional material bearing the Licensed Trademarks must be approved by us in writing before you use them, and only materials that have been approved by us may be used in connection with displaying the Licensed Trademarks.

g. Unauthorized Uses; Infringement. You must notify us of: (a) any litigation relating to the Licensed Trademarks; (b) suspected infringement upon the Licensed Trademarks; (c) unauthorized uses of the Licensed Trademarks; or (d) uses of names or marks that are confusingly similar to the Licensed Trademarks, but you may not take any action against suspected infringers without our express written permission. You must notify us within three (3) days after receiving notice of any claim based upon or arising from any attempt by any other person, firm or corporation to use the Licensed Trademarks or any imitation of them. We have the right to control any negotiations, proceedings or litigation involving the Licensed Trademarks. If we undertake the defense or choose to prosecute any violation of the Licensed Trademarks, you agree to execute all documents and do all acts necessary or incidental to such action as our counsel may reasonably request.

h. Improvement(s). If you, your employees, or owners develop any new concept, process or improvement in the operation or promotion of your Franchised Business or Ziebart® Businesses generally (an "Improvement"), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement will become our sole property and we will be the sole owner of all related copyrights, trademarks, patents, patent applications, and other intellectual property rights. You must fully disclose the Improvement(s) to us, without disclosing the Improvement(s) to others, and you must obtain our written approval prior to using such Improvement(s). You and your owners agree to assign to us any rights you or your owners may have or acquire in the Improvement(s), including the right to modify the Improvement, and you and your owners waive and/or release all rights of restraint and moral rights in and to the Improvement. You and your owners agree to assist us in obtaining and enforcing the intellectual property rights to any Improvement. In the event that the foregoing provisions of this Section 12.h are found to be invalid or otherwise unenforceable, you and your owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the

Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your owners' rights to the Improvement.

13. ASSIGNMENT: BY US. You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as our owners, directors, officers, and employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations to you.

14. ASSIGNMENT: BY YOU. We have entered into this Agreement in reliance upon and in consideration of your singular personal skill and your qualifications, as well as the trust and confidence we have in you. Therefore, you may not make any Transfer of this Agreement or your Franchised Business without our prior written consent as stated in this Section 14, which we will not unreasonably withhold.

At least thirty (30) days before you propose to make any Transfer, you must first notify us in writing by registered or certified mail. As part of your request for our consent, you must provide us with a copy of all documentation evidencing the agreed-upon sale terms between you and your proposed purchaser. We, in our discretion, may impose conditions on granting our consent to the Transfer, which conditions may include any or all of the following:

a. Your proposed purchaser must complete and submit all application documents required by us from prospective franchisees at the time you request our consent, must submit to a background check, must meet all of our standards for new franchisees, and must be approved in writing by us.

b. The terms and conditions of the Transfer (including the purchase price) must not impose unreasonable burdens on your proposed purchaser.

c. You and your Owners must be in full compliance with this Agreement, must have been in substantial compliance with this Agreement during the Term, and must have paid all amounts then owed to us or our affiliates.

d. You must pay to us, our affiliates, and the ATF, all fees and amounts due and owing as well as any notes payable and all other sums that you owe for services, products, financing, or otherwise.

e. You and each Owner must have executed a general release, on our then-current form, of any and all claims against us and our affiliates and our and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual capacities; provided, however, that any release will not be inconsistent with any state law regulating franchising.

f. Your proposed purchaser must have, at our option, either: (i) assumed this Agreement by a written assumption agreement approved by us (which will include a personal guarantee(s) by the purchaser, its principals and/or owners of a beneficial interest in purchaser), or have agreed to do so at closing; or (ii) executed a replacement franchise agreement on the standard form of franchise agreement we are then offering to new franchisees, which may differ from this Agreement in all material respects, including but not limited to having higher or different fees than were granted in this Agreement.

g. You or your purchaser must pay us the transfer fee stated in Section 4.d. If, however, the Transfer results in a change in the ownership of you that does not change the person in control of you, then we will not charge you a Transfer fee.

h. In accordance with Section 3 and Addendum C, your Franchised Business must meet our current appearance requirements, including but not limited to, décor, signage, product and service offerings, training, cleanliness, and merchandising, all of which we may update from time-to-time.

i. Your purchaser must successfully complete all our then-current training requirements before your purchaser controls the Franchised Business, but no later than sixty (60) days after executing the new franchise agreement or assignment agreement.

j. You must execute a written agreement not to compete in favor of us and your purchaser, with terms the same as those set forth in Section 15.

We will have the right to acquire the interest you are Transferring at the same price, and on the same terms and conditions, as contained in any bona-fide offer from a third party made to you. If we exercise this right, we will do so within thirty (30) days of receiving from you all documents that we reasonably request in connection with the proposed Transfer. We will have fifteen (15) days after the exercise of the option to provide you with an agreement relating to our purchase. If we do not indicate to you our intention to exercise this right within that thirty (30) day period, we will be deemed to have elected not to exercise our right of first refusal. Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed transferee). We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section. Any material change in the terms of any offer prior to closing will constitute a new offer subject to the same right of first refusal by us.

15. NON-COMPETITION.

a. During Term. You covenant and agree that, during the Term and any successor term(s), neither you nor your Owners, officers, directors, members, and partners as well as the immediate family members of each of them (the “Restricted Persons”) will directly or indirectly own, invest in, partner with, direct, serve as an officer or director

for, be employed by, act as consultant for, represent, act as an agent for, or divert or attempt to divert any customer, person, or business to, any business that is the same or similar to the Franchised Business (a "Competitive Business") (except under a franchise agreement with us or our affiliate(s)), anywhere in the world.

b. After Termination, Expiration, or Transfer. You further covenant and agree that, for a period of two (2) years following the expiration, termination, or Transfer of this Agreement, you and all Restricted Persons will not, directly or indirectly, engage in a Competitive Business within a radius of fifteen (15) miles of: (1) the Franchised Location; or (2) any other Ziebart® Business.

c. Your Acknowledgement. You agree that all covenants in this Agreement and this Section 15 are fair and reasonable in both duration and area and will not impose any undue hardship on you. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to enforcement by us of the covenants in this Section. You further acknowledge that a violation of any covenant in this Article 16 will cause us irreparable harm, the exact amount of which may not be ascertainable, and therefore, you consent that in the event of such violation, we will, as a matter of right, be entitled to apply for injunctive relief to restrain you, or anyone acting for you or on your behalf, from violating said covenants. Such remedies, however, are cumulative and in addition to any of the remedies to which we may then be entitled. The covenants set forth in this Section 15. will survive the termination, expiration or Transfer of this Agreement. You agree to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, that we incur in connection with our enforcement of the covenants in this Section 15. YOU EXPRESSLY ACKNOWLEDGE THAT YOU POSSESS SKILLS AND ABILITIES OF A GENERAL NATURE AND HAVE OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, YOU REPRESENT TO US THAT ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE YOU OF THE ABILITY TO EARN A LIVING.

d. Covenants Are Severable; Tolling. The parties agree that each covenant in this Section 15. must be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and part of this Agreement. Any period of time specified in this Section 15 will be tolled and suspended for any period of time during which you are in violation of any restrictive covenant.

e. Limited Exclusion. The restrictions contained in Sections 15.a and 15.b above will not apply to: (1) ownership of less than five percent (5%) of the shares of a company whose shares are listed and traded on a national securities exchange if

such shares are owned for investment only; or (2) a Ziebart® Business operated under a valid agreement with us or our affiliates.

f. Governing Law of Section 15. The law of the state in which your Franchised Business is located will control the validity and effect of this Section 15.

16. GROUNDS FOR TERMINATION BY US.

a. Termination Without Opportunity to Cure. We will have the right to terminate this Agreement immediately (which termination will be effective upon our delivery of written notice to you), without providing you an opportunity to cure, under any of the following circumstances.

i. You file a petition in bankruptcy, or a bankruptcy petition is filed against you and you do not oppose it.

ii. A final judgment is entered against you, or a final decision of a regulatory officer or agency is made against you, which results in temporary or permanent suspension of any permit or license that is material to the operation of your Franchised Business.

iii. You submit on two or more occasions during the Term a report, financial statement, tax return, schedule or other information or supporting record (including submission by or through the computer system) which understates your Gross Sales by more than two percent (2%). This provision will only apply if the understatement did not result from an inadvertent error or error made by our computer system.

iv. You fail to operate the Franchised Business for a period of five (5) successive business days or operate the Franchised Business at a location not authorized by us in writing.

v. You fail or refuse to make all business records and books relating to your Franchised Business available to us or our authorized representatives for audit purposes.

vi. We deliver to you three or more written notices of default pursuant to this Section 16 within any twelve (12) month period, regardless of whether the defaults described in the notices ultimately are cured.

vii. You fail to respect and hold in confidence the data and secrets that we disclosed to you, or that you learned from us.

viii. You intentionally act to obtain pricing or other confidential information from our vendors or suppliers by misrepresenting that you (or any Owner, partner,

member, director, officer, employee, or independent contractor of yours) are an employee or agent of ours, or through other wrongful means.

b. Termination With 10-Day Notice and Opportunity to Cure. We have the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any of the following defaults within ten (10) days after we deliver written notice to you:

i. You fail to make payment or supply reports required by this Agreement by the date they are due.

ii. You fail to pay us, our affiliates, or the ATF any fees or charges due under this Agreement by the date they are due.

iii. You fail to commence operation at the Franchised Business on or before the Commencement Deadline.

iv. You fail to use, in the manner that we instruct: (a) the most current version of our required computer software (currently iBart for Windows and iBart for Windows Utilities); (b) a computer system compatible with our required software.

v. You fail to use any of our approved materials, or use substituted materials or services not approved in writing by us, at the Franchised Business or with the Licensed Trademarks.

vi. You fail to properly display our Licensed Trademarks or use them in any unauthorized manner.

vii. You fail to have at your Franchised Business an operator on duty trained and certified by us on all of the Licensed Products and/or Licensed Services being offered by your Franchised Business at any time while vehicles are being serviced.

viii. You fail to obtain and maintain any permit or license necessary for the operation of your Franchised Business.

ix. You commit any act of fraud, deception or misrepresentation towards a consumer, supplier, wholesale account, or municipality. This includes (but is not limited to) your failure to sell, service, or apply Licensed Products or Services that were purchased from you by a consumer, wholesaler, supplier, or municipality.

x. You fail to complete training to our satisfaction.

c. Termination With 30-Day Notice and Opportunity to Cure. We have the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any of the following defaults within thirty (30) days after we deliver written notice to you:

i. You fail to make a timely payment of any amount due to a supplier or vendor (other than payments which are subject to a bona fide dispute).

ii. You do not obtain or maintain the insurance coverage we require.

iii. . You fail to correct quality control violations cited by us within thirty (30) days of receiving notice of such violations.

iv. You fail to participate in our gift card or gift certificate program.

v. You fail to participate in our dealer website program.

vi. You fail to conduct yourself, or fail to operate your Franchised Business, in an ethical and professional manner; fail to treat customers, other franchisees, us, or our employees or affiliates with courtesy and respect as required by our Manuals.

vii. fail to meet current quality control standards according to the Manuals, microfiche and bulletins, or fail to permit our representatives to inspect and conduct quality control checks of your Franchised Business.

viii. i. You fail to meet our standards for décor, cleanliness, signage and merchandising.

ix. You possess unauthorized materials in your Franchised Business, regardless of whether they are in opened or unopened containers, that have not previously been approved in writing by us.

x. You fail to uphold customer warranties.

xi. You fail to purchase or issue approved warranties or use the forms that we require in connection with them.

xii. You fail to materially comply with any other provision of this Agreement or any other agreement between you and us.

xiii. Your failure to pay: (a) the initial charges; (b) royalties or other fees set forth in this Agreement; or (c) for products and other items ordered from us within the time we require;

xiv. Your repeated failure to operate your Ziebart® Business in accordance with the uniform standards as set forth in the Manuals;

xv. You develop or create a website or Home Page on the Internet for the franchised location;

d. Effect of Laws; Election by us not to Terminate Immediately. If applicable law will not allow the termination of this Agreement immediately as stated in Section 16.a above, or if we elect not to have the default result in the immediate termination of this Agreement, the concerned default will be subject to the provisions of, and the cure period stated in, Paragraph 16.c. If applicable law requires a longer cure period than that specified in this Agreement, the longer period will apply.

e. Cross-Default. Any default by you under any agreement between you and us or you and our affiliates, and your failure to cure within any applicable cure period, will be considered a default under this Agreement and will provide an independent basis for us to terminate this Agreement. If the default under the other agreement is such that it would entitle us to immediately terminate that other agreement, then we will be entitled to immediately terminate this Agreement in the manner stated in Section 16.

17. GROUNDS FOR TERMINATION BY YOU. You can terminate this Agreement only with our prior written consent, or if we commit a material breach of this Agreement that is not cured within thirty (30) days after written notice from you. If the nature of the breach is such that we will be unable to cure it within the required thirty (30) day period, we can take such additional time as may be reasonably necessary within which to cure said breach provided that we have begun taking corrective action within the thirty (30) day period, and we pursue it diligently to completion.

18. EFFECT OF TERMINATION. Upon termination or expiration of this Agreement for any reason (including a Transfer by you):

a. Cease Use of Licensed Trademarks and System Materials. You must immediately cease all use of the Licensed Trademarks and our trade dress, the Manuals, materials relating to the System and its operation, and confidential information, and you must not use any trademarks, tradenames, service marks, or other commercial symbols that indicate or suggest a connection with us. You must deliver to us all tools, all technical, marketing or other manuals, all copyrighted materials, all sign faces, advertising and promotional materials and any other items bearing any Licensed Trademark.

b. De-Identification. You must (at your sole cost and expense) modify the Franchised Location, including all equipment, and all vehicles used by your Franchised Business (including, without limitation, the changing of the color scheme and other distinctive design features, and the changing of and assigning to us of, the telephone numbers) as may be necessary to distinguish the appearance of your Franchised Business from

that of other Ziebart® Businesses, and you must make such specific additional changes to your Franchised Business as we may reasonably request for that purpose. Such de-identification must be completed within fifteen (15) days after expiration or termination of this Agreement. If you do not make these changes, by signing this Agreement you nominate us as your attorney-in-fact to enter the premises of the Franchised Location to make those changes on your behalf, and you agree to indemnify us and our designees from any and all damages that you or any third parties incur due to our exercising these rights. You alone must bear the cost of removing signs and other identification removal and provide proof to us that such signs and other identification has been removed.

c. Representations of Affiliation. You must refrain from any representation whatsoever that you are or were our franchisee, or that you are or have been affiliated with us, and take any affirmative action necessary to remove any use of the Licensed Trademarks in connection with your Franchised Business, including the cancellation of any assumed name or doing business as designation. You must, at our option and request, assign to us all rights to all telephone numbers, e-mail addresses, URLs, domain names, social media identities, Internet listings, and Internet accounts related to your Franchised Business. If you do not voluntarily comply with this Section 18.c., we may, at our option, execute in your name and on your behalf, any and all documents necessary to end your use of the Licensed Trademarks and you irrevocably appoint the person serving as our manager or President as your attorney- in-fact to do so. You must take all actions as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Licensed Trademarks. You must never use any trade name, trademark, or other identifying symbol that is confusingly similar to any of the Licensed Trademarks.

d. Right to Purchase Equipment, Products, Inventory, or Supplies. We have the option to purchase your interest in any or all of your Franchised Business's inventory, equipment, supplies, advertising materials and signs for a purchase price equal to the lesser of your cost or then-current fair market value, to be determined by a qualified independent third party of our choosing and that we pay for, and we may set off against the purchase price any amounts that you owe us. We will exercise our option by delivering written notice before or within thirty (30) days after this Agreement expires or is terminated. You must (at your sole cost and expense) return to us all unsold and unopened products bearing the Licensed Trademarks. We will give you credit at our then-current selling price, less restocking costs, for all chemicals in unopened containers originally purchased from us which are returned in usable condition and not more than twelve (12) months old. We will give you credit for other products and equipment purchased from us or our approved suppliers that are in unopened containers and are returned in saleable condition, provided that our vendors authorize the return of such products. If we repossess other products, tooling, equipment or advertising materials that you obtained or used in the operation of your Franchised Business, then we will give you credit for those items, in the amount of the selling price, once we are able to sell them.

e. Payments and Amounts Owed to Us. You must pay all sums owed under the terms of any agreement with us, our affiliates, or the ATF within fifteen (15) days of termination or expiration of this Agreement, or such later date that any amounts due have been determined by us. Those sums will include all interest, damages, costs and expenses, including reasonable attorneys' fees, incurred by us, whether or not the sums are incurred prior to or subsequent to the termination or expiration of this Agreement. You agree that all payments previously made by you to us, our affiliate(s), or the ATF for equipment, chemicals, products, services, lease payments, franchise-related fees or any other product, service or item will be retained by us.

f. Return of Manuals and Other Confidential Information. You must, within ten (10) days of the termination, deliver to us the Manuals and all confidential information, intellectual property, records, files, computer programs, software, customer information, records, files, instructions, correspondence, and any and all other materials relating to the operation of your Franchised Business that were provided to you, or held by a third party on your behalf, and all copies of it (all of which you acknowledge is our property). You will retain no copy or record of any of the items listed in this Section 18.f, with the exception only of your copy of this Agreement, correspondence between the parties and any other documents which you reasonably need to comply with law.

g. Use of Customer Information and Other Information. We have the right, during and after the Term, to access and use: (i) all information you provide to us contained in your sales and transaction reports, through the computer system and our required software system, and in such other operational reports that we request from you; (ii) identifying information regarding customers of the Franchised Business; and (iii) the contact information of you or your Owners. We may use this information for business purposes that may include, without limitation, public relations, advertising, statistical compilations, investigations and resolutions of client complaints, and quality surveys. We have the right, after termination, to continue to use the information referred to in this Section 18.g. After termination or expiration of the Agreement, we will have the exclusive right to use customer information, and to make the customer information available to other Ziebart® Businesses for such purposes as we deem appropriate.

h. Honor Warranties. You will remain obligated to uphold customer warranties that were issued at or from your Franchised Business. All claims made in connection with such warranties will be your full legal and financial responsibility.

i. Comply with Covenants. You must comply with each and every one of your covenants and obligations that apply after the termination, expiration, or Transfer of this Agreement as stated in Section 15.

j. Termination Without Prejudice. The expiration or termination of this Agreement will not relieve you of any of your obligations to us existing at the time of expiration or termination, nor will it terminate those of your obligations which, by their nature, survive the expiration or termination of this Agreement. The expiration or termination

of this Agreement will be without prejudice to our rights against you; and in the event of a termination which is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all other rights and remedies that are available to us at law or in equity.

19. INDEPENDENT CONTRACTORS; INDEMNIFICATION; INSURANCE.

a. You and We are Independent. We and you intend by this Agreement to establish only the relationship of franchisor and franchisee. You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither we nor you are the employer, employee, agent, partner or co-venturer of or with the other, each one of us being independent from one another. You will not hold yourself out as the agent, employee, partner or co-venturer of ours. Neither you nor we will have the power to bind or obligate the other except specifically as set forth in this Agreement. We and you agree that the relationship created by this Agreement is one of an independent contractor and not a fiduciary relationship.

i. We will not be obligated for any damages or obligation to any person or property directly or indirectly arising out of the operation of the business you conduct pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act, or your use of the Licensed Trademarks in a manner not in accordance with this Agreement. You must not employ any of the Licensed Trademarks in signing any contract or applying for any license or permit or in a manner that may result in our liability for your debts or obligations. Without limiting the generality of the above, you acknowledge that we have no responsibility to ensure that the Franchised Business is developed and operated in compliance with all applicable laws, ordinances and regulations and that we will have no liability in the event the development or operation of the Franchised Business violates any law, ordinance or regulation.

ii. All employees hired by or working for you will be the employees of you, and can never, under any circumstances or for any purpose, be deemed employees of ours or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Each of the parties will file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments, with respect to its respective employees and operations, saving and indemnifying the other party from any liability of any nature whatsoever, from the above as a result. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.

iii. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for the Franchised Business does not directly or indirectly vest in us the power to hire, fire or control any such employee. You alone are solely responsible for all employment decisions and functions relating to the Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not.

iv. You agree to inform each of your employees and contractors that you alone are their employer, and that we are not. You agree to explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you, and you will request that your employees and contractors sign any acknowledgement or disclosure explaining the differences between you (as their employer and contractor) and us (as your franchisor). Our current required form is the Franchise Relationship Acknowledgement, which is attached to our Franchise Disclosure Document as Exhibit N. You further agree that in any office, break room, or other non-public area accessed by your employees or contractors, you will post a sign or other document containing language we require explaining the differences between you, their employer or contractor, and us, your franchisor.

v. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of the Franchised Business and that under no circumstance will we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Franchised Business.

b. Indemnification. You, and each of your owners agree that they will, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law: us, our successor(s), assigns, and affiliates (including but not limited to Ziebart International Corporation) and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the “Indemnified Parties”) from all losses and expenses incurred in connection with any action, suit, proceeding, claim, damages (actual, consequential, or otherwise), demand, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, investigation, or inquiry (formal or informal), or any settlement of any of them, which arises out of or is based upon any of the following:

i. The infringement, alleged infringement or any other violation by you, your owner or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your (or your owners') unauthorized use of all or any portion of the Licensed Trademarks and/or the System.

ii. Your or your Owners violation, breach, or asserted violation or breach of any federal, state, or local law, regulation, ruling or industry standard.

iii. . Your or your Owners libel, slander, or any other form of defamation.

iv. Your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees.

v. Your, or your Owners: (a) violation or breach of any warranty, representation, agreement, or obligation in this Agreement or in any other agreement between you and us or our affiliates; (b) acts, errors, or omissions, or those by any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, or employees in connection with the establishment and operation of the Franchised Business, including but not limited to any acts, errors, or omissions of any of them in the operation of any motor vehicle or in the establishment or implementation of security for the Franchised Business.

vi. Any damages, incidents, or claims listed in this Section 19.B that are alleged to be caused by an Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by the Indemnified Party's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

vii. That any of the Indemnified Parties reasonably incur in the defense of any claim brought against any of the Indemnified Parties or in any such action in which any of the Indemnified Parties is named as a party, including actual and consequential damages, reasonable attorneys', arbitrators', accountants', and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses; even if the claim asserts that the Indemnified Parties engaged in active or passive negligence, or asserts other causes of action directly against the Indemnified Parties.

c. The Indemnified Parties have the right to defend any such action or claim against them at your expense. This indemnification will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. For the purposes of the indemnification in this Section 19 only, the term "claim" also includes all obligations and costs incurred in the defense of any claim against any of

the Indemnified Parties, including, without limitation, reasonable accountant, arbitrator, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration, or alternative dispute resolution and travel and living expenses.

Insurance. You must obtain and provide us with evidence of insurance in the amounts and with the types of coverage listed in this Section.

i. To assure uninterrupted customer service and smooth continuation of the business in case of accident or disaster, you are required to obtain and maintain adequate insurance coverage from an insurance company with a minimum AM Best rating of A- or better. Deductibles must be in reasonable amounts and are subject to our review and written approval. You must promptly report to us any liability incidents that may trigger your insurance coverage, or adversely affect our name, reputation or intellectual property. You must obtain the following minimum types of coverage:

a. Worker's compensation insurance in the amount required by statute or law;

b. Garage liability: bodily injury $1,000,000 per person/per occurrence;

c. Property damage: $1,000,000 per occurrence OR a combined single limit of $1,000,000 for bodily injury and property damage liability;

d. Garage keeper's legal liability – direct primary: comprehensive limit of $150,000, comprehensive deductible of $500 each claim, $2,500 aggregate, collision limit - $150,000, and collision deductible of $500. Note: higher comprehensive & collision limits should be purchased if you are working on high-end or very expensive vehicles.

e. Umbrella liability coverage in an amount not less than $1,000,000;

f. All risk, fire and contents insurance, including signs, for not less than full replacement cost;

g. Worker's compensation in such minimum amounts as required by law;

h. Cyber/information risk coverage with a $100,000 limit to address risks in handling customers' personally identifiable information, as well as information proprietary to us.

i. Employer's liability insurance – minimum limits required by law or required by the umbrella carrier. Where there are Monopolistic State Funds like in the State of Ohio, Stop Gap coverage should be purchased. These Monopolistic States do not provide Employers Liability Coverage. If you are domiciled in a Monopolistic State, the Stop Gap endorsement would be added to your general

liability. If you are domiciled outside of a Monopolistic State, the Stop Gap endorsement is added to the Workers Compensation policy.

ii. Additional Named Insured. Each insurance policy must contain an endorsement naming us and Ziebart International Corporation (Zint) (and, if we and Zint so request, our and members, directors, agents, and Affiliates) as "Additional Named Insured" (and not as "additional insureds") in the broadest form, extending to our negligence and errors and omissions, and cannot be limited to vicarious liability. You must provide us with thirty (30) days advance written notice to us of any material modification, cancellation, or expiration of the policy. Each policy must also include a waiver of the insurer's right of subrogation against any of us, and provide coverage for your indemnification obligations under this Agreement. The insurance afforded to additional insureds must apply as primary insurance and not contribute to any insurance or self-insurance available to us.

iii. Continuation of Policy. Regardless of the amounts we state in the Franchise Disclosure, it is your responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, including but not limited to any policies that are on a "claims made" basis, which through the purchase of an extended reporting endorsement (i.e., "tail" insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24 month period following the end of the policy period.

iv. Copies of Policies. You must provide us with copies of policies evidencing the existence of the insurance required by this Section 19.C at least ten (10) days prior to the time you are first required to carry insurance, and thereafter at least thirty (30) days prior to the expiration of any policy, along with certificates evidencing such insurance.

v. Our Right to Obtain Insurance. In the event you fail to obtain the required insurance and to keep it in full force and effect, we may, but will not be obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you must reimburse us for the full cost of such insurance, within five (5) days of the date we deliver you an invoice detailing such costs and expenses.

vi. Acknowledgement. You acknowledge that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with your Franchised Business. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than we require. Any insurance policies that we carry do not and will not limit or relieve you from any of your obligations under this Section 19.C.

20. DEATH OR DISABILITY OF CONTROLLING OWNER. In the event of death or total and permanent disability of you, or any partner or shareholder owning 50% or more of the franchise or the Franchised Business (the "Controlling Owner"), the legal representative of the Controlling Owner must within sixty (60) days of such death or disability notify us of the existence of any will or other document pertaining to a proposed gift, bequest, sale or other disposition of such interest, and of its intention to continue in the Franchised Business. The legal representative must submit a business plan for operations of the Franchised Business to us within one hundred eighty (180) days of the death or permanent disability of the Controlling Owner.

If there is a transfer of the Franchised business or this Agreement following the death or disability of the Controlling Owner, that Transfer will be subject to the terms and conditions of Section 4, but we will not charge a fee for the Transfer.

21. DISPUTE RESOLUTION.

a. Governing Law. This Agreement and its construction are governed by and must be interpreted in accordance with the laws of the State of Michigan, without reference to conflict of laws principles. By agreeing to the application of Michigan law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or other statute, rule, or regulation of the state of Michigan to which this Agreement or the parties' relationship would not otherwise be subject. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

b. Mandatory Mediation. Except as provided in Section 21, if any Dispute cannot be settled through direct discussions, the parties agree to submit the Dispute to mediation before resorting to arbitration. Mediation will be administered by the American Arbitration Association ("**AAA**") under its then-current Commercial Mediation Procedures ("**Mediation Procedures**") and before a mediator selected under them. Mediation will not defer or suspend our exercise of any termination right under Article 16. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and must not be offered or admissible in any other proceeding or legal action whatsoever.

i. Deadline for Mediation. The party requesting mediation must provide written notice of the request for mediation to the other party in the manner prescribed in the Mediation Procedures. The request must specify with reasonable particularity the matters for which mediation is sought. Mediation must be concluded within thirty (30) days of the issuance of the written request for mediation, or such longer period as the parties may agree upon in writing.

ii. Location. The mediation must be held in Detroit, Michigan or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Detroit, Michigan.

iii. Cost of Mediation and Consequences of Failure to Comply. The parties will equally share the cost of the mediation, including administrative costs and mediator fees. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this agreement, and the Dispute may proceed directly to arbitration without mediation. Any costs or fees, including attorney fees, incurred by the non-defaulting party in pursuing mediation may be sought as damages in arbitration.

c. Arbitration. Except as specifically provided in this Agreement, any Dispute that is not resolved through mediation must be settled by binding arbitration administered by the American Arbitration Association in accordance with its then-current Commercial Arbitration Rules ("**Commercial Rules**"). Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction over the parties.

i. Governed by Federal Arbitration Act. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce, and that any arbitration conducted under this Agreement will be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act, and that arbitration must be conducted as provided in this Section c.

ii. Appointment of Arbitrator. The Dispute will be heard by a single arbitrator, chosen in accordance with the Commercial Rules. The arbitrator, and not any court, will have the sole authority to decide the Dispute, as well as to determine arbitrability of any Dispute.

iii. Qualifications of the Arbitrator. At the option of either party, the arbitrator must be selected from a list of retired federal or state judges supplied by AAA, if available, who have substantive experience in franchise law.

iv. Claims Barred. In connection with any arbitration proceeding, each party must submit any Dispute or claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) in the arbitration. Any such claim which is not submitted or filed as described above will be forever barred.

v. Payment of Fees and Costs . The parties will equally bear all administrative costs and arbitrator fees in accordance with the Commercial Rules. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges will constitute a waiver by that party to present any evidence or cross-examine witnesses. In such event, the other party will be required to present evidence and legal argument as the arbitrator may require for the making of an award. Such waiver will not allow for a default judgment or award against the non-paying party in the absence of evidence presented as provided for above.

vi. Mandatory Exchange of Information. In all matters, regardless of the Amount In Controversy, the parties must exchange the following information within twenty (20) days of the appointment of the arbitrator without further order from the arbitrator. The parties must exchange the name and, if known, the address and telephone number of each individual likely to have information regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of another party to the Dispute. The disclosure must include any witness anticipated for impeachment or rebuttal. The identifying party must identify the subject(s) on which the witness may provide testimony. The parties must also disclose and provide a copy of all documents, data compilations, and tangible things that are in the possession, custody, or control of the party regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of the other party. The arbitrator may entertain a request to compel the exchange of information or documents not provided by a party in possession of them.

vii. Discovery. The parties want to conduct discovery proportional to the Dispute. As a result, the discovery permitted will depend on the Amount In Controversy, as stated below.

1. If the Amount In Controversy is less than two hundred thousand dollars ($200,000), there will be no discovery other than the mandatory exchange of information discussed in Section vi. Further, the Dispute shall be resolved by submission of documents rather than by an in-person hearing. The arbitrator has no discretion to allow an in-person hearing in such matters.

2. If the Amount In Controversy is more than two hundred thousand dollars ($200,000), each side may take three (3) depositions. Neither side's depositions may consume more than a total of eighteen (18) hours. No party may make a speaking objection at a deposition, except to preserve privilege. The total period for the taking of depositions shall not exceed six weeks. No interrogatories or requests to admit may be propounded by either party.

viii. Challenge of Claimed Amount in Controversy. A party claiming that the Amount In Controversy (the "claiming party") meets or exceeds the thresholds stated in Section ~~O~~ vii, or ~~O~~ x must include in its arbitration demand a summary of facts which supports the party's contentions. Upon challenge by the opposing party (the "opposing party") (which must be filed within twenty (20) days of the claim being filed):

1. Within ten (20) days of a challenge by the opposing party, the claiming party must provide a sworn affidavit or declaration containing detailed statements or contentions supporting its allegation that the claimed damages meet or exceed the claimed threshold.

2. Within twenty (20) days of their appointment, the arbitrator must determine whether the party's claim that the Amount In Controversy meets or exceeds the claimed threshold is reasonably supportable by the claiming party's sworn contentions as well as other facts and evidence available. In making this determination, the arbitrator may demand documents or other information from the claiming party supporting its claimed Amount in Controversy.

ix. Location. The arbitration must be held in Detroit, Michigan or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Detroit, Michigan.

x. Time of Final Arbitration Hearing. The final arbitration hearing for any matter where the Amount In Controversy is more than two hundred thousand dollars ($200,000) must be held no later than three (3) months from the date of the arbitration demand. For any matter where the Amount In Controversy is less than two hundred thousand dollars ($200,000), the arbitrator must issue her or his decision no later than nine (9) months from the date of the arbitration demand. Except as otherwise noted in this Agreement, hearings will take place under the Commercial Rules.

xi. Timing; Type of Award. The arbitrator must agree to comply with the schedule stated in Section O before accepting appointment. However, this time limit may be extended by the arbitrator for good cause shown, or by mutual agreement of the parties. The award of the arbitrator must be accompanied by a reasoned opinion, but they may not declare any trademarks owned by us or our Affiliates generic or invalid.

xii. Award of Fees and Costs. The arbitrator must award to the Prevailing Party, if any, as determined by the arbitrator, all of its costs and fees. "**Costs and Fees**" means all reasonable pre-award expenses of the arbitration, including arbitrator fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney fees. "**Prevailing Party**" is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party will be that party which has prevailed on a majority of the material issues decided. The "net award" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and the arbitrator's judgment.

d. Legal Fees and Expenses. The Prevailing Party in a judicial or other proceeding between the parties will be entitled to reimbursement of its Costs and Fees.

22. COSTS OF ENFORCEMENT OR DEFENSE. If any legal action or other proceeding (including those instituted by a collection agency), is begun for the enforcement of this Agreement, or for an alleged dispute, breach, default or misrepresentation under any provision of this Agreement or otherwise between the parties, the prevailing party in the action or other proceeding is entitled to recover from the other party, all reasonable pre-institution and post-institution attorneys' fees, court costs, collection fees, and all expenses even if not taxable as Court costs (including all fees and expenses incident to appellate, bankruptcy and post- judgment proceedings), incurred by the prevailing party in the action or proceeding in addition to all other relief to which the prevailing party is entitled. Attorneys' fees include paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorney to the prevailing party. In addition, if we engage legal counsel or third party collection because of your failure to pay monies or submit any reports, information, or supporting records when they are due, or relating to any failure by you to otherwise comply with this Agreement, you must reimburse us on demand for all of the above listed expenses we incur.

23. MISCELLANEOUS.

a. Time of Essence. Time will be of the essence as to provisions of this Agreement providing for the payment of money.

b. Severability. All provisions of this Agreement are severable. If pursuant to the decision of any court having jurisdiction, any provisions are not enforceable in whole or in part, the remainder of this Agreement will continue to be in full force and effect, and the affected provisions will be superseded and modified by such applicable law.

c. Approvals. Whenever this Agreement requires our prior approval or consent before you take any action, you must make a timely written request to us, and our approval or consent must be obtained in writing. We will not unreasonably withhold or unreasonably delay our response. By providing any waiver, approval, consent, or suggestion to you or in connection with any consent, or by reason of any neglect, delay, or denial of any request, we make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you.

d. No Modifications; Waivers. No waiver or modification of this Agreement or of any covenant, condition, or limitation will be valid unless it is made in writing and duly executed by the party to be charged with it. No evidence of any waiver or modification may be offered or received in evidence in any proceeding between the parties arising out of or affecting this Agreement, or the rights or obligations of any party, unless such waiver or modification is in writing, duly executed. Our waiver of your breach of any term of this Agreement applies only to that one breach and that one term, and not to any subsequent breach of any term. Acceptance by us of any payments due under this Agreement will not be deemed to be a waiver by us of any preceding breach by you of any term.

e. Force Majeure. Except for monetary obligations under, or as otherwise specifically provided for in, this Agreement, if either party to this Agreement is delayed or hindered in or prevented from the performance of any act required under this Agreement by Force Majeure, then performance of such act is excused for the period of the delay, but no such delay will exceed ninety (90) days. If your Franchised Business is damaged or destroyed due to a Force Majeure event, you must initiate within thirty (30) days (and continue until completion) all repairs or reconstruction to restore your Franchised Business to its original condition. If, in our reasonable judgment, the damage or destruction is of such a nature that it is feasible, without incurring substantial additional costs, to repair or reconstruct your Franchised Business in accordance with the then standard layout and décor specifications for Ziebart® Businesses, we may require you to repair or reconstruct your Franchised Business in accordance with those specifications.

f. Rights are Cumulative. Our and your rights under this Agreement are cumulative, and no exercise or enforcement by us or you of any right or remedy will preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce, except as specifically limited by this Agreement.

g. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meanings ascribed to them in the Appendix or as defined in this Agreement. All captions in this Agreement are intended for the convenience of the parties, and none may be deemed to affect the meaning or construction of any provision of this Agreement. Wherever the word “including” is used, it means “including but not limited to.”

h. Persons Bound. This Agreement will be binding on the parties and their respective successors and assigns.

i. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement may be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two (2) or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

j. Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties will be deemed so delivered: at the time delivered, if by hand; one (1) business day after transmission, if by overnight delivery service; one (1) business day after transmission, if by facsimile or other electronic system expressly approved in the Manuals as appropriate for delivery of notices under this Agreement (with confirmation copy sent by regular U.S. mail); or three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Information for notices is as follows, and you will immediately notify us of any changes to the following contact

information:

If to us:	If to you:
Ziebart Corporation Attention: Legal Department 1290 E. Maple Road Troy, Michigan 48083	The address shown in our records for the Franchised Business, the last Home Address we have on record for you, or as you otherwise notify us in writing

k. Execution/Counterparts. Two (2) copies of this Agreement may be signed, each of which, when signed, is an original, and which, together, constitute one and the same instrument. This Agreement may be executed in two (2) or more counterparts, each of which constitutes an original, and all of which, when taken together, constitutes one Agreement.

l. Survival. All provisions, including the understandings, representations and warranties, which, as a matter of logic or otherwise, need to continue in force and effect subsequent to and notwithstanding the expiration or termination of this Agreement in order to achieve an intended result, will continue in full force and effect despite the absence of such specific language with respect to each of them.

m. Third Party Beneficiaries. This Agreement is not for the benefit of any third parties and is only for the benefit of you, us, and to the extent applicable, our affiliate(s).

n. Currency. All sums listed are expressed in United States dollars.

o. Entire Agreement. This Agreement (along with its exhibits and addenda) and any other agreements executed by the parties concurrently with the parties' execution of this Agreement represent the entire fully integrated agreement between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement will disclaim or require you to waive reliance on any representation that we made in the Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you in connection with this franchise offering. Except for those changes permitted to be made unilaterally by us under the terms of this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to in writing by the parties and executed by their authorized officers or agents.

IN WITNESS WHEREOF the parties have set their hands and seals as of the day and year first above written.

ZIEBART CORPORATION FRANCHISEE:

By:_____ By:_____
~~Daniel C. Baker~~Brian Jackman, President

APPENDIX
Glossary of Defined Terms

Capitalized terms in the Agreement have the following meanings where used:

Agreement: This Franchise Agreement.

ATF: Defined in Section 4.g.

ATF Fee: Defined in Section 4.g.

Business Entity: A corporation, a general or limited partnership, or a limited liability company.

Claims: Defined in Section 4.t.2.

Commencement Deadline: Defined in Section 3.

Competitive Business: Defined in Section 15.

Controlling Owner: Defined in Section 20.7

CPI: Defined in Section 4j.

Credit Card Vendors: Defined in Section 4.t.

Effective Date: Defined in the introductory paragraph.

Force Majeure: This includes war, riot, strikes, materials shortages, fires, floods, earthquakes, and other acts of God, or governmental action or force of law, but excluding a shortage of funds, which results in your or our inability to build, equip, or operate your Franchised Business or otherwise perform an obligation under this Agreement, and which the party responsible for performance could not by the exercise of due diligence have avoided.

Franchised Business: Defined in the Recitals.

Franchised Location: Defined in the Recitals.

Franchise Standards: Our standards for the operation of all Ziebart® Businesses (including your Franchised Business), which are stated in a separate document that we may modify from time to time in our sole discretion.

Gross Sales: The actual consideration received by you for the sale of products or services, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly

from the operation of your Franchised Business or your use of the Licensed Trademarks, and will include the credit value given for all merchandise trades, insurance proceeds and/or condemnation awards for loss of sales, profits or business. "Gross Sales" will not include: (a) sales tax that you are obligated to pay any governmental agency; (b) sales discounts; (c) merchandise returns; or (d) credit card fees, but only if you provide us supporting documentation that we reasonably require for all such returns, allowances and exemptions at the time that you claim them.

Indemnified Parties: Defined in Section 19

Interim Period: Defined in Section 4.d

Improvements: Defined in Section 12.0

Know-How: Defined in the Recitals.

Licensed Products and Services: Defined in Addendum B.

Licensed Trademarks: The trade names and other related trademarks, service marks and trade names, listed in Addendum "A", which we may expand, delete, or amend from time to time. We will make all such changes for good faith reasons on a uniform basis for all franchisees in a particular market.

Manuals: The primary source of information regarding the System and the construction and operation of the Franchised Business, which includes our operations and training manuals, and any other written directives related to the System, as they may be amended and revised by us from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by us and given to you in any format.

Mediation Termination Date: Defined in Section 21.c.

NALF: Defined in Section 4.m.

Operational Standards: Defined in Section 3.

Owner: Any person who owns any stock, units, membership, partnership or other ownership interests in you, directly or indirectly.

Released Parties: Defined in Section 4.t.2.

Restricted Persons: Defined in Section 15.

Start-up Package: The Start-up Package consists of the following components: (a) an opening inventory package of items designated by us; (b) an equipment package of items designated by us; (c) an exterior and interior décor package of items chosen or designated by us; and (d) an optional computer and printer.

System: A uniform system for the establishment and operation of Salon, including uniform standards, specifications, and procedures for operations along with related computer software programs; procedures for quality control; the Licensed Products and Services; the Trade Secrets and Know-How; the Licensed Trademarks, management programs, accounting methods, training and ongoing operational assistance; advertising and promotional techniques; personnel training; trade secrets; methods of marketing and selling tanning services, as well as related items, prepared, purchased, or displayed in accordance with our methods; and other related benefits relating to the operation and promotion of a Ziebart® Business, all of which we may change, improve, and further developed from time to time.

Term: Defined in Section 2.

Trade Secrets: Defined in the Recitals.

Transfer: Any sale, assignment, or transfer of your interest in this Agreement, nor any interest of fifty percent (50%) or more in: (a) you; (b) any of your Owners; (c) substantially all of your assets; or (d) your Franchised Business.

Unreported Amount: Defined in Section 4.k.

Ziebart® Business: A business operated under the Licensed Trademarks by you, by us, by our affiliates, or by a third party under a franchise or license agreement with us, the terms of which may vary materially from those in this Agreement.

ADDENDUM A – LICENSED TRADEMARKS

FRANCHISE AGREEMENT DATE:_____, 20_____

FRANCHISEE: _____

FRANCHISED LOCATION: _____

The following trademarks are authorized to be used in connection with and only in connection with the Licensed Products or Services at the Franchised Business only and subject to manner of use prescribed by us and described opposite the mark and the terms of the Agreement. We may amend this addendum by sending an updated addendum as provided in the Agreement.

TRADEMARKS LICENSED	DESCRIPTION OF PRODUCT OR SERVICE
ZIEBART®	~~Aftermarket rust protection and other authorized products and services for automotive vehicles listed on Addendum B.~~ VINYL TOP DRESSING, FABRIC PROTECTOR SPRAY COATING, AND PROTECTIVE COATINGS IN THE NATURE OF PIGMENTED AND NONPIGMENTED PAINTS. UPHOLSTERY CLEANER, SPOT LIFTERS, LEATHER AND VINYL CLEANER, PASTE WAX, CLEANING AND POLISHING PREPARATIONS. LEATHER AND VINYL SEALER. RUSTPROOFING SERVICES FOR VEHICLES; PRESERVATION AND RECONDITIONING SERVICES FOR VEHICLES.
ZIEBART HELMET & SHIELD DEVICE®	Rustproofing Services for Vehicles
ITS US. OR RUST®	Rustproofing Services for Vehicles
ZEEGARD®	Rustproofing Compounds in the nature of a coating; Engine Paint, Rustproofing Spray, Speckling Paint, and Vinyl Dye. Preservation and Reconditioning Services for Vehicles.

ZEE-GLAZE

Protective Coatings in the Nature of a Polish or Glaze for Automotive Surfaces. Cleaining and Polishing, as by Glazing, Automotive Vehicle Surfaces

ZIEBART SHIELD DESIGN®

Rustproofing Compounds ~~and Protective Coatings~~ in the Nature of a Coating, Vinyl Dye, Engine Paint, Rustproofing Spray, Speckling Paint, Vinyl Top Dressing, Fabric Protector Spray Coating, and Protective Coatings in the Nature of Pigmented and Non-Pigmented Paints. Upholstery Cleaner, Spot Lifters, Leather and Vinyl Cleaner, Paste Wax, Cleaning and Polishing Preparations. Preservation and Reconditioning Services for Vehicles.

FORMULA Z®

Automotive rustproofing sealant

ZIEBART HELMET & SHIELD DESIGN®

~~Rustproofing Compounds in the nature of coating; Rustproofing Spray; Compositions to be applied to Automotive Vehicles for protection against Road Abrasion, Corrosion and for Sound Deadening.~~
Rustproofing Services for Vehicles Preservation and Reconditioning Services for Vehicles.

PRESERV-A-SHINE

Protective and restorative paint sealant applied to the surfaces of automobiles and Aircraft, Marine Vehicles, Motorcycles, Snowmobiles, Vans and Motor Homes.

HELMET & SHIELD DESIGN (Lined for Color)®

Degreasing fluid and fabric color restorers; Rustproofing compounds in the nature of a coating; vinyl dye; rustproofing spray; vinyl top dressing; fabric protector spray coating, and protective coatings in the nature of pigmented and nonpigmented paints. Upholstery Cleaner, Spot Lifters, Leather and Vinyl Cleaner, Paste Wax, Cleaning and Polishing Preparations. Preservation and Reconditioning Services for Vehicles.

HELMET & SHIELD DEVICE®

Rustproofing Compounds in the Nature of a Coating, Vinyl Dye, Engine Paint, Rustproofing Spray and Speckling Paint.

ZIEBART GOLD SHIELD PREFERRED CUSTOMER & DESIGN®

Preservation and Reconditioning Services for vehicles.

ZIEBARTHELMET & SHIELD DESIGN®

~~Rustproofing services for vehicles preservation and reconditioning services~~
Rustproofing compounds in the nature of a coating; Rustproofing spray; Compositions to be applied to Automotive Vehicles for Protection against Road Abrasion, Corrosion and for Sound-Deadening.

PROTECT-A-SHINE®

~~Automotive exterior appearance and protection services~~
Automobile cleaning, detailing and polishing.

RENU-A-SHINE®

Automotive exterior polishing, waxing and detailing.
~~appearance services.~~

GOLD CARE®

~~Automotive~~ Automobile interior and exterior detailing ~~and protection~~ services.
Preservation and reconditioning services for vehicles.

ZIEBART TIDYCAR & DESIGN®

Preservation and reconditioning services for vehicles; rustproofing services for vehicles, soundproofing of vehicles, application of protective coatings to prevent road abrasions, interior vacuuming, interior cleaning of seats, carpets, headliners, door panels, dashboards, decks, application of protective coatings to interior surfaces; exterior cleaning, polishing, application of protective sealants to exterior painted and non-painted surfaces, cleaning engines; application of graphics to vehicle body; after market installation on vehicles of truck bedliners, sunroofs, splash guards, protective moldings, running boards, truck pass-through windows, bug deflectors, van racks,cab extenders, splash guards, grill guards, luggage racks, burglar alarms, window tinting.

ARTECH®

Automobile window tinting; installation of automobile security systems and pages; and installation of aftermarket automobile products.

INNER-GUARD®

Automotive interior protection services.

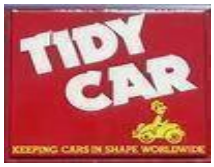
INNER-CLEAN®

Automotive interior detailing services.

TIDY CAR®

Product for Cleaning and Protecting Plastic, Simulated Wood and Stainless Steel Surfaces, a Product for Cleaning Leather Surfaces, a Cleaner to Remove Oxidized Paint Film, and a Product for Polishing and Protecting Painted and Chromium Plated Surfaces. Rendering Technical Aid and Assistance in the Establishment and Operation of Vehicle Appearance Maintenance Services. Vehicle Appearance Maintenance Services-Namely, Cleaning, Polishing and Applying Protective Finish Coatings to Automotive Vehicles.

TIDYCAR DESIGN®



Chemical Composition to Protect Upholstery Against Spots and Stains.

Z-LINER®

Application services of spray-on bedliner or vehicles.

Z-SHIELD®

Application of Protective Film to Automotive Vehicles.

DIAMOND GLOSS®

Deluxe Automotive exterior appearance and rotection services.

ZIEBART THAT'S SMART!®

All products and services sold under the Ziebart license.

GERM DEFENDER®

Application of antimicrobial coatings in the nature of compounds and preparations to a variety of surfaces and articles in all automotive interior detailing services.

FORMULA Q®

FORMULA Q

Underbody Rustproofing Sealant for vehicles

Z-GLASS®

Glass cleaner, glass cleaning preparations for vehicles

Z-GARD®

Preservation and Reconditioning Services for vehicles'

ZIEBARTGOLD SHIELD PROTECTION PROGRAMS®

Repair, Maintenance and Cleaning Services for vehicles

CERAMIC Z GLOSS®

Premium Paint Coatingcontaining nano-ceramics for use on motor vehicle exterior painted surfaces to protect them.

Z GLOSS®

Premium paint coating containing nano-ceramics for use on motor vehicle exterior painted surfaces to protect them.

Z-CLEAR®

Paint Sealer

Z-Clear® Paint Restorer

LONG LIVE NEW®

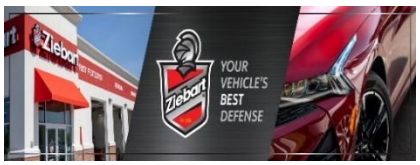
Painting of vehicles; vehicle preservation in the nature of antirust treatment & application of protective coatings & sealants.

Z-SCREEN®

Z-SCREEN

Windshield protection film, namely, optically clear polyester film for use on vehicle windows. Windshield protection film, namely, optically clear polyester film for use on vehicle windows.

YOUR VEHICLE'S BEST DEFENSE®



Painting of vehicles; vehicle preservation in the nature of anti-rust treatment of vehicles and application of protective coatings and sealants.

(1) In markets that do not conflict with current Rhino locations

ZIEBART CORPORATION,
a Michigan corporation

FRANCHISEE:

By: _____
~~Daniel C. Baker~~Brian Jackman, President

By: _____

ADDENDUM B – LICENSED PRODUCTS AND SERVICES

LICENSE AGREEMENT DATE: _____, 20_____

FRANCHISEE: _____

FRANCHISED LOCATION: _____

I. REQUIRED PROPRIETARY PRODUCTS AND EQUIPMENT – You must offer the following proprietary products and equipment:

Formula Q®
Formula A
Z-Gard®
Rust Eliminator
Clean Coat
Ziebart® 3-2-1 Polishing System
Protect-A-Shine®
Diamond Gloss®
Fabric Protection
Leather Conditioner
Leather Protection
Germ Defender®
Vinyl Clean &
Dress Vinyl Film
AB Interior Cleaner
AB Knock Out
Z-Glass® Cleaner
Ziebart® Window Tint
*subject to applicable state laws
Z-Shield® Paint Protection Film
Z-Central Detailing System
(Dissolve-All)
(Velocity Clear Coat Protectant)
(Super Express Wax)
(Black Magic Tire Wet)
(Road Warrior)
(Hands-On)
(Micro-Quat)
(Rain-X)
Ceramic Z-Gloss® Paint Coating
Ceramic Z-Gloss® Rejuvenator
Z-Shield® Ceramic Coating - Automotive Ceramic Protection for Paint Protection Film

II. REQUIRED SERVICES - You must offer the following proprietary services:

8% Royalty

Interior Detailing
Exterior Detailing
Ziebart® Paint Correction System
Clay Paint Restoration
Scratch Removal
Protect-A-Shine®
Diamond Gloss®
Inner-Guard® Plus
Germ Defender®
Rust Protection
Undercoating
Sound Barrier
Rust Eliminator
Window Tint
Ceramic Z-Gloss® Paint Coating
Ceramic Z-Gloss® Rejuvenator
Windshield Protection Film
Paint Protection Film

ADDENDUM B – LICENSED PRODUCTS AND SERVICES (CONTINUED)

III. <u>OPTIONAL SERVICES</u>: You may offer the following products and services for which marketing support is available:

8%Royalty

Windshield Chip Repair
Rhino Linings Spray-on

Liner(1) 5% Royalty

Z-Liner® Spray-on Liner(1) Polyurea
Spray-on Liner(1) Auto Glass
Replacement Architectural Window Film Remote Car Starters
Auto Alarms
12 Volt Electronic Accessories
Pinstriping
Bed Mats
Bed Liners (Drop In)
Bed Rails
Bug Deflectors/Hood Protector
Cab Extenders
Car / Truck Styling Components Car Audio
Roof Luggage Racks / Carriers
GPS Navigation Systems Vehicle Locator
Back-up Sensors
Back-up Cameras
Grille-Guard/ Brush Guards
Ground Effects
Headlight Covers
Trailer Hitches & Accessories
Light Packages (Cars, Trucks & Vans)
Louvers
Molded Plastic Styling Products
Nerf Bars / Step Bars Running Boards
Splash Guards
Spoilers & Wings
Sunroofs
Trim Accessories Tailgate Protectors Tonneau Covers
Truck Caps & Shells
Vent Shades / Visors Wind Deflectors
Dash Kits
Scratch & Dent Removal
Z-Clear® Paint Restorer
Bray Windshield Protection Film

ADDENDUM B – LICENSED PRODUCTS AND SERVICES (CONTINUED)

THE FOLLOWING CONDITIONS APPLY TO THE CORRESPONDING NUMBERED ITEMS ABOVE:

(1) Where permitted by law and subject to dealer site approval.

ZIEBART CORPORATION,
a Michigan corporation

FRANCHISEE:

By:_____
~~Daniel C. Baker~~ Brian Jackman, President

By:_____

ADDENDUM C - FRANCHISED LOCATION

This Agreement is made as an attachment to and a condition of the Agreement between the parties dated _____, 20_. In consideration of the grant of the license by us for other valuable consideration the parties agree as follows:

1. You agree that your Franchised Location, located at _____ may not comply with our current standards as to appearance and condition. You agree that to meet that standard the following changes and improvements need to be made:

   A. The equipment and products must be updated to our current standards within 90 days from the date of the Agreement.

   B. You agree to attend Ziebart Sales and Management Training within 90 days from the date of the Agreement.

   C. Interior and exterior décor, exterior signage (including an electronic reader board) must be brought up to our current Ziebart Franchise Standards within 180 days from the date of the Agreement.

   Any further changes and/or improvements will be communicated to you, and you must implement those changes within 90 days of notice from us.

2. If any of the changes and improvements are not completed within the allotted time, we will have the right to select one or more of the following remedies:

   A. We may notify you to cease operations at the Franchised Location until the work is fully performed and inspected by us.

   B. We may choose to have the necessary work performed and the cost charged to you.

   C. We may terminate the Agreement by ten (10) days written notice to you.

3. You agree that the appearance and condition of the Franchised Location are a material part of our licensing our trademarks to you. You agree to improve and maintain the appearance and condition of the Franchised Location to meet our standards.

IN WITNESS WHEREOF the parties have set their hands and seals on _____, 20__.

ZIEBART CORPORATION,
a Michigan Corporation

FRANCHISEE:

By:_____
~~Daniel C. Baker~~Brian Jackman, President

By:_____

ADDENDUM D

LEGAL ENTITY FORM

THE UNDERSIGNED REPRESENT THAT THE FOLLOWING IS CORRECT AND TRUE:

1) LEGAL NAME*
/ / a sole proprietorship; or / / a corporation; or / / a registered partnership; or / / a limited liability company

D/B/A (if applicable):
CORPORATE ADDRESS:
LOCATION ADDRESS:
PHONE:

2) NAME, HOME ADDRESS/PHONE, TITLE, & % OWNERSHIP

NAME:
HOME ADDRESS:
% OWNERSHIP:

NAME:
HOME ADDRESS:
% OWNERSHIP: _____

3) ALL OWNERS MUST SIGN:

_____ Date:_____, _____

_____ Date:_____, _____

_____ Date:_____, _____

NOTES:

*ALL LEGAL ENTITY DOCUMENTATION must be submitted to us prior to issuance of any imprinted material (business cards, invoices, warranties). If documentation submitted at a later date, invoices will be imprinted with your personal name.

If business is a partnership, a copy of the PARTNERSHIP REGISTRATION must be submitted to us.

If the business is a corporation, a copy of the ARTICLES OF INCORPORATION must be submitted to us.

If the business is a limited liability company, a copy of the ARTICLES OF ORGANIZATION must be submitted to us.

A true copy of the registration of an Assumed Name Certificate or d/b/a from the state and/or county must be submitted to us.

ADDENDUM E

MARKET DEVELOPMENT

This Addendum is made as an attachment to and a condition of the Agreement between the parties dated _____20___. The following Policy will be in effect when we wish to open new stores in a particular market:

New franchisees will have a protected area of a three (3) mile radius from the store for a period of three years from the date of the Agreement.

We have the right to open new locations in all markets not sufficiently penetrated by the existing ZIEBART network. A market is considered sufficiently penetrated if ZIEBART stores in the market meets or exceeds the actual average store sales of the entire U.S. ZIEBART network. For this purpose, sales of the ZIEBART store network refers only to those invoices subject to royalty.

When we desire to open a store in a market which has not been sufficienlty penetrated, the following procedure will apply:

1. If the closest existing franchisee in the same market is in good standing and meets all of the qualifications as that of a new franchisee, we will offer a right of first consideration to open an additional store.

2. To exercise the right of first consideration, the existing franchisee must submit a written application, pay the appropriate license fee and sign an Agreement within fifteen (15) days of our offer.

IN WITNESS WHEREOF the parties have set their hands and seals on

_____, 20___.

FRANCHISOR:
ZIEBART CORPORATION,
a Michigan corporation

FRANCHISEE:

By:_____
~~Daniel C. Baker~~ Brian Jackman, President

By:_____

ADDENDUM F

ZIEBART CORPORATION SOFTWARE LICENSE AGREEMENT

This Agreement is made this _day of _____, 20___between ZIEBART CORPORATION, a Michigan corporation with its principal office at 1290 East Maple Road, Troy, Michigan 48083 (hereinafter referred to as "Franchisor") and

_____
(hereinafter referred to as "Franchisee") with its principal office at
_____(hereinafter referred to as "Franchised Location").

WHEREAS, Franchisor and Franchisee are parties to a ZIEBART Franchise Agreement dated _____, 20__;

WHEREAS, Franchisor is the owner of certain computer software, including, but not limited to, the software program, installation guide, Systems Manual, and related materials, commonly known as ZIEBART PROPRIETARY SOFTWARE (hereinafter referred to as "Software") which can be used by Franchisee to assist with record keeping;

WHEREAS, Franchisee recognizes the advantage of operating with the Software and is desirous of obtaining the right to utilize the Software in connection with the operation of Franchisee's Ziebart licensed dealership;

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

ARTICLE ONE - GRANT OF LICENSE

1.1. Grant of License. Franchisor hereby grants to Franchisee the right to use the Software in connection with the operation of the Ziebart licensed dealership at the Franchised Location in accordance with this Agreement, the Franchise Agreement including any amendments thereto.

1.2. Ownership of Software. Franchisee acknowledges and agrees that the software was developed by Franchisor, is the sole property of Franchisor and is considered confidential property and a trade secret of Franchisor. Franchisee is prohibited from printing or copying, in whole or in part, the Software except to the extent expressly provided in writing by Franchisor. Any back-up system used by Franchisee shall be approved in advance by Franchisor. Any changes in or to the Software, regardless of any charges paid by Franchisee, shall also be the sole property of Franchisor and shall be included in the term "Software" whenever that term is used in this Agreement. Franchisee acknowledges and agrees that any and all diskettes and other physical embodiments, including authorized and unauthorized copies of the Software, are the sole and exclusive property of Franchisor.

1.3. Use and Care of Physical Embodiments of the Software. Franchisee agrees that the Software shall be used only by the Franchisee, only for the operation of the ZIEBART Dealership and only while licensed by this Agreement. Franchisee shall limit access to the Software to those of its personnel who must have access in order to permit Franchisee to use the Software and will store each physical embodiment in a secure place except when being used. Franchisee further agrees to exercise reasonable precautions to prevent access to such items by persons not authorized by the terms of this Agreement to have access. Any authorized copies of the Software shall contain appropriate proprietary and trade secret and/or copyright legends as designated by Franchisor.

1.4. Warranties. Franchisee acknowledges that the software program, as modified from time to time, is of such complexity that it may have inherent defects. Therefore, Franchisee agrees that Franchisor's sole liability and Franchisee's sole remedy shall be for Franchisor to provide programming services, at Franchisor's main office, to correct the documented program errors which Franchisor's diagnosis indicates are caused by a defect in an unaltered version of the delivered software program. Franchisor does not guarantee the results of any such services or represent or warrant that any or all errors will be corrected.

EXCEPT FOR THE EXPRESS WARRANTY STATEMENT ABOVE, FRANCHISOR GRANTS NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH REGARD TO THE SOFTWARE, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND THE STATED EXPRESS WARRANTY IS IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF FRANCHISOR FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE OR PERFORMANCE OF THE SOFTWARE.

Franchisee further agrees that Franchisor will not be liable for any lost profit, or for any claim or demand against the Franchisee by any other party. In no event will Franchisor be liable for consequential damages even if Franchisor has been advised of the possibility of such damages. No action arising out of any claimed breach of the provisions of this Article or transactions relating thereto may be brought by either party more than one (1) year after the cause of action has accrued.

ARTICLE TWO - TERM

2.1. Term. Unless terminated in accordance with the terms of Paragraph 5.1 this Agreement shall continue and remain in full force and effect for as long as a ZIEBART Franchise Agreement remains in full force and effect between the parties. Should the Franchise Agreement between the parties expire, be terminated or not renewed, this Agreement will automatically terminate, without notice, on the same date.

ARTICLE THREE – CONFIDENTIALITY

3.1. Confidential Information. Franchisee acknowledges that Franchisor is the owner of all proprietary rights in and to the Software and all material now or hereafter revealed to Franchisee under this Agreement relative to the Software. Franchisee further acknowledges that the Software, in its entirety, constitutes confidential information and/or trade secrets of Franchisor which are revealed to Franchisee in confidence, solely for the purpose of enabling Franchisee to utilize the Software pursuant to this Agreement.

3.2. Restrictions on Disclosure and Use. Franchisee agrees that, during the term of this Agreement, he shall not reveal any confidential information or trade secret to any person or entity other than Franchisee's employees who require such information for the operation of the ZIEBART Dealership. Franchisee further agrees that, prior to revealing confidential information or any trade secret to any employee, said employee will be required to execute an agreement binding the employee to a covenant of confidentiality. During and after the term of this Agreement, Franchisee agrees not to reveal of use any confidential information or trade secret in connection with any business or venture in which he has a direct or indirect interest in any capacity whatsoever.

Franchisee agrees to notify Franchisor immediately of the unauthorized possession, use or knowledge of any confidential information or trade secret supplied under this Agreement by any person or organization not authorized by this Agreement or Franchisor to have such possession, use or knowledge. Franchisee shall promptly furnish full details of such possession, use or knowledge to Franchisor, will assist in preventing the recurrence of such possession, use or knowledge and shall cooperate with Franchisor in any litigation against third parties deemed necessary by Franchisor to protect its proprietary rights.

Franchisee recognizes that the Software is the proprietary and confidential property of Franchisor. Franchisee further agrees to take all reasonable precautions to preserve the confidentiality and integrity of Franchisor's Software, associated databases, and shall assume responsibility that its employees, will similarly preserve this information against third parties. The provisions of this clause shall survive termination of this Agreement.

The license granted to the Franchisee is limited in that no modification, adaptation, improvement, enhancement, translation or derivative work may be done to the application, or its databases by the Franchisee or its employees, and that the Franchisee or its employees cannot decompile, reverse engineer, disassemble, attempt to derive the source code, decrypt the Application, or its associated databases. Attempting to hack or access the data contained in the programs databases is prohibited and is a violation of this agreement.

ARTICLE FOUR - TRANSFERABILITY OF AGREEMENT

4.1. Transfer by Franchisor. Franchisor may transfer all or any part of this Software License Agreement in connection with the sale, transfer or license of the Software without the consent of Franchisee, but the Franchisor or its successor shall remain liable for all obligations under this Agreement.

4.2. Transfer by Franchisee. Franchisee shall not transfer, directly or indirectly, this Agreement or any interest therein without the prior written consent of Franchisor. Franchisee shall have no right to pledge, encumber or grant any security interest in or to sublicense any of the rights granted by this Agreement. A transfer by Franchisee to an entity controlled by Franchisee shall not be subject to the provisions of this Article provided that prior written notice of such transfer is given to Franchisor and the assignee delivers at the time of assignment an executed copy of this Agreement to Franchisor indicating its acceptance of the terms of this Agreement.

ARTICLE FIVE - TERMINATION

5.1. Termination of Software License Agreement. Either party may terminate this Agreement, with or without cause, upon thirty (30) days written notice to the other party.

5.2. Effect of Termination. Upon termination of this Agreement for any reason, Franchisee's rights to use the Software and all other rights associated with this Agreement shall cease and the following, as well as other provisions of this Agreement relating to termination, shall apply:

a. Franchisee shall immediately and permanently discontinue the use of the Software and shall immediately return all components of the Software and the physical embodiments thereof to the Franchisor.

b. Franchisee shall remove and deliver to Franchisor all technical manuals, Systems Manual and all copyrighted materials. Franchisee shall bear the cost of shipping materials to Franchisor.

c. Because of the trade secrets and other valuable consideration disclosed by Franchisor to Franchisee pursuant to this Agreement, Franchisee agrees that in the event of termination by the Franchisor he shall comply with the provisions set forth within Article Three (3) above, which provisions together with the provisions of Articles 6, 7 and 8 shall survive the termination of this Agreement.

ARTICLE SIX - INDEMNIFICATION

6.1. Indemnification. Franchisee hereby agrees to indemnify and hold Franchisor harmless from any and all claims, actions, demands, proceedings, lawsuits, damages or liabilities, and all expenses related thereto, including attorney fees and court costs, arising out of or in any way connected with Franchisee's acts or omissions relating to the Software or this Agreement. This Paragraph does not limit the liability of the Franchisor to the Franchisee based on this Agreement or applicable law.

ARTICLE SEVEN - LAW AND JURISDICTION; INJUNCTIVE RELIEF

7.1. MICHIGAN Laws and Jurisdiction. This Agreement and the construction thereof shall be governed by the laws of the State of Michigan.

7.2. Injunctive Relief. The Franchisor shall have the right, without the posting of any bond or security, to apply for specific enforcement of the terms of this Agreement, by petitions for temporary and permanent injunctions or other similar equitable relief. Specifically, the Franchisor shall have the right to obtain such relief to prevent Franchisee from:

a. misusing any of the rights licensed by this Agreement; and (b) retaining, using or allowing others to use the Software licensed hereby after termination of this Agreement or allowing others to use the Software licensed hereby during the term of this Agreement. Franchisor's rights to apply for such relief are in addition to all other remedies available to Franchisor under applicable law.

ARTICLE EIGHT - MISCELLANEOUS

8.1. Waiver; Cumulative Rights. No delay or omission to exercise a right, power or remedy accruing to one party on any breach or default shall impair any such right, power or remedy of such party, and it shall not be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default there before or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Licenser of any breach or default under this Agreement or any waiver on the part of Franchisor of any provision or conditions of this Agreement shall be in writing and shall be effective only to the extent specifically allowed by such writing. All remedies, either under this Agreement, or by law, or otherwise afforded shall be cumulative and not alternative.

8.2. Notice. Any notice or demand given or made pursuant to the terms of this Agreement shall be personally serviced or sent by registered or certified mail to the address set forth at the beginning of this Agreement or at such other address as may be designated by notice pursuant to this Paragraph.

8.3. Unavoidable Contingency. Neither party shall be responsible for any contingency that is unavoidable or beyond its control wherever arising, including strike, flood, war, fire, rebellion, governmental limitation or Act of God.

8.4. Time of the Essence. Time shall be of the essence as to provisions of this Agreement.

8.5. Entire Agreement; Modifications. This Agreement shall constitute the full and entire agreement between the parties with respect to the Software. This supersedes all previous written and oral agreements or understandings between the parties. This Agreement shall not be amended or modified other than by an instrument

in writing executed by both parties, except as otherwise may have been specifically provided for herein.

8.6. Severability. Each section, part or provision of this Agreement shall be considered severable. In the event that any section, part or provision is found unenforceable by a Court of competent jurisdiction, such determination shall not impair the operation or effect the validity of the remainder of this Agreement.

8.7. Costs of Enforcement. Franchisee agrees to pay all costs incurred by Franchisor in enforcing the provisions of this Agreement, including, but not limited to, the cost of all legal expenses and costs, including attorney fees.

8.8. Obligations Joint and Severable. In the event there is more than one (1) individual or entity executing this Agreement as Franchisee, the obligations of such individuals shall be joint and severable.

8.9. Upgrades and Substitution. This Agreement shall apply to any upgraded or substituted software supplied by Franchisor to Franchisee. No further agreement needs to be signed to apply the terms of this Agreement to such upgraded or substituted software.

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this Agreement to be executed and entered into as of the day and year first above written.

ZIEBART CORPORATION,
a Michigan corporation

FRANCHISEE:

By:_____

~~Daniel C. Baker,~~Brian Jackman
President

By:_____

ADDENDUM G

AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER

I hereby authorize Ziebart International Corporation (hereinafter referred to as the Company) to make withdrawals from the account identified below at _____ _____(hereinafter referred to as the Bank) and authorize the Bank to charge such withdrawals to my listed account.

Such withdrawals shall be equal to the weekly royalty and advertising amounts as reported on the BART system. If the purpose for withdrawal is restricted in any manner, such restriction is stated below. Withdrawal for adjusting entries to correct errors are also authorized upon prior notification and approval of the amount. It is agreed that these withdrawals and adjustments may be made electronically and under the Rules of the Michigan Automated Clearing House Association. This authorization will remain in effect until written notice of termination is given to the Company.

Name of Bank	Bank Routing and Transit No.	Account No. to Debit
Name of Authorizing Party (Please Print)	Address and City	State/Province and Zip Code
Signature of Authorizing Party	Date	Individual or Tax ID Number

Type of Account: ☐ Checking ☐ Savings

PLEASE ATTACH VOIDED CHECK AND DEPOSIT TICKET TO THIS AUTHORIZATION

Insufficient funds at time of withdrawal are subject to a $20.00 service fee

ADDENDUM H

ADDENDUMTO FRANCHISE AGREEMENT - RHINO COATINGS

This Addendum is made the _____day of _____, 20____, and modifies a Franchise Agreement between Ziebart Corporation, a Michigan corporation ("ZC"), and _____ ("Franchisee") dated _____, 20_____("Franchise Agreement") for _____.

1. Introduction.

A. Rhino. In March of 1999, Ziebart International Corporation and Rhino Linings USA, Inc. entered into a Development Agreement ("Initial Development Agreement") authorizing ZC to sell equipment and products ("Rhino Equipment and Products") involving the application of proprietary formulations of specialized polyurethane coatings to different types of surfaces ("Rhino Coatings") to ZC franchisees and to license ZC franchisees to sell and apply Rhino Coatings. Effective June 15, 2009, Ziebart International Corporation and Rhino Linings Corporation, formerly known as Rhino Linings USA, Inc. ("Rhino") entered into a Restated Development Agreement granting ZC the same rights. The Restated Development Agreement supersedes the Initial Development Agreement. The Restated Development Agreement also authorizes ZC to license ZC franchisees to use the Rhino Trademarks in connection with the sale and application of the Rhino Coatings. The "Rhino Trademarks" include the following tradenames, trademarks, service marks and internet domain names, and any names and marks that are confusingly similar to, or reasonably fit within this family of marks: Rhino, Rhino Linings, Rhino Linings USA, Rhino Linings Corporation, Rhino Canada, Rhino Liners, Hardline, TuffGrip, SolarMax, Rhino Cast, Rhino USA, Rhino Coatings, Rhino Coats, Tuff Stuff, Durabond, Hi-Chem, Rhino Extreme, Rhino Hybrid, RhinoPak, Rhino Shine, Nothing Beats a Real Rhino, Premium Polyurethane Systems, The Sprayed On Bed Liner, The Sprayed on Liner, rhinolinings.com, rhinolinins.net, rhino- linings.biz, and rhinoslovetoread.com.

B. Ziebart Business. Franchisee currently operates a business that provides automotive products and services at retail and wholesale, including application of protective coatings, detailing services and sales and installation of accessory products under the trademark and systems described in the Franchise Agreement (the "Ziebart Business"). Franchisee desires to acquire from ZC the right to sell and apply Rhino Coatings and to use the Rhino Trademarks in connection with the sale of Rhino Coatings in conjunction with the operation of Franchisee's Ziebart Business.

C. Incorporation of Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement will remain in full force and effect and is incorporated in this Addendum by reference. For purposes of incorporation of the Franchise Agreement, references in the Franchise Agreement to the "Franchised Business" or "franchise business" or similar terms will include the rights and obligations of Franchisee under this Addendum.

2. Grant of Rights.

A. Grant of Rights. Subject to the terms and conditions of this Addendum and the Franchise Agreement, ZC grants to Franchisee the limited exclusive right to sell and apply Rhino Coatings and to use the Rhino Trademarks in connection with the sale of Rhino Coatings for Retail Automotive Applications at the Franchisee's Franchised Location which is designated in the Franchise Agreement ("Franchised Location"). "Retail Automotive Applications" are applications of Rhino Coatings on trucks, vans and trailers owned or leased by retail customers who bring their vehicles to the Franchised Location.

Subject to the terms and conditions of this Addendum and the Franchise Agreement, ZC also grants to Franchisee the limited non-exclusive right to sell and apply Rhino Coatings and to use the Rhino Trademarks within the licensed territory in connection with the sale of Rhino Coatings for Wholesale Automotive Applications. "Wholesale Automotive Applications" are applications of Rhino Coatings on trucks, vans and trailers for wholesale customers, fleet customers, new and used automotive dealerships, original Equipment manufacturers, and other non-Retail Automotive Application customers.

This Addendum permits Franchisee to use the Rhino Coatings for Automotive Applications only. IT IS RECOMMENDED THAT FRANCHISEE NOT PARTICIPATE IN ANY APPLICATION FOR WHICH FRANCHISEE HAS NOT BEEN TRAINED AND APPROVED IN WRITING BY ZC. IF FRANCHISEE PROVIDES PRODUCTS OR SERVICES OR APPLICATIONS THAT HAVE NOT BEEN AUTHORIZED, FRANCHISEE DOES SO AT ITS OWN RISK AND IN VIOLATION OF THIS ADDENDUM.

B. Limited Exclusivity. Except as provided in Section 2(A) and this Section 2(B), the provisions on exclusivity set forth in the Franchise Agreement will control the exclusivity of Franchisee's rights under this Addendum. Beginning on the effective date of this Addendum, Franchisee agrees to purchase Rhino Coatings products from ZC. If Franchisee fails to purchase Rhino Coatings products, the exclusivity of Franchisee's rights as to the sale and application of Rhino Coatings and use of Rhino Trademarks will automatically and immediately terminate. Franchisee will have no right to cure the default and no notices are required to be given to Franchisee. After such default, Franchisee's rights will continue under this Addendum, but as a nonexclusive right. Franchisee's rights as to Wholesale Automotive Applications will always be nonexclusive.

C. Compliance with Rhino Standards and Policies. At all times during the term of this Addendum, Franchisee must: (i) maintain commercially reasonable facilities; (ii) use reasonable efforts to promote the sale of Rhino Coatings; (iii) use best efforts to maintain high quality standards by competently and safely applying the Rhino Coatings in accordance with the Rhino operations manual, the applicable safety data sheets (which have been delivered by Ziebart to Franchisee) and in accordance with Rhino training procedures; (iv) use reasonable efforts to maintain and promote customer satisfaction with Rhino Coatings; (v) purchase only Rhino Equipment and

Products for all polyurethane processing equipment, resin, ISO, and pigment purchased or to be applied by Franchisee; and (vi) always use the Rhino Trademarks in connection with the sale and application of Rhino Coatings.

D. Inspections by Rhino. Franchisee acknowledges and agrees that Rhino or its representatives will have the right to inspect the aspects of Franchisee's business relating to the sale and application of Rhino Coatings and to the use of the Rhino Trademarks. However, any inspection by Rhino must take place during normal business hours and must not unreasonably disrupt Franchisee's business.

3. Term.

A. Initial Term. This Addendum will become effective when signed by both ZC and Franchisee and will continue in effect for a minimum of 60 months and a maximum of the remaining term of the Franchise Agreement.

B. Option to Renew Rights under Addendum. At the end of the term of this Addendum, Franchisee will be eligible to renew its rights under this Addendum for an additional term co-extensive with the term of Franchisee's new Franchise Agreement for its Ziebart Business in accordance with the terms and conditions of the Franchise Agreement. Franchisee may be required to sign a new Addendum on renewal on the form then being used by ZC. Franchisee acknowledges that the Restated Development Agreement gives ZC and Rhino the right, under certain circumstances, to terminate ZC's right to license its franchisees to sell and apply Rhino Coatings and to use the Rhino Trademarks. Accordingly, Franchisee acknowledges that it may not have a right to renew its rights under this Addendum at the end of the term of this Addendum if ZC's development rights under the Restated Development Agreement have been terminated.

4. Purchase of Rhino Equipment and Products.

A. Initial Equipment. Franchisee must purchase from ZC, or a supplier designated by ZC, the Rhino Equipment necessary to apply Rhino Coatings. Lease financing terms may be available from Rhino if Franchisee meets Rhino's credit requirements. Franchisee agrees not to purchase or use any equipment or machinery for use in the application of Rhino Coatings except the Rhino Equipment purchased from ZC or any alternative supplier designated by ZC.

B. Initial Product Purchases. In order to adequately stock its business for start-up, Franchisee agrees to purchase the Rhino Products, including, resin, ISO, pigments and miscellaneous items specified by ZC, before Franchisee begins to apply Rhino Coatings.

C. Source of Supply. ZC or a supplier designated by ZC will be the exclusive supplier to Franchisee for all polyurethane processing equipment, resin, ISO and pigment purchased or to be applied by Franchisee. All other items to be purchased by Franchisee for use in the process of applying Rhino Coatings must be of a quality

and grade approved by ZC, and must be purchased from a supplier approved in writing by ZC.

D. Franchisee's Obligations. Franchisee agrees: (i) not to modify the Rhino Equipment or Products without ZC's and Rhino's prior written consent; (ii) not to sell any Rhino Equipment or Products for purposes of resale; (iii) to use the Rhino Coatings products only in accordance with the Rhino operations manual, training procedures and the MSDS's (see Section 4(H) below) delivered to Franchisee; and (iv) to maintain the Rhino equipment and machinery in good repair.

E. Warranties. ZC MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE RHINO EQUIPMENT AND PRODUCTS SOLD TO FRANCHISEE, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES WILL ZC BE LIABLE TO FRANCHISEE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES AS A RESULT OF THE CONDITION OF THE RHINO EQUIPMENT OR PRODUCTS. ZC agrees to assign to Franchisee the warranty on the Rhino Equipment and Products issued by Rhino. The Rhino warranty is described in the attached Appendix 1. Franchisee will be responsible for warranties made expressly or implied to Franchisee's customers. Franchisee is not authorized to, and must not, pass the warranty of Rhino to Franchisee's customers.

F. Representations to the Public. Franchisee must not misrepresent Rhino Coatings to the public. Any brochures or other written materials distributed by Franchisee which represent the capabilities, qualities, attributes or other specifications of the Rhino Coatings must first be approved in writing by ZC and Rhino.

G. Insurance. Franchisee must obtain such additional insurance coverage relating to Franchisee's rights under this Addendum as may be specified by ZC from time to time. Franchisee must name ZC and Rhino as additional insured on all policies as specified by ZC from time to time.

H. Safety Data Sheets. Attached to this Addendum as Appendix 2 is a listing of the Safety Data Sheets ("SDS's") for some of the Rhino Coatings products. By initialing this Appendix, Franchisee acknowledges receipt of the listed SDS's; acknowledges that Franchisee will receive additional MSDS's during training and at various other times; and acknowledges that the MSDS's are governed by federal and state laws. Franchisee agrees to comply with the MSDS's and to train and conduct ongoing counseling with its employees to comply with the MSDS's.

I. Disposal. Franchisee agrees that the disposal of all Rhino Coatings products and the containers used to deliver such products is the sole responsibility of Franchisee and must be accomplished is strict compliance with all local, state and federal laws, rules and regulations pertaining to the disposal of chemical waste.

5. Rhino Trademarks and Confidential Information.

J. Right to License Rhino Trademarks. ZC warrants that it has the right to use and license the Rhino Trademarks pursuant to the Restated Development Agreement but that the Rhino Trademarks are owned by Rhino. Any and all improvements made by Franchisee relating to the Rhino Trademarks will become the sole and absolute property of Rhino who will have the exclusive right to register and protect all such improvements in its name in accordance with applicable law. Franchisee's use of the Rhino Trademarks, as well as any goodwill arising from that use, will inure exclusively to the benefit of Rhino. On the expiration or termination of this Addendum, no monetary amount will be assigned as attributable to any goodwill associated with the Franchisee's use of the Rhino Trademarks. The Franchisee will at no time take any action whatsoever to contest the validity or ownership of the Rhino Trademarks or the goodwill associated with them.

K. Conditions to License of Rhino Trademarks. Franchisee's non- exclusive personal right to use the Rhino Trademarks applies only to Franchisee's use in connection with the marketing, promotion, offer for sale and sale of Rhino Coatings by Franchisee. Such rights will exist only so long as Franchisee fully performs and complies with all of the conditions, terms and covenants of this Addendum and the Franchise Agreement. Franchisee will not have or acquire any rights in any of the Rhino Trademarks other than the right of use as provided in this Addendum. Franchisee will have the right to use the Rhino Trademarks only in the manner prescribed, directed and approved by ZC in writing, and will adopt and use, at Franchisee's expense, such variations of the Rhino Trademarks or new Rhino Trademarks as may be designated from time to time in writing. If, in the judgment of ZC, the acts of Franchisee infringe on or demean the goodwill, uniformity, quality or business standing associated with the Rhino Trademarks, then Franchisee will, on receipt of written notice, at Franchisee's expense, immediately modify its use of the Rhino Trademarks in the manner prescribed in writing.

L. Adverse Claims to Rhino Trademarks. If there is any claim by any party that its rights to any or all of the Rhino Trademarks are superior to those of Rhino or ZC, and if the attorneys for Rhino are of the opinion that any such claim is legally meritorious, or if there is an adjudication by a Court of competent jurisdiction that any party's rights to the Rhino Trademarks are superior to those of Rhino or ZC, then on written notice from ZC, Franchisee will, at Franchisee's expense, immediately adopt and use the changes and amendments to the Rhino Trademarks that are specified in writing. If so directed, Franchisee will immediately cease using any of the Rhino Trademarks, and will, as soon as reasonably possible, at Franchisee's expense, commence using the new trademarks, tradenames, service marks, logos, designs and commercial symbols in connection with the marketing, promotion, offer for sale and sale of Rhino Coatings. Franchisee will not make any changes or amendments whatsoever to the Rhino Trademarks unless specified or approved in advance by ZC and Rhino in writing.

M. Tender of Defense. If Franchisee is named as a defendant or party in any action involving the Rhino Trademarks and if Franchisee is named as a defendant or party solely because the plaintiff or claimant is alleging that the Franchisee does not

have the right to use the Rhino Trademarks licensed by ZC to the Franchisee pursuant to this Addendum, then the Franchisee will have the right to tender the defense of the action to ZC, and ZC or Rhino will, at its expense, defend the Franchisee in the action providing that the Franchisee has tendered the action to ZC within five days after receiving service of the Summons and Complaint involved in the action. ZC will indemnify and hold Franchisee harmless from any damages assessed against Franchisee in any action resulting solely from the Franchisee's use of the Rhino Trademarks if the Franchisee has timely tendered the defense of the action to ZC.

N. Rhino Confidential Information. Franchisee acknowledges and agrees that in the course of training and otherwise in the performance of this Agreement, ZC or Rhino may disclose to Franchisee certain trade secrets and other confidential information, including but not limited to, chemical formulas, technical specifications, know how, procedures, and processes which are generally maintained in secrecy by Rhino ("Rhino Confidential Information"). Franchisee agrees that it may use the Rhino Confidential Information disclosed by ZC or Rhino solely for the purposes of performing under this Addendum and solely during the term of this Addendum, and not otherwise or any time for its own use or benefit or the benefit of any third party. Franchisee further agrees to maintain the secrecy of the Rhino Confidential Information and will not in any way or at any time disclose such information to third parties, employees (except on a need-to-know basis), agents or affiliate companies. Further, Franchisee agrees not to reverse engineer any chemical products acquired from ZC or Rhino. Franchisee acknowledges and understands that absolute confidentiality is required because such information may create a substantial competitive advantage for Rhino and its dealers generally. Therefore, the disclosure of any information may significantly harm the competitive position of Rhino and its dealers. The obligations of confidentiality and non- use contained in this Section will continue for five years following the termination of this Addendum.

All employees of Franchisee who have access to the Rhino Confidential Information must agree to maintain the confidentiality of the Rhino Confidential Information in accordance with the terms of this Section.

O. Restrictions on the Sale of Competing Products. During the term of this Addendum, Franchisee must not, directly or indirectly, participate in the sale, development, application, manufacture or marketing of equipment, products or services that are in competition with the equipment, products or services involved in the sale and application of Rhino Coatings, including, but not limited to, specialized polyurethane coatings, spray-on paint-like coatings, and/or other similar protection products for trucks, vans, trailers, boats or the like. The restrictions in this Section 5(F) will not apply to drop- in bedliners or epoxy based coatings if Franchisee is offering those products at the time of signing of this Addendum; provided that, Franchisee's right to sell bedliners and epoxy based coatings will be phased-out based on a schedule specified by ZC. Franchisee may continue to sell and apply epoxy based coatings after the phase-out period, but only if dictated by the circumstances (for example, the need to expose the product to heat).

5. Fees and Reporting.

A. Fees. All fees and charges described in the Franchise Agreement, such as royalty (the royalty for Rhino Coatings will be 8% of gross sales), minimum royalties, advertising fees, late charges and audit fees, will apply to gross sales relating to Rhino Coatings.

B. Use of The Marketing Fund Contributions. ZC may use up to 40% (or such lesser percentage specified by ZC in its sole discretion) of The Marketing Fund contributions from gross sales relating to Rhino Coatings, for promotion, creative, national campaigns and administrative expenses relating to the development and implementation of the Ziebart/Rhino Co-Branding concept. ZC will apply all funds in excess of these expenses in accordance with the Franchise Agreement.

C. Reports and Records. All reporting requirements specified by ZC in accordance with the Franchise Agreement will apply to Franchisee's sale of Rhino Coatings.

6. Training.

A. Initial Training. Ziebart will provide all training for initial start-up at $1,920 per location.

B. Training Fees. Except as provided in Section 7(A), there will be no additional charge to Franchisee for the initial training program. Franchisee or any approved assignee of Franchisee must pay ZC's then current training fee for each person who attends any training programs for Rhino Coatings after the initial training program. Franchisee must pay the salaries, fringe benefits, payroll taxes and employment compensation, workers compensation insurance, lodging, food, automobile and full travel costs and all other expenses for the Franchisee and all persons who attend the initial or any additional training program on behalf of Franchisee.

7. Assignment; Relocation.

A. Assignment by Franchisee. Franchisee's rights under this Addendum may only be assigned by Franchisee in connection with an assignment of its rights in Franchisee's Ziebart Business and only in accordance with the requirements specified in the Franchise Agreement for assignment or sale of Franchisee's Ziebart Business.

B. Relocation. Franchisee may not move its Franchised Location, or open any new facilities involving the sale or application of Rhino Coatings without the prior written consent of Rhino and ZC. Rhino reserves the right, in its sole discretion, to disapprove any such move that would unfairly interfere with the harmony and fair competition among Rhino dealers.

8. Termination.

A. Termination. Any material breach of this Addendum or the Franchise Agreement will constitute a default under this Addendum and the Franchise Agreement and will entitle ZC to terminate this Addendum and/or the Franchise Agreement in accordance with the procedures set forth in the Franchise Agreement. Upon any material breach of this Addendum by ZC, ZC may, at its option, elect to terminate only Franchisee's rights under this Addendum or may elect to terminate Franchisee's rights both under this Addendum and the Franchise Agreement.

B. Effect of Termination. In addition to Franchisee's obligations on termination as specified in the Franchise Agreement, Franchisee must: (i) immediately cease to use the Rhino Trademarks; (ii) immediately return to ZC all Rhino Manual, advertising materials, signage, and all other printed materials pertaining to Rhino Coatings; (iii) comply with any other applicable provisions of this Addendum or the Franchise Agreement. If ZC elects to only terminate this Addendum and not the Franchise Agreement, all of the provisions of the Franchise Agreement relating to termination will apply to the termination, but will only be applicable to Franchisee's rights and obligations under this Addendum.

9. Indemnification.

A. Indemnification of ZC. ZC's rights to indemnification under the Franchise Agreement will apply to any liability, damages or costs, including reasonable attorneys' fees, arising out of, from, in connection with, or as a result of, Franchisee's acts of omissions or Franchisee's rights and obligations under this Addendum.

B. Indemnification of Rhino. Franchisee must protect, indemnify and save harmless, Rhino from and against any and all costs, expenses, losses, damages, liability and attorneys fees incurred by Rhino arising out of, from, in connection with, or as a result of Franchisee's acts or omissions or Franchisee's rights and obligations under this Addendum.

10. Acknowledgments Regarding Rhino.

Franchisee and ZC acknowledge and agree that Rhino is not a party to this Addendum and that Franchisee is contracting exclusively with ZC. Franchisee acknowledges that: (i) the only duties or obligations that Rhino has to Franchisee are to police the use of the Rhino Trademarks for the benefit of all Rhino dealers in accordance with the Lanham Act (15 U.S.C. § 1127); (ii) that Rhino has not made any promises, representations or inducements to Franchisee other than as specifically referred to in this Addendum; (iii) ZC is not an agent, servant, representative, employee, partner or joint venturer of or with Rhino and cannot bind Rhino without Rhino's written consent; and (iv) Rhino is a third party beneficiary under this Addendum with respect to the provisions of this Addendum granting rights to Rhino or requiring Rhino's consent and Rhino will have an independent right to enforce those provisions.

ZC and Franchisee have signed this Addendum on the date set forth opposite their signatures to be effective of the date set forth at the beginning of this Addendum.

ZIEBART CORPORATION	FRANCHISEE:
By:	By:
~~Daniel C. Baker~~ Brian Jackman	
Its: President	Its:
Dated:	Dated:

APPENDIX 1 to
Addendum to Franchise Agreement – Rhino Coatings
[Section 4(E)]

Rhino Warranty

1. **Equipment:** Subject to Paragraph 3 below, Rhino warrants that, for a period of twelve months from the date of shipment from Rhino, its spray equipment and related parts (collectively referred to as "Equipment") will be, under normal use, free from defects in material and workmanship.

2. **Other Products:** Subject to Paragraph 3 below, Rhino warrants that, for a period of six months from the date of shipment from Rhino, its chemicals and other products (collectively referred to as "Products") will be, under normal use, free from defects in material and workmanship.

3. **Exclusions:** The foregoing warranties do not cover, and Rhino shall not be liable for, any malfunction, damage or wear caused by faulty installation, misapplication, abrasion, corrosion, inadequate or improper maintenance, negligence, accident, tampering, substitution of non-Rhino component parts or products, improper storage, failure to comply with the Rhino operational manual or the Safety Data Sheets, or any act or omission outside the reasonable control of Rhino.

4. THE FOREGOING WARRANTIES ARE IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5. **Warranty Claims:** All warranty claims must be made in accordance with the attached Rhino Warranty Claims and Return Material Authorization Procedures.

6. **Assignment of Third Party Warranties:** Rhino agrees to assign to ZC and/or ZC's franchisees, whatever rights Rhino may have under any Warranty, express or implied, of any supplier or manufacturer of any Equipment and Products sold by Rhino but not manufactured by Rhino, to the extent assignable.

7. **Limitation on Liability:** Rhino's entire liability and the exclusive remedy under the above warranties will be to repair, or at Rhino's option, to replace without charge, any Equipment or Products which Rhino determines to be defective within the scope of this Warranty. In the event Rhino is unable to repair or replace a defective Product within a reasonable time after receipt, then Rhino's entire liability, and the exclusive remedy under the above warranties, will be that Rhino will credit Franchisee with the original purchase price of the defective Product.

8. **Amendment to Warranty:** This Warranty may not be modified except in writing by a corporate officer of Rhino which is specifically designated as "Warranty." In the event of any conflict between this Appendix B and any other agreement or representation between Rhino and ZC and/or Franchisee, the terms of this Warranty shall be deemed to control.

Warranty Claims and Return Material Authorization

In order to make a warranty claim, Franchisee must strictly comply with these procedures, which are designed to protect the rights of Rhino, ZC and Franchisee. A Return Material Authorization ("RMA") number must be obtained from Rhino's Customer Service Department for the return of any Rhino Equipment and Products. Additionally, in order to make warranty claims for chemicals, Franchisee must maintain an ongoing Daily Ratio Log which reflects temperatures, humidity ratios and other information pertinent to proving the fault of any problem. (Forms for the Daily Ratio Logs are available from Rhino on request.) Equipment or Products returned to Rhino without proper authorization will be returned to Franchisee at Franchisee's expense. Notwithstanding anything to the contrary in this Appendix B, all warranty claims and returns by Franchisee must proceed through ZC before being submitted to Rhino.

Equipment Unused Chemicals and Other Products. In order to obtain an RMA number for a warranty claim for Equipment, Unused Chemicals and Other Products, Franchisee must complete and submit Rhino's Warranty Claim Form. Upon submission of this claim form, Rhino will instruct Franchisee as to whether Franchisee should ship the Equipment or Products to Rhino, or whether Rhino will make an inspection at Franchisee's site. If shipment is required, the RMA number will be issued and must be placed on the return item. Following inspection of the Equipment and Products, Rhino will determine whether there is a defect covered by warranty. If there is a defect covered by warranty, Rhino will pay for the shipping of the return and/or replacement. If Rhino determines that the Equipment or Products are not covered under the warranty, Franchisee will be responsible to pay for all shipping.

Partially Used Product Claims. In order to obtain an RMA number for a warranty claim for Chemicals applied by Franchisee on customer surfaces, Franchisee must provide to Rhino's Customer Service Department (a) samples of the raw material sold by Rhino that Franchisee suspects is defective; (b) the ratio of ISO to resin used; (c) the type of resin used; (d) Franchisee's processing conditions; and (e) other information contained on Rhino's Warranty Claim Form for Partially Used Product. Upon receipt of the completed Warranty Claim Form, and subject to inspection by Rhino at the site of Franchisee, Rhino will determine whether the product was defective or whether the procedure utilized by Franchisee was defective. If Rhino determines that the product is defective, the RMA number will be issued and must be placed on all returned shipping containers and Rhino will pay for all shipping. If Rhino determines that the product is not defective, Franchisee shall be responsible to pay for all shipping charges back to Rhino and a handling fee of 15% of the Franchisee's original cost of the product.

APPENDIX 2 to
Addendum to Franchise Agreement - Rhino Coatings
[Section 4(H)]

List of Safety Data Sheets

Franchisee acknowledges receipt from ZC of the following Safety Data Sheets:

1. #60016 Tuff Grip Side-A
2. #60026 Tuff Grip Side-B
3. #50020 NMP

ZIEBART CORPORATION,
a Michigan corporation

DATED:_____ By:_____
~~Daniel C. Baker~~
Brian Jackman
Its: President

FRANCHISEE:

_____
a _____

DATED:_____ By:_____

Its:

ADDENDUM I

MARYLAND FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT ADDENDUM

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

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.

The undersigned does hereby acknowledge receipt of this addendum.

~~Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required an Escrow condition. Therefore, all initial fees and payments owed by franchisees shall be held in an Escrow Account until the franchisor completes its pre-opening obligations under the franchise agreement.~~

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

Dated this _____ day of _____.

ZIEBART CORPORATION

_____

FRANCHISEE:

_____

ADDENDUM J

WISCONSIN FRANCHISE AGREEMENT AND MULTI-UNIT DEVEOPMENT AGREEMENT ADDENDUM

The state of Wisconsin requires termination notice of 90 days with 60 days to cure for delinquent reporting; termination notice of 90 days with 10 days to cure for nonpayment of sums due under the Franchise Agreement.

The undersigned doeshereby acknowledge receipt of this addendum.

Dated this_____day of_____.

ZIEBART CORPORATION FRANCHISEE:

_____ _____

ADDENDUM K

ILLINOIS FRANCHISE AGREEMENT AND MULTI-UNIT DEVEOPMENT AGREEMENT ADDENDUM

Illinois law governs the Franchise Agreement.

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

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

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

Dated this _____ day of _____.

ZIEBART CORPORATION

_____

FRANCHISEE:

_____

ADDENDUM L

MINNESOTA FRANCHISE AGREEMENT AND MULTI-UNIT DEVEOPMENT AGREEMENT ADDENDUM

~~Minnesota Law, Sec. 80C.l4, Subdivisions l, 2, 3, 4 and 5 may affect the conditions under which a franchise can be terminated and rights upon non-renewal.~~

~~The state of Minnesota requires termination notice of 90 days with 60 days to cure. 180 days notice for non-renewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.~~

~~Section 12 of the Franchise Agreement is amended by the addition of:~~

~~E. The franchisor will indemnify a Minnesota franchisee for damages for which such franchisee is held liable in any proceeding arising out of the use of the trademark provided that the franchisee has used the mark properly and has notified the franchisor of any claim against the franchisee within ten days of franchisee's knowledge of such claim. The franchisor shall in no event be liable for the cost of signs and other items bearing the trademark nor for any claim for loss of goodwill. The franchisor's indemnification obligation shall not apply to any franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.~~

~~Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Sec. 80C.12, Subd. 1(g).~~

~~Section 21 of the Franchise Agreement is amended to read: Pursuant to Minnesota Statue Section 80C.21 and Minnesota Rule Part 2860.4400J, we are prohibited from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the franchise disclosure document or agreement(s) can abrogate or reduce any rights of the FRANCHISEE 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 Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.~~

~~The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.~~

~~Also, a court will determine if a bond is required.~~

~~The Limitations of Claims section must comply with Minnesota Statutes, Sec. 80C.17, Subd. 5.~~

Section 21 of the Franchise Agreement is amended to read:

- **Minnesota Statute 80C.21** and **Minnesota Rule 2860.4400(J)** prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in **Minnesota Statute 80C**or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with **Minnesota Statute 80C.14 Subd. 3-5**, which require (except in certain specified cases)

    1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and

    2) that consent to the transfer of the franchise will not be unreasonably withheld.

- Section 12 of the Franchise Agreement is amended by the addition of:

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to **Minnesota Statute 80C.12 Subd. 1(G)**. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Franchisee must have used the mark properly and notified the franchisor of any claim against the franchisee within ten days of franchisee's knowledge of such claim to be indemnified by franchisor.

The franchisor shall in no event be liable for the cost of signs and other items bearing the trademark nor for any claim for loss of goodwill.

The franchisor's indemnification obligation shall not apply to any franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

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

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See **Minnesota Rule 2860.4400(J)** also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with **Minnesota Statute 80C.17 Subd. 5.**

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

The undersigned does hereby acknowledge receipt of this

addendum. Dated this_____day of____.

ZIEBART CORPORATION FRANCHISEE:

_____ _____

ADDENDUM M

RHODE ISLAND FRANCHISE AGREEMENT AND MULTI-UNIT DEVEOPMENT AGREEMENT ADDENDUM

Section 21 of the Franchise Agreement is amended to: Rhode Island Law and Jurisdiction. This Franchise Agreement and the construction thereof shall be governed by the laws of the state of Michigan. Any legal proceedings arising out of this Agreement shall be conducted in the courts of the state of Rhode Island, or the Federal courts located within the state of Rhode Island.

The undersigned doeshereby acknowledge receipt of this addendum.

Dated this_____day of_____.

ZIEBART CORPORATION FRANCHISEE:

_____ _____

ADDENDUM N

HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, Haw. Rev. Stat. § 482E-1, *et seq.*, the Franchise Disclosure Document for FRANCHISOR for use in the State of Hawaii is to be amended to include the following:

1. Item 8 "Restrictions on Sources of Products and Services" is amended by adding the following:

> The requirement for you to purchase products from FRANCHISOR or some other entity as we designate in writing, may be unlawful under Hawaii Law. If, and to the extent, that requirement is found to be unlawful, that requirement will be void (to the extent unlawful) and you must purchase those products from approved suppliers.

2. The following paragraph is added:

> This proposed registration is effective/exempt from registration in California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises.

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

ADDENDUM TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF HAWAII

THIS ADDENDUM is made this day of_____, 20_, and modifies a Franchise Agreement of the same date ("Franchise Agreement") entered into by ZIEBART CORPORATION, a Michigan corporation ("FRANCHISOR") and _____("FRANCHISEE").

In recognition of the requirements of the Hawaii Franchise Investment Law, Haw. Rev. Stat. § 482E-1, *et seq.,* the parties agree as follows:

1. Release on Renewal. The Franchise Agreement, is amended to read as follows:

> Franchisee has signed a general release, in a form specified by the Franchisor, of any and all claims against the Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents, members and employees, excluding only such claims as Franchisor may have under the Hawaii Investment Law.

2. Supplier Requirements. The Franchise Agreement is amended by adding the following:

> If, and to the extent, the requirement for Franchisee to purchase products from the Primary Supplier is unlawful under Hawaii Law, that requirement will be void (to the extent unlawful) and Franchisee must purchase those products in accordance with the Franchisor's specifications and only from manufacturers and/or suppliers that have been approved by the Franchisor and not later disapproved.

3. Release on Transfer. The Franchise Agreement, is amended to read as follows:

> Franchisee must be in full compliance with all provisions of this Franchise Agreement and must pay the Franchisor all monies owing and must sign at the time of Transfer an agreement, in the form specified by the Franchisor, terminating this Franchise Agreement and releasing the Franchisor and its subsidiaries and affiliates and their respective officers, directors, agents, members and employees from any claims, excluding only such claims as the Franchisee may have under the Hawaii Franchise Investment law;

4. Effectiveness of Amendment. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Amendment.

FRANCHISEE:

By:_____

Its:_____

FRANCHISOR:

By:_____

Its:_____

ADDENDUM O

INDIANA

In recognition of the requirements of the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7, the Franchise Disclosure Document for Franchisor is amended for use in the State of Indiana as follows:

1. The Cover Page of the Disclosure Document is amended by adding the following:

REGISTRATION OF THIS FRANCHISE IN THE STATE OF INDIANA DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER.

2. Item 17 "Renewal, Termination, Transfer and Dispute Resolution," is amended by adding the following:

The post-termination, non-competition covenant contained in the Franchise Agreement for use in the State of Indiana only applies to your Protected Area.

The release that you must sign as a condition to renewal or transfer in the Franchise Agreement for use in the State of Indiana except claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7.

The Franchise Agreement for use in the State of Indiana specifies that the construction of the Franchise Agreement will be governed by the laws of the State of Michigan, except for the applicability of the Federal Arbitration Act and except that the Indiana Franchise Law (Indiana Code 23-2-2.5 and 23-2-2.7) will control where applicable.

3. Item 21 "Financial Statements" is amended as follows:

See Exhibit E.

In addition to the Financial Statements referenced in Item 21, the following unaudited financial statements are attached to this Addendum:

4. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Indiana Franchise Law are met independently without reference to this Addendum to the Disclosure Document.

ADDENDUM TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF INDIANA

THIS ADDENDUM is made this_____day of_____, 20_, and modifies a Franchise Agreement of the same date ("Franchise Agreement") entered into by FRANCHISOR, a Michigan corporation ("Franchisor") and _____ _____("Franchisee").

In recognition of the requirements of the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7, the parties agree as follows:

1. Release on Renewal. The following language is added to the Franchise Agreement:

> "except those claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7."

2. Restrictions on Competition. The Franchise Agreement is amended to read as follows:

> "For purposes of this Agreement, a "Geographic Area" means the Protected Area described in the Agreement."

3. Release on Transfer. The following language is added to the Franchise Agreement:

> "except those claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7."

4. Choice of Law and Venue. The Franchise Agreement is amended by adding the following:

> "Notwithstanding the foregoing, the Indiana Franchise Law (Indiana Code 23-2-2.5 and 23-2-2.7) will control where applicable."

5. Effectiveness of Addendum. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Law are met independently without reference to this Addendum.

FRANCHISEE:

By:_____

Its:_____

FRANCHISOR:

By:_____

Its:_____

ADDENDUM P

MICHIGAN

NOTICE OF PROHIBITED PRACTICES

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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

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

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

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

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

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

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

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

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

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

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

(H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor the right of first refusal 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 DISCLOSURE ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE MAY BE DIRECTED TO THE STATE OF MICHIGAN, DEPARTMENT OF ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, FRANCHISE UNIT, 670 LAW BUILDING, LANSING, MICHIGAN 48913, TELEPHONE (517) 373-7117.

ADDENDUM Q

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Ziebart Corporation for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.e.

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Pursuant to subsections D and E of Rule 21 VAC 5-110-55 to conform certain language to terms in the Virginia Retail Franchising Act, please see the attachments to this Addendum R.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

ADDENDUM R

NORTH DAKOTA FRANCHISE AGREEMENT AND MULTI-UNIT DEVEOPMENT AGREEMENT ADDENDUM

The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.) and should be addressed in an addendum to the offering materials used in North Dakota.

A. Restrictive Covenants: Franchise offering circulars which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of the disputes at a location that is remote from the site of the franchisees' business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota Franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

ADDENDUM S

WASHINGTON FRANCHISE AGREEMENT AND MULTI-UNIT DEVEOPMENT AGREEMENT ADDENDUM

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

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

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

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
Based on our financial condition, the Securities Division of the Department of Financial Institutions of Washington has required a financial assurance. We have elected to use an impound and a copy of the fully executed impound agreement is on file with the Division.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

This addendum may also be used as a rider to the Franchise Disclosure Document.

ADDENDUM T

NEW YORK

In recognition of the New York Codes, Rules and Regulations, the Franchise Disclosure Document for FRANCHISOR for use in the State of New York is to be amended to include the following:

Item 3 "LITIGATION" is amended by adding the following:

> Neither Franchisor, its predecessor, a person identified in item 2, nor an affiliate offering franchises under the franchisor's principal trademark have an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
>
> Neither Franchisor, its predecessor, a person identified in item 2, nor an affiliate offering franchises under the franchisor's principal trademark have been convicted of a felony, nor pleaded nolo contendere to a felony charge nor, within the ten-year period immediately preceding the application for registration, convicted of or pleaded nolo contendere to a misdemeanor charge nor has been the subject of a civil action alleging: antifraud or securities law; embezzlement, fraudulent conversion or misappropriation of property. The cases in which Franchisor was the subject of a civil action alleging violation of a franchise, fraud, or unfair or deceptive practices or comparable allegations are disclosed in Item 3 of this Disclosure Document.
>
> Neither Franchisor, its predecessor, a person identified in item 2, nor an affiliate offering franchises under the franchisor's principal trademark are subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; nor 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; nor 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.

Item 4 "BANKRUPTCY" is amended by adding the following:

Neither Franchisor, its affiliate, its predecessor, officers, nor general partner 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; nor (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 franchisor held this position in the company or partnership.

Item 5 "INITIAL FEES" is amended by adding the following:

INITIAL FRANCHISE FEE: The purpose for which the Initial Franchise Fee will be used is to provide consideration for Franchisor's authorized use of its Trademarks, Technology, and Know-how, for a ten-year term. It also provides consideration for preparation and development of the franchise.

Item 17 "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION" provision d. is amended by adding the following:

"The franchisee may terminate the agreement upon any grounds available by law."

ADDENDUM U

CALIFORNIA

The Franchise Disclosure Document for FRANCHISOR for use in the State of California is to be amended to include the following:

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.

ITEM 3 is amended to include: Neither Ziebart Corporation, nor any person listed in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. § 78a, *et seq.,* suspending \or expelling such persons from membership in such association or exchange.

ITEM 17 is amended to include: California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

ITEM 17 is amended to include: 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*.).

ITEM 17 is amended to include: 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.

ITEM 17 is amended to include: The franchise agreement requires application of the laws of (Michigan). This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law the law will control.

For the purposes of Cal. Bus. & Prof. Code Section 20022, the parties agree as follows: The parties agree that they will use the declining-balance depreciation method to calculate the value of Franchisee's inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by us under Section 20022.

The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

The parties agree that for the purposes of Section 20022, you are not able to provide to us "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including: a) purchase money security interest; b) blanket security interest; c) right of first refusal; d) lien by franchisee's landlord; or e) tax lien.

The parties agree that for the purposes of Section 20022(h), our right of offset will include the following amounts owed by you to us or our Affiliates: a) royalty fees; b) ~~ATF~~ marketing ~~F~~fees; c) ~~Transfer fees;~~ and ~~d)~~ any other type of fee owed by you to us or our affiliates.

For the purposes of Cal. Bus. & Prof. Code Section 20035, the parties agree as follows:

"Fair market value of the franchise assets" means the value of your Assets, valued according to the declining-balance method of depreciation. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

"Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of royalty fees paid by you to us within the 12-month period immediately before our termination or failure to renew you in violation of the California Franchise Relations Act.

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF ~~BUSINESS OVERSIGHT~~ FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF ~~BUSINESS OVERSIGHT~~ FINANCIAL PROTECTION AND INNOVATION at www.~~dbo.~~dfpi.ca.gov.

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

ADDENDUM TO FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

THIS ADDENDUM is made this day of , **20_ ,** and modifies a Franchise Agreement of the same date ("Franchise Agreement") entered into by ZIEBART CORPORATION, a Michigan corporation ("FRANCHISOR") and ("FRANCHISEE").

For the purposes of Cal. Bus. & Prof. Code Section 20022, the parties agree as follows:

The parties agree that they will use the declining-balance depreciation method to calculate the value of Franchisee's inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by us under Section 20022.

The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.
The parties agree that for the purposes of Section 20022, you are not able to provide to us "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including: a) purchase money security interest; b} blanket security interest; c) right of first refusal; d} lien by franchisee's landlord; ore) taxlien.

The parties agree that for the purposes of Section 20022(h}, our right of offset will include the following amounts owed by you to us or our Affiliates: a) royalty fees; b} ATF Fees; c) Transfer fees; and d} any other type of fee owed by you to us or our affiliates. For the purposes of Cal. Bus. & Prof. Code Section 20035, the parties agree as follows:

"Fair market value of the franchise assets" means the value of your Assets, valued according to the declining-balance method of depreciation. The purchase price by us for the Assets **will** not include the cost of removal and transportation of those assets, which will be your responsibility.

"Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of royalty fees paid by you to us within the 12-month period immediately before our termination or failure to renew you in violation of the California Franchise Relations Act.

FRANCHISEE:

By:
Its:

ZIEBART CORPORATION:

By: Its:

ADDENDUM V

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum is made as an attachment to and a condition of the Franchise Agreement between the parties dated _____.

FRANCHISEE: FRANCHISED LOCATION:
Franchisee shall have the option of not purchasing the Central Detailing System and Central Vacuum System. If franchisee chooses this option, the following modifications will apply:

Section 2. TERM OF LICENSE is modified to read: The License shall continue for a term of five (5) years from the date hereof, unless sooner terminated as provided in this Agreement. FRANCHISEE shall be eligible to obtain rights to a new license upon the expiration of this license if FRANCHISEE meets all of the conditions prescribed by ZC in Section 4.E.

Section 4.A. INITIAL FEE is modified to read: The sum of _____ ($_____) dollars shall be paid upon the execution of the Franchise Agreement as the Renewal Fee. Neither the Renewal Fee nor any portion of it is refundable.

Section 4.E. FRANCHISEE'S OPTION TO RENEW is modified to read: Franchisee will have the option to continue to operate the Franchise Business after the term of this Agreement for an additional period, the duration of which will be determined at the end of the term of this Franchise Agreement if all of the following conditions are fulfilled:

Section 4.E.6. is modified to read: Franchisee has signed and delivered to ZC, within thirty (30) days of receipt from ZC, the agreed upon franchise agreement together with such other documents as are then customarily used by ZC to grant new franchises, all of which will replace this Agreement. The new franchise agreement signed by Franchisee may have substantial differences from this Agreement, including, without limitation, different or increased royalties, advertising or other fees.

Section 4.E.7. is modified to read: Franchisee pays a renewal fee of fifteen percent (15%) of the then current initial fee for exercise of its option upon execution of the new franchise agreement.

ZIEBART CORPORATION

By:_____ Dated:_____

By:_____ Dated:_____

Accepted:_____ Dated:_____

ADDENDUM W

SBA ADDENDUM TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVEOPMENT AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____,

20____, by and between _____("Franchisor") located at _____, and _____("Franchisee"), located a _____.

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

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

CHANGE OF OWNERSHIP

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

FORCED SALE OF ASSETS

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

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule)Franchisee's employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

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

FRANCHISOR: _____ **FRANCHISEE:** _____

By: _____ By: _____

Print Name: _____ Print Name: _____

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

ADDENDUM X

CARD ACCEPTANCE AGREEMENT FOR PARTICIPATING MERCHANTS

Synchrony Bank, located at 170 Election Road, Suite 125. Draper, Utah 84020-6425 ("Bank") has established an open-end credit program for customers of dealers who participate in the program identified in the attached cover letter and/or dealer kit (the "Program"). Under the Program, customers may finance the purchase of goods and services provided by dealers who have applied to Bank and been approved for participation in the Program ("Merchant"). Under the Program, Merchant will process credit applications by which customers apply to Bank to establish credit accounts ("Accounts") and will accept credit cards issued under the Program, as well as other credit cards Issued by Bank and identified to Merchant (collectively, "Cards"), all in accordance with the terms set forth below.

Bank also is a qualified member of Visa U.S.A., Inc. ("Visa") and MasterCard International, Inc. ("MasterCard"). Bank is also an acquiring bank for merchants processing credit cards under the Discover Network ("Discover Network Cards"). Subject to the terms and conditions set forth below, Bank is willing to provide authorization, processing and related merchant banking services to Merchant for such "Association"-branded credit cards. Discover Network Cards and such other cards as Bank may, from time to time, decide to honor (including American Express branded credit cards) (collectively, "Bankcard" which, together with Cards, are collectively referred to as "Qualified Cards"). An "Association" is a group of Card issuer banks that facilitates the use of payment cards, such as the systems operated by MasterCard or Visa.

This Agreement supersedes and replaces in its entirety arty previous agreement concerning the establishment of Accounts and the acceptance of Qualified Cards by Merchant. If Merchant is a new participant in the Program, this Agreement is effective upon Bank's approval of Merchant's application to participate in the Program. If Merchant is an existing participant under the Program, this Agreement will be effective when Merchant submits a transaction to or through Bank for processing fifteen (15) days or more after receipt of this Agreement (or Bank's having made this Agreement available to Merchant, including on a website designated by Bank), and once effective, its terms will apply to new transactions processed by Merchant as well as transactions processed under any predecessor agreement replaced hereby. For clarity, this Agreement shall not supersede any other type agreement between Bank and Dealer, including any agreement through which Bank extends installment credit to Dealer's customers.

1. **Bank's Obligations.** Bank's obligations include the following:

(a) Establish and administer the Program in accordance with all applicable laws and the terms and conditions of this Agreement;

(b) Provide a point-of-sale process for Merchant to use to enter customer applications and Qualified Card transactions for authorization and processing;

(c) Provide to Merchant an "Operating Guide" which shall set forth instructions on how to submit and process transactions for Qualified Cards and any separate instructions applicable solely to Cards or Bankcards, as well as other relevant Program information;

(d) Provide to Merchant the approved forms of Account credit disclosures (credit applications, terms, privacy policies) and updates as they are published; and

(e) Contact Merchant In the event of any dispute requiring support from Merchant to resolve, which Is made by an Individual who has presented a Card (a "Cardholder") or a Bankcard (a "Bankcard Holder" and collectively with Cardholders, "Qualified Cardholders") for the payment of goods or services.

2. Merchant's Obligations. Merchant's obligations include the following:

(a) Display point-of-sale signage relating to the Program which is distributed or approved by Bank;

(b) Promote, accept and process credit applications for Cards from and credit transactions with (i) consumer customers only for personal, family or household purposes, and (ii) commercial customers only for business and commercial purposes, in either case, in accordance with this Agreement and the Operating Guide and instructions from Bank (*e.g.,* ensure that requested fields are completely filled out, verify Identification, provide required terms and disclosures etc.), without discrimination of any kind;

(c) Honor without discrimination valid Qualified Cards as a method of payment for purchases and process transactions in accordance with the terms of this Agreement, the Operating Guide and the bylaws, rules, and regulations of an Association (including any amendments or updates, "Association Rules"), the Discover Network operating regulations, technical specifications and dispute rules manual ("Discover Regulations") and with such other procedures as Bank may from time to time prescribe for the authorization, processing, and settling of Qualified Card transactions; Merchant acknowledges that it received a copy of the Operating Guide;

(d) Process only *bona fide* charges and credits based on the sale of goods or services by Merchant in the ordinary course (and do not process cash advances or "rent- to-own" products); without the prior written consent of Bank, do not process transactions for products sold as part of any "going-out-of-business" or liquidation sale; ensure that each sale involving a Qualified Card is evidenced by a single complete record with the sale date and the sale amount, and other information as required by the Discover Network; the Associations or by Bank and that no other credit provider has financed a portion of any sales transaction (other than a bona fide down payment or deposit); obtain prior to the delivery of the goods any down payment that may be required; transmit such transactions to Bank in the required format, as set forth In the

Operating Guide; and, ensure that the corresponding information about charges and credits to Accounts (collectively, "Charge Transaction Data") is not submitted on behalf of a third party (including any liquidator or augmentation seller) and has not been altered In any manner not authorized by the Qualified Cardholder;

(e) Ensure that all Information, about the Program (other than Bank's printed terms), and all Program advertising conducted by Merchant, provided or directed to prospective applicants, customers and Cardholders is complete, accurate and legally compliant, and refer prospective applicants and customers to the printed Program terms for detailed information;

(f) Deliver all goods and/or services covered by any charge processed under Section 3 hereof prior to the time the charge is processed;

(g) Respond within twenty-one (21) days to, and fully cooperate with Bank in the resolution of, disputes concerning sales charged to a Qualified Card;

(h) Obtain an authorization code from Bank on all transactions prior to submission, and call Bank's voice authorization facility prior to completion of a transaction In any case Involving suspicious or unusual circumstances, including those In which the signature on the sales slip does not match the signature on a Qualified Card;

(i) Pay all applicable fees (collectively "Merchant Fees") set forth on Bank's pricing schedule governing the Program and/or with respect to the submission of Charge Transaction Data relating to Bankcards;

(j) Maintain fair (as determined by Bank) and legally compliant refund, return and exchange policies, which are designed and reasonably expected to be easily understood by the average customer (it being agreed that any return policy that precludes reimbursement under any circumstances for services not rendered is deemed unreasonable) and ensure the refunds and returns are processed promptly and that any material restriction or limitation is clearly and conspicuously disclosed to customers In one or more documents signed by the customer and that such disclosure appears near the customer signature area of such documents;

(k) Comply In all respects at all times with applicable laws, the terms of this Agreement, the Operating Guide (as such Guide may be modified or updated from time to time by Bank), the Association Rules and Discover Regulations, and other bulletins provided to Merchant from time to time;

(l) With respect to documents and forms provided to, or to be executed by, a Qualified Cardholder or an applicant for a Qualified Card or which constitute a disclosure required by Bank and/or applicable law in connection with the Program, only use such documents and forms that were provided to Merchant, or approved in writing by Bank (and only use the latest version of such documents and forms), and not modify any such approved documents or forms without Bank's prior written consent.

(m) Wherever Merchant accepts Qualified Cards, it will inform the public of the Qualified Cards that it honors, However, Merchant may not indicate that the Discover Network or any of the Associations endorses Merchant's goods or services;

(n) For each Program requiring Merchant to provide Bank with and perfect for the benefit of Bank a security interest in the product financed on an Account (as outlined in Operating Guide), Merchant will: (i) file and record all documents necessary to perfect a valid and enforceable first priority security Interest for Bank in the Products purchased under each Account, and (ii) send Bank the filing receipts. In states where security interests are noted on the certificates of title or registration, Merchant will (x) complete the necessary forms and documents, (y) forward them, together with the appropriate fees, to the public officials/offices responsible for Issuing the certificate of title of registration and (z) send to Bank evidence that Bank's security interest is noted on the certificate of title or registration. All required security interests shall be filed promptly after the Cardholder takes possession of the product, but in no event later than 20 days later;

(o) Ensure that any employee incentive program that is related to the Program meets the standards developed by Bank (as may be updated from time to time by Bank), which Bank will provide to Merchant upon request; and

(p) Train its employees and ensure that any Third Party Vendor trains its employees, to operate the Program in accordance with applicable law, the Operating Guide, this Agreement, and any materials provided by Bank.

(q) Comply with the 'Transparency Principles' set forth in Exhibit A hereto.

3. Settlement Process/Payment for Charges.

(a) Merchant agrees to transmit to Bank, generally each day, but in no event later than two business days alter the transaction date, complete and accurate Charge Transaction Data occurring since the immediately previous transmission, as provided in the Operating Guide, Additionally, as set forth in the Operating Guide, if Merchant provides home improvement goods or services, Merchant will deliver to Bank, by facsimile or other means: (i) the completed credit application (in case of the initial extension of credit); (ii) the sales slip with credit authorization noted on it; (iii) the work order or sales slip with evidence that any required federal and/or slate law three-day rights of rescission have been given; (iv) a completion or delivery certificate: and (v) and other documentation Bank may reasonably require (together, the "Home Improvement Loan Documents"). Upon receipt of the Charge Transaction Data and any required documents (including the Home improvement Loan Documents if applicable), and provided Merchant is not in default under this Agreement, Bank will deposit to a bank account designated by Merchant the total amount of all charges reflected in such Charge Transaction Data (provided, that in the case of Bankcard transactions, Bank will facilitate the funds transfer between the Discover Network or the various Associations and Merchant and, after Bank receives credit for such Charge Transaction Data, Bank will provide provisional credit to Merchant's account), less the total of (i) any credits

reflected in such Charge Transaction Data, (ii) any amounts being charged back to Merchant, (iii) any Merchant Fees, which Bank may choose to deduct on a daily or monthly basis, in its discretion (and/or corrections to any such fees based on erroneous information submitted by Merchant), unless Bank elects to separately bill Merchant for such fees, and (iv) at Bank's option, any other amounts (including any fees) which may be owed, to Bank or to any of Bank's affiliates, by Merchant, by any of Merchant's affiliates, or under any other agreement or merchant number between Bank and Merchant. If at any time, the amount Bank owes Merchant is less than the amount Merchant owes Bank (without regard to any Reserve Account established pursuant to Section 3(d) hereof), Merchant agrees to pay Bank the net difference (and Merchant acknowledges that Bank may delay presentation of further Charge Transaction Data to the Discover Network or the Associations until Merchant makes a payment to Bank of an amount sufficient to cover the negative balance).

(b) Pricing relating to Merchant Fees (as well as any rebate or participation percentages available to Merchants) under this Agreement will be provided by Bank on pricing schedules, which Bank may distribute from time to time. If, within the timeframe set forth within the Operating Guide or any pricing schedule, any Account to which a rebate or participation percentage was paid to Merchant is: (i) paid in full, regardless of the funding source used to pay the Account in full, or (ii) in default (as evidenced by a copy of Bank's "Notice of Default"), or (iii) the Account is charged back to Merchant, then any and all of such rebate or participation funds paid by Bank shall be returned promptly to Bank following Bank's request. Unless otherwise expressly stated in the pricing schedule, pricing applicable to processing Bankcard transactions is based on all transactions qualifying under the Association Rules or Discover Regulations for the applicable interchange rates. For Charge Transaction Data that does not qualify, Discover Network or Association interchange fees provide for a "down-grade," and Bank will apply a higher rale for the non-qualifying transactions than the qualifying rate shown on the pricing schedule. Bank may modify the pricing schedule applicable to credit promotions under the Program or to Bankcard transactions in its discretion with notice to Merchant (including as a result of changes in Discover Network or Association fees (such as interchange, assessments and other charges)). Such new prices will be applicable to Merchant as of the effective data established by Bank.

(c) Merchant hereby authorizes Bank to initiate ACH credits and debits to Merchant's designated bank account for purposes of settling transactions hereunder and making necessary adjustments and initiating payments due to Bank from Merchant hereunder. If applicable, such bank account may be the account utilized by a floor plan lender, including the GE Commercial Distribution Finance Corporation, to settle obligations owing by Merchant to the floor plan lender under its floor plan financing agreement with the floor plan lender, in accordance with the terms and procedures for the auto-settlement function set forth in the Operating Guide. In such case, Bank may setoff amounts due either Bank or the floor plan lender against amounts due Merchant hereunder or under Merchant's agreement with the floor plan lender. Merchant acknowledges that Bank will not be responsible for the application or use of funds by the floor plan lender. Merchant is solely liable for all fees and costs associated with such ACH Account and for all overdrafts. Bank will not be liable for any delays in receipt of

funds or errors in ACH Account entries caused by third parties, including but not limited to delays or errors by the Discover Network or any Association or Merchant's bank.

(d) If Bank determines in its sole discretion that Merchant's financial condition has deteriorated, if Merchant breaches this Agreement, or if Bank experiences an unusual volume or nature of disputes and/or chargebacks, returns or credits relating to charges submitted by Merchant (based on Bank's experience with Merchant and/or other dealers), then Bank may withhold from the settlement payments otherwise due Merchant an amount Bank deems necessary to fund a non-interest bearing reserve account (the "Reserve Account"). Bank shall be the sole owner of the Reserve Account (if any), and may (but need not) debit the Reserve Account from time to lime to satisfy any amounts owed by Merchant to Bank. Bank will return to Merchant any amounts remaining in the Reserve Account no later than one year after termination of Merchant's participation in the Program (the "Final Liquidation Date").

(e) Bank reserves the right to refuse to process any Charge Transaction Data presented by Merchant (i) unless a proper authorization/approval code is recorded, (ii) if Bank determines that the Charge Transaction Data is or will become uncollectible from the Qualified Cardholder to which the transaction would otherwise be charged, or (iii) if Bank determines that the Charge Transaction Data was prepared in violation of any provision of this Agreement, the Operating Guide, the discover Regulations, or the Association Rules. Merchant acknowledges that receipt of an authorization/approval code for a Bankcard transaction indicates only that credit is available for the Bankcard transaction at the time the authorization is given, and it does not constitute a representation from Bank or from a Bankcard Holder's issuing bank that a particular Bankcard transaction is in fact a valid or undisputed transaction entered Into by the actual Bankcard Holder or an authorized user of the Bankcard.

(f) Merchant will not (i) process any charge for more than the sale price of the goods or services (provided that Merchant shall include in the transaction amount any taxes imposed by law (such taxes shall not be separately collected)), (ii) impose any surcharge on transactions made using a Card, (iii) require the Qualified Cardholder to pay any part of any charge assessed by Bank to Merchant, whether through any increase in prices or otherwise, or to pay any contemporaneous finance charge in connection with the transaction charged to a Qualified Card, or (iv) set a dollar amount above or below which Merchant refuses to honor otherwise valid Qualified Cards, (v) accept payments for charges made previously at Merchant and settled, or (vi) process any transaction that represents collection of dishonored check.

(g) Merchant will not accept any payments from a Cardholder for charges billed on an Account (or any payment on a Bankcard) and will instead referthe Cardholder to Bank's payment address. If for any reason, Merchant inadvertently accepts a Cardholder payment, Merchant will hold such payment in trust for Bank and will immediately forward such payment to Bank for processing. Additionally, Merchant hereby grants Bank a limited power of attorney to cash and retain for its own account any Cardholder payments on Accounts which are erroneously made out to Merchant.

4. Credit Applications. Merchant will follow all procedures provided to It by Bank in taking and submitting to Bank credit applications for Cards, will ensure that all credit applications are signed in person by the applicant, and will provide to each applicant at the time the credit application is submitted a complete and current copy of the applicable terms and conditions and privacy policy that applies to the Account, Bank may, in Its sole discretion, approve or decline any application submitted. Bank may also decline to pay or credit settlement proceeds to Merchant as would otherwise be requited under Section 3 above if Bank determines that (i) Merchant has falsified the application In any respect; (II) Merchant knows or reasonably should have known that the application contains false information: (iii) any information on the physical application does not match the information transmitted to Bank; (iv) the identification or verification requirements have not been satisfied; or (v) any other required procedures have not been met (an application meeting the description set forth in any of (() through (v) above or that otherwise does not meet all of the requirements of this Section or the Operating Guide will be considered a "Defective Application"). If proceeds of any transactions have been credited to Merchant's account prior to Bank's discovery of any of the defects set forth above, Bank may charge back the amount of any or all transactions charged on the Account,

5. Chargeback Rights

(a) **Bank's Right to Chargeback.** Bank will bear all credit losses associated with purchases financed on Accounts (and the issuer of the applicable Bankcard will bear the credit losses incurred on Bankcards). However, Bank may charge back to Merchant any transaction on a Qualified Card when one or more of the following occurs:

(i) The Qualified Cardholder disputes the charge, if Bank has given Merchant an opportunity to respond and Bank determines that the Qualified Cardholder's dispute is valid.

(ii) The Qualified Cardholder refuses to pay, based on an assertion of a dispute about the quality of the merchandise or services purchased from, or any act or omission by Merchant, including any alleged breach of warranty provided by or through Merchant.

(iii) The charge(s) are incurred on an Account opened upon submission of a Defective Application.

(iv) The charge does not fully comply with any of (v) this Agreement (or any representations, warranties and covenants set forth herein), (w) the Operating Guide, (x) the Association Rules, (y) Discover Regulations, and/or (z) applicable law.

(v) The charge is disputed, and Merchant cannot supply a copy of the underlying sales receipt, the Home Improvement Loan Documents, if applicable, the signed Card application or other documents required In accordance with this Agreement within seven (7) days of Bank's request (or such other period as may be required by an Association or the Discover Network).

(vi) Bank determines that (x) any charge does not represent a bona fide sale (including without limitation fraud arising from fraudulent activities of Merchant's employees) by Merchant, or involved acts of fraud by any party, or (y) Merchant did not obtain an authorization/approval code as provided for in Section 2(h).

(vii) The goods or services purchased have not been delivered, provided or shipped.

(viii) The Qualified Cardholder alleges that the Merchant provided false or misleading information (*e.g.,* incorrect information about credit promotions).

(ix) Any credit is submitted where there is not corresponding charge transaction.

(x) Any disputed or fraudulent charge or credit relates to a transaction where the Qualified Cardholder was not physically present at Merchant's location (*e.g.,* by telephone or via Internet).

(xi) Any disputed or fraudulent charge or credit relates to a transaction where the Qualified Cardholder did not physically present the credit card (or other approved manifestation of an Account provided by Bank) or Merchant failed to obtain a physical imprint or electronic record of the Qualified Card (Merchant acknowledges that, under these circumstances, the fact that an authorization/approval code was obtained does not mean that a particular Qualified Card transaction is in fact a valid or undisputed transaction entered into by the actual Cardholder or an authorized user of the Qualified Card).

(xii) The transaction was submitted to Bank more than thirty (30) days after it occurred.

(xiii) If the Program is associated with a named sponsor and any charge to an Account is submitted after Merchant is no longer an authorized participant in the sponsor's dealer network.

(xiv) With respect to any purchase transaction (or credit) relating to a Bankcard, there is any other applicable chargeback reason provided for under the Association Rules or Discover Regulations.

(xv) For each Program requiring Merchant to provide Bank with and perfect for the benefit of Bank a security interest in the product financed on an Account (as described in Section 2(n), Merchant fails to (i) complete the steps necessary to perfect a valid and enforceable first priority security interest for Bank in the product financed on an Account within 20 days after the Cardholder takes possession of the product, or (ii) send all required documentation in respect of the foregoing within 120 days after the Cardholder takes possession of the product.

(b) **Excessive Chargebacks.** If Bank determines, in its sole discretion, that Merchant is receiving an excessive amount of chargebacks or attempted chargebacks,

in addition to Bank's other remedies under this Agreement, Bank may take either or both of the following actions: (1) review Merchant's internal procedures relating to acceptance of Qualified Cards and notify Merchant of new procedures Merchant should adopt in order to avoid future chargebacks; and/or (2) notify Merchant of the imposition of a charge (or a new rate with respect to such a charge for processing chargebacks). Merchant also agrees to pay any and all Discover Network or Association fees and fines assessed against Merchant or against Bank relating to Merchant's violation of the Agreement, the Operating Guide or the Discover Regulations or the Association Rules with respect to Bankcard transactions or with respect to excessive chargebacks on Bankcards under this Section.

(c) **Claims of Qualified Cardholders.** Merchant has full liability for the amount of any Charge Transaction Data for which Merchant's ACH Account has been provisionally credited and which is thereafter the subject of a chargeback. Merchant may subsequently resubmit Charge Transaction Data applicable to Bankcard transactions for a second presentation, but only in accordance with Association Rules or Discover Regulations. Once a chargeback becomes irreversible under Association Rules or Discover Regulations, Merchant shall not resubmit into interchange any such transaction even with the consent of the Bankcard Holder. Merchant may not resubmit transactions financed on Accounts under the Program under any circumstances.

6. Provision of Processing Terminals/General Purpose Credit Card Processing.

(a) Bank will provide a point-of-sale process, which may include processing terminals or other means (each, a "Terminal"), to be used for the electronic authorization and monetary settlement of Card applications and Qualified Card transactions (and which shall not be used to process other credit transactions without Bank's consent). Bank may also supply Merchant with a manual credit card imprinter, for use in the event the Terminal malfunctions. Any Terminal or imprinter provided to Merchant will remain Bank's property, and Merchant will return them to Bank at Bank's request. However, during the time Merchant has possession of the Terminal, Merchant will bear any personal property, use or excise taxes assessed on the Terminal. If Merchant fails to timely return any Terminal upon Bank's request following the termination of this Agreement, Merchant shall pay to Bank a fee, as determined by Bank from time to time. Merchant will be responsible for any damage or repair to a Terminal or imprinter provided to it by Bank, and Merchant will safeguard the Terminal and imprinter and use them only in accordance with applicable instructions and specifications. Bank specifically does not grant to Merchant any intellectual property rights associated with the Terminal or other point-of-sale equipment, software or peripherals.

(b) In order to process Bankcard transactions through Bank, Merchant must have requested such services (i) through Merchant's initial credit application with Bank, or thereafter, either (ii) through a separate written request to Bank, or (iii) by submitting a general purpose credit card transaction to Bank through a Terminal (provided, that such submission shall only serve as Bank's consent for Merchant to continue Bankcard

processing if Bank provides an authorization to such transaction). Merchant's request to receive Bankcard processing services is separate from its right to receive Card processing services under the Program and is subject to separate consent by Bank. Merchant's use of the Terminals or point-of-sale process to process Bankcard transactions may be terminated at any time by Bank.

7. Ownership of Accounts and Information. Merchant acknowledges that Bank owns all Accounts and Cards, and all information concerning Cardholders, applicants and Accounts obtained in connection with the Program (collectively, "Cardholder Information"), and that Merchant has no ownership rights therein. Accordingly, Merchant will not represent itself as the owner of, or the creditor on, any Account or Cardholder Information. As a precaution, to confirm Bank's ownership of Accounts and related documentation, Merchant hereby grants lo Bank a first priority continuing security interest in any right, title or interest that Merchant may now have or may hereafter be deemed to have in the Accounts and related documentation, In the Reserve Account, and in any goods charged to Accounts which have been returned lo Merchant but for which Merchant has not submitted a corresponding credit transaction lo Bank. Merchant authorizes Bank to prepare and file any documentation required to evidence and enforce this security interest, including UCC financing statements, and will sign any related documentation requested by Bank, including without limitation, any intercreditor agreements necessary to ensure that none of Merchant's other creditors asserts any claim on the Accounts, the Reserve Account or any related documentation.

8. Merchant's Representations, Warranties and Covenants. Merchant represents, warrants and covenants as follows:

(a) Merchant will forward to Bank promptly after receipt, at any time during or following Merchant's participation in the Program, a copy of any legal proceeding, or a communication relating to an Account or a Bankcard transaction received from a Qualified Cardholder or from a governmental or regulatory authority.

(b) Without Bank's consent, Merchant will not permit the sale of extended warranties, service contracts, gift certificates, stored value cards (or reloads), or any other future service or delivery obligation (including any pre-paid membership (periodic or lifetime) or similar product), to be charged to Accounts.

(c) Merchant will issue a credit to an Account (and not give any Qualified Cardholder cash) in connection with any return or exchange of merchandise or services originally charged to the corresponding Qualified Card; such credit shall be included in the next business day's transmission of Charge Transaction Data; the amount of such credit cannot exceed the amount shown as the total on the original charge slip, except by the exact amount required to reimburse the Qualified Cardholder for postage that the Qualified Cardholder paid to return merchandise; and, Merchant shall not issue a credit to any Qualified Cardholder unless Merchant shall have previously completed a retail charge transaction with such Cardholder on the corresponding Qualified Card.

(d) On behalf of Bank, Merchant shall (i) store (in accordance with the security requirements set forth below) original documentation of each Card transaction for at least one year from the date of the respective transaction (or such other period as may be required by the Discover Network or an Association); (ii) retain copies of all charge and credit slips, original completed Card applications, detailed purchase invoices, and copies of all Charge Transaction Data submitted to Bank, for at least twenty-five (25) months and thereafter continuously unless after retaining such documents for the twenty- five month period Merchant offers to ship such documents to Bank and Bank authorizes Merchant to destroy them instead; and (iii) provide any or all of these records to Bank promptly, but no later than seven (7) business days following Bank's request.

(e) Merchant is in compliance with, and will continue to comply with, all applicable laws, rules and regulations, including but not limited to: laws relating to (i) its sales of merchandise and services; (ii) the advertising or sale of products and services on credit; (iii) point-of-sale practices and representations made by Merchant's employees and representatives; and (iv) laws relating to privacy and data security, including without limitation, the requirement to have and maintain a written data security policy.

(f) Merchant will provide only truthful and complete information to Cardholders regarding Accounts, and will take no action to prevent any amounts charged to any Qualified Card from being valid and enforceable against the applicable Qualified Cardholder.

(g) Merchant will properly code all promotional charges and will make any corrections necessary in the event of mistakes and disputes regarding promotions.

(h) Merchant is and will at all times remain solvent, duly organized, validly existing and in good standing under the laws of its state of formation, will not violate its organizational documents or materially violate any agreements it has with third parties, and will advise Bank promptly of any condition or default under any agreement Merchant has with any third party that may materially affect Merchant's prospects, continued operations, or property.

(i) Any and all information previously furnished by Merchant to Bank, or any information subsequently furnished by Merchant, including information provided in Merchant's credit application or registration for participation in the Program, is or shall be true and correct in all material respects when furnished.

(j) With respect to any transaction for which a Qualified Card is not physically presented, such as in any on-line, mail, telephone or pre-authorized transaction, Merchant must (i) have notified Bank in writing of Merchant's intention to conduct such transactions, and Bank must have agreed to accept them, and (ii) have reasonable procedures in place to ensure that each Qualified Card sale is made to a purchaser who actually is the Qualified Cardholder or the authorized user of the Qualified Card.

(k) For a Bankcard sale where the Bankcard Holder pays in installments or on a deferred payment plan, a separate sales authorization has been obtained and a separate sale record has been prepared for each installment transaction or deferred payment on the date(s) the Bankcard Holder agreed to be charged. All installments and deferred payments, whether or not they have been submitted to Bank for processing, shall be deemed to be a part of the original Bankcard sale.

(l) Merchant will not submit a Qualified Card transaction for the purpose of disbursing cash (or scrip) lo the Qualified Cardholder, or (ii) refinancing an existing debt.

(m) Merchant will not require (i) a Qualified Cardholder to complete any postcard or similar device that includes the Qualified Cardholder's name, account number, Qualified Card expiration date, signature, or any other related account data when any such information would be in plain view when mailed, or (ii) request an account number from a Qualified Cardholder for any purpose other than as payment for the sale of Merchant's goods and/or services.

(n) Bank will send Merchant any request for information by a Bankcard Holder or Bankcard issuer relating to a claim or complaint concerning a Bankcard sale mads by Merchant (a "Retrieval Request") that Bank cannot satisfy with the information in Bank's files. In response. Merchant shall provide a written response by certified or overnight mail or by confirmed fax (or by other means as agreed by Bank) setting forth the results of its investigation of such Retrieval Request and include legible copies of any documentation required by the Retrieval Request within seven (7) business days after Bank notifies Merchant of such Retrieval Request (or such shorter time as the Association Rules or Discover Regulations may require and of which Bank notifies Merchant), Merchant acknowledges that Its failure to fulfill a Retrieval Request In accordance with Association Rules or Discover Regulations may result in an irreversible chargeback.

9. Cardholder Information/Confidentiality and Data Security.

(a) From time to time. Bank will make available to Merchant, or Merchant may capture in the course of operations under the Program, certain fields of Cardholder Information, in connection with Bank's operation of the Program. Merchant agrees in each such instance to use the Cardholder Information only on behalf of Bank for purposes of promoting sales under the Program, and only in accordance with applicable law and Bank's privacy disclosures to Cardholders. Merchant also agrees not to transfer or disclose Cardholder Information to any third party without Bank's prior written consent. While Merchant may not make use of Cardholder Information provided to Bank in connection with applications for the Program, nothing in this paragraph is intended to restrict Merchant's use of its own customer list in any way, which list may include information about Cardholders that Merchant obtains on its own in the course of providing goods or services to Cardholders. Any Cardholder Information provided to Merchant by Bank may not be used to augment Merchant's own customer files, even where Merchant transmitted this Information to Bank on Bank's behalf.

(b) Merchant will not sell, purchase, provide, or exchange information pertaining to Bankcard transactions, including, without limitation, any Bankcard Holder's name, address, phone number, date of birth, or Bankcard account number, or any CVV2 or CVC2 magnetic stripe data, AVS or PIN data, or any other Bankcard transaction or related information (collectively, "Bankcard Information" and together with Cardholder Information, "Qualified Cardholder Information") to any third party, other than (i) to the Discover Network or the applicable Association, (ii) as required by applicable law or court order, or (iii) to any entity that processes, stores or transmits Bankcard Information on Merchant's behalf (a "Service Provider") (if any) and then, only for the purpose of assisting Merchant in performing its obligations hereunder.

(c) Merchant and Bank will each have a written policy that implement and maintains appropriate administrative, technical and physical safeguards to (i) protect the security, confidentiality and integrity of Qualified Cardholder Information, in accordance with applicable law, (ii) ensure against any anticipated threats or hazards to the security or integrity of Qualified Cardholder Information; and (iii) protect against unauthorized access to or use of Qualified Cardholder Information which could result in substantial harm or inconvenience to any Qualified Cardholder or applicant. Without limiting the foregoing, (x) Merchant is prohibited from storing CVV2 or CVC2, magnetic stripe track data, or AVS and PIN data, and (y) Merchant will store all media containing "Permitted Customer Information" (which is limited to the Qualified Cardholder's name, the Card or Bankcard account number, and the Qualified Card expiration date, if any) in an unreadable format and in an area limited to selected personnel on a "need to know" basis only. Prior to discarding any material containing Qualified Cardholder Information, Merchant agrees to destroy it in a manner rendering the Qualified Cardholder Information unreadable.

(d) Merchant and Bank will be responsible for the acts and omissions of any third party (other than transfers to or on behalf of the other party) to whom it transfers, provides access, or discloses Qualified Cardholder Information. Merchant will be responsible for each Third Party Vendor's compliance with the applicable provisions of this Section 9 notwithstanding that Bank, and not Merchant, may have provided the applicable Qualified Cardholder information to such Third Party Vendor (as defined below). Additionally, Merchant and Bank will each ensure that any third party (other than the other party) who obtains access to Qualified Cardholder Information through it, directly or indirectly, signs a written contract Including strict restrictions on transfer or disclosure, requirements that the Qualified Cardholder Information be used only for the specific purpose for which it was disclosed (which purpose must be in connection with Merchant's permitted uses hereunder) and data security provisions corresponding to paragraphs 9(c) and (e). Merchant will notify Bank in advance if Merchant decides to engage a third party that will have access to Qualified Cardholder Information ("Third Party Vendor") and will ensure that (i) such Third Party Vendor has sufficient controls in place to comply with this clause and clauses (e) and (f) below, and (ii) the employees of such Third Party Vendor who will be responsible for fulfilling Merchant's obligations under the Program have been trained sufficiently so as to be able to property fulfill Merchant's responsibilities hereunder. If Bank, the Discover Network or any Association requires an audit of Merchant or any of Merchant's Service Providers or Third Party

Vendors, agents, business partners, contractors, or subcontractors due to a data security compromise event or suspected event. Merchant agrees to cooperate, and cause its Service Providers and Third Party Vendors to cooperate, with such audit and agrees to pay for all costs and expenses related to such audit, including all of Bank's costs relating to such audit, including attorney's fees. Bank may engage third parties to perform some or all of Bank's obligations under this Agreement, including, without limitation the servicing and administration of Accounts, and may share information with such third parties as needed to perform their contracted functions. As between Bank and the Third Party Vendor, Bank is and will remain the sole and exclusive owner of all right, title and interest in and to all Qualified Cardholder Information. To the extent the Third Party Vendor has access to Qualified Cardholder Information in connection with the processing of Qualified Card transactions, including through Merchant's website, it will only use such Qualified Cardholder Information for the limited purpose of processing Qualified Card transactions, and will not, without the express written consent of Bank, in each instance, commingle any Qualified Cardholder Information with any other data or information.

(e) In addition to the preceding provisions of this Section 9, Merchant agrees to comply with all security standards and guidelines that may be published from time to time by the Discover Network or an Association, including, without limitation, the Payment Card Industry Data Security Standards ("PCIDSS"), the Visa Cardholder information Security Program ("CISP"). and the MasterCard Site Data Protection ("SDP") program. All Service Providers used must be recognized by Visa as CISP compliant Service Providers and all payment applications used must be recognized by VISA as compliant with the Payment Application Best Practices ("PABP"). Merchant understands that failure to comply with the Discover Regulations or the Association rules, including PCIDSS, CISP, SDP or other Association or Discover Network "Security Guidelines", or the compromise of any Qualified Cardholder Information, including account information, may result in the Discover Network or an Association (or Bank) discontinuing Merchant's ability to process Bankcard or Discover Network Card transactions, as well as assessments, fines, and/or penalties by the Association or the Discover Network, and Merchant agrees to indemnify and reimburse Bank immediately for any assessment, fine, or penalty imposed on Bank due to any such event or Merchant's breach of this Section and any related loss, cost or expense incurred by Bank.

(f) In addition to any other provisions of this Agreement, Merchant shall notify Bank immediately upon discovery or notification of any actual, potential or threatened security breach (*i.e.,* unauthorized access or use) involving or which may involve any information about Bank's customers. Merchant shall also provide Bank with a detailed description of the Incident, the type of customer information that was the subject of the security breach, the identity of the affected customers, and any other information Bank may request concerning the customers or the details of the breach, as soon as such information can be collected or otherwise becomes available. Merchant agrees to take action immediately, at its own expense, to investigate the incident and to identify, prevent and mitigate the effects of any such security breach, and to carry out any recovery necessary to remedy the impact. Merchant also agrees to bear any cost

or loss Bank may incur as a result of the breach, including without limitation, the cost of notifying customers if required by applicable law, rule, or regulation or Bank reasonably determines notification should be provided. The provisions of this Section 9(f) will apply to the Third Party Vendor and any breach of its systems, and Merchant will be responsible for satisfying the obligations of this Section 9(f) in any case in which there has been any actual or threatened breach of such Third Party Vendor's systems.

(g) Bank may suspend or terminate the functionality of Qualified Cards through any medium operated by a Third Party Vendor at any time upon notice to Merchant if Bank determines that (x) such Third Party Vendor is failing to comply in all material respects with (1) the terms of the Agreement, as applicable to it through this Section 9, or (2) applicable law, or (y) allowing the Third Party Vendor to continue to receive or have access to Qualified Cardholder Information, including in connection with processing Qualified Card transactions, is likely to result in reputational or business harm to Bank.

10. Merchant Information. The information furnished by Merchant to Bank in its application for participation in the Program and thereafter is complete and accurate and fairly presents the financial condition and business of Merchant. Merchant will also provide Bank from time to time upon request a copy of Merchant's prepared financial statements and such other financial Information prepared by Merchant in the ordinary course as Bank may reasonably request. Bank shall not disclose such financial information to any unaffiliated third party. Notwithstanding anything in the foregoing to the contrary, Bank may share information about Merchant's participation in the Program with sponsors and manufacturers whose products and services are sold by Merchant and financed under the Program. Additionally, Merchant will provide Bank with information of any change of control involving Merchant, or any change in Merchant's name, business structure or form, principal office, or state of incorporation, before or when the change occurs. Merchant information may be shared by Bank with its affiliates and with the Associations and the Discover Network subject to the provisions of this Agreement, the Discover Regulations and Association Rules. With prior notice and during Merchant's normal business hours, representatives of Bank may visit Merchants business premises and may examine only that part of Merchant's books and records that pertain to Charge Transaction Data and Qualified Card sales and credits.

11. No Consequential Damages. Except with respect to indemnification of third party claims, and confidentiality/security obligations, set forth herein, (i) in no event shall either party be liable to the other for any special, incidental or consequential damages arising from the other party's actions under this Agreement, and (ii) both parties waive any claim for punitive damages arising from the other party's actions under this Agreement.

12. Indemnification.

(a) Merchant agrees to indemnify, defend and hold harmless Bank and its

affiliates, officers, directors, employees, and agents from any losses, liabilities, and damages of any and every kind (including, without limitation, any costs, expenses or reasonable attorneys' fees incurred by any indemnified party), to the extent arising out of any claim, complaint, or chargeback (i) made or claimed by a Qualified Cardholder with respect to any sale made by, or Charge Transaction Data submitted by Merchant, (ii) made or claimed by any person or entity with respect to the products or services sold or provided by Merchant, or the advertising or promotion involving such goods or services; (iii) caused by Merchant's noncompliance with the terms or covenants of this Agreement or with any provision of applicable law, including without limitation, the failure of any representation, warranty or covenant made by Merchant to be true and correct when made or deemed made, (iv) caused by Merchant's failure to comply in any material respect with the terms of the Operating Guide, the Discover Regulations or Association Rules; (v) caused by any voluntary or involuntary bankruptcy or insolvency proceeding by or against Merchant, (vi) the acquisition by Merchant from Bank, in connection with a charge or credit to an Account, of a Cardholder's Account number by telephone or by some other means,
(vii) caused by circumstances relating to Merchant that create harm to or loss of goodwill to Bank, the Discover Network or to an Association.

(b) Bank agrees to indemnify, defend and hold harmless Merchant and its affiliates, officers, directors, employees, and agents from any losses, liabilities, and damages of any and every kind (including, without limitation, any costs, expenses or reasonable attorneys' fees incurred by any indemnified party) to the extent arising out of any claim or complaint based on (i) the failure of Bank's cardholder terms and conditions or Privacy Policy to comply with applicable law; (ii) an applicant's claim that Bank wrongfully declined his or her credit application; or (iii) Bank's material breach of this Agreement.

(c) The indemnity provided under this Section 12 shall survive the termination of this Agreement.

13. Term/Termination.

(a) Bank may terminate or suspend Merchant's participation in the Program, and this Agreement, at any time, if (i) Merchant breaches this Agreement or any agreement between Merchant and an affiliate of Bank, (ii) Bank determines that (x) Merchant's financial condition has deteriorated or Merchant otherwise ceases to meet Bank's Merchant underwriting criteria, or (y) there are an excessive number of disputes between Merchant and Qualified Cardholders, (iii) the Program is associated with a particular sponsor and either Merchant is no longer a participant in the sponsor's network or Bank's agreement with Sponsor is terminated, (iv) Merchant undergoes a change of control, (v) Merchant or any person owning or controlling Merchant's business is or becomes listed in the MATCH file (Member Alert to Control High- Risk merchants) maintained by Visa and MasterCard, (vi) the Discover Network or any Association notifies Bank that it is no longer willing to accept Merchant's Charge Transaction Data, or (vii) Bank determines that circumstances relating to Merchant have

or could create harm to or loss of goodwill to the Discover Network or an Association or Bank, (viii) Merchant fails to complete training related to the Program required by Bank. If Merchant sales and application processing activity has ceased for a period of 24 months or longer Bank may terminate relationship with no written notice to Merchant. Bank may also terminate this Agreement or Merchant's participation in the Program, without cause upon fifteen (15) days written notice to Merchant. Merchant may terminate this Agreement without cause on fifteen (15) days' prior written notice to Bank. This Agreement will automatically terminate if a petition in bankruptcy is filed involving Merchant or if Merchant advertises, sends notice of or initiates any "going-out- of-business" or liquidation sale to which Bank has not consented in writing. Merchant acknowledges that if Bank terminates this Agreement for cause, Bank may place Merchant on the MATCH File (or any similar or successor reporting service) and Merchant shall indemnify and hold Bank harmless as a result of such placement.

(b) Notwithstanding termination by either party (i) the terms of this Agreement will continue to apply to any Accounts established or Qualified Card transactions occurring, prior to the effective termination date (by way of example, settlement, returns, submission of credits, and processing of chargebacks), (ii) without limiting the provisions of clause (i), the provisions of Sections 3(d), (3g), 5, 6, 7, 8(d), 9,11,12, 13(b) and 15 will survive such termination, and (iii) Bank may use Merchant's name and marks for purposes of liquidating, administering or collecting Accounts.

14. Internet Transactions.

(a) **Internet Applications.** During the Term, Merchant and Bank may mutually agree to accept applications that are submitted to Bank via a link that is placed on Merchant's website ("Internet Applications"). If the parties agree to permit Internet Applications, Merchant will maintain an advertisement in a prominent position on the home page of its website encouraging Merchant's customers to open an Account. The advertisement will contain an imbedded link to a webpage hosted by Bank or Bank's agent (the "Bank Webpage") containing an on-line application. The link contained in such advertisement will link directly to Bank's specified webpage with no intermediate links. Prior to Merchant adding the advertisement to its website, Merchant will obtain Bank's prior written consent on the placement and design of the advertisement, such consent not to be unreasonably withheld. In no event may the advertisement be placed in close proximity to a competing finance offer. Merchant acknowledges that, except as allowed by this Section, it is prohibited from collecting application information via its website or through any other electronic channel.

(b) **Internet Purchases/Promotional Disclosures.** During the Term, Merchant and Bank may mutually agree to accept purchases transacted through the Merchant Website ("Internet Purchases"). If Merchant and Bank agree to allow Internet Purchases, Merchant will process all Internet Purchases in accordance with the terms of this Agreement, the Operating Guide, and any other written guidance provided by

Bank to Merchant. Without limiting the foregoing, Merchant will cause all authorizations processed through the Internet and all Internet Purchases to be separately tagged with a unique store of sale number. Merchant will also develop, maintain and operate its website so that all Internet Purchases processed through the website will be transmitted and accepted on a secure basis which ensures, among other things, that such information cannot be altered, viewed or captured by an unauthorized party. In the case of any purchase by an Qualified Cardholder made through the internet using a credit- based promotion, Merchant will be responsible for (i) providing the credit promotion disclosures (the "Promotional Disclosures") applicable to any purchase (whether the purchase is to be made at the time of an Qualified Cardholder's application for credit or otherwise), (ii) establishing whether the Qualified Cardholder is willing to consent to the receipt of the Promotional Disclosures electronically ("E- Consent") and, if so, obtaining a recordable record of the consent, (iii) obtaining such Qualified Cardholder's consent to the terms set forth in the Promotional Disclosures ("Promotional Terms Consent"); and
(iv) retaining the evidence of the E-Consent and Promotional Terms Consent for at least twenty-five (25) months and thereafter continuously unless after retaining such evidence for the twenty-five (25) month period Merchant offers to send such evidence to Bank and Bank authorizes Merchant to destroy them instead. Notwithstanding the foregoing, if Merchant uses E-Sign Consent and Promotional Terms Consent processes that are hosted by Bank, Merchant will not be required to retain the evidence of E-Consent and Promotional Terms Consent, as applicable, required by paragraph (iv) of this Section. The form, content, and placement of Promotional Disclosures and E-Consent language will be subject to the reasonable approval of Bank.

(c) **Termination of Internet Function.** Merchant and Bank will each have the right upon not less than fifteen (15) days written notice to the other party, to discontinue submitting, accepting or processing Internet Applications and/or Internet Purchases, as applicable; provided that Bank may suspend the acceptance of Internet Application and/or Internet Purchases immediately if Merchant breaches this Agreement, if the suspension is required by applicable law, or if Bank decides to suspend the acceptance of Internet Application and/or Internet Purchases for risk or safety and soundness reasons.

(d) **Copies of Screen Shots.** Initially, and before and after any changes to the application or internet promotional purchase processes implemented by Merchant, Merchant will create a record of all screen shots related to the online application and promotional purchase processes ("Credit-Related Screen Shots"). The record will include copies of any E-Consent disclosures, credit decision communications, promotional disclosures, and receipts of promotions offered and obtained. Merchant will maintain records of the Credit-Related Screen Shots for at least 25 months and thereafter continuously unless after retaining such Credit-Related Screen Shots for the twenty-five (25) month period Merchant offers to send such evidence to Bank and Bank authorizes Merchant to destroy them instead and provide copies to Bank upon request by Bank. Merchant will provide copies of the Credit-Related Screen Shots to Bank upon request.

(e) **Upgraded Process.** From time to time, Bank may develop one or more upgraded processes related to internet transactions, including, without limitation, the acceptance of Internet Applications, delivery of the content of Promotional Disclosures to Merchant, and/or the settlement of Internet Purchases (each, an "Ungraded Process"). Merchant will use commercially reasonable efforts to implement any Upgraded Process within 90 days from the date of notice from Bank (which may be made by email) of an Upgraded Process.

(f) **Remedies.** Subject to subsection (c), if Bank informs Merchant (which may be done in writing, by email, or by telephone) of any errors in the online application and/or promotional purchase processes, including, without limitation, inaccurate disclosures on receipts, Merchant will correct the error(s) within 24 hours. Merchant also acknowledges that it will be liable for any losses incurred by Bank as a result of errors attributable to Merchant, including, without limitation, the costs to remedy any errors and the costs to respond to regulator and consumer complaints. Bank will have the right lo disable any online application links, or Merchant's ability to offer credit promotions for online transaction, immediately upon becoming aware of any errors in the online application and/or promotional purchase process, as applicable.

15. Miscellaneous.

(a) **Assignability.** Merchant may not assign this Agreement, or its rights or obligations hereunder without the prior written consent of Bank. Bank may, without Merchant's consent, assign this Agreement to an Affiliate or to any entity that acquires the portion of Bank's business that operates the Program, or transfer or securitize all or any portion of the Accounts or any related rights or interests therein. Merchant may not use third parties to perform its obligations hereunder without prior written consent of Bank. Bank may also use subcontractors to perform obligations of Bank hereunder, but any such subcontracting will not relieve Bank of its obligations to Merchant hereunder.

(b) **Amendment.** This Agreement may be amended (or a new agreement substituted for it) by Bank by sending a notice of amendment to Merchant, and Merchant's submission of Charge Transaction Data to Bank after the stated effective date will constitute Merchant's agreement to the amendment. Unless an amendment expressly states otherwise, the amendment shall be effective as to all Accounts whether established or incurred before or after the effective date of such amendment.

(c) **Nonwaiver; Remedies Cumulative.** No delay by any party hereto in exercising any of its rights hereunder, or in the partial or single exercise of such rights, shall operate as a waiver of that or any other right. No right under any provision of this Agreement may be waived except in writing and then only in the specific Instance and for the specific purpose for which such waiver was given. The rights and remedies provided for in this Agreement are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided for by law or in equity.

(d) **Governing Law.** This Agreement and all rights and obligations hereunder, including, but not limited to, matters of construction, validity and performance, shall

be governed by and construed in accordance with the laws of the State of Utah. THE PARTIES HERETO WAIVE THEIR RIGHT TO REQUEST A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING IN ANY COURT OF LAW, TRIBUNAL, OR OTHER LEGAL PROCEEDING ARISING OUT OF OR INVOLVING THIS AGREEMENT, OR ANY DOCUMENT DELIVERED IN CONNECTION HEREWITH, OR RELATING TO ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

(e) **Further Assurances.** Each party hereto agrees to execute all such further documents and instruments and to do all such further things as any other party may reasonably request in order to give effect to and to consummate the transactions contemplated hereby.

(f) **Notices.** Except as set forth in the next sentence, all notices and consents, must be given in writing and either hand delivered, mailed first class, postage prepaid, or sent via overnight courier (and will be deemed to be given when so delivered or mailed), in the case of Merchant, to the address set forth in the Merchant Application, and in the case of Bank, to the attention of Merchant Services, Synchrony Financial, 950 Forrer Blvd., Kettering, OH 45420, or, in either case at such other address as shall be designated by such party in a written notice given to all other parties in accordance with the terms of this Section 15(f). In lieu of the foregoing notice requirement, Bank may elect to provide notice to Merchant hereunder via facsimile or e-mail at the facsimile number or e-mail address set forth in the Merchant Application (and such notice will be deemed to be given when so sent).

(g) **Exchange of Information.** Merchant authorizes Bank at any time to order or obtain a consumer or commercial credit report on Merchant and personal credit reports on the principals of Merchant (owners, partners, members, etc.). Subsequent reports may be ordered in connection with updating, reviewing, or continuing this Agreement. Bank may exchange information about Merchant or any of the other persons listed above in this Section 15(g) with other financial institutions, credit, trade associations or any Association or the Discover Network.

(h) **Financial Accommodation.** Merchant acknowledges that this Agreement is a financial accommodation contract for the benefit of Merchant, which means that it is not intended to be subject to assumption by a debtor in possession in bankruptcy.

(i) **Value-Added and Insurance Programs.** Bank and Bank's affiliates may market or may authorize third parties to market (i) additional products and services to Cardholders, via direct mail, billing inserts and otherwise and may finance such products or services on Qualified Accounts, and (ii) additional credit and financial products and services (Including without limitation a general purpose bankcard) to customers at the point of sale or as a companion product for an established Account. Merchant will have no rights with respect to any proceeds of such additional products and services.

(j) **Force Majeure.** Neither party shall be deemed to be in breach of this

Agreement if it fails to make any payment or perform any other obligation and such failure is a result of a force majeure event. As used herein, “force majeure event” shall mean any of the following: acts of God, fire, earthquake, acts or war or terrorism, explosion, accident, nuclear disaster, riot, material changes in applicable laws or regulations, including but not limited to a change in state or federal law, or other event beyond a party’s reasonable control, rendering it illegal, impossible or untenable for such party to perform as contemplated in, or to offer the Program on the terms contemplated under, this Agreement.

(k) **Merchant Marks.** Merchant hereby grants Bank a nonexclusive license to use its name, trademarks, logos and other marks (“Marks”) in connection with the administration and operation of the Program, and in connection with the liquidation of Accounts created pursuant hereto, during and after the term of this Agreement. Merchant is prohibited from using the Discover Program Marks, as defined below, other than as expressly authorized in writing by Bank. Discover Program Marks means the brands, emblems, trademarks, and/or logos that identify Discover Network Cards, including, without limitation, Diners Club International Cards. Additionally, Merchant shall not use the Discover Program Marks other than to display decals, signage, advertising, and other forms depicting the Discover Program Marks that are provided to Merchant by Bank pursuant to the Program or otherwise approved in advance in writing by Bank. Merchant may use the Discover Program Marks only to promote the services covered by the Discover Program Marks by using them on decals, indoor and outdoor signs, websites, advertising materials and marketing materials; provided that all such uses by Merchant must be approved in advance by Bank In writing, Merchant shall not use the Discover Program Marks in such a way that customers could believe that the products or services offered by Merchant are sponsored or guaranteed by the owners of the Discover Program Marks. Merchant recognizes that it has no ownership rights in the Discover Program Marks. Merchant shall not assign to any third party any of the rights to use the Discover Program Marks.

(l) **Press Release.** Merchant agrees not to issue any announcement concerning the Program or Merchant’s relationship with Bank in a press release or other communication to the general public without Bank’s prior written consent.

(m) **Credit Approval.** With respect to any credit approval mechanism or process employed by Bank in connection with the Program, Merchant acknowledges that it is a “service provider” for Bank for purposes of communicating credit decisions to Merchant’s customers.

(n) **Call Monitoring.** With respect to any service or similar calls Merchant may make to Bank or Bank’s service center(s), Merchant acknowledges that such calls may be monitored or recorded by Bank for quality assurance or other compliance purposes.

(o) **Entire Agreement.** This Agreement, together with the Discover Regulations, the Association Rules, Operating Guide (which are made a part of this Agreement for all purposes), and the schedules and appendices, if any, attached

hereto, is the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior understandings and agreements whether written or oral. This Agreement supersedes any prior agreement between the parties, including the Existing Agreement, and will govern all prior transactions, including all transactions previously submitted to Bank, regardless of the date of submission. If any provision of this Agreement is held to be invalid, void or unenforceable, ail other provisions shall remain valid and be enforced and construed as if such invalid provision were never a part of this Agreement.

(p) **Compliance Obligations.**

(i) **Access; Cooperation.** Merchant hereby authorizes Bank to audit and monitor its administration and promotion of the Program through anonymous requests to open or use Accounts under the Program and by other means. In addition, Merchant will permit Bank's representatives to visit Merchant's offices, and the relevant locations of its Third Party Vendors, during normal business hours with reasonable advance notice and provide access to Merchant (and Third Party Vendor) records relating to the Program, including, without limitation, the documents required to be retained under Section 8(d), to Bank or Bank's regulators to the extent such access is requested by Bank or Bank's regulators. Merchant further agrees to cooperate with Bank to ensure ongoing security and protection of applicant data and Qualified Cardholder Information and to ensure that the Program complies in all respects with all applicable laws. Merchant will, and will cause its Service Providers, Third Party Vendors, and its other vendors, agents and subcontractors to, make changes recommended by Bank with regard to data security and compliance with all applicable laws.

(ii) **Advertising.** Merchant will ensure that credit-related advertising and other disclosures or processes applicable to the Program created by Merchant comply with applicable law. Merchant will (x) as directed by Bank, either (A) submit any credit-related advertising and disclosures applicable to the Program for prior review by Bank (pursuant to a review process developed by Bank and incorporated in the Operating Guide, as the same may be updated from time to time on a prospective basis upon at least 30 days prior written notice to Merchant), or, (B) follow the most current versions of advertising templates provided to Merchant by Bank, and, in either case,
(y) use such Bank-approved advertising, templates, and other disclosures or processes in the manner directed by Bank. If Bank informs Merchant (which may be done in writing, by email, or by telephone) of any errors or compliance violations in Merchant's credit-related advertising or disclosures, Merchant will correct the error(s)/violation(s) within 24 hours. Merchant also acknowledges that it will be liable for any losses incurred by Bank as a result of such errors and violations attributable to Merchant, including, without limitation, the costs to remedy such errors and/or to respond to regulator and consumer complaints.

(iii) **No Internet Gambling.** Merchant shall not permit any Cards to be used to place, receive, or otherwise knowingly transmit a bet or wager by any means which involves the use, at least in part, of the Internet where such bet or wager

is unlawful under any applicable Federal or State law in the State or Tribal lands In which the bet or wager is initiated, received, or otherwise made.

(iv) **Applicable Law.** As used in this Agreement, references to "applicable law" or "law" will be deemed to include and refer to all federal, state and local statutes, codes, ordinances, regulations, laws (Including laws relating to unfair, deceptive or abusive acts or practices), published regulatory guidelines and regulatory interpretations, judicial or administrative orders and interpretations, and, in the case of Bank, regulatory guidance (including regulations and regulatory guidance pertaining to bank safety and soundness), orders or directives and examination report comments.

Exhibit A Transparency Principles

Synchrony Bank promotes full transparency and disclosure to all applicants for its credit card program (the "Synchrony Financial Financing Program"). To assure that applicants are aware of several key attributes of the Synchrony Financial Financing Program, you hereby agree as follows:

1) You will ensure that training on how to offer, process and transact with the Synchrony Financial Financing Program is integrated into your existing associate training program. Helpful training materials including videos, self-paced courses and pre-recorded webinars can be found online at Synchrony Financial's Learning Center: www.mysynchrony.com/learningcenter.

2) Your customers must receive the Credit Card Agreement in writing and have the opportunity to review it and other disclosures in the application brochure before signing an application.

3) You must retain each applicant's signature page and sales receipts for 25 months from the date of the application. Failure to keep and, upon request, produce the signature page to Synchrony Bank may expose your business to an automatic chargeback upon consumer dispute.

4) Fees may not be charged to consumers for applying for credit or for using their Synchrony Bank account to finance purchases. These fees have been called Administration Fees, Documentation Fees or other generic terms. All are prohibited by your Card Acceptance Agreement with Synchrony Bank and you will be responsible for refunding customers accordingly.

5) You or your staff must inform all Synchrony Financial Financing Program applicants of the following (as applicable):

- The Synchrony Financial Financing Program is a credit card and is NOT an in-house credit program. The Synchrony Financial Financing Program is NOT an interest-free credit card.

- Cardholders should be provided with information about the different special financing options available to them and how they work before requested to choose which one to use for their specific purchase. It is especially important that cardholders understand the basic features of No Interest, Reduced Interest and Deferred Interest /No Interest if Paid in Full options, if all these type of promotions are being offered. The key concepts include:

    - The length of the promotion
    - Whether the promotion expires and, if so, what happens upon expiration

- Required payments during the promotional term

• For Deferred Interest promotions, deferred interest accrues on the outstanding balance during the promotional period from the sale of the transaction. Finance charges can be avoided ONLY IF the promotional balance is paid off prior to the end of the promotional period.

6) You must complete the document that provides the promotional terms to the customer. These may be referred to as sales slips, sales receipts or Optional Financing Plan (OFP) forms (not required for online sale transactions - these will auto print through Business Center). For all Synchrony Bank promotional transactions, obtain the cardholder's signature on the printed sales receipt.

7) You will advise customers of any policy regarding returns/refunds.

8) These program guidelines are designed to provide transparency for cardholders. Synchrony Bank reserves the right to monitor your adherence to these and other Synchrony Financial Financing Program policies subject to the consequences defined in your Card Acceptance Agreement.

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ADDENDUM Y

REGISTRATION STATE AMENDMENTS TO THE ZIEBART CORPORATION FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

FOR THE STATE OF CALIFORNIA

Addendum ~~V~~U has been added to Exhibit A, Franchise Agreement and Addenda, stating the following:

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.

ITEM 3 is amended to include: Neither Ziebart Corporation, nor any person listed in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. § 78a, *et seq*., suspending or expelling such persons from membership in such association or exchange.

ITEM 17 is amended to include: California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, non-renewal, or the sale of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

ITEM 17 is amended to include: 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.*).

ITEM 17 is amended to include: 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.

ITEM 17 is amended to include: The Franchise Agreement requires application of the laws of (Michigan). This provision may not be enforceable under California law.

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF ~~BUSINESS OVERSIGHT~~ FINANCIAL PROTECTION AND

INNOVATION at ~~www.dbo.ca.gov~~. www.dfpi.ca.gov.

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

FOR THE STATE OF HAWAII

Item 8 "Restrictions on Sources of Products and Services" is amended by adding the following:

The requirement for you to purchase products from us or some other entity as we designate in writing, may be unlawful under Hawaii Law. If, and to the extent, that requirement is found to be unlawful, that requirement will be void (to the extent unlawful) and you must purchase those products from approved suppliers.

The following paragraph is added:

This proposed registration is effective/exempt from registration in California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises.

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

In recognition of the requirements of the Hawaii Franchise Investment Law, Haw. Rev. Stat. § 482E-1, *et seq.*, the parties agree as follows:

1. Release on Renewal. The Franchise Agreement, is amended to read as follows:

Franchisee has signed a general release, in a form specified by the Franchisor, of any and all claims against the Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents, members and employees, excluding only such claims as Franchisor may have under the Hawaii Investment Law.

2. Supplier Requirements. The Franchise Agreement is amended by adding the following:

If, and to the extent, the requirement for Franchisee to purchase products from the Primary Supplier is unlawful under Hawaii Law, that requirement will be void (to the extent unlawful) and Franchisee must purchase those products in accordance with the Franchisor's specifications and only from manufacturers and/or suppliers that have been approved by the Franchisor and not later disapproved.

3. Release on Transfer. The Franchise Agreement is amended to read as follows:

Franchisee must be in full compliance with all provisions of this Franchise Agreement and must pay the Franchisor all monies owing and must sign at the time of Transfer an agreement, in the form specified by the Franchisor, terminating this Franchise Agreement and releasing the Franchisor and its subsidiaries and affiliates and their respective officers, directors, agents, members and employees from any claims, excluding only such claims as the Franchisee may have under the Hawaii Franchise Investment law; Effectiveness of Amendment. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Amendment.

FOR THE STATE OF INDIANA

The Cover Page of the Disclosure Document is amended by adding the following:

REGISTRATION OF THIS FRANCHISE IN THE STATE OF INDIANA DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER.

Item 8 of the Franchise Disclosure Document is amended to add the following:
Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

17(e) is amended subject to Indiana Code 23-2-2.7-1(7), which makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

17(m) is amended subject to Indiana Code 23-2-2.7-1(5), which prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant will have a geographical limitation of the Protected Territory granted to you.

17(v) is amended to provide that you will be permitted to begin litigation in Indiana for a cause of action under Indiana law.

17 (w) is amended to provide that if there is a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or Indiana Deceptive Franchise Practices Act.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, the Franchise Agreement, or Michigan law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement will supersede the provisions of the Agreement to the extent it may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The Franchise Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. Thefollowing provision will be added to the Franchise Agreement:

No Limitation on Litigation. Any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

FOR THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

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

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

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

FOR THE STATE OF MARYLAND

~~Pursuant to COMAR 02.02.0.8.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law. 17(c) and 17(m) of the Franchise Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law and those documents are hereby amended consistent with Maryland law.~~

17(v) of the Franchise Disclosure Document and the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

~~Section 17(w) of the Franchise Disclosure Document is hereby amended to the extent required under the Maryland Franchise Registration and Disclosure Laws.~~

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

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

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

FOR THE STATE OF MINNESOTA

Item 13 of the Franchise Disclosure Document is amended by the addition of the following:

The Franchisor will indemnify a Minnesota franchisee for damages for which such franchisee is held liable in any proceeding arising out of the use of the trademark provided that the franchisee has used the mark properly and has notified the franchisor of any claim against the franchisee within ten days of franchisee's knowledge of such claim. The franchisor shall in no event be liable for the cost of signs and other items bearing the trademark nor for any claim for loss of goodwill. The franchisor's indemnification obligation shall not apply to any franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.

Refer to Minnesota Statutes, Sec. 80C.12, Subd. 1(g).

Item 17.g of the Franchise Disclosure Document is amended to read:

We will comply with Minn. Stat. Sec. 80C.14, Subds, 3, 4, and 5 which requires, 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 Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Item 17.w and Section 21 of the Franchise Agreement are amended to read: Pursuant to Minnesota Statue Section 80C.21 and Minnesota Rule Part 2860.4400J, we are prohibited from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the franchise disclosure document or agreement(s) can abrogate or reduce any rights of the FRANCHISEE 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 Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute~~s,~~ Sec. 80C.17, Subd. 5.

Item 17.s is amended by the addition of the following summary:

Modifications of the Franchise Agreement are subject to provisions of the Minnesota Franchise Act, specifically but not limited to Minnesota Franchise Rule S Div 1714, et al. The following is the text of Sec. 80C.l4, Subdivisions l, 2, 3, 4 and 5:

SUBDIVISION l - Prohibition. No person, whether by means of a term or condition of a franchise or otherwise, shall engage in any unfair or inequitable practice in contravention of such rules as the commissioner may adopt defining as to franchises the words “unfair and inequitable”. For the purpose of rules defining the words “unfair and inequitable”, the commissioner may specifically recognize classifications of franchises including but not limited to the classifications of motor vehicle fuel franchises, motor vehicle franchises, hardware franchises, and franchises which require that the franchisee make an initial, unfinanced investment in excess of $200,000. A violation of this section is enjoinable by a court of competent jurisdiction.

A temporary injunction may be granted under this section without requiring the posting of any bond or security. A bond or security is required if a temporary restraining order is granted.

SUBDIVISION 2 - Acts Constituting. All franchise contracts or agreements, other than those classifications of franchises specifically recognized by the commissioner under subdivision l, and any other device or practice of a franchisor must conform to subdivisions 3 and 4. It is an unfair and inequitable practice for a person to commit an act specified in subdivisions 3 to 5.

SUBDIVISION 3 - Termination or Cancellation.

a. No person may terminate or cancel a franchise unless (I) that person has given written notice setting forth all the reasons for the termination or cancellation at least ninety (90) days in advance of termination or cancellation, and (ii) the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within sixty (60) days of receipt of the notice; except that the notice is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

   1. Voluntary abandonment of the franchise relationship by the franchisee;
   2. the conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or
   3. failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logotype or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

b. No person may terminate or cancel a franchise except for good cause. "Good cause" means failure by the franchisee to substantially comply with the material and reasonable franchise requirements imposed by the franchisor including, but not limited to:

   1. the bankruptcy or insolvency of the franchisee.
   2. assignment for the benefit of creditors or similar disposition of the assets of the franchise business;
   3. voluntary abandonment of the franchise business;
   4. conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or
   5. any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor's trademark, trade name, service mark, logotype or other commercial symbol.

SUBDIVISION 4 - Failure to Renew. Unless the failure to renew a franchise is for good cause as defined in subdivision 3, paragraph b, and the franchisee has failed to correct reasons for termination as required by subdivision 3, no person may fail to renew a license unless (l) the franchisee has been given written notice of the intention not to renew at least 180 days in advance of the expiration of the franchise; and (2) the

franchisee has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern, as determined and measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.

SUBDIVISION 5 - Withholding Consent to Transfer. It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor.

FOR THE STATE OF NEW YORK

The Franchise Disclosure Document for use in the State of New York is to be amended to include the following:

Item 3 "LITIGATION" is amended by adding the following:

Neither Franchisor, its predecessor, a person identified in item 2, nor an affiliate offering franchises under the franchisor's principal trademark have an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither Franchisor, its predecessor, a person identified in item 2, nor an affiliate offering franchises under the franchisor's principal trademark have been convicted of a felony, nor pleaded nolo contendere to a felony charge nor, within the ten-year period immediately preceding the application for registration, convicted of or pleaded nolo contendere to a misdemeanor charge nor has been the subject of a civil action alleging: antifraud or securities law; embezzlement, fraudulent conversion or misappropriation of property. The cases in which Franchisor was the subject of a civil action alleging violation of a franchise, fraud, or unfair or deceptive practices or comparable allegations are disclosed in Item 3 of this Disclosure Document.

Neither Franchisor, its predecessor, a person identified in item 2, nor an affiliate offering franchises under the franchisor's principal trademark are subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; nor 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; nor 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.

Item 4 "BANKRUPTCY" is amended by adding the following:

Neither Franchisor, its affiliate, its predecessor, officers, nor general partner 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; nor (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 franchisor held this position in the company or partnership.

Item 5 "INITIAL FEES" is amended by adding the following:

INITIAL FRANCHISE FEE: The purpose for which the Initial Franchise Fee will be used is to provide consideration for Franchisor's authorized use of its Trademarks, Technology, and Know-how, for a ten-year term. It also provides consideration for preparation and development of the franchise.

Item 17 "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION" provision d. is amended by adding the following:

"The franchisee may terminate the agreement upon any grounds available by law."

FOR THE STATE OF NORTH DAKOTA

Addendum T has been added to Exhibit A, Franchise Agreement and Addenda, stating the following:

The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.) and should be addressed in an addendum to the offering materials used in North Dakota.

A. Restrictive Covenants: Franchise offering circulars which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of the disputes at a location that is remote from the site of the franchisees' business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota Franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the

waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

FOR THE STATE OF RHODE ISLAND

ITEMS 17 V. & W. and Section 21 of the Franchise Agreement are amended to read: Choice of forum: Rhode Island, Choice of law - Rhode Island Franchise Investment Act. If any of the provisions governing termination or nonrenewal herein disclosed are inconsistent with Rhode Island Franchise Investment Act, then said Act shall apply.

Section 21 of the Franchise Agreement is amended to: Rhode Island Law and Jurisdiction. This Franchise Agreement and the construction thereof shall be governed by the laws of the state of Michigan. Any legal proceedings arising out of this Agreement shall be conducted in the courts of the state of Rhode Island, or the Federal courts located within the state of Rhode Island.

FOR THE STATE OF VIRGINIA

Item 17 e. of the Franchise Disclosure Document is amended by adding the following:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

In Virginia, any material change must be filed with the State Corporation Commission, Division of Securities and Retail Franchising, 1300 East Main Street, 9th Floor, Richmond, VA 23219 as an amendment to the current registration filing.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

FOR THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Based on our financial condition, the Securities Division of the Department of Financial Institutions of Washington has required a financial assurance. We have elected to use an impound and a copy of the fully executed impound agreement is on file with the Division.

FOR THE STATE OF WISCONSIN

Item 17 G of the Franchise Disclosure Document is amended to read as follows:

Termination notice of 90 days with 60 days to cure for delinquent reporting; termination notice of 90 days with 10 days to cure for nonpayment of sums due under the Franchise Agreement.

Item 6.D of the Franchise Disclosure Document is amended to read as follows:

Wisconsin law requires you to issue 100% insured, one-year (annually renewable) warranties which are $190.00 per package.

EXHIBIT B

PERSONAL GUARANTEE

PERSONAL GUARANTEE

Ziebart Corporation
1290 East Maple Road
Troy, Michigan 48083

In consideration of Ziebart Corporation entering into a Franchise Agreement and/or an open account or other credit arrangement _____, a _____, hereinafter referred to as the "FRANCHISEE", and for other valuable consideration, the undersigned, singularly and collectively, guarantees the prompt payment to Ziebart Corporation of any and all indebtedness by the FRANCHISEE to Ziebart Corporation.

The undersigned waive notice of non-payment of the amount owed at any time, of presentment and demand of any kind, and of the necessity of Ziebart Corporation instituting legal proceedings to enforce this guarantee against any one or more of the guarantors.

This guarantee shall continue in full force and effect until all sums which the FRANCHISEE may now or hereafter owe to Ziebart Corporation are fully paid, satisfied and discharged.

_____
(sign without title)

Date: _____, _____

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

ZIEBART MULTI-UNIT DEVELOPMENT AGREEMENT

THIS AGREEMENT dated this __day of _____, is made by and between _____, a(n) "Individual/Corporation" with its principal office located at _____, hereafter referred to as ("Developer"), and each of its owners, members, partners, directors, or officers (collectively, "you" or "your"), and Ziebart Corporation, a Michigan corporation ("we", "us", or "our").

WHEREAS, we are the national Franchisor of Ziebart® Franchises which licenses franchised locations throughout the United States, Canada, and various foreign countries;

WHEREAS, we grant franchise licenses to individuals, corporations, llcs, and partnerships to operate Ziebart® franchises at various locations. Each Ziebart license is governed by the terms of a Ziebart® Franchise Agreement that a Franchisee is required to sign before he/she/it can open a Ziebart® Franchise;

WHEREAS, Developer has expressed a desire to develop the number of new Ziebart® franchises (the "Ziebart® Franchises") specified in the Development Schedule set forth below, within the Area of _____(the "Area"),''

Whereas Ziebart®, upon the fulfillment of certain conditions by Developer is desirous of granting such development rights to Developer; and

WHEREAS, the parties to this Agreement desire that the terms of the Development Rights be contained in this Agreement.

NOW THEREFORE, in consideration for the mutual promises contained herein the parties hereto agree as follows:

1. **Grant**

1.01 We hereby grant to the Developer the right to develop the number of new Ziebart® Franchises, specified in the Development Schedule set forth below, within the Area of _____, subject to the terms and conditions stated in this Agreement and the governing terms and conditions of each applicable Ziebart® Franchise Agreement ("Ziebart® Franchise Agreement'").

1.02 Developer agrees that for each Ziebart® Franchise that Developer develops and opens, he/she/it shall execute Ziebart Corporation's then current Ziebart® Franchise Agreement for each location for the purpose of establishing, owning and operating Ziebart® franchise stores. Developer acknowledges and agrees that our then-current form of Ziebart® Franchise Agreement may contain materially different terms, as compared to the form of Ziebart® Franchise Agreement contained in the Disclosure Document provided to Developer prior to the execution of this Agreement.

1.03 This Multi-Unit Development Agreement ("Agreement") is not to be construed as a Franchise Agreement and this Agreement does not give the Developer the right to use the Ziebart® Franchise System, Ziebart®'s name or trademarks as the right. Such rights to use the Ziebart® System and Ziebart®'s name and proprietary marks shall be contained in and governed by each Ziebart® Franchise Agreement for each franchise that Developer develops.

1.04 In conjunction with the development of the Ziebart® Franchise System in the Area, Developer agrees not to use the Ziebart® name or trademarks in its trade name or as part of its corporate name, if applicable, except that the Ziebart® Franchises referred to in the Ziebart® Franchise Agreements shall be referred to as Ziebart® Franchises.

1.05 Nothing in this Development Agreement shall be construed as governing the use of or the implementation of the Ziebart® Franchise System, such requirements being contained in each Ziebart® Franchise Agreement.

2. **Execution of Ziebart® Franchise Agreements**

2.01 In conjunction with the opening of each Ziebart® Franchise by Developer pursuant to this Agreement Developer shall sign Ziebart®'s then current Ziebart® Franchise Agreement, which Agreement may contain materially different terms and conditions as compared to the Franchise Agreement for Franchisee's first Ziebart® Franchise (provided that the initial term of each Ziebart® Franchise Agreement shall be for a period of 10 years), for each location prior to opening such Ziebart® Franchise.

2.02 In the event that Developer is in default of any of the governing Ziebart® Franchise Agreements Developer shall be prohibited from opening any additional Ziebart® Franchises pursuant to this Development Agreement or any other agreements until such default(s) are cured to Ziebart®'s satisfaction to the extent that they are subject to cure. If any of the Ziebart® Franchise Agreements are terminated, except as provided for in this Agreement, this Agreement shall terminate. However, to the extent that Developer is not in default of other existing Ziebart® Franchise Agreements they can continue to operate under those Agreements, and they shall remain in full force and effect unless and until he/she/it may be in default of any such agreements.

3. **Development Schedule**

3.01 In consideration for the grant of the rights granted by us to Developer to develop the Area, the Developer will develop an aggregate of three (3) Ziebart® Franchises within and pursuant to the development schedule incorporated by reference for all purposes.

3.02 Nothing in this section shall prevent Developer from developing more Ziebart® franchises than the minimum number shown on the Development Schedule for the Area, provided that Developer signs an Amendment to the Development Schedule, pays the non-refundable Development Fee of $15,000 for each additional Ziebart® Franchise, signs a Ziebart® Franchise Agreement for each additional Ziebart® Franchise, and complies with the terms of each such Ziebart® Franchise Agreement.

3.03 The failure by Developer to adhere to the Development Schedule shall result in the termination of the Multi-Unit Development Agreement and thereafter, Developer may not develop any additional Ziebart® Franchises. However, upon termination of the Multi-Unit Development Agreement, Developer may continue to operate his/her/it's existing Ziebart® Franchises under his/her/it's existing Ziebart® Franchise Agreements for so long as he/she/it is not in default of such agreement(s) or the expiration of their terms, whichever occurs first.

3.04 All sites that Developer wishes to operate as Ziebart® Franchises shall be approved by Ziebart® in accordance with the terms of the governing Ziebart® Franchise Agreement prior to the time

that he/she/it opens such Ziebart® Franchise.

4. Term of Development Agreement

4.01 This Multi-Unit Development Agreement shall remain in full force and effect, unlessearlier terminated by the provisions of this Agreement, until the development of the last Ziebart® Franchise listed on the Development Schedule, subject to any modification, but in no event shall it extend beyond years from the date of this Agreement, unless mutually agreed upon by the parties..

4.02 The termination of this Multi-Unit Development Agreement shall not affect the then existing Ziebart® Franchise Agreements for the then existing Ziebart® Franchises provided that Developer is not in default of each such Ziebart® Franchise Agreement.

4.03 Upon the termination of the Development Agreement, Ziebart® shall have the right to develop and establish franchised or company owned Ziebart® stores within the Area subject only to the territorial provisions of each then governing Ziebart® Franchise Agreement.

5. Development Fees

5.01 In consideration for the grant of the rights outlined in Article 1 of this Agreement Developer shall pay to Ziebart® a Multi-Unit Development Fee in the amount of Ninety Thousand ($90,000) Dollars (the "Multi-Unit Development Fee").

5.02 The payment of the Multi-Unit Development Fee shall be paid to Ziebart® upon the mutual execution of this Multi-Unit Development Agreement. This Agreement shall not become effective until the Multi-Unit Development Fee has been paid in full to Ziebart® and cleared its bank.

5.03 All Multi-Unit Development Fees are fully earned by Ziebart® at the time of signing the Multi-Unit Development Agreement, and are non-refundable.

5.04 The initial franchise fee that is to be paid for each additional Ziebart® franchise purchased will be Fifteen Thousand ($15,000) dollars, if purchased during the Development Schedule and such amount shall be paid to Ziebart® at the time Developer executes an Amendment to the Development Schedule.

6. Managers and Operational Assistants

6.01 Developer must devote its full efforts and attention to the business of the development and operation of the Ziebart® Franchises to the subject of this Development Agreement. Accordingly, Developer must employ competent managers for each franchise who in-turn will be required to devote their full efforts and attention to the business carried on at the franchise store.

6.02 All managers, to the extent allowed by law, will be bound by restrictive covenants preventing them from operating or participating in a competing business for so long as they are employed by Developer within a specified geographic limit.

7. Termination

7.01 The termination of any Ziebart® Franchise Agreement shall result in the automatic termination of the Multi-Unit Development Agreement.

7.02 The Agreement shall be terminated upon any default of any of the terms of this Agreement if such default, to the extent that it may be cured, is not cured within 30 days from notice being sent by Ziebart® to Developer. All such notice will be deemed so delivered: at the time delivered, if by hand; one (1) business day after transmission, if by overnight delivery service; one (1) business day after transmission, if by facsimile or other electronic system expressly approved in the Manuals as appropriate for delivery of notices under this Agreement (with confirmation copy sent by regular U.S. mail); or three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Information for notices is as follows, and you will immediately notify us of any changes to the following contact information:

If to us:	If to you:
Ziebart Corporation Attention: Legal Department 1290 E. Maple Road Troy, Michigan 48083	The address shown in our records for the Franchised Business, the last Home Address we have on record for you, or as you otherwise notify us in writing

8. **Sale and Assignment**

8.01 Developer shall not have the right to sell or assign the development rights provided in this Agreement without the prior written approval of Ziebart Corporation. However, nothing in this provision shall prevent Developer from selling, assigning or otherwise transferring any Ziebart® Franchise Agreement and the accompanying Ziebart® Franchise subject to the terms and conditions in the governing Ziebart® Franchise Agreement.

8.02 Assignment By Us. You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as our owners, directors, officers, and employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations to you.

9. Dispute Resolution

a. Governing Law. This Agreement and its construction are governed by and must be interpreted in accordance with the laws of the State of Michigan, without reference to conflict of laws principles. By agreeing to the application of Michigan law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or other statute, rule, or regulation of the State of Michigan to which this Agreement or the parties' relationship would not otherwise be subject. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

b. Mandatory Mediation. Except as provided in this Section, if any Dispute cannot be settled through direct discussions, the parties agree to submit the Dispute to mediation before resorting to arbitration. Mediation will be administered by the American Arbitration Association ("**AAA**") under its then-current Commercial Mediation Procedures ("**Mediation Procedures**") and before a mediator selected under them. Mediation will not defer or suspend our exercise of any termination right under Article16 of the Franchise Agreement.

All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and must not be offered or admissible in any other proceeding or

legal action whatsoever.

i. Deadline for Mediation. The party requesting mediation must provide written notice of the request for mediation to the other party in the manner prescribed in the Mediation Procedures. The request must specify with reasonable particularity the matters for which mediation is sought. Mediation must be concluded within thirty (30) days of the issuance of the written request for mediation, or such longer period as the parties may agree upon in writing.

ii. Location. The mediation must be held in Detroit, Michigan or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Detroit, Michigan.

iii. Cost of Mediation and Consequences of Failure to Comply. The parties will equally share the cost of the mediation, including administrative costs and mediator fees. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this Agreement, and the Dispute may proceed directly to arbitration without mediation. Any costs or fees, including attorney fees, incurred by the non-defaulting party in pursuing mediation may be sought as damages in arbitration.

c. Arbitration. Except as specifically provided in this Agreement, any Dispute that is not resolved through mediation must be settled by binding arbitration administered by the American Arbitration Association in accordance with its then-current Commercial Arbitration Rules ("**Commercial Rules**"). Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction over the parties.

i. Governed by Federal Arbitration Act. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce, and that any arbitration conducted under this Agreement will be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act, and that arbitration must be conducted as provided in this Section c.

ii. Appointment of Arbitrator. The Dispute will be heard by a single arbitrator, chosen in accordance with the Commercial Rules. The arbitrator, and not any court, will have the sole authority to decide the Dispute, as well as to determine arbitrability of any Dispute.

iii. Qualifications of the Arbitrator. At the option of either party, the arbitrator must be selected from a list of retired federal or state judges supplied by AAA, if available, who have substantive experience in franchise law.

iv. Claims Barred. In connection with any arbitration proceeding, each party must submit any Dispute or claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) in the arbitration. Any such claim which is not submitted or filed as described above will be forever barred.

v. Payment of Fees and Costs . The parties will equally bear all administrative

costs and arbitrator fees in accordance with the Commercial Rules. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges will constitute a waiver by that party to present any evidence or cross-examine witnesses. In such event, the other party will be required to present evidence and legal argument as the arbitrator may require for the making of an award. Such waiver will not allow for a default judgment or award against the non-paying party in the absence of evidence presented as provided for above.

vi. Mandatory Exchange of Information. In all matters, regardless of the Amount In Controversy, the parties must exchange the following information within twenty (20) days of the appointment of the arbitrator without further order from the arbitrator. The parties must exchange the name and, if known, the address and telephone number of each individual likely to have information regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of another party to the Dispute. The disclosure must include any witness anticipated for impeachment or rebuttal. The identifying party must identify the subject(s) on which the witness may provide testimony. The parties must also disclose and provide a copy of all documents, data compilations, and tangible things that are in the possession, custody, or control of the party regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of the other party. The arbitrator may entertain a request to compel the exchange of information or documents not provided by a party in possession of them.

vii. Discovery. The parties want to conduct discovery proportional to the Dispute. As a result, the discovery permitted will depend on the Amount In Controversy, as stated below.

1. If the Amount In Controversy is less than two hundred thousand dollars ($200,000), there will be no discovery other than the mandatory exchange of information discussed in Section vi. Further, the Dispute shall be resolved by submission of documents rather than by an in-person hearing. The arbitrator has no discretion to allow an in-person hearing in such matters.

2. If the Amount In Controversy is more than two hundred thousand dollars ($200,000), each side may take three (3) depositions. Neither side's depositions may consume more than a total of eighteen (18) hours. No party may make a speaking objection at a deposition, except to preserve privilege. The total period for the taking of depositions shall not exceed six weeks. No interrogatories or requests to admit may be propounded by either party.

viii. Challenge of Claimed Amount in Controversy. A party claiming that the Amount In Controversy (the "claiming party") meets or exceeds the thresholds stated in Section vii or x, must include in its arbitration demand a summary of facts which supports the party's contentions. Upon challenge by the opposing party (the "opposing party") (which must be filed within twenty (20) days of the claim being filed):

1. Within ten (20) days of a challenge by the opposing party, the claiming party must provide a sworn affidavit or declaration containing detailed statements or contentions supporting its allegation that the claimed damages meet or exceed the claimed threshold.

2. Within twenty (20) days of their appointment, the arbitrator must determine whether the party's claim that the Amount In Controversy meets or exceeds the claimed threshold is reasonably supportable by the claiming party's sworn contentions as well as other facts and evidence available. In making this determination, the arbitrator may demand documents or other information from the claiming party supporting its claimed Amount in Controversy.

ix. Location. The arbitration must be held in Detroit, Michigan or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Detroit, Michigan.

x. Time of Final Arbitration Hearing. The final arbitration hearing for any matter where the Amount In Controversy is more than two hundred thousand dollars ($200,000) must be held no later than three (3) months from the date of the arbitration demand. For any matter where the Amount In Controversy is less than two hundred thousand dollars ($200,000), the arbitrator must issue her or his decision no later than nine (9) months from the date of the arbitration demand. Except as otherwise noted in this Agreement, hearings will take place under the Commercial Rules.

xi. Timing; Type of Award. The arbitrator must agree to comply with the schedule stated in Section x before accepting appointment. However, this time limit may be extended by the arbitrator for good cause shown, or by mutual agreement of the parties. The award of the arbitrator must be accompanied by a reasoned opinion, but they may not declare any trademarks owned by us or our Affiliates generic or invalid.

xii. Award of Fees and Costs. The arbitrator must award to the Prevailing Party, if any, as determined by the arbitrator, all of its costs and fees. "**Costs and Fees**" means all reasonable pre-award expenses of the arbitration, including arbitrator fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney fees. "**Prevailing Party**" is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party will be that party which has prevailed on a majority of the material issues decided. The "net award" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and the arbitrator's judgment.

d. Legal Fees and Expenses. The Prevailing Party in a judicial or other proceeding between the parties will be entitled to reimbursement of its Costs and Fees.

10. COSTS OF ENFORCEMENT OR DEFENSE

The costs of enforcement or defense provisions contained in Section 22 of the Franchise Agreement, are hereby incorporated herein by reference as if set forth fully herein. The parties acknowledge and agree that all such provisions shall apply to this Agreement. Developer acknowledges that Developer has read and understands the terms of the Franchise Agreement and this Agreement .

11. Miscellaneous

11.01 All notices required in the Multi-Unit Development Agreement shall be in writing All such notice will be deemed so delivered: at the time delivered, if by hand; one (1) business day after transmission, if by overnight delivery service; one (1) business day after transmission, if by facsimile or other electronic system expressly approved in the Manuals as appropriate for delivery of notices under this Agreement (with confirmation copy sent by regular U.S. mail); or three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Information for notices is as follows, and you will immediately notify us of any changes to the following contact information:

If to us:	If to you:
Ziebart Corporation Attention: Legal Department 1290 E. Maple Road Troy, Michigan 48083	The address shown in our records for the Franchised Business, the last Home Address we have on record for you", or as you otherwise notify us in writing

11.02 This Agreement together with the schedules attached hereto, constitute the entire agreement between the parties relative to the subject matter contained therein and supersedes any and all prior understandings, representations, inducements, and statements oral or written, collateral or otherwise, of the parties in connection with the subject matter hereof. No amendment or modification of this agreement shall be binding unless in writing executed by both the Developer and Ziebart®. Nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the latest franchise disclosure document that Franchisor has furnished to Developer.

DEVELOPMENT SCHEDULE

Multi-Unit Developer shall develop and continue to operate Ziebart® Franchises in the Development Area, in accordance with the following schedule:

Site Acceptance Date From This Multi-Unit Development Agreement Date	**Opening Date From This Multi-Unit Development Agreement Date**	**Ziebart® Franchises To Be Open and Operating On or Before The Opening Date**
9 Months	12 Months	1
21 Months	24 Months	2
33 Months	36 Months	3

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

ZIEBART CORPORATION
a Michigan Corporation

Brian Jackman
President

MULTI-UNIT DEVELOPER:

Name of Franchisee's Entity

INDIVIDUAL(S):

Signature

Print Name

Date:

Signature

Print Name

Date:

Signature

Print Name

Date:

Signature

Print Name

Date:

EXHIBIT ~~C~~D

~~**LOCATION AUTHORIZATION APPLICATION**~~

MULTI-UNIT PERSONAL GUARANTEE

MULTI-UNIT

PERSONAL GUARANTEE

Ziebart Corporation
1290 East Maple Road
Troy, Michigan 48083

In consideration of Ziebart Corporation entering into a Mult-Unit Development Agreement and/or an open account or other credit arrangement _____, a _____, hereinafter referred to as the "DEVELOPER", and for other valuable consideration, the undersigned, singularly and collectively, guarantees the prompt payment to Ziebart Corporation of any and all indebtedness by the DEVELOPER to Ziebart Corporation.

The undersigned waive notice of non-payment of the amount owed at any time, of presentment and demand of any kind, and of the necessity of Ziebart Corporation instituting legal proceedings to enforce this guarantee against any one or more of the guarantors.

This guarantee shall continue in full force and effect until all sums which the DEVELOPER may now or hereafter owe to Ziebart Corporation are fully paid, satisfied and discharged.

_____

(sign without title)

Date: _____, _____

EXHIBIT ~~C~~ E

LOCATION AUTHORIZATION APPLICATION

LOCATION AUTHORIZATION APPLICATION

A. **Position**

1. Street Address_____
   City/State/Zip_____
2. Nearest cross street_____
3. Location map - attach detailed street map covering at least a five mile radius from proposed location. Mark site; indicate and identify; competitors, car dealers, auto maintenance centers, tire stores, fast food locations, shopping centers/malls, and any other significant retail draw.
4. Demographics - attach demographic information covering three-mile and five-mile radius from proposed site.

B. **Traffic**

1. Average daily traffic count (cars per day)_____
2. Source of count - attach copy, where possible indicate traffic counts for nearby streets (5 mile radius).
3. Number of lanes each direction _____
4. Center left turn lane_____(yes/no)
5. Speed limit_____

C. **Visibility**

1. Attach photographs as follows:
   a. from both directions, taken from the point at which site first becomes visible.
   b. Site location, from across the street.
   c. North or East from site location sidewalk. showing adjacent properties.
   d. South or West from site location sidewalk showing adjacent properties.
   e. Across the street, taken from site location.
   f. Across the street, north or east, showing adjacent properties.
   g. Across the street, south or west, showing adjacent properties.
   h. Such other photographs you feel are relevant, aerials are helpful, if available.

2. What signage is permissible?
   a. Attach a copy of appropriate sign ordinance.

D. **Ingress/Egress**

1. Attach drawing depicting access to site.
2. Describe perceived problems, if any _____
   _____
3. Describe any proposed changes to ingress/egress

E. **Attach Site Plan** (may be inclusive of ingress/egress as above)
Key elements:

1. All property dimensions
2. Depict easements and setbacks
3. Depict existing structures
4. Depict proposed location of building
5. Indicate parking requirements
6. Indicate landscaping requirements
7. Indicate utilities (actual or proposed)
8. Indicate sign placement
9. Depict Ingress/Egress

F. **Zoning**

1. Current zoning
2. Attach definition of above.
3. Surrounding zoning_____ Comments:_____

G. **Leasing/Purchase**

1. Describe terms and conditions of site acquisitions:
   a. cost_____
   b. terms_____
   c. developer needed?_____
2. If leased, describe terms or attach lease proposal.

H. **Building**

1. New construction required_____(yes/no)

2. Conversion: give dimensions of existing building_____
   _____

3. Other - Note any deficiencies to be negotiated. i.e. leaky roof, broken windows, etc.
   a._____
   b._____
   c._____

I. **Multi-tenant Sites**

1. Number of tenants_____
2. List current or proposed tenants
   a._____
   b._____
   c._____
   d._____
   e._____
   f._____
   g._____

EXHIBIT ~~D~~ F

TRANSFER CONSENT AGREEMENT

ZIEBART CORPORATION

TRANSFER CONSENT AGREEMENT

THIS TRANSFER CONSENT AGREEMENT **("Agreement")** is made and entered into this _____(the "**Effective Date**"), by and between:

- Ziebart Corporation, a Michigan corporation ("**ZC**");
- _____, a _____[STATE] _____[ENTITY TYPE] ("**Franchisee**") and the individual members, shareholders, and partners who own any interest in Franchisee _____, _____,and _____(the "**Owners**") (collectively, Franchisee and the Owners are referred to as **"Seller"**); and
- _____, a _____[STATE] _____[ENTITY TYPE] ("**Buyer**").

Collectively, ZC, Seller, and Buyer are referred to as the "**parties,**" or one, a "**party**."

RECITALS:

A. Franchisee and ZC previously entered into that certain franchise agreement dated _____(the **"Franchise Agreement"**), for a business operating at _____[LOCATION] (the "**Franchise**").

B. The Franchise Agreement provides Seller may not sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in the Franchise Agreement, the Franchise, the assets of the Franchise or any part or all of the ownership interest in Franchisee without ZC's prior written approval.

C. ZC is in receipt of a purchase agreement dated _____(the "**Transfer Agreement**") between Seller and Buyer.

D. Under the Transfer Agreement, Seller and Buyer contemplate that Seller will Transfer to the Buyer all Seller's rights, title, and interest in and to, and that Buyer will assume all of Seller's obligations under and relating to, the Franchise Agreement and the Franchise (the "**Transferred Interest**").

E. ZC has approved of Buyer as Owners and is willing to consent to the above transfer of the Transferred Interest in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and undertakings herein contained and other valuable consideration, the receipt and adequacy of which is acknowledged by all parties, the parties hereby agree as follows:

AGREEMENT

1. Recitals and Definitions. All capitalized terms not expressly defined in this Agreement will have the meanings assigned to them in the Franchise Agreement. The above Recitals and sections of the Franchise Agreement referred therein are hereby incorporated into and made part of this Agreement.

2. Seller's Representations to ZC. Seller represents and warrants to ZC that:

a. The individuals listed on the top of this Agreement are the only owners of any shares, membership interests, or partnership interests in Franchisee.

b. Seller is assigning to the Buyer all right, title and interest in and to the Franchise Agreement and the Franchise, effective on _____[DATE].

c. There are no material terms that have been omitted from the Transfer Agreement.

3. Buyer's Representations to ZC. Buyer represents and warrants to ZC that:

a. Buyer has the authority to execute this Agreement, and Buyer will ensure that all of Buyer's owners are listed correctly on the New Franchise Agreement before signing it. Buyer will sign the New Franchise Agreement as provided in this Agreement.

b. Buyer received from ZC a copy of its current franchise disclosure document at least fifteen (15) calendar days prior to the date Buyer signs the New Franchise Agreement.

c. Thereare no material terms that have been omitted from the Transfer Agreement.

4. Consent to Transfer. ZC hereby consents to the transfer of the Transferred Interest as described in the Recitals, conditioned upon Seller and Buyer meeting all of the requirements, terms and conditions in this Agreement. These conditions include, but are not limited to:

a. ZC's receiving a copy of this Agreement executed by Seller and Buyer, and receiving from Buyer an executed copy of the New Franchise Agreement, attached as **Exhibit 1**.

b. ZC's receiving from Seller or Buyer the Transfer Fee stated in Section 5.

c. That all Seller's and Buyer's representations to ZC are true and correct.

5. Payments to ZC. Buyer must pay ZC the non-refundable transfer fee equal to [eighteen thousand dollars ($18,000)] [nine thousand dollars ($9,000)] [two thousand five hundred dollars ($2,500)] (the "**Transfer Fee")**.

6. Warranty. By accepting the Transferred Interest, Buyer agrees that it is and will be responsible to each and every customer and to ZC for all warranty claims by customers of the Franchise or any predecessor of the Franchise. Buyer may not withhold payment or delay acting on any warranty claim by reason of any obligation by Seller to indemnify, compensate, or reimburse Buyer for such claims. No agreement between Seller and Buyer shall diminish ZC's right to insist that Buyer satisfy any such warranty claim promptly and in accordance with the New Franchise Agreement and Franchise Standards.

7. Release by Seller and Franchisee. Each of Seller, Franchisee, and Franchisee's Owners, and their present or former affiliated entities, officers, trustees, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through them (the "**Releasing Entities**"), hereby:

a. Releases and forever discharges generally ZC and any Affiliate, wholly owned or controlled corporation, subsidiary, parent corporation, successor or assign thereof and any and all directors, officers, shareholders, employees, agents, executors, administrators, estate, trustees, or heirs of any of them

("**ZC's Released Parties**"), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which each of the Releasing Entities may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement. Each of the Releasing Entities further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against ZC or any of the ZC's Released Parties in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event any of the Releasing Entities breaches any of the promises, covenants, or undertakings made herein by any act or omission, the breaching Releasing Entity shall pay, by way of indemnification, all costs and expenses of any of ZC's Released Parties caused by the act or omission, including reasonable attorney fees.

b. Represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by the Releasing Entity to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law.

c. On her, its, or his behalf, acknowledges that she, he or it is familiar with Section 1542 of the California Civil Code, which reads as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

d. With respect to those claims being released pursuant to this Section 7, each of the Releasing Entities acknowledges that she, he, or it is aware of Section 1542 and is releasing unknown claims and hereby expressly waive, relinquish any rights or benefits they have or may have thereunder in connection with the releases provided herein, as well as under any other California or Federal statute or common law principle of similar effect.

8. No Warranties by ZC; Indemnification. Consent by ZC does not constitute an endorsement of the transaction between Seller and Buyer. ZC is not bound by any terms or conditions of any purchase and sale between Seller and Buyer, and ZC is not bound by any information provided to Buyer by Seller. Buyer represents that it is not relying on ZC with respect to its investigation of the Franchise or with respect to any oral or written representations or warranties that Seller may have made. Seller agrees that ZC may, at ZC's option, release to Buyer all information that ZC has concerning Seller and the Franchise.

a. Buyer, and Seller and Franchisee's Owners, will indemnify and hold harmless ZC and ZC's Affiliates, subsidiaries, divisions, successors, assigns, officers, directors, employees and agents, against any and all liabilities, losses, damages, deficiencies, claims, costs, or expenses of any nature resulting, directly or indirectly, from:

b. Releases do not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

i. The Transfer of the Franchise.

ii. Any and all actions, suits (third-party or otherwise), proceedings, investigations, demands, assessments, judgments, costs and expenses incident to the foregoing, including, but not limited to, reasonable legal fees and costs, relating to the transaction contemplated by the Transfer Agreement.

9. Entire Agreement. This Agreement, the Franchise Agreement, the Schedules and Exhibits thereto and any documents incorporated by reference therein, contain the entire understanding and agreement of the parties concerning the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof, whether oral or written. No amendment or other modification to this Agreement is valid or binding unless it is in writing.

10. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument.

11. Opportunity to Seek Independent Advice. Seller and Buyer recognize that this Agreement is an important document that affects their legal rights. The undersigned parties acknowledge that they have had an opportunity to seek independent legal advice before accepting the terms stated herein. They acknowledge that they have read and understand the provisions contained herein.

IN WITNESS WHEREOF, the parties hereto affix their signatures and execute this Agreement as of the day and year first above written.

ZC: Ziebart Corporation

By: _____

Its: _____

Date: _____

Franchisee: _____

By: _____

Its: _____

Date: _____

[OWNER], individually

_____

Date: _____

[OWNER], individually

_____

Date: _____

Buyer: _____

By: _____

Its: _____

Date: _____

EXHIBIT ~~E~~ G

FINANCIAL STATEMENTS

Ziebart Corporation

Consolidated Financial Statements
Years Ended December 31, 2022, 2021, and 2020

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

~~Ziebart Corporation~~

~~Consolidated Financial Statements~~
~~Years Ended December 31, 2022, 2021, and 2020~~

Ziebart Corporation

Contents

Independent Auditor's Report 3-4

Consolidated Financial Statements

Consolidated Balance Sheets
as of December 31, 2022, 2021, and 2020 6

Consolidated Statements of Income
for the Years Ended December 31, 2022, 2021, and 2020 7

Consolidated Statements of Stockholder's Equity
for the Years Ended December 31, 2022, 2021, and 2020 8

Consolidated Statements of Cash Flows
for the Years Ended December 31, 2022, 2021, and 2020 9

Notes to Consolidated Financial Statements 10-17

Tel: 248-362-2100
Fax: 248-362-4459
www.bdo.com

2600 West Big Beaver, Suite 600
Troy, MI 48084

Independent Auditor's Report

The Board of Directors
Ziebart Corporation
Troy, Michigan

Opinion

We have audited the accompanying consolidated financial statements of Ziebart Corporation (the Company), which comprise the consolidated balance sheets as of December 31, 2022, 2021, and 2020, and the related consolidated statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, LLP

May 4, 2023

Consolidated Financial Statements

Ziebart Corporation

Consolidated Balance Sheets

December 31,	2022	2021	2020
Assets			
Current Assets			
Cash	**$ 2,604,730**	$ 2,875,287	$ 1,769,806
Accounts receivable, net of allowance	**2,525,354**	1,845,955	2,271,549
Current portion of notes receivable	**58,429**	59,681	82,838
Inventory	**3,053,519**	2,431,064	2,014,258
Prepaid expenses and other current assets	**319,236**	538,088	379,407
Current portion of contract assets	**18,325**	26,842	22,950
Total Current Assets	**8,579,593**	7,776,917	6,540,808
Other Assets			
Intangible assets	**9,000**	9,000	9,000
Notes receivable, net of current portion	**294,629**	351,520	388,274
Contract assets, net of current portion	**80,400**	98,725	77,842
Total Assets	**$ 8,963,622**	$ 8,236,162	$ 7,015,924
Liabilities and Stockholder's Equity			
Current Liabilities			
Accounts payable	**$ 1,826,079**	$ 1,068,669	$ 1,324,935
Accrued and other current liabilities	**1,017,215**	1,338,562	742,941
Current contract liabilities	**73,123**	93,760	83,017
Total Current Liabilities	**2,916,417**	2,500,991	2,150,893
Contract Liabilities, net of current portion	**287,784**	341,661	294,609
Total Liabilities	**3,204,201**	2,842,652	2,445,502
Stockholder's Equity	**5,759,421**	5,393,510	4,570,422
Total Liabilities and Stockholder's Equity	**$ 8,963,622**	$ 8,236,162	$ 7,015,924

See accompanying notes to consolidated financial statements.

Ziebart Corporation

Consolidated Statements of Income

Year ended December 31,	2022	2021	2020
Revenues			
Product sales	$ 10,884,017	$ 10,505,488	$ 8,519,322
Royalty and advertising	9,251,510	8,833,554	7,780,466
Franchise fees	92,360	94,858	147,179
Total Revenues	20,227,887	19,433,900	16,446,967
Operating Costs and Expenses			
Product costs of sales	7,688,876	7,418,868	6,055,323
Selling, general, and administrative	8,121,647	5,934,397	5,696,037
Total Operating Costs and Expenses, before discretionary employee benefit expenses	15,810,523	13,353,265	11,751,360
Operating Income, before discretionary employee benefit expenses	4,417,364	6,080,635	4,695,607
Discretionary Employee Benefit Expenses	867,397	1,511,357	792,786
Operating Income	3,549,967	4,569,278	3,902,821
Non-Operating Expense, Net	209,980	103,869	114,683
Income, before income taxes	3,339,987	4,465,409	3,788,138
Income Tax Expense	61,058	25,359	24,000
Net Income	$ 3,278,929	$ 4,440,050	$ 3,764,138

See accompanying notes to consolidated financial statements.

Ziebart Corporation

Consolidated Statements of Stockholder's Equity

	Capital	Retained Earnings	Receivable from Parent	Total
Balance, January 1, 2020	$ 500,000	$ 13,999,043	$ (10,579,543)	$ 3,919,500
Change in Parent receivable	-	-	(3,113,216)	(3,113,216)
Net income	-	3,764,138	-	3,764,138
Balance, December 31, 2020	500,000	17,763,181	(13,692,759)	4,570,422
Change in Parent receivable	-	-	(3,616,962)	(3,616,962)
Net income	-	4,440,050	-	4,440,050
Balance, December 31, 2021	500,000	22,203,231	(17,309,721)	5,393,510
Change in Parent receivable	-	-	(2,913,018)	(2,913,018)
Net income	-	3,278,929	-	3,278,929
Balance, December 31, 2022	$ 500,000	$ 25,482,160	$ (20,222,739)	$ 5,759,421

See accompanying notes to consolidated financial statements.

Ziebart Corporation

Consolidated Statements of Cash Flows

Year ended December 31,	2022	2021	2020
Cash Flows from Operating Activities			
Net income	**$ 3,278,929**	$ 4,440,050	$ 3,764,138
Changes in operating assets and liabilities:			
Accounts receivable, net	**(679,399)**	425,594	(730,697)
Inventory	**(622,455)**	(416,806)	594,271
Prepaid expenses and other current assets	**218,852**	(158,681)	260,825
Accounts payable and other current liabilities	**436,063**	339,355	240,733
Contract assets	**26,842**	(24,775)	23,309
Contract liabilities	**(74,514)**	57,795	(90,853)
Net Cash Provided by Operating Activities	**2,584,318**	4,662,532	4,061,726
Cash Flows from Investing Activities			
Payments of note receivable	**58,143**	59,911	254,095
Net Cash Provided by Investing Activities	**58,143**	59,911	254,095
Cash Flows from Financing Activities			
Change in receivable from Parent company	**(2,913,018)**	(3,616,962)	(3,113,216)
Net Cash Used in Financing Activities	**(2,913,018)**	(3,616,962)	(3,113,216)
Net Change in Cash	**(270,557)**	1,105,481	1,202,605
Cash, beginning of year	**2,875,287**	1,769,806	567,201
Cash, end of year	**$ 2,604,730**	$ 2,875,287	$ 1,769,806

See accompanying notes to consolidated financial statements.

1. Nature of Business and Significant Accounting Policies

Nature of Business

Ziebart Corporation (the Company) is a wholly owned subsidiary of Ziebart International Corporation (the Parent). The Company was incorporated on January 21, 1970. The Company is licensed by the Parent to sell franchises and vehicle products and services including protection, detailing, and automotive films in the United States.

At December 31, 2022, 2021, and 2020, the Company had 97, 92, and 92 franchise locations, respectively, operating in the United States. The Parent owned 11 of the franchises at December 31, 2022, 2021, and 2020.

Principles of Consolidation

The consolidated financial statements include the accounts of Ziebart Corporation and its wholly owned subsidiaries, along with the National Media Advertising Fund (collectively, the Company). All significant intercompany transactions and balances have been eliminated.

Cash

Cash represents cash in banks and on hand. The Company maintains its cash accounts at high-credit-quality financial institutions. Cash balances may at times be in excess of the amounts insured by the Federal Deposit Insurance Corporation.

Accounts Receivable

Accounts receivable are stated at the invoice amount. The Company attempts to minimize credit risk by reviewing all customer's credit history before extending credit and by monitoring customer's creditworthiness on a continuing basis. The carrying amount of trade accounts receivable is reduced by an allowance for doubtful accounts that reflects management's best estimate of accounts that will not be collected. Management reviews accounts receivable balances greater than 90 days from invoice date and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected as well as a general valuation allowance for those accounts based on historical experience. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for doubtful accounts. The allowance for doubtful accounts was approximately $332,000, $311,000, and $289,000, respectively, at December 31, 2022, 2021, and 2020.

Notes Receivable

From time to time, the Company enters into notes receivable with certain of its franchisees for equipment purchases and unopened inventory. The terms on these notes range from five to ten years and the interest rates are currently set at 6.0%. No allowance is necessary for these notes.

Inventory

Inventory is comprised primarily of finished goods. Inventories are costed using the first-in, first-out (FIFO) method and are stated at the lower of cost and net realizable value.

Acquired Intangible Assets

The recorded amounts of intangibles from prior business combinations were based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. The intangible assets are indefinite lived.

Revenue Recognition

Product Sales

The Company sells Ziebart-branded proprietary products of protection, films, and other detailing products to its franchisees. Product sales are recognized at a point in time as the Company satisfies a performance obligation by transferring control over a product to a customer, which is generally upon shipment. Revenue is measured at the transaction price, which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods to the customer. The Company considers each shipment of an individual product included on a purchase order to be a distinct performance obligation that is accounted for separately. The transaction price is allocated to the separate performance obligations based on relative standalone selling prices.

Royalty Fees

Royalty fees, which are based upon a percentage of adjusted gross revenue collected by the franchisees, are recognized as income when such revenues are earned by those franchisees. Royalty revenues are primarily related to the use of the license agreements and are recognized as revenue in the same period in which the sales occur.

Advertising Fees

Franchise and Parent-owned stores contribute to the National Media Advertising Fund based on a percentage of store sales. Under the franchise agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes with the overall goal of enhancing the brand of Ziebart. The Company has the ultimately authority as to how the funds received by the National Media Advertising Fund are spent. The expenditures are primarily amount paid to third parties and may also include personnel expenses and allocated costs.

Sales-based advertising fees are recognized as revenue when such revenues are earned by franchisees.

Franchise Fees

The Company generates revenues from franchise agreements. In consideration for the payment of an initial franchise fee, continuing royalties, and other amounts specified in the franchise agreement, the Company grants new franchisees the use of the Ziebart trademarks, systems, trainings, and operation assistance. The Company satisfies the performance obligation related to the franchise agreement over the term of the related agreement, which is typically ten years. Amounts charged under the franchise agreement consists of three components, a fixed fee related to the franchise agreement, a sales-based royalty fee, and a sales-based advertising fee. The fixed fees, as determined by the signed franchise agreement, is nonrefundable and due at the time the agreement is entered into. Franchise fees are recognized as revenue on a straight-line basis over

the term of the franchise agreements, which typically begins the date of the opening of the new franchise store.

National Media Advertising Fund

Franchises and Parent-owned stores contribute based on a percentage of store sales to the National Media Advertising Fund, which is designed to increase sales and enhance the brand of Ziebart. Under the franchise agreements and other agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes specified in the agreements and generally result in no profit or loss recognized. The Company has control of the National Media Advertising Fund. The expenditures are primarily amounts paid to third parties, but may also include personnel expenses and allocated costs.

During the year ended December 31, 2021, the Company elected to refund its franchisees for the unspent funds that will be paid out after year-end, which were recorded as a reduction of revenues earned and have currently accrued for $390,011, which is included in accrued and other current liabilities on the consolidated balance sheets. This amount was paid in 2022.

Deferred Revenue and Deferred Expenses

The Company's deferred revenue (called contract liabilities on the consolidated balance sheets) consists of fees from franchisees upon execution of their franchise agreements. The amounts received are recorded as deferred revenue until the Company satisfies requirements under the franchise agreement or upon cancellation of the agreement. Revenues from franchise agreements are recognized on a straight-line basis over the term of the agreement as the underlying performance obligation is satisfied. Incremental direct costs, such as commissions, are deferred and recognized over the life of the related term of the agreement. Such deferred commissions are called contract assets on the consolidated balance sheets.

Advertising Expenses

Advertising expenses are charged to expense during the year in which they are incurred. Advertising expenses are comprised of costs incurred by the Company to benefit franchise operations. The Company may also incur additional advertising expenses should the Company spend more than is available within National Advertising Fund that will not be collected from franchised stores in the future.

Total advertising expense for the National Media Advertising Fund included in the consolidated statements of income was $1,618,375, $1,483,688, and $1,352,790 for the years ended December 31, 2022, 2021, and 2020, respectively, and is included on a gross basis as a component of selling, general, and administrative expenses.

The Company also spent additional advertising expenses in the amounts of $982,285, $874,051, and $821,437, respectively, during the years ended December 31, 2022, 2021, and 2020.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820 established a three-level hierarchy for fair value measurements that classifies the inputs used in measuring fair value. These tiers include:

Level 1 - This level is defined as observable inputs such as quoted prices for identical instruments in active markets.

Level 2 - This level is defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 - This level is defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Use of Estimates

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

2. Revenue Recognition

The Company disaggregates revenue based on timing of recognition and the type of contract as follows:

Disaggregation of Revenue

Year ended December 31,	2022	2021	2020
Revenues			
Product sales (point in time)	$ 10,884,017	$ 10,505,488	$ 8,519,322
Royalty and advertising (point in time)	9,251,510	8,833,554	7,780,466
Franchise fees (over time)	92,360	94,858	147,179
Total Revenues	$ 20,227,887	$ 19,433,900	$ 16,446,967

Deferred Revenue and Deferred Expense s

The Company's deferred revenue (called contract liabilities on the consolidated balance sheets) consists of fees from franchisees upon execution of their franchise agreements. The amounts received are recorded as deferred revenue until the Company satisfies requirements under the franchise agreement or upon cancellation of the agreement. Revenues from franchise agreements are recognized on a straight-line basis over the term of the agreement as the underlying performance obligation is satisfied. Incremental direct costs, such as commissions, are deferred and recognized over the life of the related term of the agreement. Such deferred commissions are called contract assets on the consolidated balance sheet.

A summary of the significant changes to the deferred expense balance as of December 31, 2022 is shown below:

Balance, January 1, 2020	$ 124,101
Deferred expense as a result of new contract	-
Expense recognized as a result of contract terminations	-
Current-year expense recognition	(23,309)
Balance, January 1, 2021	100,792
Deferred expense as a result of new contract	51,000
Expense recognized as a result of contract terminations	-
Current-year expense recognition	(26,225)
Balance, December 31, 2021	125,567
Deferred expense as a result of new contract	-
Expense recognized as a result of contract terminations	-
Current-year expense recognition	(26,842)
Balance, December 31, 2022	$ 98,725

The following table illustrates the estimated expense to be recognized in the next five years and thereafter.

Year ending December 31,	
2023	$ 18,325
2024	15,600
2025	15,600
2026	15,600
2027	13,704
Thereafter	19,896
Total	$ 98,725

A summary of significant changes to the contract liability balance as of December 31, 2022 is shown below:

Balance, January 1, 2020	$ 468,479
Deferred revenue as a result of new contract	15,000
Revenue recognized as a result of contract terminations	-
Current-year revenue recognition	(105,853)
Balance, January 1, 2021	377,626
Deferred revenue as a result of new contract	152,653
Revenue recognized as a result of contract terminations	-
Current-year revenue recognition	(94,858)
Balance, December 31, 2021	435,421
Deferred revenue as a result of new contract	17,846
Revenue recognized as a result of contract terminations	-
Current-year revenue recognition	(92,360)
Balance, December 31, 2022	$ 360,907

The following table illustrates the estimated revenue to be recognized in the future related to performance obligations that are unsatisfied as of December 31, 2022:

Year ending December 31,	
2023	$ 73,123
2024	61,333
2025	53,643
2026	49,201
2027	44,625
Thereafter	78,982
Total	$ 360,907

3. Capital Stock

Capital stock consists of 500,000 authorized shares of $1 par value common stock issued and outstanding as of December 31, 2022, 2021, and 2020.

4. Employee Benefit Plans

The Company is a participating employer under the terms of the Ziebart International Corporation Employee Stock Ownership Plan (ESOP) and a 401(k) plan. These plans cover substantially all the Company's employees. Contributions to these plans are made at the discretion of the Board of Directors. For the years ended December 31, 2022, 2021, and 2020, the Company expensed $386,572, $911,697, and $411,516, respectively, related to total employee benefit plan contributions and associated fees. The portion of this expense that relates to 401(k) plan contributions for the years ended December 31, 2022, 2021, and 2020, respectively, is $51,743, $48,129, and $62,016.

5. Income Taxes

Effective January 1, 2006, pursuant to provisions of the Internal Revenue Code, the Company elected to be taxed as an S Corporation. Generally, the income from an S Corporation is not subject to federal income tax at the corporate level, but rather the stockholders are required to include the corporation's taxable income in their individual returns.

The income tax provision represents taxes on certain international royalty sales and certain state taxes.

The Company measures uncertain state tax positions and believes that all positions would more likely than not sustain an audit.

6. Transactions with Parent

Sales - Parent

The Company sells certain products and charges royalties to divisions of the Parent that are located in the United States. These revenues and royalty charges for the years ended December 31, 2022, 2021, and 2020 totaled $1,851,572, $1,873,699, and $1,736,671, respectively.

The Company charges advertising expenses to divisions of the Parent that are located in the United States. These revenues for the years ended December 31, 2022, 2021, and 2020 totaled $175,464, $171,721, and $127,697, respectively. During 2022, 2021, and 2020, the Company's management determined that its Parent had no intentions of repaying $2,913,018, $3,616,962, and $3,113,216, respectively, of the outstanding receivables and recognized a distribution within the consolidated statements of stockholder's equity.

Guarantee of Debt

At December 31, 2022, 2021, and 2020, total outstanding debt held by the Parent and guaranteed by the Company was $0, $174,928, and $250,133, respectively. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the Parent; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

Master Franchise Agreement

The Company and the Parent have signed a Master Franchise Agreement (MFA) under which the Parent has licensed the Company to use and sublicense the use of certain intangibles. The MFA term of ten years commenced on January 1, 2021, and the Company will have the right to obtain a new license upon expiration.

Facilities, Equipment, and Other Expenses

The Company conducts its operations in facilities shared with the Parent, uses certain equipment in its operations that is owned or leased by the Parent, and is charged for administrative services and certain other shared costs based on the estimated percentages of use by each company. These charges are included within selling, general, and administrative expenses on the consolidated statements of income.

The following summarizes these charges to the Company:

Year ended December 31,	**2022**	2021	2020
Occupancy and equipment costs	**$ 277,383**	$ 244,827	$ 273,166
Administrative service charges and shared costs	**3,101,820**	2,871,893	2,322,685
Professional fees, insurance, and taxes	**415,135**	361,099	315,006

7. Contingencies

From time to time, the Company may be a party to lawsuits and legal proceedings arising in the ordinary course of business. In the opinion of the Company's management, these matters, individually and in the aggregate, will not have a material adverse effect on the financial condition and results of future operations of the Company.

8. Subsequent Events

The standalone consolidated financial statements and related disclosures include an evaluation of events up to and including May 4, 2023, which is the date the consolidated financial statements were available to be issued.

Ziebart Corporation

Consolidated Financial Statements
Years Ended December 31, 2023, 2022, and 2021

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S.
member of BDO International Limited, a UK company limited by guarantee.

Ziebart Corporation

Consolidated Financial Statements
Years Ended December 31, 2023, 2022, and 2021

Ziebart Corporation

Contents

Independent Auditor's Report 3-4

Consolidated Financial Statements

Consolidated Balance Sheets
as of December 31, 2023, 2022, and 2021 6

Consolidated Statements of Income
for the Years Ended December 31, 2023, 2022, and 2021 7

Consolidated Statements of Stockholder's Equity
for the Years Ended December 31, 2023, 2022, and 2021 8

Consolidated Statements of Cash Flows
for the Years Ended December 31, 2023, 2022, and 2021 9

Notes to Consolidated Financial Statements 10-17

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Independent Auditor's Report

The Board of Directors
Ziebart Corporation
Troy, Michigan

Opinion

We have audited the accompanying consolidated financial statements of Ziebart Corporation and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023, 2022, and 2021, and the related consolidated statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022, and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, P.C.

April 30, 2024

Consolidated Financial Statements

Ziebart Corporation

Consolidated Balance Sheets

December 31,	**2023**	2022	2021
Assets			
Current Assets			
Cash	**$ 2,294,666**	$ 2,604,730	$ 2,875,287
Accounts receivable, net	**2,751,139**	2,525,354	1,845,955
Current portion of notes receivable	**64,552**	58,429	59,681
Inventory	**2,472,368**	3,053,519	2,431,064
Prepaid expenses and other current assets	**514,618**	319,236	538,088
Current portion of contract assets	**14,150**	18,325	26,842
Total Current Assets	**8,111,493**	8,579,593	7,776,917
Other Assets			
Intangible assets	**9,000**	9,000	9,000
Notes receivable, net of current portion	**287,730**	294,629	351,520
Contract assets, net of current portion	**64,482**	80,400	98,725
Total Assets	**$ 8,472,705**	$ 8,963,622	$ 8,236,162
Liabilities and Stockholder's Equity			
Current Liabilities			
Accounts payable	**$ 1,424,662**	$ 1,826,079	$ 1,068,669
Accrued compensation	**810,817**	781,892	1,135,317
Other current liabilities	**206,264**	235,323	202,245
Current contract liabilities	**60,878**	73,123	93,760
Total Current Liabilities	**2,502,621**	2,916,417	2,500,991
Contract Liabilities, net of current portion	**241,195**	287,784	341,661
Total Liabilities	**2,743,816**	3,204,201	2,842,652
Stockholder's Equity	**5,728,889**	5,759,421	5,393,510
Total Liabilities and Stockholder's Equity	**$ 8,472,705**	$ 8,963,622	$ 8,236,162

See accompanying notes to consolidated financial statements.

Ziebart Corporation

Consolidated Statements of Income

Year ended December 31,	**2023**	2022	2021
Revenues			
Product sales	**$ 9,972,320**	$ 10,884,017	$ 10,505,488
Royalty and advertising	**9,626,547**	9,251,510	8,833,554
Franchise fees	**127,825**	92,360	94,858
Total Revenues	**19,726,692**	20,227,887	19,433,900
Operating Costs and Expenses			
Product costs of sales	**6,871,368**	7,688,876	7,418,868
Selling, general, and administrative	**8,370,025**	8,121,647	5,934,397
Total Operating Costs and Expenses, before discretionary employee benefit expenses	**15,241,393**	15,810,523	13,353,265
Operating Income, before discretionary employee benefit expenses	**4,485,299**	4,417,364	6,080,635
Discretionary Employee Benefit Expenses	**958,015**	867,397	1,511,357
Operating Income	**3,527,284**	3,549,967	4,569,278
Non-Operating (Income) Expense, Net	**(65,309)**	209,980	103,869
Income, before income taxes	**3,592,593**	3,339,987	4,465,409
Income Tax Expense	**44,138**	61,058	25,359
Net Income	**$ 3,548,455**	$ 3,278,929	$ 4,440,050

See accompanying notes to consolidated financial statements.

Ziebart Corporation

Consolidated Statements of Stockholder's Equity

	Capital	Retained Earnings	Receivable from Parent	Total
Balance, January 1, 2021	$ 500,000	$ 17,763,181	$ (13,692,759)	$ 4,570,422
Change in Parent receivable	-	-	(3,616,962)	(3,616,962)
Net income	-	4,440,050	-	4,440,050
Balance, December 31, 2021	500,000	22,203,231	(17,309,721)	5,393,510
Change in Parent receivable	-	-	(2,913,018)	(2,913,018)
Net income	-	3,278,929	-	3,278,929
Balance, December 31, 2022	500,000	25,482,160	(20,222,739)	5,759,421
Change in Parent receivable	-	-	(3,578,987)	(3,578,987)
Net income	-	3,548,455	-	3,548,455
Balance, December 31, 2023	$ 500,000	$ 29,030,615	$ (23,801,726)	$ 5,728,889

See accompanying notes to consolidated financial statements.

Ziebart Corporation

Consolidated Statements of Cash Flows

Year ended December 31,	**2023**	2022	2021
Cash Flows from Operating Activities			
Net income	**$ 3,548,455**	$ 3,278,929	$ 4,440,050
Changes in operating assets and liabilities:			
Accounts receivable, net	**(225,785)**	(679,399)	425,594
Inventory	**581,151**	(622,455)	(416,806)
Prepaid expenses and other current assets	**(195,382)**	218,852	(158,681)
Accounts payable and other current liabilities	**(401,551)**	436,063	339,355
Contract assets	**20,093**	26,842	(24,775)
Contract liabilities	**(58,834)**	(74,514)	57,795
Net Cash Provided by Operating Activities	**3,268,147**	2,584,318	4,662,532
Cash Flows from Investing Activities			
Collections on notes receivables	**200,776**	58,143	59,911
Issuance of notes receivables	**(200,000)**	-	-
Net Cash Provided by Investing Activities	**776**	58,143	59,911
Cash Flows from Financing Activities			
Change in receivable from Parent company	**(3,578,987)**	(2,913,018)	(3,616,962)
Net Cash Used in Financing Activities	**(3,578,987)**	(2,913,018)	(3,616,962)
Net Change in Cash	**(310,064)**	(270,557)	1,105,481
Cash, beginning of year	**2,604,730**	2,875,287	1,769,806
Cash, end of year	**$ 2,294,666**	$ 2,604,730	$ 2,875,287

See accompanying notes to consolidated financial statements.

1. Nature of Business and Significant Accounting Policies

Nature of Business

Ziebart Corporation (the Company) is a wholly owned subsidiary of Ziebart International Corporation (the Parent). The Company was incorporated on January 21, 1970. The Company is licensed by the Parent to sell franchises and vehicle products and services including protection, detailing, and automotive films in the United States.

At December 31, 2023, 2022, and 2021, the Company had 96, 97, and 92 franchise locations, respectively, operating in the United States. The Parent owned 11 of the franchises at December 31, 2023, 2022, and 2021.

Principles of Consolidation

The consolidated financial statements include the accounts of Ziebart Corporation and its wholly owned subsidiaries, along with the National Media Advertising Fund (collectively, the Company). All significant intercompany transactions and balances have been eliminated.

Cash

Cash represents cash in banks and on hand. The Company maintains its cash accounts at high-credit-quality financial institutions. Cash balances may at times be in excess of the amounts insured by the Federal Deposit Insurance Corporation.

Financial instruments that potentially subject the Company to concentrations of credit risk consists principally of cash. The Company maintains its cash at high credit quality financial institutions, which the company believes limits these risks. Deposits in excess of federally insured limits were $2,044,666, $2,354,730, and $2,625,287, at December 31, 2023, 2022 and 2021, respectively.

Accounts Receivable, Net

Accounts receivable are stated at the invoice amount. The Company's receivables are primarily generated from ongoing business relationships with its franchisees. The Company attempts to minimize credit risk by reviewing all customer's credit history before extending credit and by monitoring customer's creditworthiness on a continuing basis. The Company monitors accounts receivable and estimates the allowance for credit losses based upon the lifetime expected loss on receivables. These estimates are based on historical collection experience as well as other factors, including those related to current market conditions and events. While the Company uses the best information available in making its determination, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond its control.

The allowance for credit losses was approximately $301,000, $332,000, and $311,000, respectively, at December 31, 2023, 2022, and 2021. Credit losses were not material for years December 31, 2023, 2022 and 2021.

Notes Receivable

From time to time, the Company enters into notes receivable with certain of its franchisees for equipment purchases and unopened inventory. The terms on these notes range from five to

ten years and the interest rates are currently set between 6.0% and 7.0%. The Company's notes receivables are primarily generated from ongoing business relationships with its franchisees. The Company monitors notes receivable and estimates the allowance for credit losses based upon the lifetime expected loss on receivables. These estimates are based on historical collection experience as well as other factors, including those related to current market conditions and events. While the Company uses the best information available in making its determination, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond its control. No allowance is necessary for these notes. Credit loss expense related to notes receivable was not material for the years ended December 31, 2023, 2022 and 2021.

Inventory

Inventory is comprised primarily of finished goods. Inventories are costed using the first-in, first-out (FIFO) method and are stated at the lower of cost or net realizable value.

Acquired Intangible Assets

The recorded amounts of intangibles from prior business combinations were based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. The intangible assets are indefinite lived.

Revenue Recognition

Product Sales

The Company sells Ziebart-branded proprietary products of protection, films, and other detailing products to its franchisees. Product sales are recognized at a point in time as the Company satisfies a performance obligation by transferring control over a product to a customer, which is generally upon shipment. Revenue is measured at the transaction price, which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods to the customer. The Company considers each shipment of an individual product included on a purchase order to be a distinct performance obligation that is accounted for separately. The transaction price is allocated to the separate performance obligations based on relative standalone selling prices.

Royalty Fees

Royalty fees, which are based upon a percentage of adjusted gross revenue collected by the franchisees, are recognized as income when such revenues are earned by those franchisees. Royalty revenues are primarily related to the use of the license agreements and are recognized as revenue in the same period in which the sales occur.

Advertising Fees

Franchise and Parent-owned stores contribute to the National Media Advertising Fund based on a percentage of store sales. Under the franchise agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes with the overall goal of enhancing the brand of Ziebart. The Company has the ultimately authority as to how the funds received by the National Media Advertising Fund are spent.

Sales-based advertising fees are recognized as revenue when such revenues are earned by franchisees.

Franchise Fees

The Company generates revenues from franchise agreements. In consideration for the payment of an initial franchise fee, continuing royalties, and other amounts specified in the franchise agreement, the Company grants new franchisees the use of the Ziebart trademarks, systems, trainings, and operation assistance. The Company satisfies the performance obligation related to the franchise agreement over the term of the related agreement, which is typically ten years. Amounts charged under the franchise agreement consists of three components, a fixed fee related to the franchise agreement, a sales-based royalty fee, and a sales-based advertising fee. The fixed fees, as determined by the signed franchise agreement, is nonrefundable and due at the time the agreement is entered into. Franchise fees are recognized as revenue on a straight-line basis over the term of the franchise agreements, which typically begins the date of the opening of the new franchise store. Franchise fees related to terminated agreements are forfeited and recognized as revenue upon the termination of the related commitments.

National Media Advertising Fund

Franchises and Parent-owned stores contribute based on a percentage of store sales to the National Media Advertising Fund, which is designed to increase sales and enhance the brand of Ziebart. Under the franchise agreements and other agreements, the contributions received must be spent on advertising, marketing, creative efforts, media support, or other related purposes specified in the agreements and generally result in no profit or loss recognized. The Company has control of the National Media Advertising Fund. The expenditures are primarily amounts paid to third parties, but may also include personnel expenses and allocated costs.

During the year ended December 31, 2021, the Company elected to refund its franchisees for the unspent funds that will be paid out after year-end, which were recorded as a reduction of revenues earned and was for $390,011 at December 31, 2021, which is included in accrued and other current liabilities on the consolidated balance sheets. This amount was paid in 2022.

Deferred Revenue and Deferred Expenses

The Company's deferred revenue (called contract liabilities on the consolidated balance sheets) consists of fees from franchisees upon execution of their franchise agreements. The amounts received are recorded as deferred revenue until the Company satisfies requirements under the franchise agreement or upon cancellation of the agreement. Revenues from franchise agreements are recognized on a straight-line basis over the term of the agreement as the underlying performance obligation is satisfied. Incremental direct costs, such as commissions, are deferred and recognized over the life of the related term of the agreement. Such deferred commissions are called contract assets on the consolidated balance sheets.

Advertising Expenses

Advertising expenses are charged to expense during the year in which they are incurred. Advertising expenses are comprised of costs incurred by the Company to benefit franchise operations. The Company may also incur additional advertising expenses should the Company spend more than is available within National Advertising Fund that will not be collected from franchised stores in the future.

Total advertising expense for the National Media Advertising Fund included in the consolidated statements of income was $1,617,852, $1,618,375, and $1,483,688 for the years ended December 31, 2023, 2022, and 2021, respectively, and is included on a gross basis as a component of selling, general, and administrative expenses.

The Company also spent additional advertising expenses in the amounts of $1,118,195, $982,285, and $874,051, respectively, during the years ended December 31, 2023, 2022, and 2021.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820 established a three-level hierarchy for fair value measurements that classifies the inputs used in measuring fair value. These tiers include:

Level 1 – This level is defined as observable inputs such as quoted prices for identical instruments in active markets.

Level 2 - This level is defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 – This level is defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Use of Estimates

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

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses*, amending how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance requires the application of a current expected credit loss model which is a new impairment model based on expected losses. Under this model, an entity recognizes an allowance for expected credit losses based on historical experience, current conditions and forecasted information rather than the current methodology of delaying recognition of credit losses until it is probable that a loss has been incurred. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2022 and was adopted by the Company on January 1, 2023 and was applied retrospectively. The impact of ASU 2016-13 did not have a material impact on the consolidated financial statements and related disclosures.

2. Revenue Recognition

The Company disaggregates revenue based on timing of recognition and the type of contract as follows:

Disaggregation of Revenue

Year ended December 31,	**2023**	2022	2021
Revenues			
Product sales (point in time)	**$ 9,972,320**	$ 10,884,017	$ 10,505,488
Royalty and advertising (point in time)	**9,626,547**	9,251,510	8,833,554
Franchise fees (over time)	**127,825**	92,360	94,858
Total Revenues	**$ 19,726,692**	$ 20,227,887	$ 19,433,900

Deferred Revenue and Deferred Expenses

The Company's deferred revenue (called contract liabilities on the consolidated balance sheets) consists of fees from franchisees upon execution of their franchise agreements. The amounts received are recorded as deferred revenue until the Company satisfies requirements under the franchise agreement or upon cancellation of the agreement. Revenues from franchise agreements are recognized on a straight-line basis over the term of the agreement as the underlying performance obligation is satisfied. Incremental direct costs, such as commissions, are deferred and recognized over the life of the related term of the agreement. Such deferred commissions are called contract assets on the consolidated balance sheet.

A summary of the significant changes to the deferred expense balance is shown below:

Balance, January 1, 2021	$ 100,792
Deferred expense as a result of new contract	51,000
Expense recognized as a result of contract terminations	-
Current-year expense recognition	(26,225)
Balance, December 31, 2021	125,567
Deferred expense as a result of new contract	-
Expense recognized as a result of contract terminations	-
Current-year expense recognition	(26,842)
Balance, December 31, 2022	98,725
Deferred expense as a result of new contract	18,000
Expense recognized as a result of contract terminations	(21,667)
Current-year expense recognition	(16,426)
Balance, December 31, 2023	$ 78,632

The following table illustrates the estimated expense to be recognized in the next five years and thereafter.

Year ending December 31,		
2024	$	14,150
2025		14,150
2026		14,150
2027		12,254
2028		7,588
Thereafter		16,340
Total	$	78,632

A summary of significant changes to the contract liability balance is shown below:

Balance, January 1, 2021	$	377,626
Deferred revenue as a result of new contract		152,653
Revenue recognized as a result of contract terminations		-
Current-year revenue recognition		(94,858)
Balance, December 31, 2021		435,421
Deferred revenue as a result of new contract		17,846
Revenue recognized as a result of contract terminations		-
Current-year revenue recognition		(92,360)
Balance, December 31, 2022		360,907
Deferred revenue as a result of new contract		68,991
Revenue recognized as a result of contract terminations		(48,650)
Current-year revenue recognition		(79,175)
Balance, December 31, 2023	$	302,073

The following table illustrates the estimated revenue to be recognized in the future related to performance obligations that are unsatisfied as of December 31, 2023:

Year ending December 31,		
2024	$	60,878
2025		55,723
2026		50,771
2027		45,362
2028		33,078
Thereafter		56,261
Total	$	302,073

3. Capital Stock

Capital stock consists of 500,000 authorized shares of $1 par value common stock issued and outstanding as of December 31, 2023, 2022, and 2021.

4. Employee Benefit Plans

The Company is a participating employer under the terms of the Ziebart International Corporation Employee Stock Ownership Plan (ESOP) and a 401(k) plan. These plans cover substantially all the Company's employees. Contributions to these plans are made at the discretion of the Board of Directors. For the years ended December 31, 2023, 2022, and 2021, the Company expensed $424,418, $383,797, and $911,697, respectively, related to total employee benefit plan contributions and associated fees. The portion of this expense that relates to 401(k) plan contributions for the years ended December 31, 2023, 2022, and 2021, respectively, is $80,427, $70,972, and $67,821.

5. Income Taxes

Effective January 1, 2006, pursuant to provisions of the Internal Revenue Code, the Company elected to be taxed as an S Corporation. Generally, the income from an S Corporation is not subject to federal income tax at the corporate level, but rather the stockholders are required to include the corporation's taxable income in their individual returns.

The income tax provision represents taxes on certain international royalty sales and certain state taxes.

The Company measures uncertain state tax positions and believes that all positions would more likely than not sustain an audit.

6. Transactions with Parent

Sales – Parent

The Company sells certain products and charges royalties to divisions of the Parent that are located in the United States. These product revenues for the years ended December 31, 2023, 2022, and 2021 totaled $1,949,455, $1,851,572, and $1,873,699, respectively. These royalty revenues for the years ended December 31, 2023, 2022 and 2021 were $764,499, $681,784, and $666,734, respectively.

The Company charges advertising expenses to divisions of the Parent that are located in the United States. These revenues for the years ended December 31, 2023, 2022, and 2021 totaled $196,399, $175,464, and $171,721, respectively.

During 2023, 2022, and 2021, the Company's management determined that its Parent had no intentions of repaying $3,578,987, $2,913,018, and $3,616,962, respectively, of the outstanding receivables and recognized a distribution within the consolidated statements of stockholder's equity.

Guarantee of Debt

At December 31, 2023, 2022, and 2021, total outstanding debt held by the Parent and guaranteed by the Company was $0, $0, and $174,928, respectively. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the Parent; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

Master Franchise Agreement

The Company and the Parent have signed a Master Franchise Agreement (MFA) under which the Parent has licensed the Company to use and sublicense the use of certain intangibles. The MFA term of ten years commenced on January 1, 2021, and the Company will have the right to obtain a new license upon expiration.

Facilities, Equipment, and Other Expenses

The Company conducts its operations in facilities shared with the Parent, uses certain equipment in its operations that is owned or leased by the Parent, and is charged for administrative services and certain other shared costs based on the estimated percentages of use by each company. These charges are included within selling, general, and administrative expenses on the consolidated statements of income.

The following summarizes these charges to the Company:

Year ended December 31,	**2023**	2022	2021
Occupancy and equipment costs	**$ 289,452**	$ 277,383	$ 244,827
Administrative service charges and shared costs	**3,388,744**	3,101,820	2,871,893
Professional fees, insurance, and taxes	**362,716**	415,135	361,099

7. Contingencies

From time to time, the Company may be a party to lawsuits and legal proceedings arising in the ordinary course of business. In the opinion of the Company's management, these matters, individually and in the aggregate, will not have a material adverse effect on the financial condition and results of future operations of the Company.

8. Subsequent Events

The standalone consolidated financial statements and related disclosures include an evaluation of events up to and including April 30, 2024, which is the date the consolidated financial statements were available to be issued.

EXHIBIT ~~F~~ H

LIST OF FRANCHISEES

Exhibit ~~F~~ H

U.S. ZIEBART LOCATIONS
as of 12/31/~~22~~23
The Franchisees marked with an asterisk (*) are Multi-Unit Developers

Code	Franchisee Name	Street Address	City, State Zip Code	Telephone
OEM2	Sanitary Equipment Company Inc. Attn: Charles Stoeckle	25 Industry Drive	West Haven, CT 06516	203-933-9599
FL85	~~CT4 ENTERPRISES, LLC~~ Fort Myers Automotive Services, Inc. - Attn: ~~Christopher Tirotta~~ Anthony Mattiacio*	7131 Alico Road, Unit 105	Fort Myers, FL 33912	954-683-1468
HI40	Big Island Car Wash, Inc. - Attn: J. Walsh Hanley, Jr.	106 Wiwoole Ave.	Hilo, HI 96720	808.935.6124
IL07	Redline Motor Sports Inc. - Attn: Stephen J. Bell	2023 Ireland Grove Rd.	Bloomington, IL 61704	309.662.7878
IL45	Ziebart of Illinois, Inc. - Attn: Jim Crubaugh	3020 N. Mannheim Rd.	Franklin Park, IL 60131	847.455.2900
IL58~~*~~	Pacesetter Truck Caps & Access., Inc. - Attn: John Hirt	563 Larry Power Road	Bourbonnais, IL 60914	815.928.9989
IL71	D.C. Ahearn, Inc. - Attn: Dennis Ahearn	127 W. Stevenson	Ottawa, IL 61350	815.433.5353
IL97	Ziebart Of Illinois, Inc. – Attn: ~~Dan Kenealy~~ Mauricio Delgado	6130 W. 159Th St.	Oak Forest, IL 60452	708-926-2225
IN02	Auto-X-10'D, Inc. - Attn: James Harris	2440 W. Third St.	Bloomington, IN 47401	812.336.7878
IN10	Elkhart Auto Appearance - Attn: Joseph Sailor	1660 W. Beardsley	Elkhart, IN 46514	574.294.2211
IN29	Auto-X-10'D, Inc. - Attn: James Harris*	1285 US 31 North	Greenwood, IN 46142	317.888.3636
IN32	Auto-X-10'D, Inc. - Attn: James Harris*	2260 East Main Street	Plainfield, IN 46168	317-203-0059
IN34	Auto-X-10'D, Inc. - Attn: James Harris*	8998 E. Washington St.	Indianapolis, IN 46219	317.897.0560
IN37	Auto-X-10'D, Inc. - Attn: James Harris*	6155 E. 86th St., Suite C	Indianapolis, IN 46250	317.577.9192
IN39	Auto-X-10'D, Inc. - Attn: James Harris*	107 E. McGalliard	Muncie, IN 47303	765.288.5070
IN40	Auto-X-10'D, Inc. - Attn: James Harris*	1025 Ave. of Autos	Fort Wayne, IN 46804	260.459.3455
IN43	Auto-X-10'D, Inc. - Attn: James Harris*	215 S. Creasy Ln.	Lafayette, IN 47905	765.447.6409

IN60	JSJL LLC - Attn: John Lehman	2627 S. Main	South Bend, IN 46614	574.232.2073
IN92	ShinkAuto, Inc. - Attn: Timothy Shinkle	663 S. County Rd. 250 East	Warsaw, IN 46581	574.269.4926
IN95	SS Motors Of Winamac Inc. – Attn: Steve Dobson	93 E. Galbreath Drive	Winamac, IN 46996	574-946-3300
ME12	Southern Maine Auto Enhancement, Inc. – Attn: Stephen Maciejewski	640-A Elm St.	Biddeford, ME 04005	207.282.4220
MD14	~~County Aftermarket Services, Inc.~~ LJ Aftermarket Services LLC - Attn: ~~Steve Waudby~~ John Howard	217 Wise Ave.	Dundalk, MD 21222	410.288.3200
MA70	Raffa Vehicle Outfitters, LLC – Attn: Paul Raffa	19 Boston Turnpike Rd.	Shrewsbury, MA 01545	508.756.3400
~~MA73~~	~~Raffa Vehicle Outfitters, LLC – Attn: Paul Raffa~~	~~153 Southbridge St.~~	~~Auburn, MA 01501~~	~~508-832-4949~~
MI08	Larry Sanders	4161 Carpenter Rd.	Ypsilanti, MI 48197	734.973.7010
10MI	Tidy Car - Attn: L. Ross Julian	2080 S M-139	Benton Harbor, MI 49022	616.925.6611
MI10	Raymond J. Bordeau, Jr.	2673 U.S. 23 South	Alpena, MI 49707	989-354-8983
MI12	David J. Reed	413 West Michigan	Battle Creek, MI 49017	269.965.6014
MI22	Ziebart of Michigan - Attn: ~~Vince Shaw~~ Tom Acosta	3251 S. Telegraph	Dearborn, MI 48124	313.562.0222
MI37	Dan Sayen	M-26	Houghton, MI 49931	906.482.2179
MI40	Larry Anstett Enterprises LLC – Attn: Larry Anstett	601 N. Lafayette	Greenville, MI 48838	616.754.3863
MI43	Curtiss Inc. - Attn: Richard Curtiss	1750 West Ganson	Jackson MI 49202	517.788.6233
MI57	Tom's Auto Glass LLC - Attn: Joe Kook	48850 Gratiot	New Baltimore, MI 48051	586.949.3311
MI78	LaFontaine Company - Attn: Dennis Zimmer	116 North Chrisman St.	Spring Lake, MI 49456	616.846.4520
MI83	Ziebart of Michigan - Attn: ~~Greg Brys~~ Erik Fagan	44033 Van Dyke	Utica, MI 48317	586.254.1116
MI85	Ziebart of Michigan - Attn: John Lemon	32932 Ford Rd.	Westland, MI 48185	734.425.5170
MI90	RJG Enterprises Inc. - Attn: Drew Nicholoff	604 North Creyts Road	Lansing, MI 48917	517-321-6969

MI92	Dynamic Sound 1, Inc. – Attn: S a m S a m a h a	19691 15 Mile Road	Clinton Twp., MI 48035	586-221-2101
MI95	Great Lakes Home Specialties, Inc. - Attn: Ben Rogers	824 South Euclid	Bay City, MI 48706	989-686-8030
MI98	T & S Great Lakes, LLC – Attn: Shanna Beltman	162 Coolidge Ave.	Holland, MI 49423	616-796-8125
MI99	Zoom Moe-Tive, LLC – Attn: Ben Moeller	2388 East Highland Road	Highland, MI 48356	248-466-3388
MN10	Ziebart of Minnesota, Inc. - ~~Terry Schiller~~ Ken Fry	311 West 90th St.	Bloomington, MN 55420	952.888.7992
MN30	Ziebart of Minnesota, Inc. - ~~Joe Simonsen~~ Matt Steiner	6300 Old Central Ave. NE	Fridley, MN 55432	763.571.1700
MN51	Ziebart of Minnesota, Inc. - Attn: Lindsay Fraenkel	609 East Grant Street	Minneapolis, MN 55404	612.338.2289
MO74	Hamelback Inc. - Attn: Brad Hamelback	511 Little Hills Industrial Rd.	St. Charles, MO 63301	636-940-2663
NJ36	HMJ Auto Care Inc. - Attn: Seth Marcus	90 Route 23 North	Riverdale, NJ 07457	973.831.9595
NY01	Western New York Automotive Services, Inc. – Attn: Anthony Mattiacio*	1777 Union Road	West Seneca, NY 14224	716-995-4311
NY03	Albany Rustproofing, Inc. - Attn: Richard Lester*	1009 Central Ave	Albany, NY 12205	518.459.6020
NY14	Broome County Automotive Services - Attn: Robert Terboss*	385 State Street	Binghamton, NY 13901	607.723.4993
NY18	Syracuse Rustproofing Inc. - Attn: Richard Lester*	~~6174 South Bay Rd.~~ 6189 S Bay Rd	Cicero, NY ~~13041~~13039	315.699.4944

NY22	Monroe County Automotive Services, Inc. - Attn: Zach Mattiacio*	1760 New York 104	Ontario, NY 14519	585-444-3091
NY34	Western New York Automotive Services, Inc. Attn: Zach Mattiacio*	374 Fluvanna Ave.	Jamestown, NY 14701	716.919.1149
NY57	Monroe County Automotive Services - Attn: Anthony Mattiacio*	2440 W Henrietta Rd.	Rochester, NY 14623	585-475-9820
NY62	Monroe County Automotive Services - Attn: Anthony Mattiacio*	1505 Lyell Ave.	Rochester, NY 14606	585-458-8770
NY68	Dejessa Coatings LLC - Attn: Steve Cotsalas	458 Johnson Ave.	Bohemia, NY 11716	631-630-5412
NY72	Syracuse Rustproofing Inc. - Attn: Richard Lester*	1335 Erie Blvd. West	Syracuse, NY 13204	315.471.3003
NY74	Mohawk Valley Automotive Inc. – Attn: Richard Lester*	1430 Oriskany Street West	Utica, NY 13502	315-864-3918
NY75	Jefferson County Rustproofing - Attn: Ronald Bartle	19101 U.S. Route 11	Watertown, NY 13601	315.785.0904
NY80	Monroe County Automotive Services, Inc. - Attn: Zach Mattiacio*	2475 State Route 332	Canandaigua, NY 14424	585-393-0150
NY85	Monroe County Automotive Services, Inc. - Attn: Zach Mattiacio*	311 W. Main Street	Batavia, NY 14020	585-273-7020
NY99	Western New York Automotive Services, Inc. Attn: Anthony Mattiacio*	5160 Camp Road	Hamburg, NY 14075	716-412-6300
OEM1	Pierce Manufacturing Inc. - Attn: Lisa Good	1512 38th Avenue East	Bradenton, FL 34208	941-748-3900
OH01*	Kallas Enterprises, Inc. - Attn: Alex Kallas	916 E. Buchtel Ave.	Akron, OH 44305	330.253.6893
OEM3	Flagship, Inc. - Attn: Mike Graber	2811 Tuscany Drive	Elkhart, IN 46514	574-389-9000
OEM4	National Bus Sales, Inc. - Attn: Clint Jackson	8649 S. Regency Drive	Tulsa, OK 74131	800-475-1439
OH14	Dave Marshall Inc. - Attn: James Harris*	8919 Kingsridge Drive	Centerville, OH 45458	937.433.6244
OH25	~~Dave Marshall, Inc~~. Ohio Automotive Services, Inc.– Attn: ~~James Harris~~ Anthony Mattiacio*	775 N. Wilson Rd.	Columbus, OH 43204	614.278.2400
OH28	~~Dave Marshall, Inc. –~~ Ohio Automotive Services, ~~James Harris~~Anthony Mattiacio*	1255 Brice	Reynoldsburg, OH 43068	614.863.1766

OH31	Dave Marshall Inc. - Attn: James Harris*	7030 Poe Ave	Dayton, OH 45414	937.890.8782
OH36	Dave Marshall Inc. - Attn: James Harris*	1448 Kauffman Ave.	Fairborn, OH 45324	937.878.9135
OH48	Dave Marshall Inc. - Attn: James Harris*	2650 Elida Road	Lima, OH 45807	419.229.2205
OH56	Taylor Brothers of Marion, LLC - Attn: Christopher Taylor	1921 Zwayer Drive	Marion, OH 43302	740-383-9999
OH59	Ziebart of Ohio, Inc. Attn: ~~Mark Zelenka~~ Tyler Hosey	27935 Lorain Rd.	North Olmsted, OH 44070	440.777.7200
OH61	Ziebart of Ohio, Inc. - ~~Karl Zierow~~ Greg Martin	6754 Pearl Rd.	Middleburg Hts., OH 44130	440.845.6031
OH82	Bonds, LLC – Attn: William Bonds	3343 N. Holland-Sylvania	Toledo, OH 43615	419.841.2886
OH87	Dave Marshall Inc. - Attn: James Harris*	~~2433 W. State Route #55~~ 2950 Stone Circle Drive	Troy, OH 45373	937.335.7367
OH89	Dave Marshall, Inc. – Attn: James Harris*	5846 Dixie Highway	Fairfield, OH 45014-4206	513-895-9711
OH91	Dave Marshall, Inc. – Attn: James Harris*	430 Ohio Pike	Cincinnati, OH 45255	513-802-9977
OH97	Custom Vans of Zanesville - Attn: Daryl Mast	3619 Olde Falls Rd.	Zanesville, OH 43701	740.453.4660
NJ90	LetterKenny Army Depot - Attn: Jim Race	800 Development Ave.	Chambersburg, PA 17202	717-264-9147
PA33	RRJ Inc. - Attn: Autumn Dougherty	415 Eden Park Blvd	McKeesport, PA 15132	412.751.5644
PA55	James Wilson Enterprises Inc . – Attn: James Wilison	803 Mt. Royal Blvd.	Pittsburgh, PA 15223	412.486.4711
PA87	Jenguard Enterprise Inc. – Attn: Michael Jensen	49 S. West End Blvd.	Quakertown, PA 18951	267-873-3340
PA90	Scranton Rustproofing Inc. – Attn: Robert Terboss*	1500 Mulberry Street	Scranton, PA 18510	570-955-0947
PA95	Ziebart of Pennsylvania, Inc. - Attn: ~~Tom Green~~ Darren Weyand	10915 A Route 19 North	Wexford, PA 15090	724.935.4090

SC55	Oh My My Auto & Truck Spa, LLC - Attn: Robert Morris	10070 Broad River Rd.	Irmo, SC 29063	803-454-9131
TN25	Edcar II, Inc. - Attn: Edwin Carlisle III	2161 Wilma Rudolph Blvd.	Clarksville, TN 37040	931.572.9559
TX70	ASL Investments LLC - Attn: Rick Saenz	4535 Everhart	Corpus Christi, TX 78411	361-985-9274
TX95	~~Audax Automotive Group LLC~~ Shur Automotive Inc. – Attn: Paul Shur	2129 S. Stemmons Freeway, Suite 100	Lewisville, TX 75067	469-794-1820
WA30	Shamrock Automotive LLC - Attn: Brian OShaughnessey	3 West Riverside Ave.	Spokane, WA 99202	509-838-0180
WV90	NMC Lambie Services LLC – Attn: Nicholas Lambie	500 Fort Pierpont Drive	Morgantown, WV 26508	304-322-4361
WV95	Drizake Automotive Group, Inc, - Attn: Michael Drizake	115 Wayfarer Drive	Triadelphia, WV 26059	304-909-0568
WI08	ZRL Of Appleton, Inc. - Attn: Chris Lindberg	212 N. Lynndale	Appleton, WI 54914	920.733.5556
WI55	Clausen Truck Parts, Inc. - Attn: Steven Clausen	2122 S. Stoughton Rd.	Madison, WI 53716	608-222-4499
WI57	V2 Corp. - Attn: Nathan Krueger*	2021 S. 108th St.	Milwaukee, WI 53227	414.541.2525
60WI	Tidy Car - Attn: Joe Jantz	810 N. 14th Street	Sheboygan, WI 53081	920.452.9322
WI90	V2 Corp. - Attn: Nathan Krueger*	2808 Pewaukee Road	Waukesha, WI 53188	262.547. 6703

EXHIBIT ~~G~~ I

LIST OF FORMER FRANCHISEES

EXHIBIT ~~G~~ I – FORMER ZIEBART FRANCHISEES

U.S.

Auburn, MA73	P. Raffa	Auburn, MA	508-756-3400

Your contact information may be disclosed if you buy a Ziebart franchise and later leave the Ziebart franchise system.

EXHIBIT ~~H~~ J

LIST OF STATE ADMINISTRATORS AND AGENCIES FOR SERVICE OF PROCESS

EXHIBIT ~~H~~ J
LIST OF STATE ADMINISTRATORS

California
~~California~~ Department of ~~Business Oversight~~
Financial Protection and Innovation
320 W. 4th St., Suite 750
Los Angeles, CA90013-2344
Telephone: (916) 445-7205
Toll-free (866) 275-2677
E-mail: ask.dfpi@dfpi.ca.gov

Connecticut
Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800

Florida
Florida Department of Agriculture
& Consumer Services 2005
Apalachee Pkwy
Tallahassee, FL 32399-6500

Hawaii
Department of Commerce& Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois
Franchise Division
Office of the Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

Indiana
Indiana Secretary of State
Securities Division
302 W. Washington Street, Room E 111
Indianapolis, IN 46204

Kentucky
Attorney General's Office
700 Capitol Avenue, Suite 118
Frankfort, KY 40601-3449

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

Michigan
Michigan Attorney General
Consumer Protection Division
525 W. Ottawa Street, PO Box 30213
Lansing, MI 48909

Minnesota
Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101

New York
New York State Attorney General
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005

North Dakota
North Dakota Securities Department
600 East Boulevard Ave., State Capitol
5th Floor
Bismarck, ND 58505-0510

Rhode Island
Rhode Island Department of Business
Regulation
1511Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920.

South Dakota
Director of Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, SD 57501

Texas
Texas Secretary of State
PO Box 12079
Austin, TX 78711-78079

Virginia
State Corporation Commission
Division of Securities & Retail Franchising
1300 Main Street, First Floor
Richmond, VA 23219

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

Wisconsin
Wisconsin Department of Financial Institutions
Division of Securities
PO Box 1768
Madison,WI53701-1768

EXHIBIT ~~H~~ J
LIST OF STATE AGENCIES FOR SERVICE OF PROCESS

California
Commissioner of ~~Business Oversight~~ Financial Protection and Innovation
~~California~~ Department of ~~Business Oversight~~Financial Protection and Innovation
-320 W. 4th St., Suite 750
Los Angeles, CA90013-2344
Telephone: (916) 445-7205
Toll-free (866) 275-2677
E-mail: ask.dfpi@dfpi.ca.gov

Connecticut
BankingCommissioner
260 Constitution Plaza
Hartford, CT 06103-1800

Florida
Florida Department of Agriculture
& Consumer Services
P.O. Box 6700
Tallahassee, FL 32314-6700

Hawaii
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois
Franchise Division
Office of the Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

Indiana
Indiana Secretary of State
302 W. Washington Street, Room E 111
Indianapolis, IN 46204

Kentucky
Attorney General's Office
700 Capitol Avenue, Suite 118
Frankfort, KY 40601-3449

Maryland
MarylandSecurities Commissioner
200 St. Paul Place
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan
Michigan Attorney General
Consumer Protection Division
G. Mennen Williams Building
525 W. Ottawa Street,
PO Box 30213, Lansing, MI 48909

Minnesota
Commissioner of Commerce
State of Minnesota
Department of Commerce– Securities Section
85 7th Place East, Suite 280
St. Paul, MN 55101

New York
Secretary of State
99 Washington Avenue
Albany, NY 12231

North Dakota
SecuritiesCommissioner
State of North Dakota
600 East Boulevard
Bismarck, ND 58505

Rhode Island
Director of the Rhode Island Department of Business Regulation
1511Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920

South Dakota
Director of Division of Insurance
Dept. of Labor & Regulation
124 S Euclid, Suite 104
Pierre, SD 57501

Texas
Texas Secretary of State
P.O. Box 12079
Austin, TX 78079

Virginia
Agent for Consent to Service of Process
Clerk of the State Corporation Commission
1300 Main Street, First Floor
Richmond, VA 23219

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

Wisconsin
State of Wisconsin
Department of Financial Institutions
Division of Securities, PO Box 1768
Madison, WI 53701-1768

NOTE: For the above listed states, it is requested that a copy of any notice, process or pleading be mailed to: Mr. Thomas ~~E~~A. Wolfe, Ziebart Corporation, 1290 E. Maple Rd., Troy, MI 48083

EXHIBIT ~~I~~ K

NON-DISCLOSURE AGREEMENT

NON-DISCLOSURE AGREEMENT

In consideration of my training in ZC's method of applying protection products, detailing and installation of accessory products on automobiles, trucks and other vehicles (vehicles) and my employment by either Ziebart International Corporation (ZC) or one of its subsidiaries, affiliates, Franchisees, or Sub-Franchisees (Franchisee), I _____ hereby agree as follows:
(Print Full Name)

1. TRADE SECRETS - I acknowledge that ZC is the owner of, and that I shall hold strictly in confidence and secrecy, any knowledge, techniques, processes or information, whether patentable or not, relating to the rust protection, accessory installation, appearance protection and reconditioning of vehicles. I shall also hold in strict confidence all non-technical business, advertising, marketing and customer information. I will not disclose any such technical or non-technical information to any other person unless such person is also in a confidential relationship with ZC or one of its Franchisees.

2. COVENANT NOT TO COMPETE - I shall not, while I am employed by ZC or one of its Franchisees nor within two years of the date of termination of any such employment, use, advise on the use of, or in any manner enter into or be employed in any business which uses the knowledge, techniques, processes or information similar to those that are used by ZC or one of its Franchisees in the rust protection, accessory installation, appearance protection or reconditioning of vehicles in any county in which, or adjacent to which, is a county where ZC or one of its Franchisees are conducting operations.

   Upon termination of my employment, I shall also surrender to my employer or to ZC, as the case may be, all materials, technical or non-technical, whether or not copyrighted which relate to the technical or non-technical trade secrets or conduct of the operations of ZC or one of its Franchisees.

3. SHOP RIGHTS - All information, secrets, improvements and inventions learned or created by me or with any other person in the course of my employment with ZC or one of its Franchisees, shall be and remain the sole property of ZC, and any such information, secrets, improvement or invention relating to the business, processes or products of ZC shall be and hereby is assigned, transferred and released unto ZIEBART. I further agree to execute and deliver any instrument or document necessary or incidental to transfer and confirm the complete ownership by ZC of such information, secrets, improvements and inventions.

4. STIPULATION - I agree that this agreement may be enforced by ZC or any of its Franchisees by injunction and judgement for specific performance. I further agree that in any breach of this agreement for which an injunction or specific performance cannot be obtained and for which damages are not otherwise readily ascertainable, that stipulated damages in the amount of $1,000 for each breach shall be assessed.

This agreement is for the benefit of and may be enforced by ZC or any of its Franchisees. The effect of this agreement shall be governed by the laws of the state in which enforcement is sought. If any provision of this agreement shall be void or

unenforceable in such state, the balance of the agreement not so void or unenforceable shall be fully enforceable in accordance with its terms.

_____ _____

Signature of Trainee

Witness

Dated: _____

At Troy, MI

EXHIBIT ~~J~~ L-

RENEWAL ADDENDUM

RENEWAL ADDENDUM

This Addendum is made the _____ day of _____, 20___, and modifies a Franchise Agreement of the same date entered into by Ziebart Corporation, a Michigan corporation ("ZC") and _____, a _____ ("Franchisee").

1. **Introduction.** ZC and Franchisee are parties to a Franchise Agreement dated _____, _____ the term of which expired on _____, 20_ ("Old Agreement"). Franchisee desires to renew its franchise relationship with ZC and has signed the Franchise Agreement to which this Addendum is attached ("Franchise Agreement") for that purpose. The parties desire to amend the Franchise Agreement to reflect Franchisee's status as an existing Franchisee renewing an ongoing relationship. All capitalized terms not otherwise defined in this Renewal Addendum will have the same meaning as in the Franchise Agreement.

2. **Sections of Franchise Agreement Not Applicable on Renewal.** The following Sections of the Franchise Agreement do not apply in the case of a renewal of an existing Franchised Business and are therefore null and void: 4. B.—Equipment Purchase; 4. C.—Option to Terminate Prior to Opening; 4. H.—Opening Advertising; and 10.—Training.

3. **Initial Fee.** In lieu of the initial fee set forth in Section 4 A. of the Franchise Agreement, Franchisee will be required to pay a renewal fee of $_____.

4. **Release.** In accordance with ZC requirements for renewal, Franchisee and its representatives, owners, employees, officers, agents and assigns, release and forever discharge ZC and its affiliated companies and the representatives, owners, employees, officers, agents and assigns of ZC and its affiliated companies from all liability, right, claim, debt and cause of action whatsoever, known or unknown, suspected or unsuspected, which Franchisee and its representatives, owners, employees, officers, agents and assigns ever had, now have or may have at any time based on or arising under the Old Agreement or based on any acts or omissions of ZC and its affiliated companies and the representatives, owners, employees, officers, agents and assigns of ZC and its affiliated companies occurring on or before the date of this Agreement.

   Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

5. **Legal Effect.** This Renewal Addendum is an integral part of the Franchise Agreement. Except as modified by this Renewal Addendum, the Franchise Agreement will remain in full force and effect and is incorporated in this Renewal Addendum by reference. The Franchise Agreement as modified by this Renewal Addendum will constitute the entire agreement among the parties as to the matters covered and supersedes any prior agreements or understandings, whether written or oral.

6. **Renovation and Modernization.** As a condition to the renewal of the Franchise, Franchisee must complete the maintenance, renovation, remodeling, and/or additions or substitutions of equipment, furniture or fixtures specified by us. These actions must be completed by ___, 20 . ZC does not control these costs, as we do not provide the real estate and/or the building that Franchisee will lease, nor the equipment, furniture or fixtures.

ZIEBART CORPORATION ~~A~~ a Michigan corporation	FRANCHISEE
By:_____	By:_____
Its:_____	Its:_____

EXHIBIT ~~K~~ M

RELEASE AGREEMENT

RELEASE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20 , between ZIEBART CORPORATION, a Michigan corporation, ("Franchisor") and _____ ("Franchisee").

As a condition of renewal/transfer, Franchisee releases and forever discharges Franchisor and its subsidiaries and affiliates and their respective officers, directors, agents, members and employees from all liability, right, claim, debt and cause of action whatsoever, known or unknown, suspected or unsuspected, which Franchisee ever had, now has or may have at any time based on any agreement entered into between the parties on or before the date of this agreement, including but not limited to the Franchise Agreement, or based on any act or omission occurring on or before the date of this agreement.

ZIEBART CORPORATION
By:
Its:

Acknowledged before me in _____ County, Michigan, on _____, 20____, by _____, the _____ of ZIEBART CORPORATION, a Michigan corporation.

_____
Notary Public, _____ County, MI
My Commission Expires: _____

CORPORATE OR PARTNERSHIP
FRANCHISEE

By:
Its:

Acknowledged before me in _____ County, Michigan, on _____, 20____, by _____, the _____ of

_____, a _____.

_____
Notary Public, _____ County, MI
My Commission Expires: _____

EXHIBIT ~~L~~ N

PROMISSORY NOTE, SECURITY AGREEMENT, GUARANTY

PROMISSORY NOTE

Principal: $_____

Dated: _____

Due Date:_____

FOR VALUE RECEIVED,_____, a _____whose Address is _____, (Borrower) promises to pay to the order of Ziebart Corporation (Lender), at 1290 East Maple, Troy, Michigan 48083 or another place Lender designates in writing, the principal sum of $ _____plus interest as provided in this note on all amounts outstanding, all in lawful money of the United States of America as stated below.

1. Interest rate. The principal amount outstanding under this Promissory Note (the Note) shall bear interest on a basis of a year of 365 days or the actual number of days amounts are outstanding at the rate of_____% per annum.

2. Payment. This Note shall be paid in consecutive monthly payments of principal and interest, in the amount of $_each, beginning_____, 20__, and continuing on the same day of each consecutive month after that for a total of amount to be paid of $_____. A final payment will be due on the Due Date in an amount equal to the then unpaid principal and accrued interest. If the period from the date of this Note to the first payment Due Date (the First Payment Period) is more than _____, 20_, accrued interest for the number of days by which the First Payment Period exceeds _ , 20 will be, at the Lender's option, (a) payable in the month following_____, 20_, on the day of the month that the regular monthly payments provided for in this Note are due; or (b) payable with the first payment provided for in this Note. All payments required to be paid shall first be applied to costs and expenses required to be paid, then to accrued interest, and then the balance against the principal. Borrower understands that the installment payments of principal may not be sufficient to fully amortize the outstanding principal balance of this Note by the Due Date and that, in that case, the final payment due on the Due Date will be a payment of all then outstanding principal and accrued interest.

3. Prepayment. This Note may be prepaid in whole at any time before maturity without penalty by prepayment of all remaining payments of principal and accrued but unpaid interest. There shall be no other right of prepayment.

4. Interest rate limited to maximum provided by law. Nothing in this Note or any transaction relating to it shall be construed or operate to require Borrower to pay or be charged interest at a rate greater than the maximum allowed by the applicable law relating to this Note. If any interest or other charge charged, paid, or payable by

SAMPLE

Borrower in connection with this Note or any other document delivered in connection with this Note result in the charging, compensation, payment, or earning of interest in excess of the maximum allowed by applicable law, the excess shall be waived by the holder, and the excess paid shall be automatically credited against and in reduction of the principal due under this Note. If Lender reasonably determines that the interest rate (together with all other charges or payments that may be deemed interest) stipulated under this Note is or may be usurious or otherwise limited by law, the unpaid balance of this Note, with accrued interest at the highest rate permitted to be charged by stipulation in writing between Lender and Borrower, at the option of Lender, shall immediately become due and payable.

5. Events of default. Borrower, without notice or demand of any kind, shall be in default under this Note on the occurrence of any of the following Events of Default: (a) if any amount due and owing on this Note, any fees due Lender, any expenses incurred by Lender under this Note, or any and all other liabilities and obligations of Borrower to Lender are not paid when due or (b) if any Event of Default as defined in the Franchise ~~License~~ Agreement of even dated between Lender and Borrower, as may be amended from time to time, occurs.

6. Remedies. On the occurrence of any Event of Default, Lender may, without notice, declare the entire unpaid and outstanding principal balance under this Note and all accrued interest, together with all other indebtedness of Borrower to Lender, to be immediately due and payable in full, without presentment, demand, or notice of any kind, all of which Borrower expressly waives. Lender shall then have and may exercise any one or more of the rights and remedies provided in this Note or in any guaranty, security agreement, assignment, or other document relating to this Note. The remedies provided for under this Note are cumulative to the remedies for collection of the amounts owing under this Note as provided by law or by any loan agreement, mortgage, guaranty, security agreement, or other document relating to this Note. Nothing in this Note is intended or should be construed to preclude Lender from Pursuing any other remedy for the recovery of any other sum to which Lender may be or become entitled for breach of the terms of this Note or any Franchise agreement, guaranty, security agreement, or other instrument relating to this Note.

7. Costs of collection. Borrower agrees, in case of an Event of Default under the terms of this Note or under any loan, security, or other agreement signed in connection with this Note, to pay all Lender's costs for collection of this Note and all other liabilities of Borrower to Lender and enforcement of its rights under this Note, including reasonable attorney fees and legal expenses, including participation in bankruptcy proceedings.

8. Default rate of interest. During any periods that an Event of Default has occurred and is continuing, after the Due Date, or after acceleration of maturity, the outstanding principal amount shall bear interest at a rate equal to 2 percent per annum greater than the interest rate otherwise charged under this Note.

SAMPLE

9. Late charges. If any required payment is not made within 10 days after the date it is due (other than the total payment of principal due on the Due Date), at the option of Lender, a late charge in the amount of 5 percent of the overdue payment may be charged.

10. No waiver of default. Acceptance by Lender of any payment in an amount less than this amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be an Event of Default. On any Event of Default, neither the failure of Lender promptly to exercise its right to declare the outstanding principal and accrued unpaid interest to be immediately due and payable nor the failure of Lender to demand strict performance of any other obligation of Borrower or any other person who may be liable shall constitute a waiver of any such rights or a waiver of such rights in connection with any future default on the part of Borrower or any other person who may be liable under this Note.

11. General. Borrower and all endorsers and grantors of this Note, if any, jointly and severally waive presentment for payment, demand, notice of nonpayment, notice of protest or protest of this Note, and diligence in collection or bringing suit and consent to any and all extensions of time, renewals, waivers, or modifications that Lender may grant with respect to payment or any other provisions of this Note and to the release of any collateral or any part of it with or without substitution. Borrower's liability shall be absolute and unconditional without regard to the liability of any other party to this Note. This Note shall be deemed to have been executed in, and all rights and obligations shall be governed by, the laws of the State of Michigan. Venue for all actions and disputes under this Note shall lie in Oakland County, Michigan.

12. Other documents. This Note has been signed pursuant to, or is secured or supported by, the following documents:

- Security Agreement dated_____, 20____
- Guarantysigned by_____, dated_____, 20____

SAMPLE

Borrower and Lender may also have signed other documents in conjunction with providing for security for this Note or other matters. Reference is made to the above documents for additional terms relating to the transaction giving rise to this Note or the security or support given for this Note and additional terms and conditions under which this Note matures or may be accelerated or prepaid.

BORROWER:_____

By_____

Its_____

Witness:

_____
Signature

_____
Please Print Name

Subscribed and sworn to me this_____day of_____, 20_____,

_____
Notary

LENDER: Ziebart Corporation

By_____

Its_____

Witness:

_____
Signature

_____
Please Print Name

Subscribed and sworn to me this_____day of_____, 20_____,

_____
Notary

SAMPLE

SECURITY AGREEMENT

This security agreement is made on _____, 20____, between _____ located at _____ and Ziebart Corporation, located at 1290 E. Maple Road, Troy, Michigan 48083 ("Secured Party").

1. Grant of Security Interest. Debtor grants to Secured Party a continuing security interest in:

- all equipment and fixtures, wherever located, now owned or later acquired by Debtor;
- all inventory, wherever located, now owned or later acquired by Debtor, and any and all bills of lading, warehouse receipts, and other documents of title evidencing inventory, and any and all rights of stoppage in transit of inventory;
- all accounts, contact rights, chattel paper instruments, and general intangibles, wherever located, now owned or later acquired by Debtor, including without limitation all cash, checks, drafts, accounts receivable, chattel paper, leases, and instruments received by Debtor in connection with any sale, lease, exchange, or disposition of any of the foregoing. All of the foregoing properties and assets of Debtor will be referred to collectively in this agreement as the "collateral".

2. Indebtedness Security. The foregoing security interest is given to secure payment and performance of ALL OBLIGATIONS AND INDEBTEDNESS OF DEBTOR NOW OR LATER OWING TO SECURED PARTY, including but not limited to all future advances and all obligations and indebtedness of Debtor to Secured Party under this agreement and under all other security agreements, loan agreements, pledge agreements, assignments, mortgages, guaranties, notes, leases, and other agreements, instruments, and documents executed by Debtor, and all extensions or renewals of the indebtedness and obligations. The indebtedness and obligations now owing by Debtor to Secured Party.

The indebtedness includes all indebtedness and obligations now or later owing to Secured Party by any one or more of the persons signing this agreement as Debtor, regardless of whether the remaining person or persons are not liable for such indebtedness and obligations or whether one or more persons who are not parties to this agreement are also liable for all or part of such indebtedness and obligations.

Form 3.4
BF03-04.WP5

SAMPLE

3. Warranties, Representation, and Agreements. Debtor warrants and represents to, and agrees with, Secured Party as follows:

(a) Debtor is a Limited Liability Company and is organized and validly existing in good standing under the laws of the state of _____~~Texas~~; Debtor has full power and authority to enter into and perform its obligations under this agreement; the execution, delivery, and performance of this agreement have been duly authorized by all necessary action of Debtor's Management and will not violate Debtor's articles of association and this agreement is the valid and binding obligation of Debtor, enforceable in accordance with its terms.

(b) Debtor is the owner of the collateral and none of the collateral is subject to any lien, security interest, encumbrance, or claim in favor of any third party, and no financing statement is on file in any public office covering any of the collateral.

(c) Debtor's address set forth on the fact of this agreement is the location of Debtor's sole place of business.

(d) Any part of the collateral consisting of accounts and chattel paper does and will evidence bona fide sales or leases to the parties named in Debtor's books, and no defense to any account or chattel paper does or will exist.

4. Agreements of Debtor. Debtor agrees that:

(a) Debtor will not cause or permit any lien, security interest or encumbrance to be placed on any collateral, except in favor of Secured Party and Debtor will not sell, assign or transfer any collateral or permit any collateral to be transferred by operation of law, except that, as long as an event of default, as defined in this agreement, has not occurred, Debtor may sell inventory in the ordinary course of Debtor's business. A sale in the ordinary course of business does not include a transfer in partial or complete satisfaction of a debt.

(b) Debtor will maintain all records concerning the collateral at Debtor's address appearing on the first page of this agreement.

(c) Debtor will furnish Secured Party with the information regarding the collateral that Secured Party shall from time to time request (including without limitation the names and addresses of Debtor's account debtors and the amount owed by each) and will allow Secured Party at any reasonable time to inspect the collateral and Debtor's records regarding the collateral.

(d) Debtor will execute, ~~t~~file, record, or procure from third persons the financing statements, subordination agreements, and other documents and take all other

SAMPLE

action that Secured Party may deem necessary to perfect, to continueperfection of, or to maintain first priority of Secured Party's security interest in the collateral.

(e)) Debtor will immediately notify Secured Party in writing of any change in Debtor's name, identity, or corporate structure, and of any change in the location of Debtor's place of business and of the location of each additional place of business established by Debtor.

(f) Debtor will indemnify Secured Party with respect to all losses, damages, liabilities, and expenses (including attorney fees) incurred by Secured Party by reason of any failure of Debtor to comply with any of Debtor's obligations under this agreement or by reason of any warranty or representation made by Debtor to Secured Party in this agreement being false in any material respect.

5. Events of Default and Acceleration. Any part or all of the indebtedness shall, at the option of Secured Party, become immediately due and payable without notice or demand upon the occurrence of any of the following events of default:

(a) If default occurs in the payment or performance of any of the indebtedness when and as it shall be due and payable, and if the default continues for ten (10) days after Secured Party has given written notice of it to Debtor.

(b) If default occurs in the performance of any obligation of Debtor to Secured Party under this agreement (or under any promissory note or other instrument at any time evidencing any indebtedness or under any other security agreement, loan assignment, guaranty, or other agreement that now or later secures or relates to any indebtedness or obligation now or later owing by Debtor to Secured Party or that secures or relates to any guaranty of any such indebtedness or obligation ("security documents").

(c) If any warranty, representation, or statement made to Secured Party by Debtor or by any guarantor of all or part of the indebtedness ("Guarantor") in this agreement or in any security document, credit application, financial statement, or otherwise, was false in any material respect when made or furnished.

(d) If Debtor or any of Debtor's partners or any Guarantor dies, dissolves, becomes insolvent, or makes an assignment for the benefit of creditors.

(e) If any guaranty that now or later secures payment or performance of all or any part of the indebtedness is terminated or limited for any reason, without the written consent or agreement of Secured Party.

SAMPLE

If a voluntary or involuntary case in bankruptcy, receivership, or insolvency is at any time commenced by or against Debtor or any Guarantor or if any attachment, garnishment, levy, execution, or other legal process is at any time issued against or placed upon any collateral, then the entire indebtedness shall automatically become immediately due and payable, without notice or demand. All or part of the indebtedness also may become, or may be declared to be, immediately due and payable under the terms of any note at any time evidencing any of the indebtedness or of any loan agreement, security document, or other agreement entered into between Debtor and Secured Party.

6. **Secured Party's Rights and Remedies.** Secured Party shall have all rights and remedies of a secured party under applicable laws. Without limiting these rights and remedies:

(a) If all or any part of the indebtedness is not paid at maturity, Debtor, upon demand by Secured Party, shall deliver the collateral and proceeds of collateral to Secured Party at such place as Secured Party shall designate, and Secured Party may dispose of the collateral in any commercially reasonable manner. Any notification required to be given by Secured Party to Debtor regarding any sale or other disposition of collateral shall be considered reasonable if mailed at least five days before the sale or other disposition.

(b) The proceeds of any collection or disposition of collateral will be applied first to Secured Party's attorney fees and expenses, as provided in paragraph 8, and then to the indebtedness, and Debtor shall be liable for any deficiency remaining.

All rights and remedies of Secured Party shall be cumulative and may be exercised from time to time.

~~7.~~ 1. **Expenses.** Debtor shall reimburse Secured Party on demand for all attorney fees, legal expenses, and other expenses that Secured Party incurs in protecting and enforcing its rights under this agreement. This includes fees and expenses incurred in trying to take possession of collateral from Debtor, a trustee or receiver in bankruptcy, or any other person. Secured Party may apply any proceeds of collection or disposition of collateral to Secured Party's reasonable attorney fees, legal expenses, and other expenses.

~~8.~~ 2. **Amendments and Waivers.** No provision of this agreement may be modified or waived except by a written agreement signed by Secured Party. Secured Party will

SAMPLE

continue to have all of its rights under this agreement even if it does not fully and promptly exercise them on all occasions. Secured Party may, at its option, (a) waive any default, or defer an action on any default; (b) extend or modify the time or manner of payment of the indebtedness or waive or modify any term or condition relating to the indebtedness; (c) release collateral or other security for the indebtedness; (d) release any person liable for any of the indebtedness, including any borrower or Guarantor; and (e) make advances or other extensions of credit secured by this agreement; all without giving Debtor notice or obtaining Debtor's consent. Any such action by Secured Party will not release or impair its security interest in the collateral or Debtor's obligations under this agreement. Secured Party's security interest in the collateral and Debtor's obligations under this agreement will not be released or impaired if Secured Party fails to obtain, perfect, or secure priority of any other security for the indebtedness that is agreed to be given, or is given, by anyone else. Secured Party is not required to sue upon or otherwise enforce payment of the indebtedness or any other security before exercising its rights under this agreement.

~~9.~~3. **Notices.** Any notice to Debtor or to Secured Party shall be deemed to be given if and when mailed, with postage prepaid, to the respective address of Debtor or Secured Party appearing on the first page of this agreement, or if and when delivered personally.

~~10.~~4. **Other.** In this agreement, maturity of any of the indebtedness means the time when that indebtedness has become due and payable, for any reason (including, for example, acceleration due to default or bankruptcy). This agreement will be governed by, and interpreted according to, Michigan law.

~~11.~~5. **Binding Effect.** This agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective heirs, personal representatives, successors, and assigns.

SAMPLE

Debtorand Secured Party have executed this Security Agreement on thedate listed on the first page of this agreement.

DEBTOR:_____

_____

By_____

Its_____

SECURED PARTY: Ziebart Corporation

_____

By:_____

Its:_____

SAMPLE

Form 3.4
BF03-04.WP5

GUARANTY

ZIEBART CORPORATION
1290 East Maple Road
Troy, Michigan 48083

RE: Promissory Note dated the _____ day of _____, 20_____
By _____, a _____, and ZIEBART CORPORATION

The undersigned unconditionally guarantees to ZIEBART CORPORATION, a Michigan corporation, full and prompt payment of principal and interest due or to become due under that certain Promissory Note executed by _____ (MAKER) to ZIEBART CORPORATION in the initial principal amount of _____ Dollars ($_____) on even date herewith and further, the undersigned guarantees timely performance of all the obligations _____ MAKER under the _____ and _____ relating thereto, together with all legal and other costs and expenses paid or incurred by ZIEBART CORPORATION in the enforcement thereof against the MAKER or the undersigned.

The undersigned unconditionally guarantees to ZIEBART CORPORATION full and prompt payment of the amount due ZIEBART CORPORATION under certain Promissory Note executed by MAKER of even herewith together with all legal and other costs and expenses paid or incurred by ZIEBART CORPORATION in the enforcement thereof against MAKER or the undersigned.

ZIEBART CORPORATION is advised that the note and security instruments executed in support thereof are all duly authorized and when executed pursuant to said authorization have become legal, valid and binding instruments enforceable against _____ _____ in accordance with their respective terms.

Theliability of the undersigned hereunder shall be unaffected by:

(a) Any amendment or modifications of the provisions of the Note and security instruments or any other instruments made to or with ZIEBART CORPORATION by _____;

(b) Any extensions of time performance required thereby; or

(c) Release of _____ from performance or observance of any of the agreements, covenants, terms and conditions contained in any of said instruments by operation of law, whether made with or without the notice of the undersigned, and the undersigned does hereby covenant that they will cause the MAKER to maintain and preserve the enforceability of the instruments aforementioned as the same may be modified and will not permit to take or

SAMPLE

fail to take any action of any kind, the taking of which or the failure may have any defense to its obligations hereunder other than performance of the obligations in accordance with the terms of the instruments imposing the same.

The undersigned hereby agrees to indemnify ZIEBART CORPORATION against loss, cost or expense by reason of the assertion by the MAKER of any defense to its obligations under said instruments or assertions by the undersigned of any defense to their obligations hereunder based upon any action or inaction of ZIEBART CORPORATION.

ZIEBART CORPORATION may proceed directly against the undersigned in case the MAKER defaults in payments or any principal and/or interest and any other obligations evidenced by the Note and/or Security Agreement without resorting to any other person, entity or to the assets of MAKER or other security held by ZIEBART CORPORATION.

The undersigned acknowledges that any proceedings against the undersigned shall not in any sense release other person, entity, assets or securities held by ZIEBART CORPORATION.

The undersigned hereby waives any notice hereunder, demand, presentment and all notices of protest, default or non-payment and consent to any and all extensions or renewals made for or on the account of MAKER with ZIEBART CORPORATION without releasing or discharging the undersigned in any way hereunder. No delay on ZIEBART CORPORATION'S part in exercising any right, powers or privileges under said demand note or Security Agreement or any collateral security given to ZIEBART CORPORATION in connection therewith as guaranty or any other document executed by the undersigned or MAKER shall operate as a waiver of any such right, power or privilege.

GUARANTOR:

_____

By_____

_____

SAMPLE

EXHIBIT ~~M~~ O

FRANCHISE RELATIONSHIP ACKNOWLEDGMENT

FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT

Welcome to the Ziebart® team. Because you are becoming a part of the Ziebart® franchise system, it is important that you understand and acknowledge who is you employer, and who is not.

You have been hired by _____(Legal Name of Franchisee) ("Franchisee"), which is an independent franchise owner in the Ziebart® franchise system (which we call the "System"). Although Franchisee looks the same, has the same name, and is operated the same way as other shops in the System, Franchisee is not part of the same company as those other shops in the System. Ziebart Corporation is a completely separate company that owns the name and created the System. Ziebart Corporation has devised rules, systems of operation, and policies and procedures that all of its franchisee must follow, including Franchisee, which make each of the independent franchise companies look and operate the same way as one another. This way, Ziebart Corporation manages a System composed of many different franchisee owners, each of whom is independently responsible for operating its own Ziebart® shop.

It is important that you understand that Franchisee is your only employer. Franchisee gives you your paycheck, establishes your hours, and is responsible for all decisions relating to your employment relationship. Ziebart Corporation is not your employer. If Ziebart Corporation representatives ever give you direction, training, or advice, it is intended only to ensure that the experience of all customers of Ziebart® is the same at your pace of work as it is at other shops in the Ziebart® system. The fact that you are trained, or given direction or advice, by Ziebart Corporation representatives does not somehow mean that Ziebart Corporation is your employer.

If you have any questions about your employment relationship or about this Franchise Relationship Acknowledgement, please direct them to your employer, Franchisee.

I have read this Franchise Relationship Acknowledgement and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

Signed _____

_____
Please Print Name

Date:_____

State Effective Dates

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

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

State	Effective Date
California	Pending
Hawaii	~~July 17, 2023~~ Pending
Illinois	~~April 21, 2023~~ Pending
Indiana	~~June 7, 2023~~ Pending
Maryland	~~September 6, 2023~~ Pending
Michigan	~~September 12, 2023~~ Pending
Minnesota	~~July 7, 2023~~ Pending
New York	~~May 16, 2023~~ Pending
North Dakota	~~June 20, 2023~~ Pending
Rhode Island	~~May 5, 2023~~ Pending
South Dakota	~~May 5, 2023~~ Pending
Virginia	~~July 6, 2023~~ Pending
Washington	~~August 24, 2023~~ Pending
Wisconsin	~~May 5, 2023~~ Pending

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

EXHIBIT ~~N~~ P

RECEIPTS

RECEIPT

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

If Ziebart Corporation offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Ziebart Corporation does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the state agency, if any, in your state listed in Exhibit H. For the State of Virginia please contact the State Corporation Commission, Division of Securities and Retail Franchising, 1300 East Main Street, 9th Floor, Richmond, Virginia 23219.

New York State Law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Franchise Sellers:

Ziebart Corporation, 1290 E. Maple Road, Troy, MI 48083 248-588-4100
~~Daniel C. Baker~~
Michael W. Riley

Issuance Date: April ~~1~~30, ~~2023~~ 2024
I received a Disclosure Document dated April ~~1~~30, ~~2023~~ 2024 that included the following
Exhibits: Table of Contents
State of MI – Notice of Prohibited Practices

Exhibits:
A: Franchise Agreement and Addenda
(State Specifc Addenda – Addendums I-Y)
B: ~~Continuing~~ Personal Guarantee
C. Multi-Unit Development Agreement
~~C~~D: Multi-Unit Personal Guarantee
E. Location Authorization Application
~~D~~F: Transfer Consent Agreement
~~E~~G: Financial Statements
~~F~~H: List of Franchisees
~~G~~I: List of Former Franchisees
~~H~~J: List of State Administrators and Agencies for Service of Process
~~I~~K: Non-Disclosure Agreement
~~J~~L: Renewal Addendum
~~K~~M: Release Agreement
~~L~~N: Promissory Note, Security Agreement, Guaranty
~~M~~O: Franchise Relationship Acknowledgment
~~N~~P: Receipts

_____ _____
Prospective Franchisee - Please Print Date

_____
Prospective Franchisee – Legal Signature

Address _____

RECEIPT

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~~N~~P: Receipts

_____ _____
Prospective Franchisee - Please Print Date

_____
Prospective Franchisee – Legal Signature

Address _____