FRANCHISE DISCLOSURE DOCUMENT

Ideal Automotive Broker Franchising, LLC
A New York Limited Liability Company
15-23 132nd Street
College Point, New York 11356
(718) 888-9922
http://www.ideal.auto

Ideal Automotive Broker Franchising, LLC is offering franchisees the right to establish and operate automobile brokerage businesses that facilitate the sale of used and new automobiles to consumers under the name Ideal Automotive Sales. We also offer area development rights to develop and operate multiple Idea Automotive Sales Brokerage Business Locations ("Ideal Auto Broker Locations") within a specific development area under individual franchise agreements.

The total investment necessary to begin the operation of an Ideal Auto Broker Location is $164,139-$405,049. This includes $61,595-$62,795 that must be paid to the franchisor or an affiliate (if your Ideal Auto Broker Location is located less than 70 miles from our company office), or $67,095-$68,295 (if your Ideal Auto Broker Location is located more than 70 miles away our company office). The total initial investment necessary to begin operations of a three (3) location Multi-Unit Development Agreement is $299,139-$540,049. This total includes $61,595-$68,295 that must be paid to the franchisor or an affiliate. The required investment increases with the number of stores to be developed pursuant to your Multi-Unit Development Agreement.

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 or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information 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 the Ideal Automotive Franchise Office at the above address and telephone number.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or 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: July 18, 2022

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 H and Exhibit 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 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 Ideal Automotive 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 an Ideal Automotive franchisee?	Item 20 or Exhibit H and Exhibit I list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

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 New York. 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 New York than in your own state.

2. 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.

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MICHIGAN PROVISIONS

The following provisions apply to franchises in Michigan:

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

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

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

2. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided by Michigan law. This shall not preclude a franchise, after entering into a franchise agreement, from settling any and all claims.

3. A provision that permits a franchisor to terminate a franchise before 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.

4. 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.

5. 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.

6. 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.

7. 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:

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

b. The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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

d. 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.

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE MICHIGAN ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Michigan law provides that a franchisor whose most recent statements are unaudited and which show a net worth of less than $100,000 shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or sub-franchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow. In the event that an escrow is so established, the escrow agent shall be a financial institution authorized to do business in the State of Michigan. The escrow agent may release to the franchisor those amounts of the escrowed funds applicable to a specific franchisee or sub-franchisor upon presentation of an affidavit executed by the franchisee and an affidavit executed

by the franchisor stating that the franchisor has fulfilled its obligation to provide real estate, improvements, equipment, inventory, training, or other items. This portion of the Michigan law does not prohibit a partial release of escrowed funds upon receipt of affidavits of partial fulfillment of the franchisor's obligation.

Any questions regarding this notice should be directed to: Department of the Attorney General, Consumer Protection Division, Antitrust and Franchise Section, PO Box 30213, Lansing, MI, 48909; telephone (517) 373-7117.

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

Ideal Automotive Broker Franchising, LLC (referred to in this Disclosure Document as "Ideal Automotive," "we," "us," or "our") was formed as a New York limited liability company on March 28, 2019 (our name was amended from "Ideal Automotive Sales Franchise, LLC" to our current name on January 5, 2021). Our principal place of business is 15-23 132nd Street, College Point, NY 11356 and we do business under our corporate name and under the trademarks described in Item 13 below (the "Marks"). In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as "you," "your," or "franchisee," which includes all franchise owners and partners if you are a corporation, partnership or other entity. If you are a corporation, partnership, limited liability company, or other entity, your owners must sign our "Guaranty and Assumption of Obligations" (which is Exhibit H to our Franchise Agreement). If your owners sign the Guaranty, all of the provisions of our Franchise Agreement also will apply to your owners.

We do not own or operate any businesses other than the type being franchised. We have not offered franchises in any other line of business and we do not engage in any other business activity. We began offering franchises in 2021.

Our agents for service of process are listed in Exhibit B.

Parents, Predecessors and Affiliates

We do not have any predecessors. However, we have the following parent and affiliate(s):

- Ideal Automotive Holdings, LLC, a Delaware limited liability company, is our parent holding company. Ideal Automotive Holdings, LLC is located at 15-23 132nd Street, College Point, NY 11356.

- Ideal Automotive Dealer Franchising, LLC, a New York limited liability company is the franchising company with respect to the offer or sale of Ideal Auto Dealer Franchises. Ideal Automotive Holdings, LLC is located at 15-23 132nd Street, College Point, NY 11356.

- Ideal Automotive IP Holdings, LLC, a Delaware limited liability company, located at 15-23 132nd Street, College Point, NY 11356, is the owner of the Marks. Ideal Automotive IP Holdings, LLC has licensed us the right to use the logo and trademarks in connection with our franchise program.

- Ideal Automotive Software, LLC, a Delaware limited liability company, located at 15-23 132nd Street, College Point, NY 11356, licenses to us certain proprietary customer management software and its related software, user manuals, documentation, training videos, tutorials, and other materials as may be made available, now and in the future shall (collectively, the "Syndicate System") in connection with our franchise program.

- Ideal Auto Enterprise Inc., a New York corporation, located at 15-23 132nd Street, College Point, NY 11356, operates as a consulting firm and provides back office support for our affiliate-owned broker locations.

- Ideal Automotive Management, LLC, a New York limited liability company, located at 15-23 132nd Street, College Point, NY 11356, provides various support and other services to our franchisees.

- Ideal Auto Marketing Inc., a New York corporation, located at 15-23 132nd Street, College Point, NY 11356, provides various marketing services to both our affiliates and the franchise program.

- Liberty Assist Professional Auto Group Incorporated d/b/a Ideal Automotive Sales ("Liberty Assist"), a New York corporation, currently operates five (5) Ideal Auto Broker businesses at the following locations:

    - 6922 8th Avenue, Brooklyn, NY 11228, which has been in operation since February 28, 2012;

    - 20-08 College Point Boulevard, College Point, NY 11356, which has been in operation since 2012;

    - 78-14 Woodside Avenue, Elmhurst, NY 11373, which has been in operation since 2016;

    - 6215 18th Avenue, Brooklyn, NY 11214, which has been in operation since 2014;

    - 43-18 Main Street #1F, Flushing, NY 11355 which has been in operation since 2017; and

- Ideal Auto Preowned, Inc., d/b/a Ideal Automotive Sales of Bayside ("Ideal Preowned") a New York corporation, currently operates two (2) Ideal Automotive dealer businesses and one (1) Ideal Auto broker business at the following locations.

    - 161 34th Street, Sunset Park, NY 11232, which has been in operation since 2016, is the site of an Ideal Automotive dealer business; and

    - 196-33 Northern Boulevard, Bayside, NY 11358, which has been in operation since 2020, is the site of both an Ideal Automotive dealer business and Ideal Automotive broker business.

- Best Island Auto Sales, Inc. d/b/a Ideal Automotive Sales of S.I., ("Ideal of S.I.") a New York Corporation, currently operates one (1) Ideal Automotive Dealer business and one (1) Ideal Automotive Broker business at 2083 Hyland Boulevard, Staten Island, NY 10306. The

Dealer and Broker businesses at 2083 Hyland Boulevard have been in operation since June 29, 2021.

- Panda Assurance Company, a Texas corporation located at 9788 Clarewood Drive, Ste 110, Houston, TX 77036 is a reinsurance company that provides financial reserves to support various warranty products offered by our Franchisees to their customers. Our principals, who are identified in Item 2, have a controlling interest in Panda Assurance Company.

Each of the locations owned by our affiliate, Liberty Assist, engages in the automobile broker business and may be considered a competitor of your Franchised Ideal Auto Broker Location.

The Franchise

We offer franchises for the right to establish and operate automobile brokerage businesses that facilitate the sale of used and new automobiles to consumers under the name "Ideal Automotive Sales" ("Ideal Auto Broker Location" or "Franchised Business").

The Ideal Auto Broker Locations will operate under the trade name and mark "Ideal Automotive Sales", and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13. The principal marks are owned by our affiliate, Ideal Automotive IP Holdings, LLC, which has granted us an exclusive license to use the applicable Marks and to sublicense the Marks to our franchisees, under a separate trademark license agreement. These principal marks and all other marks which may be designated by us in the future for use with the System (defined below) are referred to in this Disclosure Document as the "Marks".

The Ideal Auto Broker Locations are established and operated under a comprehensive and unique system (the "System"). The System includes distinctive signage, interior and exterior design, décor and color scheme; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of purchase and tracking systems); training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and the Manuals, which you should expect to change over time, that are provided to you as a franchisee (described in Item 11).

The average unit may range from 750 to 1,800 square feet in a stand-alone building or a multi-use development, such as a "strip" shopping mall. Each Ideal Auto Broker Location will be designed in accordance with plans we approve and constructed with a similar design motif and trade dress. An Ideal Auto Broker Location generally should be located near other business establishments that may attract customers who desire our hands-on customer service experience.

Each Ideal Auto Broker Franchisee is expected to typically facilitate three (3) general types of consumer transactions, as further described in the Operations Manual:

- Regular Deals: "Regular" deals include the customer's purchase or lease of a new or pre-owned vehicle (with or without a trade-in) through your Ideal Auto Broker Location.

- Straight Sell: "Straight-Sell" deals include the customer's sale of vehicles to us (or our affiliates) through your Ideal Automotive Broker Location.

- Warranty Product Sales: "Warranty Product Sales" include the customer's purchase of warranty products such as: Vehicle Service Contracts, Tire Insurance, Lease Excess Wear & Tear Coverage, Etch Coverage, or any other services or products that we may make available.

Franchise Agreement

We offer the right to develop and operate an Ideal Auto Broker Location under the terms of a single unit franchise agreement within a specific Territory (the "Franchise Agreement"). Our current form of Franchise Agreement is Exhibit C to this Disclosure Document. You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee's Principals (referred to in this Disclosure Document as "your Principals"). The Franchise Agreement is signed by us, by you, and by those of your Principals whom we describe as Controlling Principals. In most instances, we will designate your principal equity owners and executive officers, and certain affiliated entities as Controlling Principals. By signing the Franchise Agreement, your Controlling Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning non-disclosure and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional Nondisclosure and Noncompetition Agreements.

Multi-Unit Development Agreement

We will offer multi-unit development rights to individuals and entities who have the skill set, desire, financial strength and managerial capability to develop and operate multiple Ideal Auto Broker Locations. Individuals and entities who meet our criteria and wish to purchase multi-unit development rights will enter into a Multi-Unit Development Agreement with us in the form attached as Exhibit E to this Disclosure Document (the "Multi-Unit Development Agreement") to develop multiple franchised Ideal Auto Broker Locations to be located within a specifically described geographic territory (the "Development Area"). We will determine the Development Area before you sign the Multi-Unit Development Agreement, and it will be included in the Multi-Unit Development Agreement. You must establish a minimum of three (3) Ideal Auto Broker Locations within the Development Area according to a Development Schedule, and you must sign a separate Franchise Agreement for each Ideal Auto Broker Location established under the Multi-Unit Development Agreement. The Franchise Agreement for the first Ideal Auto Broker Location developed under the Multi-Unit Development Agreement will be in the form attached as Exhibit E to this Disclosure Document. For each additional Ideal Auto Broker Location developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees. The size of the Development Area will vary depending upon local market conditions and the number of Ideal Auto Broker Location to be developed.

The Market and Competition

You and our affiliate owned Ideal Auto Broker Locations will operate in a competitive environment and face competition from competitors including, amongst others, local and independent auto brokerage and dealership franchise businesses. Your Ideal Auto Broker Locations may also compete with other Ideal Auto Broker Locations. While the automobile broker business is competitive, automobile sales continues to rise year after year, so we believe there is an opportunity for new Ideal Auto Broker Locations. We may establish other Ideal Auto Broker Locations in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also, we may sell products through the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at locations, which may be located in your area. See Items 12 and 16 for a description of your permitted activities and your rights, and our permitted and restricted activities and rights. Despite this competition, we believe that Ideal Auto Broker Businesses will appeal to a wide demographic of customers because of the emphasis placed on providing our customers with a hands-on auto buying experience matched with access to a wide inventory of vehicles, superior customer service, and our commitment to our communities.

Industry Specific Regulations

You must comply with all local, state and federal laws that apply to businesses generally, including, but not limited to: (i) the Fair Labor Standards Act and state laws governing various matters, such as minimum wage, overtime and other working conditions; (ii) Equal Employment Opportunity Commission regulations relating to discrimination, employment, sexual harassment; (iii) Occupational Safety and Health Administration regulations, and safety regulations; (iv) the Americans with Disability Act of 1990; (v) tax laws; and (vi) laws and regulations relating to citizenship or immigration status. Many of the laws, rules and regulations that apply to business generally have particular applicability to automobile brokers.

You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in establishing your Ideal Auto Broker Location and you should consider both their effect on your Ideal Auto Broker Location, as well as the costs of compliance.

ITEM 2
BUSINESS EXPERIENCE

Jian "Jeff" Li, *Chief Executive Officer*

Jeff is our founder and Chief Executive Officer and his been in this role since our inception. Jeff has been a principal of each of our affiliates referenced in Item 1 since their inception.

Kang Li, *Chief Operating Officer*

Kang is our co-founder and Chief Operating Officer and has been in this role since its inception. Kang currently oversees our franchisee training program. Kang has been the Chief Operating Officer of our various affiliates referenced in Item 1 since 2012.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

In the state of California, payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

Franchise Agreement

You will pay us an Initial Franchise Fee of Forty-Five Thousand Dollars ($45,000.00) simultaneously with your execution of your Franchise Agreement which give you the right to develop and operate one Ideal Auto Broker Location. The Franchise Fee is deemed fully earned and nonrefundable upon the execution of your Franchise Agreement and the payment of your Franchise Fee. Notwithstanding the foregoing, we will refund to you fifty (50%) percent of the Initial Franchise Fee minus our expenses (not to exceed Five Thousand ($5,000.00) Dollars), under the following circumstances:

- If you and/or your Principal fail to satisfactorily complete our Initial Training Program at least sixty (60) days prior to the date you are required to open your Ideal Auto Broker Location for business, we have the right to terminate your Franchise Agreement. If we terminate your Franchise Agreement on this basis we will offer you a refund (as set forth above), provided that you sign the General Release in the form annexed as Exhibit J to the Franchise Agreement.

- If, within ninety (90 days), you fail to enter into a lease following the date you executed your Franchise Agreement. you or we can terminate the Franchise Agreement. If the Franchise Agreement is terminated on this basis, we will offer you a refund (as set forth above) , provided that you sign a General Release in the form annexed as Exhibit J to the Franchise Agreement.

The initial franchise fee is imposed uniformly on all franchisees. However, we may waive the Initial Franchise Fee in individual cases in our discretion. For example, we may excuse or reduce the Initial Franchise Fee if we sell a franchise to friends and family members of our owners, members of our management, or you are one of our initial ten (10) franchisees.

If you are an honorably discharged United States Veteran or a current employee of ours or one of our affiliates, we may discount the initial franchise fee by $10,000.00. To qualify for our discount

program for our employees, you must be an existing employee who has been employed by either us, one of our affiliates or one of our franchisees for the last two (2) years.

Grand Opening Advertising and Promotion

We will, after consultation with you and at your expense, provide you with staff to conduct a Grand Opening Event during the week of the grand opening of your Ideal Auto Broker Location. We will coordinate and manage the event including the pre-opening media and advertising for your new Ideal Auto Broker Location, public relations and event management services for and during the event, and provide follow-up public relation after the event (including, but not limited to, providing event photos, website and social media, and press releases to local media.) At least sixty (60) days prior to the day of your Grand Opening Event, you shall deposit with us either: (i) $6,000 (if your Ideal Auto Broker Location less than seventy (70) miles from our company office); or (ii) $10,000 (if your Ideal Auto Broker Location is located more than seventy (70) miles from our company office), (collectively referred to hereinafter as the "Grand Opening Deposit"). Thirty (30) days following the date of your Grand Opening Event, we will prepare an itemized statement reflecting the expenditures we made in conducting your Grand Opening Event, a copy of which we will provide to you for your records. If the actual total costs of the Grand Opening Event are less than the amount of your Grand Opening Deposit, we will return the unused portion of your deposit. Should the itemized expenditures for the opening assistance that we provide to you exceed the amount of your Grand Opening Deposit, you will not be required to pay the amount of the overage.

Grand Opening Assistance

We will send a team to assist you ("Opening Team") with the grand opening of your Ideal Auto Broker Location for a period of up to seven (7) days during the time of your Ideal Auto Broker Location's Grand Opening Event. Our Opening Team will provide you with on-site pre-opening and opening training, supervision, and assistance. You agree to pay our costs for providing you with such assistance, which will vary depending upon your distance from our company office. Not less than sixty (60) days prior to the date of your Grand Opening Event, you shall deposit with us either: (i) $8,500 (if your Ideal Auto Broker Location is less than seventy (70) miles from our company office); or (ii) $10,000 (if your Ideal Auto Broker Location is located more than seventy (70) miles from our company office), (collectively referred to hereinafter as the "Opening Assistance Deposit"). These amounts include a maximum of two (2) staff members, their then current per diem rate, their meals & accommodations, and many expenses, for the full seven (7) days, should it be needed. Thirty (30) days following the date that our team leaves your Ideal Auto Broker Location, we will prepare an itemized statement reflecting the expenditures we made in providing you with grand opening assistance, a copy of which we will provide to you for your records. If the actual total costs of the opening assistance that we provide to you are less than the amount of your Opening Assistance Deposit, we will return the unused portion of your deposit. Should the itemized expenditures for the opening assistance that we provide to you exceed the amount of your Opening Assistance Deposit, you will not be required to pay the amount of the overage.

Initial Purchases

When you enter into a franchise agreement, you will be required to enter into a License Agreement with our affiliate, Ideal Automotive Software, LLC for the Syndicate software and pay the current Setup Fee of $295.00. This amount is not refundable. In addition, you must also purchase various promotional supplies including vehicle plate frames, vehicle plate inserts, purchase order forms, warranty product brochures, marketing brochures and materials and marketing posters and other related items and supplies, from us. These costs are included in the "Promotional Supplies" expenditure listed in Item 7. These amounts are not refundable. We anticipate that of the Promotional Supplies expenditures described in Item 7, you will have to pay to Franchisor or its affiliates, approximately $1,800-3,000.00.

Franchise Agreement Addendum (Combined Broker / Dealer Locations Only)

If you or your affiliate enters into a franchise agreement with our affiliate, Ideal Automotive Dealer Franchising, LLC in connection with the operation of a Combined Broker / Dealer location (the "Dealer Franchise Agreement"), you will be required to sign the Addendum to this Agreement (the "Franchise Agreement Addendum"), which is attached hereto as Exhibit D. If you execute the Addendum in connection with the Combined Broker / Dealer Location, the initial franchise fee for your Broker business will be reduced to $30,000.00.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement, you must commit to develop a minimum of three (3) Ideal Auto Broker Locations within the Development Area. When you sign the Multi-Unit Development Agreement, you will pay a nonrefundable Development Fee of $45,000.00 for each Ideal Auto Broker Location you agree to develop. For example, if you commit to develop three (3) Ideal Auto Broker Locations, the Development Fee will be calculated as $45,000 + $45,000 + $45,000 = $135,000. Upon the execution of each Franchise Agreement called for under this Multi-Unit Development Agreement, you will pay us the Franchise Fee provided for in the Franchise Agreement. Fifty (50%) percent of the Development Fee paid to us by you shall be credited, on a pro rata basis, towards each Franchise Fee payable by you for the Ideal Auto Broker Locations you develop under your Multi-Unit Development Agreement. Within ten (10) business days of your opening the subject Ideal Auto Broker Location for business, in the manner called for in the Franchise Agreement, we shall refund to you fifty (50%) percent of the Development Fee paid to us for each Ideal Auto Broker Location, so that, for example, if you open three (3) Ideal Auto Broker Locations for business, we will refund to you the total sum of $67,500.00 (e.g., $22,500.00 after you open each of the three locations). Notwithstanding the foregoing, if you only open some of the Ideal Auto Broker Locations that you were given the right to develop, you will not receive a refund of any portion of your Development Fee that has not been allocated to an Ideal Auto Broker Location opened by you as provided for in the Multi-Unit Development Agreement (See Section 2.1 of the Multi-Unit Development Agreement).

ITEM 6
OTHER FEES

Type of Fee [1]	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Profits [2]	Payable at the time of each transaction	Royalty fees are retained by us (or our affiliate) from the proceeds generated from each transaction.
Local Advertising	The greater of: (i) $1,000.00 per month or one (1%) percent of monthly Gross Profits	Must be spent monthly	Every month, you shall spend the greater of: (i) $1,000.00 per month or one (1%) of your monthly Gross Profits on advertising, promotions and public relations within the immediate vicinity of your Ideal Auto Broker Location.
Marketing Fund Contribution	Two (2%) percent of Gross Profits	Payable monthly	You shall contribute two (2%) percent of your monthly Gross Profits to our Marketing Fund, through electronic withdrawal directly to us or our affiliate.
Cooperative Advertising [3]	Up to two (2%) percent of Gross Profits, but the cooperative may increase the rate above two (2%) percent by majority vote but the rate cannot exceed five (5%) percent	As established by Cooperative	Should we establish an advertising cooperative for the region in which your Ideal Auto Broker Location is located, you must join such advertising cooperative that we designate. (See Item 11.) Any money you contribute to a cooperative will count toward your local advertising requirement. We will collect, on behalf of the advertising cooperative, any amounts you are required to pay to the advertising cooperative, at the same time and in the same manner as we collect Marketing Fund contributions.
Renewal Fee	Fifty (50%) percent of our then current Franchise Fee	Upon execution of the Renewal Franchise Agreement	

Type of Fee [1]	Amount	Due Date	Remarks
Initial Training Fee	You will only pay your expenses in attending our initial training program.	Before training	The initial franchise fee includes training for you and your Manager. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our then-current training fee as well as the trainees' expenses, including travel, lodging, meals and wages.
Additional On-Site Training	Our then-current per diem rate per trainer, plus expenses	When billed	If you request that we provide additional training at your Ideal Auto Broker Location, you must pay our per diem rate for each trainer we send to your Ideal Auto Broker Location, and you must reimburse each trainer's expenses, including travel, lodging and meals
Ongoing Training	Your expenses in attending	When billed	From time to time, we may provide (and if we do, we have the right to require that your designated Manager attend) ongoing training programs or seminars during the term of this Agreement. In such case, you shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Designated Manager's attendance at such training.
Audit Expenses [4]	Cost of inspection or audit, plus understated amount due with interest, and all late fees, from the	Payable upon demand	Payable only if (i) you fail to furnish us with reports, records, or other related information we request on a timely basis; (ii) any amount

Type of Fee [1]	Amount	Due Date	Remarks
	date originally due until the date of payment		you owe to us is understated by 3% or more on an annualized basis; (iii) you do not spend the required advertising minimum; or (iv) your Franchise Agreement is terminated because on 3 or more separate occasions you submitted reports to us understating any amounts due by you by 3% or more.
Late Fees	1.5% per month or the highest rate allowed by the state where you are located (whichever is lower)	Applies to all overdue fees you owe us. Also applies to any understatement in amounts due revealed by an audit.	Late fees begin from the date payment was due, but not received, or date of underpayment. Late payments on four (4) or more separate occasions in any twenty-four (24) consecutive month period may put your franchise agreement at risk.
Evaluation of Non-Approved Products and Suppliers	$500 to $1,000	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or new products you wish to purchase.	You will be responsible for covering our costs in testing any new products or evaluating a supplier who you wish to use in connection with your Ideal Auto Broker Location. .
Insurance Policies	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	When billed	Payable to us as a reimbursement only if you fail to maintain required insurance coverage and we elect, in our discretion, to obtain coverage for you.
Transfer Fee – Franchise Agreement or Franchised Unit	$5,000	At the time of transfer	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.

Type of Fee [1]	Amount	Due Date	Remarks
Transfer Fee – Multi-Unit Development Agreement	$5,000 for each existing Ideal Auto Broker Location For the Ideal Auto Broker Locations that remain to be developed, the transfer fee shall be the greater of: (i) $5,000; or (ii) 25% of the portion of the purchase price attributable to the developable Ideal Auto Broker Locations	At the time of transfer	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders.
Upgrades to Computer and Point of Sale System [5]			See Note 5
Repair, Maintenance, and Remodeling/ Redecorating	Will vary under circumstances	As incurred	Payable to approved suppliers. You must regularly clean, maintain and "keep up" your Ideal Auto Broker Location, its premises, furnishings, fixtures and equipment. You must remodel and/or renovate your Ideal Auto Broker Location upon our request, which will not occur more frequently than once every five (5) years. Notwithstanding the foregoing, you will not be required to make any capital improvements within the last twelve (12) months of your lease or Franchise Agreement. However, if you renew your lease or Franchise Agreement for your Ideal Auto Broker Location, you will be

Type of Fee [1]	Amount	Due Date	Remarks
			required to make the necessary renovations and improvements within six (6) months of your lease renewal.
Relocation Fee	$5,000	Upon approval of your Relocation Request	If you wish to relocate your Ideal Auto Broker Location, you must pay us a Relocation Fee. See Item 12
Management Fee [5]	Our then-current Management Fee (which is currently $400 per day), plus expenses	On demand	If we step in and manage your Business under certain circumstances, you must pay us a management fee and reimburse us for our expenses. At our discretion we may designate a manager who will run your business if the business is not performing up to our standards. Simultaneously with your execution of the Franchise Agreement for your Ideal Auto Broker Location, you also expressly agree to comply with Section 15.1 of the Franchise Agreement and execute our form of Step-In Rights Agreement which is attached to the Franchise Agreement as Exhibit I. The executed Step-In Rights Agreement will be held by us in escrow, until such time (if any) that we may elect to exercise our "step-In" rights.
Administrative Transaction Fee ("Pack" Fee) [6]	$400.00 per transaction.	Per Transaction	Payable to us or our designated affiliate.
Syndicate Monthly User Fee [7]	$40.00 per month per user.	Payable monthly	Payable to us or our designated affiliate.

Type of Fee [1]	Amount	Due Date	Remarks
Additional Assistance	Varies	Time of assistance	You may require additional assistance beyond our normal training and support.
Liquidated Damages [8]	See Note 8		
Cost of Enforcement	All costs including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs incurred in enforcing your obligations to us, if we prevail.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims resulting from your operation of your Ideal Auto Broker Location.
Estimated Royalty Fee if your Location Closes [9]	See Note 9	Payable monthly during any period in which your Ideal Auto Broker Location is closed	See Note 9
Estimated Marketing Fund Contribution if your Location Closes [10]	See Note 10	Payable monthly during any period in which your Ideal Auto Broker Location is closed	See Note 10

REMARKS

1. Except as otherwise noted, all fees described in this Item 6 are non-refundable. Those fees payable to us or our affiliates may be modified by us from time to time without your approval, but they will be no greater than the fees being charged to new franchisees.

We require you to sign a pre-authorization form to enable us to automatically withdraw from your bank account the full amount of royalties, advertising payments (as applicable), as well as any other amounts that you owe to us or our affiliates or your cooperative advertising association (as applicable). The form of that authorization is contained in Exhibit C to the Franchise Agreement. We will debit the account for these amounts on their due dates. Funds must be available for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions. If the Royalty Fee and Marketing Fund contribution we debit are less than the fees you actually owe us, we will debit your account for the balance on a day we specify. If the Royalty Fee and Marketing Fund contribution we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the week following our determination of the excess amount debited.

2. "Gross Profits" means the total of all revenue you receive for all goods sold and services rendered from your Ideal Auto Broker Location or otherwise with the Ideal Automotive brand name or Marks or the operation of your Ideal Auto Broker Location, whether from cash, check, credit, debit account, exchange, barter or otherwise, reduced by: (1) the actual cost at which vehicles are acquired from us or our affiliates, dealerships, auctions, or other third parties, including any and all fees, taxes, transportation charges, etc.; (2) sales, value added, or service taxes actually and lawfully collected from customers; (3) all customer refunds; (4) customary tips and gratuities received by Ideal Auto Broker Location employees in the normal course of business. The amount of our per-transaction administrative charges (i.e., the "Pack") is not excluded from your Gross Profits total.

3. If we establish Advertising Cooperatives, they will include Ideal Automotive Broker Locations operated in the market area by us and our affiliates.

4. If we audit your Ideal Auto Broker Location and determine that you understated the Gross Profits on the weekly (or other) statements you submitted to us by three (3%) percent or more on an annualized basis, then you must immediately pay us the cost of the audit, plus the amount of the understatement, plus interest.

5. You must pay for any additions, changes, substitutions and replacements to your computer(s) and point of sale system(s). We do not know the costs of any future additions, changes, substitutions and replacements at this time.

We have the right to "step-in" and operate your Ideal Auto Broker Location in certain circumstances, including in the event of your death, disability or prolonged absence or after your default or abandonment. If we elect to exercise our right to "step-in" and operate your Ideal Auto Broker Location, you will be required to pay our then-current Management Fee, plus the expenses (including, but not limited to travel, lodging and meals) we incur in providing you with management assistance. Simultaneously with your execution of the Franchise Agreement for your Ideal Auto Broker Location, you also expressly agree to comply with Section 15.1 of the Franchise Agreement and execute our form of Step-In Rights Agreement which is attached to the Franchise Agreement as Exhibit I. The executed Step-In Rights Agreement will be held by us in escrow, until such time (if any) that we may elect to exercise our "step-In" rights.

6. With respect to each transaction that your Ideal Auto Broker Location participates in (e.g., sale transactions, trade-in transactions, etc.), you shall pay to us (or to an affiliate that we designated) our then-current administrative transaction fee (the "Pack"). The amount of the Pack will be subject to reasonable increases, but not more than once in each calendar year.

7. With respect to the Syndicate System, you be required to enter into a software license agreement with us simultaneously with your execution of the Franchise Agreement (Franchise Agreement - Exhibit L). During the term of the software license agreement, you will pay to us (or to our designated affiliate) a Monthly User Fee of $40.00 per user. You will be required to have a minimum of one (1) user.

8. If we terminate the Franchise Agreement for cause, you must pay us liquidated damages equal to the average monthly Royalty Fees you paid during the twenty-four (24) months of operation before the termination multiplied by the lesser of: (i) twenty-four (24) months; or (ii) the number of months remaining in your Franchise Agreement had we not terminated it.

9. During any period which your Ideal Auto Broker Location is closed, you shall pay to us an estimated Royalty Fee ("Estimated Royalty Fee") equal to the average monthly Royalty Fees that you paid us during the twelve (12) months of operation preceding the closure of your Location (or if you have been operating for less than twelve (12) months, equal to the average monthly Royalty Fees that you paid us during the period that you have operated). Franchisee agrees that this amount represents a reasonable estimate of the approximate Royalties that Franchisee would pay if its Ideal Auto Broker Location was open for business. With respect to any partial month that the Ideal Auto Broker Location is closed, Franchisee will pay a pro rata portion of the applicable Estimated Royalty Fee to us or our affiliate.

10. During any period which your Ideal Auto Broker Location is closed, you shall pay to us an estimated Marketing Fund Contribution ("Estimated Marketing Fund Contribution") amount equal to the average monthly Marketing Fund Contributions that you paid us during the twelve (12) months of operation preceding the closure of your Location (or if you have been operating for less than twelve (12) months, equal to the average monthly Marketing Fund Contributions that you paid us during the period that you have operated). Franchisee agrees that this amount represents a reasonable estimate of the approximate Marketing Fund Contributions that Franchisee would pay if its Ideal Auto Broker Location was open for business. With respect to any partial month that the Ideal Auto Broker Location is closed, Franchisee will pay a pro rata portion of the applicable Estimated Marketing Fund Contribution to us or our affiliate.

ITEM 7
ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR PURCHASE AND CONSTRUCTION OF AN IDEAL AUTO BROKER LOCATION

Type of Expenditure	Amount[(1)]	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee[(2)]	$45,000	Lump Sum	Upon execution of Franchise Agreement	Franchisor

Type of Expenditure	Amount[1]	Method of payment	When due	To whom payment is to be made
Grand Opening Advertising and Promotion Event [3]	$6,000 (Ideal Auto Broker Location less than 70 miles from our company office) $10,000 (Ideal Auto Broker Location more than 70 miles from our company office)	Deposit payment required not less than 60 days before Grand Opening Event	Before Grand Opening Event	Franchisor
Grand Opening Assistance [4]	$8,500 (Ideal Auto Broker Location less than 70 miles from our company office) $10,000 (Ideal Auto Broker Location more than 70 miles from our company office)	Deposit payment required not less than 60 days before Grand Opening Event	Before beginning operations and after	Franchisor
Training Expenses[5]	$800 – $8,000	As incurred	During Training	Employees, Airlines, Hotels, Restaurants and other Businesses
Lease Payments 3 Months[6]	$6,000 – $30,000	As Agreed	Before Beginning Operations	Landlord
Lease Security Deposit[7]	$6,000 – $40,000	As Agreed	Before Beginning Operations	Landlord
Leasehold Improvements[8]	$10,000 – $50,000	As Agreed	Before Beginning Operations	Approved Contractors

Type of Expenditure	Amount[1]	Method of payment	When due	To whom payment is to be made
Computer Equipment and Software[9]	$3,259 – $7,099	As Agreed	Before Beginning Operations	A one-time Setup Fee of $295.00 for the Syndicate System payable to us or our designated affiliate, with the balance payable to our Approved Vendors
Signage[10]	$5,500 – $10,000	As Agreed	Before Beginning Operations	Approved Vendor
Furniture & Equipment[11]	$3,330 – $13,450	As Agreed	Before Beginning Operations	Approved Vendor
Utilities[12]	$200 – $800	As Incurred	Before Beginning Operations	Utility Providers
Uniforms [13]	$100 – $1,000	As Agreed	Before Beginning Operations	Approved Vendor
Office Supplies[14]	$400 – $500	As Agreed	Before Beginning Operations	Third Party Vendor
Promotional Supplies[14]	$1,800 – $3,000	As Agreed	Before Beginning Operations	Franchisor or our designated affiliate
Architecture Fees[15]	$1,500 – $3,000	As Agreed	Before Beginning Operations	Approved Vendors
Insurance [16]	$1,000 – $5,000	As Agreed	Before Beginning Operations	Insurance Agent
Licenses and Permits[17]	$300 – $7,500	As Agreed	Before Beginning Operations	Government Agencies
Legal and Accounting[18]	$2,500 – $7,500	As Agreed	Before Beginning Operations	Accountants, Lawyers
Dues and Subscriptions[19]	$1,950 – $3,200	As Agreed	Before Beginning Operations	Associations & Suppliers

Type of Expenditure	Amount[(1)]	Method of payment	When due	To whom payment is to be made
Additional Funds (3 Months) [(20)]	$60,000 – $150,000	As Agreed	Upon Beginning Operations	Not Specified
Total[(22)]	$164,109-$405,049			

The above figures are estimates only. In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable at some future time. No amounts you pay to us (or our affiliates) are refundable unless otherwise provided. Whether amounts you pay to others are refundable depends on the arrangements you make with them. We do not finance any portion of your initial investment.

EXPLANATORY NOTES

1. This is our best estimate on the estimated range of costs to develop and open one new Ideal Auto Broker Location operated from a leased commercial retail space. In estimating the range of costs, we relied on our affiliates' experience in the automobile sales business, particularly in operating Ideal Auto Broker Locations, and on the experience of our affiliates' owners, officers, and affiliates, as discussed in Items 1 and 2 of this Franchise Disclosure Document. You should carefully review these figures with your business advisor before making any decision to purchase a Ideal Auto Broker Franchise.

2. ***Initial Franchise Fee.*** The Initial Franchise Fee is nonrefundable, except under the following circumstance where we will refund fifty (50%) percent of the Initial Franchise Fee less our expenses incurred in evaluating you and your partners or potential franchisees; assessing any potential locations for your Ideal Auto Broker Location; training you and your employees, etc.:

- If you and/or your Principal fail to satisfactorily complete our Initial Training Program at least sixty (60) days prior to the date you are required to open your Ideal Auto Broker Location for business, we have the right to terminate your Franchise Agreement. If we terminate your Franchise Agreement on this basis we will offer you a refund (as set forth above), provided that you sign the General Release in the form annexed as Exhibit J to the Franchise Agreement.

- If, within ninety (90 days), you fail to enter into a lease following the date you executed your Franchise Agreement. you or we can terminate the Franchise Agreement. If the Franchise Agreement is terminated on this basis, we will offer you a refund (as set forth above) , provided that you sign a General Release in the form annexed as Exhibit J to the Franchise Agreement.

Notwithstanding the above, if you or your affiliate enters into both this Agreement and a separate franchise agreement with our affiliate, Ideal Automotive Dealer Franchising, LLC, in connection with the operation of a Combined Broker / Dealer location, the initial franchise fee for your Broker business will be reduced to $30,000.00.

3. ***Grand Opening Advertising and Promotional Event:*** We will, after consultation with you and at your expense, provide you with staff to conduct a Grand Opening Event during the week of the grand opening of your Ideal Auto Broker Location. We will coordinate and manage the event including the pre-opening media and advertising for your new Ideal Auto Broker Location, public relations and event management services for and during the event, and provide follow-up public relation after the event (including, but not limited to, providing event photos, website and social media, and press releases to local media.) At least sixty (60) days prior to the day of your Grand Opening Event, you shall deposit either: (i) $6,000 (if your Ideal Auto Broker Location less than seventy (70) miles from our company office); or (ii) $10,000 (if your Ideal Auto Broker Location is located more than seventy (70) miles from our company office), (collectively referred to hereinafter as the "Grand Opening Deposit"). Thirty (30) days following the date of your Grand Opening Event, we will prepare an itemized statement reflecting the expenditures we made in conducting your Grand Opening Event, a copy of which we will provide to you for your records. If the actual total costs of the Grand Opening Event are less than the amount of your Grand Opening Deposit, we will return the unused portion of your deposit. Should the itemized expenditures for the opening assistance that we provide to you exceed the amount of your Grand Opening Deposit, you will not be required to pay the amount of the overage.

4. ***Grand Opening Assistance:*** We will send a team to assist you with the grand opening of your Ideal Auto Broker Location for up to five (5) days prior to the grand opening of your Ideal Auto Broker Location and for up to five (5) days thereafter. Our opening team will provide you with on-site pre-opening and opening training, supervision, and assistance. You agree to pay our costs for providing you with such assistance, which will vary depending upon your distance from our company office. Not less than sixty (60) days prior to the date of your Grand Opening Event, you shall deposit with us either: (i) $8,500 (if your Ideal Auto Broker Location less than seventy (70) miles from our company office); or (ii) $10,000 (if your Ideal Auto Broker Location is located more than seventy (70) miles from our company office), (collectively referred to hereinafter as the "Opening Assistance Deposit"). These amounts include a maximum of two staff members, their meals & accommodations, and many expenses, for the full ten (10) days, should it be needed. Thirty (30) days following the date that our team leaves your Ideal Auto Broker Location, we will prepare an itemized statement reflecting the expenditures we made in providing you with grand opening assistance, a copy of which we will provide to you for your records. If the actual total costs of the opening assistance that we provide to you are less than the amount of your Opening Assistance Deposit, we will return the unused portion of your deposit. Should the itemized expenditures for the opening assistance that we provide to you exceed the amount of your Opening Assistance Deposit, you will not be required to pay the amount of the overage.

5. ***Training.*** The cost of initial training is included in the franchise fee, but you are responsible for transportation and expenses for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. These expenses are typically non-refundable. Before making airline

ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation. This does not include the salaries you must pay to your employees who are attending.

6. ***Lease Payments.*** Typically, sites for Ideal Auto Broker Locations range from 750 to 1,800 square feet in a free-standing building or a multi-use development, like a strip shopping mall. Your base rent is estimated to be in the range of $2,000 to $10,000 per month, but of course, this may vary. A typical lease will require you to pay the first and last months of rent, plus a security deposit equal to anywhere from one (1) to six (6) months of rent upon your execution of the leased premises. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to the payment of base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") as well as for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on a variety of factors, including the size of your Ideal Auto Broker Location, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates and market strength in the geographic region. Obtaining permits and constructing the premises for your Ideal Auto Broker Location may take several months, but again, this will vary. Usually, landlords will allow you to not pay rent for the first three (3) to four (4) months of your lease term, to allow you the time to construct your Ideal Auto Broker Location without simultaneously paying rent and construction and permitting costs. However, since the time from signing the lease to obtaining appropriate permits and constructing your Ideal Auto Broker Location may exceed your free rent period, you may start paying rent prior to the opening of your Ideal Auto Broker Location; thus, you may end up paying rent without any income from sales. You must be prepared to pay rent while your Ideal Auto Broker Location is unopened if construction goes beyond the free rent period.

7. ***Lease Security Deposit***. A typical lease will likely require you to pay a security deposit equal to at least three (3) to six (6) months of rent, upon your execution of your lease and guaranty.

8. ***Leasehold Improvements***. We will provide you with general guidance for the construction of the interior of your Ideal Auto Broker Location, which may include sample plans, consultations with your contractor from our franchise support staff, and on-location visits and advice. You will need to construct the premises for your Ideal Auto Broker according to our specifications and standards. The estimate set forth in the table above, is based upon you receiving the site in "Vanilla Box" condition, which means that the interior of the premises has been prepped with ample heating/cooling, walls that are ready to be painted, plumbing to stub, lighting, electrical switches and outlets, bathroom(s), and a finished ceiling. These estimates take into account the amounts frequently charged by general contractors, electricians, plumbers and other licensed tradesmen, but do not include the costs of an architect. Depending on the type of work to be performed, landlords may provide monetary allowances for materials or work. Your costs may be more or less than the stated estimate, depending on the location for your Ideal Auto Broker, the condition of the premises (if not delivered as a "Vanilla Box"), the general contractor you select, and many other factors.

9. ***Computer Equipment & Software.*** This is for computers, monitors, battery backups and other IT work, as well as one year of technology maintenance fee and training. This also accounts for the POS system for your Ideal Auto Broker Location. The amounts you pay for a computer and

software are typically non-refundable, or if refundable, may be subject to a "re-stocking" fee. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing. You will pay a one-time installation fee in the amount of $295.00 to Ideal Automotive Software, LLC in connection with your license to use the Syndicate software.

10. ***Signage.*** The range represents the costs for all of the interior and exterior signage for your Ideal Auto Broker Location. It is possible that landlord restriction and local ordinances may impact the manner in which you may install the required signage, which may affect the costs of your signage. These costs are typically not refundable.

11. ***Furniture & Equipment.*** Although some of these items may be leased, the range shown represents the actual purchase price. Equipment installation charges are included in the range of expenses for furniture, fixtures, and equipment. If your furniture and equipment is leased, the leasing costs will increase these costs considerably and should be calculated and taken into account in formulating your budget.

12. ***Utilities.*** A utility deposit will typically be required only if the franchisee is a new customer of the utility company, which, if you form an entity to operate your Ideal Auto Broker Location, you will likely be.

13. ***Uniforms.*** You will be required to purchase uniforms which comply with company standards and branding. This will be important for uniformity within the system. These fees are typically non-refundable.

14. ***Office Supplies.*** These amounts represent your initial inventory of general office supplies (e.g. copier paper, forms, stationery and pens, etc.) for use in the initial phase of operating the Franchised Business. Although it is possible that initial inventory may be purchased on open accounts, the range shown represents the cost of purchase**.**

15. ***Promotional Supplies.*** These amounts represent your initial inventory of marketing materials (e.g., brochures, license plate frames and posters, etc.) for use in the initial phase of operating the Franchised Business. Although it is possible that initial inventory may be purchased on open accounts, the range shown represents the cost of purchase**.**

16. ***Architecture Fees.*** You will typically need 2 to 3 design sets for building out your franchise and construction. You will need to hire an architect and have the designs approved by us. These fees are typically not refundable.

17. ***Insurance.*** The Franchise Agreement requires you to carry insurance of the types and in the amounts (as may be amended from time to time) as set forth therein. Some of our insurance requirements include, but are not limited to, the following: (i) workers' compensation insurance and employer liability coverage with a minimum limit of $500,000.00 or higher if your state law requires; (ii) comprehensive general liability insurance with a minimum liability coverage of $2,000,000.00 per occurrence, or higher if your state law requires; (iii) if applicable, automobile liability insurance of at least $1,000,000.00 or higher if your state law requires; (iv) insurance coverage for contractual indemnity; and (v) business interruption insurance. If your Ideal Auto

Broker Location is located in a flood zone or an area subject to earthquakes, hurricanes, tornadoes or other similar hazards, you may want to obtain additional specific insurance to cover these risks; such insurance may increase your premiums significantly. A twenty (20%) percent down payment of the annual premium for general liability insurance and workers' compensation insurance costs is included in the low-end estimate, and the full annual premium is included in the high estimate. Additional factors that may affect your cost of insurance include, but are not limited to, the size and location of your Ideal Auto Broker Location, equipment, inventory and the number of employees. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

Included in the table estimate is the cost of posting bond as required by certain states (i.e., New York State requires automobile brokers to post a $100,000 bond. The broker's cost of obtaining the bond will vary. However, it is typically between $300 and $1,000 per year).

18. ***Licenses & Permits.*** State and local government agencies typically charge fees for occupancy permits, operating licenses and permits to make improvements to your office and storage area. You will need to check with your state and local agencies to find out about the specifics for the area in which you are looking to open a franchise. These fees are typically non-refundable. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment. We do not know if the amounts you spend will be refundable.

The cost and requirement of obtaining an automobile broker's license varies from state to state. (By means of example, New York State currently charges a $487.50 fee in connection with the New York State Automobile Broker Application.) The Franchisee has an obligation to investigate and determine the applicable licensing and/or registration requirements applicable to operating an automobile broker location in its state.

19. ***Legal & Accounting.*** You strongly advise that you engage an attorney, an accountant and other consultants to assist you in establishing your Ideal Auto Broker Location, reviewing this Franchise Disclosure Document, the Franchise Agreement and, if applicable, the Multi-Unit Development Agreement and the other Franchise documents. We also advise that you consult with these professionals to review any lease or other agreements that you may enter into in connection with the start-up of your Ideal Auto Broker Location. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants and your existing relationships. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

20. ***Dues and Subscriptions***. You should join the local Chamber of Commerce in your area, in addition to joining local business networking groups in your market area. Membership fees vary from area to area and are usually nonrefundable. You may choose to join other business and industry associations.

21. ***Additional Funds***. We estimate covers your initial expenses during the first three (3) months of operation, including payroll costs and working capital. This is only an estimate, and we cannot guarantee that the amount that we recommend will be sufficient to cover your expenses during your start-up period and should consult with an accountant or a knowledgeable business

advisor with respect to these amounts. It is possible that you will incur additional expenses during your start-up period, due to a negative cash flow or unexpectedly higher operating costs. You should not plan to draw income from the Ideal Auto broker Location during its startup and development phase. Therefore, you may need additional working capital to cover your operating and personal expenses. We recommend that you secure access to additional money, whether in the form of cash, a line of credit or assets that you can liquidate or borrow against, in the event that you incur additional startup expenses that exceed our estimated reserves.

22. ***Total***. In compiling this chart, we relied on our and our affiliates' industry knowledge and experience in the business of the type being franchised. The amounts shown are estimates only and may vary for many reasons, including the condition of your facility, the capabilities of your management team, where you locate your franchised business and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the franchised business.

MULTI-UNIT DEVELOPMENT AGREEMENT

If you sign a Multi-Unit Development Agreement, then you must pay (simultaneously with your execution of the Multi-Unit Development Agreement) a Development Fee, equal to Thirty-Five Thousand ($45,000.00) Dollars, for each Ideal Auto Broker Location to be developed pursuant to the terms and conditions of the Multi-Unit Development Agreement. Fifty (50%) percent of the Development Fee paid to us by you shall be credited, on a pro rata basis, towards the total Franchise Fee payable by you for the Ideal Auto Broker Locations you are required to develop under your Multi-Unit Development Agreement. Upon the execution of each Franchise Agreement called for under the Multi-Unit Development Agreement, you will pay us the Franchise Fee provided for in the Franchise Agreement. Within ten (10) business days of your opening the subject Ideal Auto Broker Location for business, in the manner called for in the Franchise Agreement, we shall refund to you fifty (50%) percent of the franchise fee, so that, for example, if you open three (3) Ideal Auto Broker Locations for business, we will refund to you the total sum of $67,500.00 (e.g., $22,500.00 after you open each of the three locations). Notwithstanding the foregoing, if you only open some of the Ideal Auto Broker Locations that you were given the right to develop, you will not receive a refund of any portion of your Development Fee that has not been allocated to an Ideal Auto Broker Location opened by you as provided for in this Agreement. (See Section 2.1 of the Multi-Unit Development Agreement.)

Except for the Development Fee, no additional payment is required to begin operating under the Multi-Unit Development Agreement. You must develop at least three (3) Ideal Auto Broker Locations under a Multi-Unit Agreement.

YOUR ESTIMATED INITIAL INVESTMENT FOR MULTI-UNIT DEVELOPMENT AGREEMENT DEVELOPMENT OF THREE IDEAL AUTO BROKER LOCATIONS				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Development Fee(1)	$135,000	Lump Sum	Upon signing of Multi-Unit Development Agreement	Franchisor
Other Expenditures for 1st Ideal Auto Broker Location (2)	$164,139-$405,049	As per tables above	As per tables above	As per tables above
TOTAL	**$299,139-$540,049**			

EXPLANATORY NOTES

1. ***Development Fee.*** Upon execution of your Multi-Unit Development Agreement, you will be required to pay a nonrefundable Development Fee of $45,000.00 for each Ideal Auto Broker Location you agree to develop under the Multi-Unit Development Agreement. Thus, the development fee will vary depending on the number of Ideal Auto Broker locations that you commit to develop.

2. ***Other Expenditures for 1st Ideal Auto Broker Location.*** The estimated range for the size of your Ideal Auto Broker Location will typically range from approximately 750 square feet on the low end to approximately 1,800 square feet on the high end. The actual costs associated with the build-out of your Ideal Auto Broker Locations are subject to factors that we cannot estimate or control, such as inflation, increased labor costs, the increased costs of materials or the nature of the "work letter" (if any) that you are able to negotiate with your landlord.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as indicated below, you are not required to purchase or lease products or services from us or our Affiliate(s) or from suppliers approved by us or under our specifications.

Obligation to Purchase or Lease Products or Services from Franchisor

You are required to enter into a Software License Agreement with our us in connection with your use of the Syndicate System. Upon execution of the Franchise Agreement, you will pay to us (or to our designated affiliate) a Setup fee of $295. You will be required to pay to us (or to our designated affiliate) a Monthly User Fee of $40 per user (you will be required to have a minimum of one user). We sublicense the Syndicate System from our affiliate, Ideal Automotive Software, LLC, pursuant to a software license agreement. Our CEO, Jian Li, indirectly owns 100% of this affiliate through our parent holding company, Ideal Automotive Holdings, LLC.

Warranty products that you may offer to your customers must currently be obtained through our reinsurance company affiliate, Panda (or from another affiliate which we may designate in the future). All warranty products related transactions are currently facilitated through our management company affiliate, Ideal Automotive Management, LLC ("Ideal Management"). We or our above referenced affiliates, including without limitation Panda and Ideal Management, may receive remuneration in connection with your customers' purchases of warranty products. Our CEO, Jian Li, and our COO, Kang Li, collectively have a controlling interest in Panda.

You must purchase from us (or our designated affiliate) certain Promotional Supplies, including, for example, marketing materials, license plate frames and forms. Our CEO, Jian Li, indirectly owns 100% of us (the Franchisor) through our parent holding company, Ideal Automotive Holdings, LLC.

Obligation to Purchase or Lease Products or Services from Approved Suppliers:

In addition to the proprietary products and services that you will have to purchase from our affiliate, you will also have to purchase or lease some products and services solely from suppliers approved or designated by us. A complete list of our Approved Suppliers (which is subject to change from time to time) will be provided to you. We will provide you with written notice of any changes to the Approved Suppliers list. Requiring you to purchase or lease from approved suppliers is necessary to ensure that you adhere to the uniformity requirements and quality standards associated with Ideal Automotive. We estimate that your purchases from us or approved suppliers, or purchases that must conform to our specifications, will represent approximately 80% to 85% of your total purchases in establishing your Ideal Auto Broker Location, and approximately 50% to 60% of your total purchases in the continuing operation of your Ideal Auto Broker Location.

Obligation to Purchase or Lease Products or Services that Meet Idea Automotive's Standards and Specifications

With respect to those products or services that you are not required to lease or purchase from us or our Approved Suppliers but which you must lease or purchase in connection with the operation of your Ideal Auto Broker Location, you must purchase or lease products and services that conform to the standards and specifications stated in our Operations Manual. You must ensure that all

products and services that you select conform to our standards and specifications throughout the term of the Franchise Agreement.

Our Specifications and Standards

We have spent substantial time, effort and funds in developing our unique System. Some of the distinctive characteristics of the System include, among other items: (i) the Marks; (ii) distinctive exterior and interior design, décor, color and identification schemes and furnishings, specifically designed furniture and fixtures; and (iii) standards, specifications and procedures for operations. You must, therefore, purchase or lease, and install all fixtures, furnishings, equipment (including point of sale, computer hardware and software), décor items, signs and related items we require, all of which must conform to the standards and specifications stated in our Operations Manual or otherwise in writing, unless you have obtained our prior written consent to do otherwise.

You must operate your Ideal Auto Broker Location in strict conformity with the methods, standards and specifications that we prescribe in our Operations Manual or otherwise in writing, in order to make sure that you maintain the highest degree of quality and service.

You must conform to our high and uniform standards pertaining to construction, quality, service, safety, cleanliness, appearance and service. You may not deviate from our standards and specifications without first obtaining our written consent. This is important to you, other franchisees and to the System as a whole. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you with written notice of any modifications to our standards and/or specifications, and you must comply with any such modifications.

Approval of Alternative Suppliers

If you want to use any item, service or supplier in establishing or operating your Ideal Auto Broker Location that we have not approved, you must first send us sufficient information, specifications or samples for us to determine whether the item or service complies with our standards and specifications or whether the supplier meets our approved supplier criteria. You must reimburse us for all of our reasonable expenses that we incur in connection with determining whether we will approve an item, service or supplier. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the items or services from the proposed supplier. We do not make our supplier evaluation criteria available to you or any supplier. However, our approval process generally focuses on the supplier's dependability, general reputation and ability to provide sufficient quantity of products or services, and the price and quality of the products or services. We have the right to review, from time to time, our approval of any items or suppliers. We may revoke our approval of any item, service or supplier at any time by notifying you and/or the supplier. You must, at your own expense, promptly cease using, selling or providing any items or services which are disapproved by us and must promptly cease purchasing from suppliers which are disapproved by us.

Revenue from Franchisee Purchases

To date, we and our affiliates have not received any revenue or other remuneration from required purchases or leases by our franchisees, including extended warranty programs or other products or services. However, we and our affiliates may receive such revenue, remuneration or rebates from our approved suppliers and vendors in the future.

Negotiated Prices

We may negotiate group rates, including price terms, for purchases of equipment and supplies necessary for the operation of the franchised Ideal Auto Broker Locations. Presently, there are no purchase or supply agreements in effect and no purchasing or distribution cooperatives that you must join. Neither we nor our affiliate(s) have, to date, received revenue or other material consideration from third-party suppliers as a result of purchases made by you or any other franchisee. However, in the future we may receive volume rebates, discounts or other benefits, financial or otherwise, from suppliers. We and our affiliate(s) may derive income from the sale of goods or services to our franchisees. We do not provide or withhold material benefits to or from you (such as renewal rights or the right to open additional Ideal Auto Broker Locations) based on whether you purchase through the sources we designate or approve; however, purchases of unapproved products or purchases from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

Cooperatives

We currently do not have any purchasing or distribution cooperatives, but we reserve the right to create and/or implement them in the future.

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.

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement and MUDA means the Multi-Unit Development Agreement.

Obligation	Article in Agreement	Disclosure Document Item
a. Site Selection and Acquisition/Lease	FA: Articles II and XII MUDA: Article III	Items 7 and 8
b. Pre-opening purchases/leases	FA: Article IX	Items 7 and 8
c. Site development and other pre-opening requirements	FA: Article VIII and XII MUDA: Article III	

Obligation	Article in Agreement	Disclosure Document Item
d. Initial and ongoing training	FA: Article VIII	Items 6, 7 and 11
e. Opening	FA: Article VIII and IX MUDA: Article IV and Exhibit A	Item 11
f. Fees	FA: Articles III, IV, V, VIII, XIII, XV MUDA: II, III, X	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	FA: Articles VII and IX	Items 8, 14 and 16
h. Trademarks and proprietary information	FA: VI, VIII and Exhibits F, G and H MUDA: VII and VIII	Items 13 and 14
i. Restrictions on products/services offered	FA: Article IX and XII	Items 8 and 16
j. Warranty and customer service requirements	FA: Article IX	Item16
k. Territorial development and sales quotas	MUDA: Articles III, IV and V	Item 12
l. Ongoing product/service purchases	FA: Article IX	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	FA: Articles II and IX	Item 6
n. Insurance	FA: Article X	Items 6, 7 and 8
o. Advertising	FA: Articles II, V and XII	Items 6,7 and 11
p. Indemnification	FA: Articles VI, IX, XV and XIX MUDA: Articles VII and XII	Not Applicable
q. Owner's participation/ management/ staffing	FA: Article IX	Item 15
r. Records and reports	FA: Article XI	Item 11
s. Inspections and audits	FA: Article II, VI, IX and XI	Items 6, 11 and 13
t. Transfer	FA: Article XIII and Exhibits E, G and H MUDA: Article X	Items 6 and 17
u. Renewal	FA: Article III and Exhibits E, G and H MUDA: Article VI	Item 17

Obligation	Article in Agreement	Disclosure Document Item
v. Post-termination obligations	FA: Article VII and XVI and Exhibits E, G and H MUDA: Article IX and XI	Item 17
w. Noncompetition covenants	FA: Article VII and Exhibit F MUDA: Article IX	Item 17
x. Dispute resolution	FA: Article XX MUDA: Article XIII	Item 17
y. Guaranty of Franchisee's Obligations	FA: Articles IX, XXI and Exhibit I	
z. Liquidated Damages	FA: Article XVI MUDA: Not Applicable	

ITEM 10
FINANCING

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

On October 15, 2021, the Small Business Administration ("SBA") determined that our SBA Negotiated Addendum to the Franchise Agreement is acceptable and included the "Ideal Automotive Sales (Broker)" brand on its Franchise Directory. On April 27, 2022, the SBA confirmed its receipt of our 2022 Annual Franchisor Certification and confirmed that the "Ideal Automotive Sales (Broker)" brand will continue being included on the SBA's Franchise Directory. This does not mean that the SBA has approved or endorsed the Ideal Automotive Broker franchise system. If you obtain an SBA guaranteed loan, the SBA Negotiated Addendum (Exhibit M to the FDD) will necessarily be applicable to the Franchise Agreement that you enter into with us. Notwithstanding the above, we make no representation or assurance that you will qualify for SBA financing.

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

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

Pre-opening Obligations of Franchisor

A. **Multi-Unit Development Agreement**: Should you enter into a Multi-Unit Development Agreement, we will provide you with the following assistance:

1. We will grant to you the development rights to a Development Area within which you will establish, open and operate an agreed-upon number of Ideal Auto

Broker Locations under separate Franchise Agreements (Multi-Unit Development Agreement – Section 1.1).

2. We will review site package information on sites you select in order to determine if your proposed site satisfies our standards and criteria. If the site meets our criteria, we will approve the site for an Ideal Auto Broker Location (Multi- Unit Franchise Agreement – Sections 5.2(b)); if it does not, we will not approve your proposed site and you will need to continue searching for a site for your Approved Location.

3. We will provide you with guidance for constructing, designing, equipping, furnishing and operating your Ideal Auto Broker Location and may provide you with sample design plans and building specifications for constructing, designing, equipping, furnishing and operating your Ideal Auto Broker Location (Multi-Unit Franchise Agreement – Section 5.2(c)).

4. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Multi-Unit Franchise Agreement – Section 5.2(d)).

5. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Franchisees (Multi-Unit Franchise Agreement – Section 5.2(e)).

B. **Franchise Agreement**: Under the Franchise Agreement, we will provide you with the following assistance.

1. Approved Location. Upon your request, we will assist you (as we deem appropriate) with your selection of a site for your Ideal Auto Broker Location. However, you are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us. We will review your site package information for sites you propose, in order to determine if your proposed site meets our standards and criteria. Some of the factors that we will consider in approving your proposed site include, among other things: (i) the location; (ii) condition of the premises; (iii) lease/purchase terms; (iv) the proximity to residential, commercial, tourist and office traffic; (v) the proximity to competitive businesses; (vi) the proximity to other Ideal Auto Broker Locations; and (vii) overall suitability. If the site meets our criteria, we will approve the site for your Ideal Auto Broker Location. Neither we nor any of our employees have special expertise in selecting sites; we make no representations or guarantees that your Ideal Auto Broker Location will be profitable or successful by being located at the Approved Location. Any approval by us is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience. If you have not entered into a lease (or

sublease or purchase agreement) for your Approved Location within ninety (90) days from the Effective date of your Franchise Agreement, we may terminate the Franchise Agreement upon proper notice. (Franchise Agreement – Sections 2.1 and 2.3)

2. Lease or Purchase Agreement. We will review the terms of your lease or purchase agreement for the site for your Approved Location, within fifteen (15) days of the date we receive such lease or purchase agreement, to determine if such terms are acceptable to us. Our review of your lease or purchase agreement and any advice or recommendations we may offer is not a representation or guarantee by us that you will succeed or be profitable at the leased or purchased premises. The lease must include the terms of our then-current form of Lease Rider. (Franchise Agreement – Section 2.5)

3. Ideal Auto Broker Location Build-Out. We will, at your expense, provide you and your space planner or architect with guidance in creating custom plans, which conform to our specifications and standards, if applicable. We will also provide you with a list of required equipment and improvements that you are required to purchase and install. You are responsible for constructing, remodeling, and/or decorating the site for your Ideal Auto Broker Location. (Franchise Agreement – Section 2.7)

4. Training. After you sign the Franchise Agreement and pay the applicable Initial Fee, we will train you (or if you are an entity, your Principal) and your Manager for a minimum of five (5) days. All training will be offered as often as we deem necessary and will be held at our Training Store or at another location designated by us. The training program will include desk work, site visits (as available), and on-the-job instruction on topics selected by us. You and your Manager(s) must complete our initial training program to our satisfaction at least sixty (60) days prior to the date you are required to open your Ideal Auto Broker Location for business. (Franchise Agreement – Section 8.1)

5. Operations Manual. We will loan you a copy of our Operations Manual, which contains mandatory and suggested specifications, standards, and procedures for the operation of your Ideal Auto Broker Location. This Operations Manual is confidential and remains our property and will be returned to us upon the expiration or termination of your Franchise Agreement. We will modify this Operations Manual, but the modification will not alter your status and rights under the Franchise Agreement. The table of contents is attached to this Franchise Disclosure Document as Exhibit F.

6. Products and Services. We will provide a written schedule of all products and services sold or used by all franchises, and the furniture, fixture, equipment, office computers, and software required for your Ideal Auto Broker Location. (Franchise Agreement – Section 12.7)

7. Approved Suppliers. We will provide a list of the designated and approved suppliers for the supplies, opening inventory, products and services required by us for use in your Ideal Auto Broker Location. We may revise this list as we deem necessary, during the term of your Franchise Agreement. You are responsible for purchasing and/or leasing all necessary equipment, signs, fixtures, opening inventory and supplies (Franchise Agreement – Section 9.7(ii))

8. Grand Opening Assistance. We will send an Opening Team consisting of up to two (2) individuals to assist you with the grand opening of your Ideal Auto Broker Location for a period of up to seven (7) days surrounding the grand opening of your Ideal Auto Broker Location, for the purpose of familiarizing your staff with the Ideal Automotive Franchise System techniques and for the purpose of providing on-site pre-opening and opening training, supervision, and assistance. You must pay us for the expenses that our opening team incurs while providing opening assistance, including our then current per diem rate for trainers, travel, lodging and meals (Franchise Agreement – Section 4.11). If you are opening your second (or later Ideal Auto Broker Location), we reserve the right to not provide opening assistance to you or to reduce the amount of assistance provided.

Ongoing Obligations of Franchisor

Franchise Agreement: During the operation of your Ideal Auto Broker Location, we will provide you with the following assistance and services:

1. Guidance and Advice. We will regularly consult with you and provide advice in response to your inquiries about specific administrative and operating issues at your Ideal Auto Broker Location. In our discretion, we decide how best to communicate our consultation and advice, whether through our secure Intranet, by telephone, in writing, other electronic format like email, or in person. The method we choose in your case may be different than the methods we use for another franchisee. (Franchise Agreement – Section 12.11)

2. Right to Access Your Books and Records: We or our designee(s) have the right, during normal business hours, to inspect, check, access, examine, copy and audit your books, records (including state and federal tax returns), journals, receipts, orders and any correspondence or data relating to your Ideal Auto Broker Location ("Records"). We have the right to verify any portion of your Records and to discuss your Records with any officers, directors and employees that are responsible for maintaining the Records. (Franchise Agreement – Section 11.5)

3. Periodic Visits and Inspections: We or our designated affiliate will make periodic visits to your Ideal Auto Broker Location, which may be announced or

unannounced, to inspect your operations, observe and interview your employees in order to verify your compliance with the Franchise Agreement and the Operations Manual to ensure that our high standards of quality and service are being met. We and our representatives who visit the Ideal Auto Broker Location may prepare, for the benefit of both us and you, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Ideal Auto Broker Location (Franchise Agreement – 12.11)

4. Additional On-site Training and Assistance. We may, at our sole discretion, provide additional on-site training and assistance at your request (although we will have no obligation to do so). If we do so, you will pay our then current training fee for such additional training, plus our representatives' travel, lodging and meal expenditures. (Franchise Agreement – Section 8.6)

5. Additional/Ongoing Training. We will provide additional training if, during the term of the Franchise Agreement, you hire a new Manager who has not attended and successfully completed the training program required by us, or if we determine that additional training is necessary. You will pay our then-current training fee for such additional training, plus the traveling, meal and lodging expenses of your new Manager (Franchise Agreement – Section 8.5). We will also make available to you additional training programs and seminars concerning the operation of your Ideal Auto Broker Location, which may be mandatory for your Ideal Auto Broker Location Manager and other Ideal Auto Broker Location personnel. (Franchise Agreement – Section 8.4)

6. Authorized Products and Services. We will authorize the products and services for sale or use in your Ideal Auto Broker Location. You will not provide any products or services that have not been authorized by us. (Franchise Agreement – Section 9.7)

7. Operations Manual. We will provide you with modifications to the Operations Manual as they are made available to franchisees, along with any other written materials that offer advice concerning techniques of managing and operating the Ideal Auto Broker location (Franchise Agreement –Section 7.1). We have the right to change or modify the System and will notify you of any such changes. (Franchise Agreement – Section 7.1(c))

8. Pricing. We have not instituted mandatory pricing with respect to Ideal Automotive Broker products or services. However, we reserve the right to provide guidelines for suggested pricing. (Franchise Agreement – Section 9.8(vi))

9. Accounting System. We will prescribe a standard accounting system in the Operations Manual. (Franchise Agreement – Section 11.1)

10. Marketing Fund and Advertising Cooperatives. We may maintain a Marketing Fund, which will be administered and controlled by us. We may also establish regional advertising cooperatives in which you will participate. (Franchise Agreement – Sections 5.3 and 5.4)

11. Approved Suppliers. We will provide the names and contact information of approved suppliers for the products and services required by us to be used in connection with your Ideal Auto Broker Location, and we will advise you of any approved suppliers that we may later disapprove. (Franchise Agreement – Section 9.7)

12. Website Listing. You must comply with the requirements included in the Operations Manual regarding your use of the Licensed Marks in electronic commerce, which includes all forms of electronic or computer communication, including use of social media or mobile marketing. You cannot have your own Website or register any domain name/URL address. You must use the Website that is provided by us or our affiliate. We may allocate one or more pages of our Website which will describe your Ideal Auto Broker Location. We may provide you with a template which will provide for the basic layout of your web page. The content used and the design of your web page is subject to our approval, in our sole discretion.

    Your use of social media, such as Instagram, Twitter and Facebook, and mobile marketing for your Ideal Auto Broker Location is subject to our prior written approval and your complying with our other requirements. Digital marketing and advertising is an area that changes quickly. We have the right to control all of your online presence (which includes text messaging and mobile applications) and may develop specific rules, guidelines and policies for use and content of your online presence

    Franchisor may also establish an intranet, electronic notice board, or other electronic communications vehicle through which downloads of operations and marketing materials (including the Operations Manual), exchanges of franchisee e-mail, System discussion forums and systemwide communications (among other activities) can be effected.

    We have developed a mobile application ("Mobile App") that provides Ideal Automotive Broker customers with access to the vehicle inventory of Ideal Automotive Dealer locations and the ability to evaluate prospective vehicle trades. We reserve the right to modify, replace or retire the Mobile App at any time. With respect to your usage of the Mobile App, you must comply with the requirements in the Operations Manual. (Franchise Agreement – Section 5.6);

Advertising

1. *Grand Opening Advertising and Promotion*. We will, after consultation with you and at your expense, provide you with staff to conduct a Grand Opening Event during the week of the grand opening of your Ideal Auto Broker Location. We will coordinate and manage the event including the pre-opening media and advertising for your new Ideal Auto Broker Location, public relations and event management services for and during the event, and provide follow-up public relation after the event (including, but not limited to, providing event photos, website and social media, and press releases to local media.) At least sixty (60) days prior to the day of your Grand Opening Event, you shall deposit either: (i) $6,000 (if your Ideal Auto Broker Location less than seventy (70) miles from our company office); or (ii) $10,000 (if your Ideal Auto Broker Location is located more than seventy (70) miles from our company office), (collectively referred to hereinafter as the "Grand Opening Deposit"). Thirty (30) days following the date of your Grand Opening Event, we will prepare an itemized statement reflecting the expenditures we made in conducting your Grand Opening Event, a copy of which we will provide to you for your records. If the actual total costs of the Grand Opening Event are less than the amount of your Grand Opening Deposit, we will return the unused portion of your deposit. Should the itemized expenditures for the opening assistance that we provide to you exceed the amount of your Grand Opening Deposit, you will not be required to pay the amount of the overage. (Franchise Agreement – Section 5.1)

2. *Local Advertising*. Each month you must spend the greater of: (i) $1,000 per month; or (ii) 1% of your monthly Gross Profits on advertising, promotions and public relations within your Exclusive Territory (See Item 6). You must provide us with an advertising expenditure report or log within ten (10) days of our request in order to demonstrate that you have complied with the local minimum advertising requirements. If you fail to meet these minimum requirements, you will have to deposit with us the difference between what you should have spent and what you actually spent. We will spend said deposit on advertising within your local marketing area. You may conduct advertising or promotion for your Ideal Auto Broker Location if we have approved your advertising and promotion concepts, materials and media. Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our approval before you may use it. We will have twenty (20) days after receipt of all materials to either approve or disapprove of your proposed advertising materials. Unless we provide our specific approval of the proposed advertising materials, the materials shall be deemed not approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. (Franchise Agreement – Section 5.2)

3. *System-wide Marketing Fund*. Our affiliate, Ideal Auto Marketing, Inc. (the "Marketing Fund Administrator", will administer, control and maintain a Marketing Fund on our behalf and as directed by us. You must contribute two (2) percent of your Gross Profits to the Marketing Fund on a monthly basis (see Item 6). Beginning on or about July 1, 2022, each company owned Broker business (which are affiliates of the Franchisor) will contribute two (2%) of their Gross Profits to the newly formed Marketing Fund on a monthly basis. The Marketing Fund Administrator will determine how and where the payments deposited into the Marketing Fund will be spent. This includes the Marketing Fund Administrator's right to purchase and pay for production development, production materials, ad slicks, media advertising, brochures, radio and

television commercial production costs, services provided by advertising agencies, signs, public relations, telemarketing, direct mail advertising, e-mail advertising, promotional programs, advertising market research, graphics and design costs, creation, maintenance and enhancement of an Internet Website, development and maintenance of a mobile application(s), Internet costs, social media costs, software development and upgrades, services provided by software affiliates or consultants, special event marketing costs, gift certificate program costs, miscellaneous marketing costs, technology costs, software development costs, hardware development costs, the costs incurred in administering the Marketing Fund and such other costs and expenses as we deem appropriate and in the best interests of all Ideal Automotive Broker franchises. All administrative and other costs associated with or incurred in the administration of the Marketing Fund by us and/or the Marketing Fund Administrator, including, but not limited to, marketing, research and administrative personnel salaries, fringe benefits and travel costs, accounting fees, collection costs (including attorneys' fees paid in collecting past due Marketing Contribution Fees) and office supplies will be paid from the Marketing Fund. The Marketing Fund Administrator is not required to spend the monies in the Marketing Fund in any particular market or spend the monies in the calendar year in which the Marketing Fund Contributions were made. Any Marketing Fund Contributions made to the Marketing Fund that are not spent in the calendar year in which they were paid (and the interest accrued, if any) will remain in the Marketing Fund, with no obligation to expend such sums. The Marketing Fund Administrator will prepare a summary showing the income to and the expenditures from the Marketing Fund during each calendar year for the preceding year. Copies of the summary will, upon written request, be provided to you by us or the Marketing Fund Administrator. The financial statements of the Marketing Fund will not be audited. None of the money deposited in the Marketing Fund will be used to directly solicit new franchisees.

While we intend to administer (or have the Marketing Fund Administrator administer) the Marketing Fund on a perpetual basis, we may, in our reasonable business judgement, terminate the Marketing Fund at any time. The Marketing Fund will not be terminated until all monies in the Marketing Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Marketing Fund, we have the option to reinstate it at any time. If we reinstate it, it will be operated as described above.

4. *Advertising Cooperative.* Although we are not obligated to do so, we may create a cooperative advertising program ("Advertising Cooperative") for the benefit of all Ideal Auto Broker franchises and affiliate-owned Ideal Automotive Broker stores located within a particular region. The members of the Cooperative for any area will consist of all Ideal Auto Broker Locations, whether operated by us, our affiliates or our franchisees. Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in regional advertising. No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without our prior written consent. We will determine the geographic territory and market areas for each Advertising Cooperative program. If the Advertising Cooperative will operate according to written documents, we must approve of such documents, and a copy of the governing Advertising Cooperative documents applicable to the geographic area in which your Ideal Auto Broker Location will be located will be provided to you, upon request.

If we establish an Advertising Cooperative in the geographic area in which your Ideal Auto Broker Location is located, you must participate in such Advertising Cooperative program. We will collect, and you agree to contribute, up to 2% of Gross Profits per week (as determined by us), capped at $20,000.00 in any 12-month period, in connection with any Advertising Cooperative program(s) we may establish**.** If an Advertising Cooperative program is implemented in a particular geographic region, we may establish an Advertising Council for franchisees in that region to self-administer the program. If an Advertising Cooperative Program is established, your required contributions for Local Advertising, as provided above, can be applied to your cumulative required contribution to the Advertising Cooperative Program. If the amount you contribute to an Advertising Cooperative is less than your local advertising requirement, you must still spend the difference locally. All contributions to the Advertising Cooperative will be maintained and administered in accordance with the documents governing the Advertising Cooperative, if any. The Advertising Cooperative will be operated solely for the collection and expenditure of the Advertising Cooperative fees for the purposes outlined above. The Advertising Cooperative is not required to prepare or distribute an annual financial statement. We have the right to direct an Advertising Cooperative to modify its governing documents, cease operations, modify its geographic area or merge or dissolve.

Except as described above, we are not obligated to spend any amount on advertising in your Exclusive Territory.

Website

Websites (as defined below) are considered as "advertising" under the Franchise Agreement and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "website" means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the Business, Marks, us, or the System. The term "website" includes Internet and World Wide Web homepages.

In connection with any website, the Franchise Agreement provides that you may not establish or operate a website, webpage, domain name, internet address, blog, forum or e-mail address related to the Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more webpages that we establish inside of our website.

You are strictly prohibited from promoting your Ideal Auto Broker Location or using the Marks in any manner on social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter (collectively "Social Networking Sites"), without our prior written consent. You may not post (including tagging or commenting on posts) and must take such steps necessary to ensure that your employees and independent contractors do not post (including tagging or commenting on posts) any information to a Social Networking Site, blog, forum or elsewhere relating to us, the Ideal Auto Broker Franchise System, the Marks, or your specific Ideal Auto Broker Location that: (a) does not comply with our social networking guidelines described in our Operating Manuals; (b) is derogatory, disparaging, or critical of us, the Ideal Auto Broker Franchise System or the Marks; (c)

is offensive, inflammatory or indecent; or (d) harms the goodwill and/or public image of the Ideal Auto Broker System and/or the Marks.

Mobile Application

We have developed a Mobile App that provides Ideal Automotive Broker customers with access to the vehicle inventory of Ideal Automotive Dealer locations and the ability to evaluate prospective vehicle trades. We reserve the right to modify, replace or retire the Mobile App at any time. With respect to your usage of the Mobile App, you must comply with the requirements in the Operations Manual.

Advisory Council

We may, in our discretion, form an Advisory Council to work with us to improve: (i) the System; (ii) the products and services offered by Ideal Auto Broker franchises; (iii) advertising conducted by the Marketing Fund; and (iv) any other matters that we deem appropriate. If an Advisory Council is formed, we will have the right to approve its policies and procedures, and you must comply with those policies and procedures. If an Advisory Council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council.

Computer System

You must purchase or lease the computer system (hardware and software) that we specify. Our current specifications for a computer system are as follows:

HARDWARE
Laptop or desktop computer with monitor for business purpose use
Quality Color Laser Printer
Equipment needed to achieve high-speed Internet access
Equipment needed for a Private and a Guest Wi-Fi Network for your store

SOFTWARE
Internet Explorer browser to access Internet

Microsoft Office (Word & Excel at a minimum)
E-Mail software
Accounting and Bookkeeping Software
Adobe PDF or similar program for PDF creation
Syndicate System

If you currently own a personal computer that you wish to use for your Franchised Business, you may do so, provided that this computer system meets up-to-date standards. You must have a high-speed Internet connection and a dedicated business e-mail address. We may require additional hardware or software components to be purchased by you and used in the operation of the Business.

We expect that your computer system will initially cost between $2,760 and $6,000. You do not have to sign any ongoing maintenance or support agreements for the maintenance of your computer system, but you may find it advantageous to do so. You are required to use our proprietary customer management software, Syndicate. In connection with your use of the Syndicate System, you must pay our affiliate, Ideal Automotive Software, LLC, a Setup fee of $295 and a Monthly User Fee based upon the number of users affiliated with your Location. Currently this fee is $40 per month for each user account. A minimum of one user account is required per Ideal Auto Broker Location. Our fees are subject to reasonable increases in the future.

You may periodically need to update or upgrade computer hardware and software, if we believe it is necessary. We may introduce new requirements or modify our specifications and requirements for computer systems. There are no limits on our right to change our specifications or introduce new required equipment, and there is no limit on the cost of these items. We have the right to independently access all information you collect or compile at any time without first notifying you. We will also at all times have the ability and authority to remotely access your Syndicate system, Syndicate reporting, and will receive automated reports from your system.

In addition to the software that we require you to use, you may also choose to implement other software programs to assist you with the recordkeeping requirements of your Franchised Business. You may use any additional software programs you wish to use for your recordkeeping (with our approval), provided that the software you select produces records and information that conform to the regulations implemented by the authority governing the automobile sales industry, your Ideal Auto Broker Franchised Business and your Ideal Auto Broker Location. Notwithstanding the foregoing, we reserve the right to require you to use designated bookkeeping / accounting software. Please note that we may not be able to offer you support with software beyond the required programs listed above.

Site Selection and Development

You must select the site for your Ideal Auto Broker Location, and you must obtain our approval of any proposed site in accordance with our procedures. Unless we provide our specific approval of

a site within said thirty (30) day period, the site is deemed not approved. In evaluating a site, we will consider the factors that we deem material which may include demographic characteristics, traffic patterns, parking, competition within the area, rental obligations, and the site's size, appearance and other physical characteristics. Our approval of any particular site is not a representation, warranty or guaranty that you will be successful at that site. Our approval only means that the site meets our minimum qualifications for a Ideal Automotive Broker Franchised Business.

Once we approve a proposed site, you must use your reasonable best efforts to negotiate and enter into a lease for the site, the form of which must be approved by us. If you have not entered into a lease for your Approved Location within ninety (90) days (or entered into a purchase agreement for the building from where your Approved Location will operate within ninety (90) days from the Effective Date of your Franchise Agreement, we may terminate the Franchise Agreement upon proper notice (Section 2.3 of the Franchise Agreement) and offer you a refund of fifty (50%) percent of the initial Franchise Fee, provided that you execute a general release, the form of which is attached to the Franchise Agreement as Exhibit J. The terms of your lease must not conflict with the terms of your Franchise Agreement, and the length of the lease should not be longer than the term of your Franchise Agreement. The Lease for the site must incorporate the terms of our form of Lease Rider. Simultaneously with your execution of the lease for the site, you will be required to sign our form of Collateral Assignment and you expressly agree to arrange for the landlord of the leased premises to sign our form of Collateral Assignment. The executed Collateral Assignment will be held by us in escrow, until such time (if any) that we may elect to effectuate an assignment of your Lease.

Opening

We estimate that it is likely to take up to six (6) months after the Effective Date of the Franchise Agreement before you open your Ideal Broker Location, but this depends on the site's location and condition, the extent to which you must upgrade or remodel an existing location, completing training, and complying with local laws and regulations. You are required to enter into a lease for your Approved Location (or purchase agreement with respect to the premises where your Approved Location will be located) within ninety (90) days after the Effective Date of your Franchise Agreement. You may not open your Ideal Auto Broker Location until: (1) pre-opening training is completed to our satisfaction; (2) you pay the initial franchise fee and all other amounts then due to us; (3) you give us certificates for all required insurance policies; and (4) you have obtained all necessary approvals, licenses and permits with respect to your Ideal Auto Broker Location. Subject to these conditions, you must open for business your Ideal Auto Broker Location within the earliest of: (i) ninety (90) days after you enter into a lease for the Approved Ideal Auto Broker Location (or within ninety (90) days from the date that you enter into a purchase agreement for the building from where your Approved Auto Broker Location will operate); or (ii) six (6) months from the Effective Date of your Franchise Agreement; or (iii) the date that you are required to open the Ideal Auto Broker Location for business as provided in Exhibit A to the Multi-Unit Agreement (if applicable). If you do not open your Business within this timeframe, we have the right to terminate your Franchise Agreement and retain the initial franchisee fee you paid upon signing the Franchise Agreement. (Franchise Agreement – Sections 2.8 and 9.3)

Simultaneously with your execution of the lease (or sublease) for the location of the Ideal Auto Broker Location, you also expressly agree to comply with Section 15.1 of the Franchise Agreement and execute our form of Step-In Rights Agreement which is attached to the Franchise Agreement as Exhibit I.

If you are a Multi-Unit Developer, you must sign your first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your Ideal Auto Broker Location is the same for a Multi-Unit Developer as it is for an individual franchisee, unless we otherwise agree otherwise.

Training

You (or if you are an entity, your Principal) and your Ideal Auto Broker Location Manager must attend and complete our initial training program to our satisfaction at least sixty (60) days prior to the date you are required to open your Ideal Auto Broker Location for business. We will train you (or if you are an entity, your Principal) and your Ideal Auto Broker Location Manager for a minimum of five (5) days. The initial training program will include classroom training on topics selected by us. All training that we provide to you, including the initial training and any additional training, will be offered as often as we deem necessary and will be held at "Ideal University" at our headquarters in College Point, New York, or, at other location(s) which may be designated by us.

You and your Ideal Auto Broker Location Manager must satisfactorily complete initial training and participate in all other activities required to operate your Ideal Auto Broker Location. If you and/or your manager do not satisfactorily complete the initial training program, after giving you the opportunity to hire a replacement manager to be trained, at your cost, we have the right to terminate your Franchise Agreement. The cost for the initial training program for You (or if you are an entity, your principal) and your Ideal Auto Broker Location Manager is included in the initial franchise fee; however, you must pay all travel, lodging, meals and wages expenses for you and your trainees. We may require you to replace your Ideal Auto Broker Location Manager if we determine that he or she is not qualified to hold that position. You must pay us for training a replacement. (Franchise Agreement – Section 8.1). If your Ideal Auto Broker Location Manager is no longer employed by you, you will have sixty (60) days to hire a replacement manager and send the manager to our initial training program, at your cost. Training will occur after you sign the Franchise Agreement and while you are developing the Business.

Our co-founder and Chief Operating Officer, Kang Li, is the primary trainer for all aspects of our franchisee training program. Mr. Li has over 15 years of experience in the automobile sales industry. His biographical information is included in Item 2. Your ability to progress through the training program is largely dependent on your efforts. You and your Ideal Auto Broker Location Manager must complete our initial training program before opening your Ideal Auto Broker Location. There currently are no fixed (i.e., monthly or bi-monthly) training schedules, but there may be in the future. The materials we use in our initial training program include our Operations Manual, other manuals and reading materials, video based training, and other materials that we believe will benefit our franchisees in the training process. As of the date of this Disclosure Document, we provide the following training:

Course Name	Topics of Discussion	Number of Days of Training	Hours of Classroom Training	Location	Instructor
Orientation	*Tour - Meet Key Personnel in Sales, Service, and Headquarters *Industry Overview *Company History, Culture, and Future *Our Competitive Advantages *The Franchisor / Franchisee Relationship *Opening Timetable *Support	1 Day	6 Hours	HQ	Kang Li
Sales Master Certification: Silver	*Important Documents Overview *Compliance *Syndicate Certification *Trade and Appraisals Certification *Costs of Services and Repairs; hands on Appraisal Workshop *V-Auto Appraisals *Auto Insurance *DMV Registration Guidelines *The Sales Process: Steps 1-10	1 Day	6 Hours	HQ	Kang Li & Guest Speaker (Will be a licensed insurance agent)
Sales Master Certification: Gold	*Understanding Credit and Financing *New Car Comparisons *Used Car Sales *The Art of Sales *Warranty Products Certification *Tire & Wheel Protection *Bundle *GAP Insurance *Extended Warranty (VSC) *Etch *Lease Excess Wear & Tear Protection	1 Day	6 Hours	HQ	Kang Li & Guest Speaker (Will be a warranty provider)
Sales Master Certification: Platinum	*Case Studies *Roleplay	1 Day	3 Hours	HQ	Kang Li
Operations	*Staffing Recommendations: Hiring, Scheduling and Training *HR Do's and Don'ts *Marketing Ideas *Bookkeeping and Accounting *General Q & A	1 Day	3 Hours	HQ	Kang Li & Guest Speaker (Will be an HR Manager)
	Total	**5 Days**	**24 HRS**		

**The entire training program is subject to change without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the experience of those persons being trained.

The classroom training will be split into five (5) Days and the number of hours per course is estimated and may be shorter or longer. At the end of each course, the instructor(s) will be open to any questions you may have about the topics discussed on that day. On-going, "on-the-job" training will be conducted at location(s) determined by us.

You, your managers and/or your employees must attend periodic refresher training programs to be conducted at our headquarters or another location we designate. Although we will not charge a fee to attend these additional training programs, you must pay for all of your attendees' expenses related to the programs, including travel, lodging, meals and wages.

Notwithstanding the foregoing, we reserve the right to provide training to you remotely, including but without limitation, through the use of virtual meeting platforms (e.g., Zoom, Webex, Microsoft Teams, etc.).

We will provide you with up to seven (7) days of opening assistance and around the grand opening of your Ideal Auto Broker Location. You must reimburse us for the expenses that our team of representatives incur while providing you with opening assistance and training. (Franchise Agreement – Section 8.2).

Operations Manual

We will provide to you, on loan, one copy of our Operations Manual or provide you with access to an electronic copy of the Operations Manual. The Table of Contents of our Operations Manual is attached to this Disclosure Document as Exhibit F. Our Operations Manual includes a total of 91 pages. We reserve the right to modify our Operations Manual from time to time.

ITEM 12
TERRITORY

Territory

You will receive an exclusive territory. This means that during the term of your Franchise Agreement, we will not establish company owned or franchised Ideal Automotive Broker Locations within your Exclusive Territory (as defined below). The Franchise Agreement grants you the right to operate your Ideal Auto Broker Location at the Approved Location. If by the time you have executed the Agreement, we have not approved the location of your Ideal Auto Broker Location, you must lease or otherwise acquire a location that meets our approval. The address of the location that we approve is the Approved Location. Under the Franchise Agreement, you will receive an Exclusive Territory.

In determining your Exclusive Territory, we will consider, among other things: (i) the density of the population; (ii) the character of the neighborhood; and (iii) the location and number of

competing businesses. During the term of the Franchise Agreement, we will not establish or operate (or grant any other person or entity the right to establish or operate) an Ideal Auto Broker Location in your Exclusive Territory, except as may be permitted under the Franchise Agreement and those exceptions are as described below. The size of your Exclusive Territory will remain unchanged during the term of the Franchise Agreement, even if the population increases or decreases.

The size and scope of your Exclusive Territory will be contained in the Franchise Agreement and will be determined according to whether the Approved Location is located within an urban area or a suburban area. If your Ideal Auto Broker Location is located within an urban area, as determined by us in our sole discretion, we will grant you a Exclusive Territory which, typically, will encompass a ten (10) block radius surrounding your Approved Location. If your Ideal Auto Broker Location is located within a suburban area, as determined by us in our sole discretion, we will grant you a Exclusive Territory which, typically, will encompass a three (3) mile radius surrounding your Approved Location. Notwithstanding the above, we may, in our sole discretion, grant you an Exclusive Territory which varies in size and scope from what is stated above.

Franchisor's Reservation of Rights

Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Ideal Auto Broker Locations, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Ideal Auto Broker Locations and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside your Exclusive Territory, and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Ideal Auto Broker Locations located outside your Exclusive Territory under any terms and conditions we deem appropriate and regardless of proximity to your Ideal Auto Broker Location; and (c) the right to acquire and operate a business operating one or more automobile brokerage businesses located or operating in your Exclusive Territory.

Alternative Channels of Distribution

We and our affiliates may utilize, without any compensation to you, one or more alternative channels of distribution, including the internet, catalogs, telemarketing or other direct marketing methods (together, "Alternative Distribution Channels"), to sell our products or services anywhere within or outside your Exclusive Territory using the Marks (or otherwise). You are not entitled to receive any compensation from us or our affiliates for any sales of any kind or nature resulting from or arising out of transactions by us or our affiliates through any Alternative Distribution Channels, regardless of whether or not the revenues or profits are generated from within or outside of your Exclusive Territory.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or affiliate-owned auto brokerage businesses or Alternative Distribution Channels which sell our proprietary products or services under a different trade name or trademark, but we reserve the right to do so in the future, without obtaining your consent.

Relocation

You may not relocate your existing Ideal Auto Broker Location ("Existing Location") without our prior written approval, which is subject to our sole discretion.

If you wish to or need to relocate your Existing Location, you must, as soon as reasonably practicable, notify us in writing of your intent in relocating your Existing Location ("Relocation Request") and submit to us all of the information and materials that we require to consider your request, including information concerning the proposed new location ("Site Selection Materials" as defined in the Franchise Agreement - Section 2.2). We will consider your request based on our then-existing policies associated with relocation as well as the fulfillment of various conditions, including but without limitation, the profitability of your Existing Location, your compliance with the Franchise Agreement and such other financial and operational considerations as we, in our sole discretion, may deem to be appropriate.

If we approve your Relocation Request, you will pay us our then current relocation fee, currently being $5,000 and we will assign a new Exclusive Territory for your replacement location ("Replacement Location") in accordance with the criteria described in this Item 12. The relocation of your Existing Location must be completed at your sole expense and subject to certain conditions that we may specify in the Franchise Agreement. We will not allow you to relocate your Ideal Auto Broker Location within the existing Exclusive Territory of another franchisee in the System.

If your Relocation Request is related to the expiration of your Existing Location's lease, you must enter into a lease for your Replacement Location so that you will have sufficient time to, and that you will, open for business no later than the day after your Existing Location's lease expires or the date that you enter into an approved lease, which ever shall be the first to occur.

If your Relocation Request is due to a casualty, natural disaster, force majeure event, or other event resulting in the closure of your Existing Location ("Closure Event"), you must immediately notify us of the Closure Event. Within ten (10) days of the Closure Event (the "Intention Notice Period"), you must provide us with written notice and advise us whether you intend to reopen your Existing Location or relocate into a Replacement Location (The "Intention Notice"). If you advise us that you intend to reopen your Existing Location, then you must reopen your Existing Location for business within ninety (90) days of the Closure Event. If you reasonably conclude that you will not be able to reopen your Existing Location within ninety (90) days after the Closure Event, then you must submit a Relocation Request within the Intention Notice Period.

With respect to any Relocation Request which is not related to your lease you will have ninety (90) days to enter into an approved lease for the Replacement Location from the earlier of: (i) the date of your Relocation Request; or (ii) the Closure Event. You must open the Replacement Location within ninety (90) after the date that you are required to enter into an approved lease.

During the period following the Closure Event within which you are not operating an Ideal Auto Broker Location, you shall pay us an Estimated Royalty Fee and an Estimated Marketing Fund Contribution, as provided in Sections 4.2 and 4.3 of your Franchise Agreement and as described in Item 6 above.

Multi-Unit Development Agreement

If you are a multi-unit developer, we will negotiate the Development Area with you. During the term of your Multi-Unit Development Agreement ("MUDA"), for as long as you are in full compliance with your MUDA and all of the Franchise Agreements you (including any of your affiliates) have with us, neither we nor any of our affiliates will operate an Ideal Automotive Broker Franchised Business, except as otherwise provided, or grant a franchise to a third party to operate another Ideal Automotive Broker franchised business in your Development Area. However, we and our affiliates may utilize, without any compensation to you, one or more Alternative Distribution Channels, to sell our products or services anywhere within your Development Area whether or not we use the Marks. You are not entitled to receive any compensation from us or our affiliates for any sales, revenues or profits of any kind or nature resulting from or arising out of transactions by us or our affiliates through any Alternative Distribution Channels, regardless of whether or not the sales, revenues or profits are generated from within or outside of your Development Area.

If you are a multi-unit developer, once an Ideal Auto Broker Location has been established in your Development Area, your rights for that particular Ideal Auto Broker Location will be defined in the applicable Franchise Agreement.

After the opening of your final Ideal Auto Broker Location, your rights under the Multi-Unit Development Agreement with respect to the Development Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Ideal Auto Broker locations within the Development Area. Notwithstanding the foregoing, within thirty (30) days of the opening of your final Ideal Auto Broker Location, we may, if in our sole discretion we believe that it is desirable to establish additional Ideal Auto Broker Locations within the Development Area, grant you the right to open additional Ideal Auto Broker Locations within the Development Area. This right is contingent upon you having complied with the terms of your Multi-Unit Development Agreement and being in compliance with your Franchise Agreements. If we offer you a MUDA to develop additional Ideal Auto Broker Locations, you must exercise this right by entering into the MUDA within twenty (20) days after our notice to you. If you fail to enter into the MUDA within the requisite time frame, we shall have the right to develop the Ideal Auto Broker Locations ourselves; sell the right to open an Ideal Auto Broker Location or multiple Ideal Auto Broker Locations to an individual franchisee or individual franchisees; or to sell these development rights to another multi-unit franchisee. Our right to develop or grant others the right to develop additional Ideal Auto Broker Locations in the Development Area shall be subject to the territorial rights under the Franchise Agreements for each of your respective Ideal Auto Broker Locations.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we license you the right to operate your Ideal Auto Broker Location under the name "Ideal Automotive" and to use certain other current and future "Marks." By "Mark," we mean any trade name, trademark, service mark or logo used to identify Ideal Automotive Broker franchises. You may only use the Marks in the manner authorized in writing by us. You may not use any of the Marks as part of your company or other name. You must also follow our instructions for identifying your Ideal Auto Broker Location and for filing and maintaining the requisite trade name or fictitious name registrations.

The following trademarks are registered on the Principal or Supplemental Register(s) of the U.S. Patent and Trademark Office ("USPTO"):

Mark	App Serial No.	File Date	Registration No.	Registration Date/Register
Ideal (Design)	87337703	2/15/2017	5281212	9/05/17
Ideal Automotive Sales[1]	Not Applicable	Not Applicable	Not Applicable	
[1]We do not currently have a federal registration with respect to this mark. Therefore, we do not have certain legal benefits and rights with respect to this mark that we would if we had a federally registered trademark. If our right to use this mark is challenged, you may have to cease using this mark and you may have to use an alternative trademark, which may increase your expenses.				

None of the Marks are registered in any state. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator in any state or any court, no pending infringement or opposition proceeding, and no pending material litigation involving the Marks that could materially affect your use of the Marks. We know of no infringing or prior superior uses of the Marks that could materially affect their use in any state in which your Ideal Auto Broker Location may be located. All required affidavits have been filed with the USPTO, and where necessary, all expiring trademarks have been renewed.

Our affiliate, Ideal Automotive IP Holdings, LLC, owns the Marks and has licensed to us the right to use the applicable Marks, and to sublicense them to Ideal Auto Broker franchisees, under a license agreement between Ideal Automotive IP Holdings, LLC and us, dated January 5, 2021 The term of the license agreement is ten (10) years and automatically renews for successive two (2) year terms unless terminated by mutual consent of both parties. In the event of termination, all rights granted to you under a Franchise Agreement (aside from any and all rights associated with the Marks) will be unaffected. Except for this license from Ideal Automotive IP Holdings, LLC to us

with respect to the applicable Marks, there are no agreements currently in effect that significantly limits our rights to use or license the use of the Marks in any manner material to the franchise.

You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Ideal Auto Broker Location. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by you is a material breach of the Franchise Agreement and an infringement of our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must permit reasonable inspection of your operations and supply us with specimens of all uses of the Licensed Marks upon request. You may not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so. However, you may communicate with your own counsel at your own expense with respect to these matters. We may take whatever action we deem appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in our opinion or the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We can require you to modify or discontinue the use of any Mark and to use other trademarks or service marks. We will not be required to reimburse you for modifying or discontinuing the use of a Mark, or for substituting another trademark or service mark for a discontinued Mark. We are not obligated to reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to such proceeding. We have the right to control the defense and settlement of any such proceeding. Our reimbursement does not include your expenses for removing signage or discontinuing your use of any Mark. Our reimbursement also does not apply to any disputes where we challenge your use of a Mark. Our reimbursement does not apply to legal fees you incur in seeking separate, independent legal counsel.

You must use the Marks as the sole trade identification of your Ideal Auto Broker Location, but you may not use any Mark or part of any Mark as part of your corporate name in any modified form. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not establish or operate an Internet site using any domain name containing the words "Ideal Automotive", "Ideal Automotive Services", "Ideal Automotive Sales," "Ideal Auto Broker", the separate words "Ideal" and "broker", or any variation thereof without our prior written consent. You may not advertise on the Internet using the words "Ideal Automotive", "Ideal Automotive Services," "Ideal Automotive Sales," "Ideal Auto Broker", the separate words "Ideal" and "broker", or of any of the Marks without our prior written consent.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We claim copyrights in the Operations Manual (which contains our trade secrets), advertising and marketing materials, our intranet, our website, and similar items used in operating the franchise. You may use these items only as we specify while operating your franchise (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the Patent and Trademark Office, Copyright Office (Library of Congress), or any court regarding our copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials.

We do not actually know of any infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend copyrights, although we intend to do so if in our System's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

We (and our affiliates, if any) will have the perpetual royalty-free right to use and allow other Ideal Auto Broker franchise owners to use, and you must fully and promptly disclose to us, all ideas, concepts, techniques, or materials for a Ideal Auto Broker franchise that you and/or your employees or agents conceive or develop during your franchise term.

We may reveal certain proprietary information to you in the Operations Manual and other materials provided to you. You must not, during or after the term of the Franchise Agreement, divulge or use for the benefit of anyone else any confidential information concerning the System and the methods of operation of Ideal Automotive Broker franchises. Simultaneously with your execution of the Franchise Agreement, you will be required to sign our form of Non-Disclosure Agreement (Exhibit F to the Franchise Agreement) and our form of Non-Competition Agreement (Exhibit G to the Franchise Agreement). You may divulge confidential or proprietary information only to those employees who must have access to it to operate your Ideal Auto Broker Location. Any and all information, knowledge and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. At our request, you must require your Location Manager(s) and employees who will have access to our Confidential Information (and any other person or entity to whom you wish to disclose any Confidential Information) to sign non-disclosure agreements with you providing that they will maintain the confidentiality of the disclosed information. At our request, you must require your employees and any other person or entity to whom you wish to disclose any Confidential Information to sign agreements providing that they will maintain the confidentiality of the disclosed information. The agreements must be in a form

satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

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

Franchise Agreement

Upon our and your execution of the Franchise Agreement, you must appoint and retain at all times an individual who will serve as your Location Manager to supervise the operation of your Ideal Auto Broker Location.

If you are an individual we recommend that you serve as the Location Manager and if you are an entity franchisee, we recommend that you designate an individual who holds at least a fifteen (15%) percent ownership interest in the entity franchisee to serve as your Location Manager. The Location Manager must satisfy our educational, character and business criteria as provided to you in the Manual or other written instructions, and must be individually acceptable to us. The Location Manager will have complete decision-making authority with respect to your Ideal Auto Broker Location and he/she will have the authority to act on your behalf. The Location Manager will be the sole individual with whom we will communicate when we need to contact you. If, at any time, the Location Manager ceases to serve in this position or cease to meet our requirements, you will have sixty (60) days to find a replacement Location Manager who meets our approval. You must keep us informed of the identity of your current Ideal Auto Broker Location Manager at all times. The Location Manager shall have complete decision-making authority with respect to your Ideal Auto Broker Location and he/she will have the authority to act on your behalf. The Location Manager shall meet the following criteria:

(i) The Location Manger shall devote full time and best efforts to the supervision and management of the day-to-day operation of the Ideal Auto Broker Location, which shall entail not less than forty (40) hours per week, excluding vacation, sick leave and similar absences;

(ii) The Location Manager shall satisfy our educational and business experience criteria as set forth in the Manuals as defined herein or otherwise in writing by us;

(iii) The Location Manager shall be an individual acceptable to us; and

(iv) The Location Manager shall satisfy our training requirements

You (or your Operating Owner, if the franchisee is an entity) and your Location Manager must attend and complete our initial training program to our satisfaction, at least sixty (60) days prior to the date you are required to open your Ideal Auto Broker Location for business..

In addition, you and each of your members, shareholders, partners and owners must personally guaranty and be liable for the breach of all obligations under the Franchise Agreement by signing our form of Guaranty and Assumption of Obligations (Exhibit H to the Franchise Agreement).

We may require you and any holder of a legal or beneficial interest in the Franchisee, and if you are an entity, your principals, owners, shareholders, members, partners, officers, directors and any personal guarantor who guarantees your obligations under the Franchise Agreement, to sign our form of Non-Disclosure Agreement and our form of Non-Competition Agreement, copies of which are included as Exhibits F and Exhibit G respectively, to our form of Franchise Agreement (see Exhibit C to this FDD). We may require you to have your Location Manager and other employees enter into non-disclosure agreements with you. (See Section 7.3 of the Franchise Agreement.) We may also require you to have your Location Manager(s) enter into a non-competition agreement with you. (See Section 7.7 of the Franchise Agreement.) These various agreements must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

Multi-Unit Development Agreement

After the development of your third Ideal Auto Broker Location, you must designate, with our approval, an Area Manager who will oversee the operations of all of your Ideal Auto Broker Locations. Your Area Manager must complete our initial training program to our satisfaction. Within ninety (90) days of the death, permanent disability or termination of the Area Manager, you must designate a successor Area Manager. We may require you to have your Area Manager enter into non-disclosure and non-competition agreements with you (the Developer). These agreements must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us. (See Sections 9.1 and 9.2 of the Multi-Unit Development Agreement.)

Display of Disclaimer. You must prominently display appropriate notices in a format that we designate to inform the public that you independently own and operate the Ideal Automotive broker franchise under a license from us and are not our agent. As one example, you must conspicuously place a sign in the window of your Approved Location that is visible to customers as they enter your Approved Location that states: "This Business is an Independently Owned and Operated Ideal Automotive Brokerage Franchise."

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services and products we specify. You may not sell any services or products that we have not authorized, and you must immediately discontinue offering any services or products that we may disapprove. We may take action, including terminating your franchised

business, if you purchase or sell unapproved products or make purchases from or enter into any form of agreement with unapproved suppliers of goods or services.

You may not deviate from our standards and specifications without first obtaining our written consent. If you would like to sell a product, service, or program, which is not a part of the Ideal Automotive Broker Franchise System, then you must first seek our approval. If we consent to your request, then the subject product, service or program will become a part of the Ideal Automotive Broker Franchise System, and we may, in our sole discretion, authorize other Ideal Automotive Broker franchisees to offer and sell such recently approved product, service or program in their respective Ideal Auto Broker Locations. We will own all rights associated with such product, service or program, and you will not be entitled to any compensation in connection therewith. We may at any time, in our sole discretion, revoke our approval.

We may periodically change required or authorized products or services. There are no limits on our right to do so. If we modify the System, you may be required to add or replace equipment, signs and fixtures, and you may have to make improvements or modifications as necessary to maintain uniformity with our then-current standards and specifications. We do not impose any limits as to the customers to whom our franchisees may serve.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreement attached to this Disclosure Document. You should refer to your state's-specific addendum attached to this Disclosure Document for exceptions to this ITEM 17.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	§3.1	Unless sooner terminated, the initial term is 10 years
b. Renewal or extension of the term	§3.2	Franchisee shall have the right to renew the franchise for one (1) ten-year term on the terms and conditions upon which we customarily grant new franchises at the time of renewal (modified as necessary to reflect that the agreement is for a renewal franchise), upon fulfillment of certain conditions. The renewal fee is an amount equal to 50% of the initial franchise fee that we then are charging for new Ideal Automotive Broker franchisees.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	§3.2	Franchisee must: (i) be in good standing under the Franchise Agreement; (ii) be in full compliance with the Operations Manual as well as with the terms and condition of the Franchise Agreement; (iii) provide us with written notice of your intent to renew your franchise term no later than one hundred eighty (180) days before the expiration date of the Franchise Agreement; (iv) execute our then- current form of franchise agreement and related documents not less than thirty (30) days before the expiration of your Franchise Agreement or thirty (30) days after you receive a copy of the documents from us, whichever is later; (v) remodel and modernize their Ideal Auto Broker Location and replace and modernize the fixtures, equipment and signs used in their Ideal Auto Broker Location; (vi) execute a general release; (vii) pay the renewal fee; and (viii) have a lease in place which extends through the expiration date of your renewal Franchise Agreement, or have renewed or have the right to renew the lease for the Approved Location or have renewed or entered into a lease for said Approved Location. When renewing your franchise term, you may be asked to sign a contract with materially different terms and conditions than your original franchise agreement.
d. Termination by franchisee	§14.1	You may terminate if we fail to cure a material default of this Agreement within 90 days of your notice to us to cure such default.
e. Termination by franchisor without cause	None	Not Applicable.
f. Termination by franchisor with cause		We may terminate your Franchise Agreement only if you default. See (g) and (h) below.
g. "Cause" defined – curable defaults	§14.3	If a default arises from your failure to comply with a mandatory obligation in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure such defaults within thirty (30) days (or within such other

Provision	Section in Franchise Agreement	Summary
		designated cure period) after receiving notice from us identifying the default(s). Examples of curable defaults include: (i) your failure to maintain insurance; (ii) your failure to make payments due to us; (iii) your failure to comply with any mandatory specification, standard or operating procedure prescribed in the Operations Manual or otherwise prescribed in writing; or (iv) any other default not explicitly stated in the Franchise Agreement.
h. Immediate termination by franchisor	§14.2	If you materially default under the Franchise Agreement, and such default constitutes a non-curable default, then we may exercise our right to immediately terminate the Agreement.
i. "Cause" defined – non-curable defaults	§14.2	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure such default, if you: (i) fail to timely select an approved site for or establish, equip and begin operations of the franchised business; (ii) fail to have your Ideal Auto Broker Location Manager satisfactorily complete training; (iii) make a material misrepresentation or omission in the application for the franchise; after notice to cure; (iv) fail to refrain from activities, behavior or conduct likely to adversely affect the reputation of either party or your Ideal Auto Broker Location; (v) are convicted of or pled no contest to a felony or other crime or offense likely to affect the reputation of either party or the Ideal Auto Broker Location; (vi) use the Operations Manual, trade secrets or other confidential information in an unauthorized manner; (vii) if required, fail to have your Principals (and members of their immediate families and households), officers, directors, managers, executives and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and noncompetition agreements; or (viii) if requested, fail to provide us with copies of all signed nondisclosure and noncompetition

Provision	Section in Franchise Agreement	Summary
		agreements; (ix) abandon the Franchised Business for five (5) or more consecutive days; (x) surrender or transfer control of the Franchised Business in an unauthorized manner; (xi) fail to maintain the Franchised Business under the supervision of an approved designated Ideal Auto Broker Location Manager following your current Ideal Auto Broker Location Manager's death or disability; (xii) submit reports on 3 or more separate occasions understating any amounts due by more than 3% on an annualized basis (if your Franchise Agreement is terminated for this reason, you will be required to pay our audit expenses, in addition to any other amounts you may owe to us); (xiii) are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; (xiv) misuse or make unauthorized use of the Marks; (xv) fail on 2 or more occasions within any 12 month period to submit reports or record or to pay any fees due to us or any of our affiliates; (xvi) violate on 2 or more occasions any health, safety or other laws; (xvii) operate the Franchised Business in a manner creating a health or safety hazard to customers, employees or the public; (xviii) take any action reserved to us; (xix) fails to comply with applicable law after notice; (xx) breach the Franchise Agreement or fail to comply with specifications on 2 or more occasions within any 12 month period; or (xxi) default under any other agreement with us (or an affiliate) so that they have the right to terminate such agreement.
j. Franchisee's obligations on termination/non-renewal	Article XVI	If the Franchise Agreement is terminated or not renewed, you must: stop operating the franchised business; immediately remove any external and window Ideal Auto Broker Location signage; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and

Provision	Section in Franchise Agreement	Summary
		costs incurred in enforcing the Franchise Agreement; pay all sums owed to third parties, including, without limitation, vendors, landlord(s), lenders, taxing authorities, etc., return the Operations Manual, trade secrets and all other confidential information; assign your telephone number, facsimile number and e-mail address to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
k. Assignment of contract by franchisor	§13.1	No restrictions; however no assignment will be made except to an assignee who, in our good faith judgment is financially responsible/capable of performing our obligations under the Franchise Agreement, and expressly agrees in writing to assume our obligations under this Agreement.
l. "Transfer" by franchisee – defined	§13.2	"Transfer" means to sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the franchise granted hereby, the Approved Location used in operating the Franchised Business, its assets, or any part or all of the ownership interest in Franchisee.
m. Franchisor approval of transfer by franchisee	§13.2	Our approval is required; Your being in full compliance with your Franchise Agreement(s) is required.
n. Conditions for franchisor approval of transfer	§13.4	We will consent to a transfer if: we have not exercised our right of first purchase; all obligations owed by you to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets the business and financial standards of Franchisor; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide a copy of all contracts and agreements related to the transfer; you or the transferee pay our then-current transfer fee;

Provision	Section in Franchise Agreement	Summary
		the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; the transferee has obtained all necessary consents and approvals of third parties; you or all of your principals have signed a noncompetition agreement in a form the same as or similar to the Nondisclosure and Noncompetition attached to the Franchise Agreement; the transferee has agreed that its Ideal Auto Broker Location Manager will complete the initial training program to our satisfaction before assuming management of the franchised business; you pay all sums owed to third parties, including, without limitation, vendors, landlord(s), lenders, taxing authorities, etc.; and the transferee has obtained all necessary types of insurance.
o. Our Right of First Purchase to acquire your Franchised Business	§13.3	If you wish to sell, transfer or assign: (1) your interest in the Franchise Agreement, (2) all or substantially all of your Operating Assets or (3) your Business, then you must notify us of the price and terms upon which you are willing to sell. If we elect not to exercise our Right of First Purchase or fail to close the sale within the requisite time frame, then you agree to market your potential sale with us for six (6) months; thereafter, if you have not, after engaging in good faith negotiations with prospective buyers, entered into an agreement with a buyer then you are free to market your sale to bona fide third party buyers.
p. Franchisor's option to purchase franchisee's business	§16.5	During the 45-day period after the termination or expiration of your Franchise Agreement, we have the right (but not the obligation) to purchase any assets of the Franchised Business for fair market value. If we and you cannot mutually agree on the fair market value, then the parties will each obtain an appraisal of the assets and submit such appraisal to binding "Baseball" arbitration.
q. Death or disability of franchisee	§13.8	Upon your death, incapacity or permanent disability (if you are a natural person) or

Provision	Section in Franchise Agreement	Summary
		upon the death, incapacity or permanent disability of the last surviving principal who is a natural person and who has an interest in this Agreement or Franchisee ("Interest"), your spouse or child(ren) who are at least twenty-four (24) years of age (the "Majority Children") shall have the right to continue operating and managing your Ideal Auto Broker Location; provided that such heir: (i) meets our then-current criteria for Ideal Automotive Broker franchisees; (ii) successfully completes our training to our satisfaction; and (iii) provides us with a Manager for the Ideal Auto Broker Location acceptable to us who successfully completes our training to our satisfaction. If your spouse or Majority Children fail to meet our then-current criteria for our Ideal Automotive Broker franchisees; or if your Interest passes to your minority children or a trust for the benefit of your minority children; or if your spouse and/or your Majority Children do not wish to assume the ownership, operation and management of your Ideal Auto Broker Location, then your estate or personal representative (as the case may be) shall transfer, (subject to our Right of First Purchase and in compliance with our conditions to transfer), your Interest to a third party approved by us. This transfer shall occur: (a) six (6) months from the date of the appointment of an executor, administrator or personal representative; or (b) nine (9) months from the date of your death, incapacity or disability whichever shall first occur. We have the right to step in and operate the Ideal Auto Broker Location if we deem appropriate under the circumstances (and collect reasonable fees to cover the wages of our representatives, overhead and any other costs we incur). Simultaneously with your execution of the Franchise Agreement for your Ideal Auto Broker Location, you also expressly agree to comply with Section 15.1 of the Franchise Agreement and execute our form of Step-In

Provision	Section in Franchise Agreement	Summary
		Rights Agreement which is attached to the Franchise Agreement as Exhibit I. The executed Step-In Rights Agreement will be held by us in escrow, until such time (if any) that we may elect to exercise our "step-In" rights.
r. Non-competition covenants during the term of the franchise	§7.8(i) Exhibit G	During the term of the Franchise Agreement, and any renewal or extension thereof, Franchisee, its owners (and members of their families and households) and its officers, directors, managers and guarantor(s) under the Franchise Agreement, are prohibited from: acquiring, operating, financing, investing in, controlling or owning any beneficial interest in, or performing services for any Competitive Business, wherever located. (These individuals are required to sign our form of Non-Competition Agreement, see Exhibit G to the Franchise Agreement.) We may also require you to have your Ideal Auto Broker Location Manager(s) sign an agreement with you prohibiting his or her involvement (as defined in the FA) in a Competing Business during the term of the Franchise Agreement. Any such agreement must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreement. At our request, a copy of the signed agreement must be provided to us. The term "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (i) an automobile broker business that facilities the sale of used and new vehicles to consumers; or (ii) in which our Trade Secrets and other Confidential Information (as defined in the FA) are used; provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with us.

Provision	Section in Franchise Agreement	Summary
		These same persons are also restricted, during the term of the Franchise Agreement, including any renewals, from diverting, or attempting to divert, any actual or potential business or Franchisee's or our customers to any competitor, or to otherwise do anything that may harm us, our goodwill, Marks or System.
s. Non-competition covenants after the franchise is terminated or expires	§7.8(ii) Exhibit G	For two (2) years after the assignment, termination or expiration of the Franchise Agreement, you, your principals (and members of their families and households) and your officers, directors, managers and any guarantors under the Franchise Agreement, are prohibited from directly or indirectly: owning or working for a Competitive Business within ten (10) miles of: (a) the location where the Ideal Auto Broker Location that was developed and operating during the term of this Agreement; or (b) any Ideal Auto Broker Location (whether company owned, franchised or otherwise established and operated) (collectively, the "Restricted Area") existing, in operation or in development on the date that the Franchise Agreement is assigned, terminates or expires. (These individuals are required to sign our form of Non-Competition Agreement, see Exhibit G to the Franchise Agreement.) We may also require you to have your Ideal Auto Broker Location Manager sign an agreement with you prohibited his or her involvement (as defined in the FA) in a Competing Business for a period of time and within a geographic area after the Franchise Agreement has expired, has been transferred (assigned) or terminated. You shall be responsible for ensuring that the terms and conditions relating to the restrictive covenants on your Ideal Auto Broker Location Manager are reasonable and enforceable under applicable state law. Any such agreement must be in a form satisfactory to us and must identify us as a

Provision	Section in Franchise Agreement	Summary
		third-party beneficiary with the independent right to enforce the agreement. At our request, a copy of the signed agreement must be provided to us. The term "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (i) an automobile broker business that facilities the sale of used and new vehicles to consumers; or (ii) in which our Trade Secrets and other Confidential Information (as defined in the FA) are used; provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with us. These same persons are also restricted, during the two (2) year period, from diverting, or attempting to divert, any actual or potential business or Franchisee's or our customers to any competitor, or to otherwise do anything that may harm us, our goodwill, Marks or System.
t. Modification of the agreement	§21.9	Franchise Agreement may be amended only by a document signed by all of the parties or their authorized agents.
u. Integration/merger clause	§21.1	Franchise Agreement shall constitute the entire agreement between the parties and any prior understanding or representation shall not be binding upon either party except to the extent incorporated into the Franchise Agreement. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim any representations we made in the Franchise Disclosure Document we furnished to you.
v. Dispute resolution by arbitration or mediation	Article XX	Except for limited exceptions, any dispute arising out of or in connection with Franchise Agreement or Operations Manual if not resolved by negotiation and mediation must be submitted for arbitration in accordance with Commercial Arbitration Rules of the

Provision	Section in Franchise Agreement	Summary
		AAA and held in New York County in the State of New York. Arbitration will be conducted on an individual, not class-wide basis.
w. Choice of forum	§§20.1, 20.3	Mediation and arbitration shall be in New York County in State of New York.
x. Choice of law	§20.2	Except to the extent governed by U.S. Federal Arbitration Act, trademark laws or other federal law, laws of New York apply.

The Franchise Agreement provides for termination in the event of your bankruptcy. These provisions may not be enforceable under federal bankruptcy law (1 1 U.S.C.A. Sec. 101, et seq.).

Multi-Unit Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the development term	§6.1	Until the date we accept and execute a Franchise Agreement for the last of the Ideal Auto Broker Locations you are to establish under your Development Schedule, unless earlier terminated pursuant to the terms of the MUDA for reasons, such as, failure to meet the Development Schedule.
b. Renewal or extension of the term	§6.2	There is no renewal right.
c. Requirements for developer to renew or extend		Not applicable
d. Termination by developer	§11.1	MUDA may be terminated by the mutual consent of the parties; You can terminate if you have fully complied with your MUDA and we have materially failed to comply with it and do not correct the failure within 90 days of receipt of written notice.
e. Termination by franchisor without cause	§11.2	We can terminate if you make a general assignment for the benefit of a creditor, have the assets of your business seized, willfully or fraudulently misrepresented anything in your application or any report, you die or become

Provision	Section in Development Agreement	Summary
		incapacitated and a Transfer is not consummated as provided in Article XIV, or your actions/failure to take action adversely affects the goodwill associated with the Marks or the System.
f. Termination by franchisor with cause	§15.5	We can terminate if you are in default under your MUDA or any Franchise Agreement, which is not timely cured within 30 days of written notice by us.
g. Cause defined – curable defaults	§15.5	Curable defaults have a 30-day cure period.
h. Cause defined – non-curable defaults	§§15.3, 15.4	We can terminate if you make a general assignment for the benefit of a creditor, have the assets of your business seized, willfully or fraudulently misrepresented anything in your application or any report, you die or become incapacitated and a Transfer is not consummated as provided in Article X, or your actions/failure to take action adversely affects the goodwill associated with the Marks or the System. If you fail to meet the obligations of your development schedule, you may lose the rights to, or reduce the size of, your Development Area.
i. Developer's obligations on termination /non-renewal	§15.7	You will have no further right to develop or operate a Ideal Auto Broker Location for which a Franchise Agreement has not been executed at the time of termination or expiration. You are to pay to us all amounts due and outstanding. You must return all Confidential Information and continue to abide by the restrictions on the use of our Confidential Information. If the Multi-Unit Development Agreement is terminated as a result of your default, you are required to pay us all expenses (including attorneys' and experts' fees) we incur as a result of such default. You must immediately sign all agreements (including a general release) necessary for termination. You are to strictly comply with the post-termination/post-expiration covenants not to compete. Termination of the Multi-Unit Development Agreement for your failure to comply with the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Ideal Auto Broker Locations covered by the signed Franchise Agreements and you are not in default of said Franchise Agreements.

Provision	Section in Development Agreement	Summary
j Assignment of contract by franchisor	§10.1	We may unilaterally transfer or assign the MUDA to a person or entity without your approval, provided that: (i) we reasonably believe that the assignee is financially responsible; (ii) we reasonably believe that the assignee is capable of performing our obligations under this Agreement; and (3) the assignee expressly agrees in writing to assume our obligations under this Agreement.
k. "Transfer" by developer - defined	§10.2	"Transfer" means to sell, divide, encumber, assign, hypothecate, mortgage, sublicense, transfer through bequest, inheritance, transfer in trust, divorce or operation of law or by any other means, or otherwise dispose of the rights granted under your MUDA, or any rights or privileges incidental to your MUDA, or any Franchised Business or any interest in it, or your rights or interest in your MUDA.
l. Franchisor approval of transfer by developer	§10.2	Our written approval is required for a transfer to a third party.
m. Conditions for franchisor approval of transfer	§10.4	We will only approve a transfer to a third party if the proposed transferee is acceptable to us, you are not in default of your MUDA or other agreement with us, you have paid all amounts due to us and your trade creditors, you sign a general release, you pay our transfer fee of $5,000 per unopened store, the transferee assumes all your rights and obligations under your MUDA. You can make a "one time" transfer to a corporation, limited liability company or other entity if you own 50% of the equity rights.
n. Franchisor's right of first purchase to acquire developer's rights	§10.3	We have a right of first purchase for 30 days to acquire your business upon receipt of the price and terms upon which you are willing to sell your business.
o. Franchisor's option to purchase developer's business		See section (n) above.
p. Death or disability of franchisee	§10.6	Upon your death, incapacity or permanent disability, your estate or your personal representative (as the case may be) must transfer, subject to our Right of First Purchase, not less than fifty point one (50.1%) percent) of your interest in: (i) your remaining Development Rights (if any); and (ii) the management and operation of the existing and future Ideal Auto Broker Locations developed (or to be developed) under this Agreement (the "Interest") to a

Provision	Section in Development Agreement	Summary
		third party (the "Controlling Transferee"). Provided that the transfer satisfies our conditions, the Controlling Transferee shall assume: (1) the remainder of your development obligations; and (2) the management and operation of the existing Ideal Auto Broker Locations that remain to be developed pursuant to this Agreement. This transfer shall occur: (i) six (6) months from the date of the appointment of an executor, administrator or personal representative; or (ii) nine (9) months from the date of your death, incapacity or permanent disability, whichever shall first occur. If your spouse and/or your children who are at least twenty-four (24) years of age ("Majority Children") only want to keep your existing Ideal Auto Broker Locations, they must waive all development rights under this Agreement and this Agreement (and your rights hereunder) must be cancelled. Your spouse and/or Majority Children shall transfer your remaining Development Rights, subject to our Right of First Refusal and in accordance with our conditions to transfer. If upon your death, incapacity or permanent disability, you do not have a spouse or Majority Children, but leave minority children or trusts for your minority children, then your executor, administrator or personal representative shall transfer one hundred (100%) percent of your Interest to a third party, who will assume the remainder of your Development Rights, plus full ownership and management of the existing Ideal Auto Broker Locations and any future Ideal Auto Broker Location developed after your death, incapacity or permanent disability. Such transfer shall be: (i) subject to our Right of First Purchase; and (ii) conducted in accordance with our conditions to transfer.
q. Non-competition covenants during the term of the MUDA	§9.1	During the term of the MUDA (and any renewal or extension thereof), neither you, nor your owners, officers, directors or any guarantor(s) under the MUDA (if you are an entity) can, directly or indirectly, own or be involved in a Competitive Business (as defined in the MUDA) that offers products and services competitive with those we offer, franchise and license. You wherever located (within or outside of the Development Area).

Provision	Section in Development Agreement	Summary
		We may require you to have your Ideal Auto Broker Location Area Manager sign an agreement with you (the Developer) prohibiting him or her from having any involvement (as referenced above) in a Competing Business during the term of the MUDA (and any renewal or extension thereof). Any such agreement must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreement. At our request, a copy of the signed agreement must be provided to us. The term "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (i) an automobile broker business that facilities the sale of used and new vehicles to consumers; or (ii) in which our Trade Secrets and other Confidential Information (as defined in the MUDA) are used; provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with us. These same persons are also restricted, during the term of the Franchise Agreement, including any renewals, from diverting, or attempting to divert, any actual or potential business or Franchisee's or our customers to any competitor, or to otherwise do anything that may harm us, our goodwill, Marks or System.
r. Non-competition covenants after the last franchise under the MUDA is terminated or expires	§9.2	For 2 years after the later of: (i) the assignment, termination or expiration of the MUDA; or (ii) the date that the last Franchise Agreement which has been entered into, pursuant to the rights granted under the Multi-Unit Development Agreement, has expired or has been transferred (assigned) or terminated, neither you, nor your owners, officers, directors or any guarantor(s) under the MUDA (if you are an entity) can own or be involved with a Competitive Business (as defined in the MUDA) located: (1) within the Development Area; (2) within the Development Area of any of our other Multi-Unit Developers; (3) within ten (10) miles of the location of any Ideal Auto Broker Location that you developed under the MUDA; or (4) within ten (10) miles within any Ideal Auto Broker Location existing, in operation or in development

Provision	Section in Development Agreement	Summary
		on the date of the assignment, expiration or termination of the MUDA. We may require you to have your Ideal Auto Broker Location Area Manager sign an agreement with you (the Developer) prohibiting him or her from having any involvement (as referenced above) in a Competing Business within a geographic area (to be determined) and for a period of time (to be determined) after the later of: (i) the assignment, termination or expiration of the MUDA; or (ii) the date that the last Franchise Agreement which has been entered into, pursuant to the rights granted under the Multi-Unit Development Agreement, has expired or has been transferred (assigned) or terminated. You shall be responsible for ensuring that the terms and conditions relating to the restrictive covenants on your Ideal Auto Broker Location Area Manager are reasonable and enforceable under applicable state law. Any such agreement must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreement. At our request, a copy of the signed agreement must be provided to us. The term "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (i) an automobile broker business that facilities the sale of used and new vehicles to consumers; or (ii) in which our Trade Secrets and other Confidential Information (as defined in the MUDA) are used; provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with us. These same persons are also restricted, during the two (2) year period, from diverting, or attempting to divert, any actual or potential business or Franchisee's or our customers to any competitor, or to otherwise do anything that may harm us, our goodwill, Marks or System.
s. Modification of the agreement	§14.2	Modifications must be signed by all parties.

Provision	Section in Development Agreement	Summary
t. Integration/merger clause	§14.1	The MUDA shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement. However, nothing in the MUDA or any related agreement is intended to disclaim any representations we made in the Franchise Disclosure Document we furnished to you.
u. Dispute resolution by arbitration or mediation	§13.1	Except for limited exceptions, any dispute arising out of or in connection with Franchise Agreement or Operations Manual if not resolved by negotiation and mediation must be submitted for arbitration in accordance with Commercial Arbitration Rules of the AAA and held in New York County in the State of New York. Arbitration will be conducted on an individual, not class-wide basis.
v. Choice of forum	§13.3	Mediation and arbitration must be held in New York County in the State of New York at a location agreed upon by the parties or, if not, as designated by the AAA.
w. Choice of law	§13.2	All matters relating to the arbitration will be governed by the Federal Arbitration Act. Otherwise New York law applies.

ITEM 18
PUBLIC FIGURES

We do not presently use any public figures to promote our franchise. However, we reserve the right to use any public figure we choose in the future without your permission. If we elect to use a public figure in connection with our System, we are obligated to provide you with certain disclosures.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections, contact Jeff Li, Chief Executive Officer, c/o Ideal Automotive Broker Franchising, LLC, 15-23 132nd Street, College Point, NY 11356; Tel. (718) 888-9922, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISE INFORMATION

Table No. 1
System wide Outlet Summary
For Years 2019, 2020 and 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2019	5	5	0
	2020	5	6	1
	2021	6	7	1
Total Outlets	2019	5	5	0
	2020	5	6	1
	2021	6	7	1

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2019, 2020 and 2021

State	Year	Number of Transfers
New York	2019	0

	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets
For Years 2019, 2020 and 2021

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
NY	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets*
For Years 2019, 2020 and 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
NY	2019	5	0	0	0	0	5
	2020	5	1	0	0	0	6

	2021	6	1	0	0	0	7
Total	2019	5	0	0	0	0	5
	2020	5	1	0	0	0	6
	2021	6	1	0	0	0	7

Table No. 5
As of December 31, 2021,
Projected Openings for the Next Fiscal Year (December 31st, 2022)

State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlets In Next Fiscal Year	Projected New Company-Owned Outlets in Next Fiscal Year
NY	0	2	0
Total	0	2	0

Included as Exhibit H to this Disclosure Document will be a list of our franchisees and multi-unit developers as of the issuance date hereof. Your contact information (inclusive of your name and the address(es) and telephone number(s) of your respective Ideal Auto Broker Location(s) will be disclosed here in the future, if you purchase a franchise.

Exhibit I to this FDD contains a list of the franchisees who had a Franchised Business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within ten (10) weeks of the issuance date of this Disclosure Document are required to be disclosed in this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees may sign confidentiality provisions restricting their ability to speak openly about their experience with Ideal Automotive's franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

As of the issuance date hereof, there are no trademark-specific franchisee organizations associated with the Ideal Automotive Broker Franchise System.

ITEM 21
FINANCIAL STATEMENTS

Pursuant to the FTC Franchise Rule (the "Rule"), we are required to provide you with financial statements audited in accordance with generally accepted accounting principles ("GAAP") for the most recent three fiscal years. However, we have not been in business for three years or more, therefore we cannot include all the financial statements required by the Rule. We are including all required audited financial statements required by the Rule for fiscal years ending 2020 and 2021. We have also included our interim financial statement, dated as of March 22, 2022. Said financial statements are included as Exhibit G to this FDD.

ITEM 22
CONTRACTS

All proposed agreements regarding the franchise offering are attached: Franchise Agreement (Exhibit C to FDD); Franchise Agreement Addendum (Combined Broker / Dealer Locations) (Exhibit D to FDD) Multi-Unit Development Agreement (Exhibit E to FDD); Electronic Funds Transfer Authorization Form (Exhibit C to Franchise Agreement); Lease Rider (Exhibit D to Franchise Agreement); Collateral Assignment of Lease (Exhibit E to Franchise Agreement); Nondisclosure Agreement – Franchisee (Exhibit F to the Franchise Agreement); Noncompetition Agreement – Franchisee (Exhibit G to the Franchise Agreement); Guaranty and Assumption of Obligations (Exhibit H to Franchise Agreement); Step-In Rights Agreement (Exhibit I to Franchise Agreement); General Release (Exhibit J to Franchise Agreement); Initial Franchise Fee Discount Addendum (Exhibit K to Franchise Agreement); Software License Agreement (Exhibit L to Franchise Agreement); Franchisee Disclosure Questionnaire (Exhibit J to FDD); Multi-State Addenda for FDD and Franchise Contracts (Exhibit K to FDD); General Release (Exhibit L to FDD).

ITEM 23
RECEIPTS

Both your and our copy of the Disclosure Document Receipt is located on the last two (2) pages of this Document.

EXHIBIT A TO DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises for these states. We may register in one or more of these states.

California
Commissioner of Department of Financial Protection and Innovation
Department of Financial Protection & Innovation
One Sansome St., Suite 600San Francisco, CA 94104
Toll Free: 1 (866) 275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Florida
Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

Hawaii
Commissioner of Securities
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
808-586-2722

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

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

Kentucky
Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, KY 40601-8204

Maine
Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, Maine 04333

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933

Minnesota
Minnesota Department of Commerce
Commissioner of Commerce
85 7th Place East, Suite 600
St. Paul, Minnesota 55101

Nebraska
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68509

EXHIBIT A TO DISCLOSURE DOCUMENT

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Fl
New York, New York 10005
212-416-8222

North Carolina
Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603-5909

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Department 414
Bismarck, North Dakota 58505-0510
701-328-4712

Rhode Island
Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Bldg. 69, First Floor
Cranston, RI 02920

South Carolina
Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Texas
Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

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

Washington
Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

EXHIBIT B TO DISCLOSURE DOCUMENT

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as Franchisor's agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California
Commissioner of Department of Financial Protection and Innovation
Department of Financial Protection & Innovation
One Sansome St., Suite 600San Francisco, CA 94104
Toll Free: 1 (866) 275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800

Hawaii
Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

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

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

Maryland
Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
2501 Woodlake Circle
Okemos, Michigan 48864

Minnesota
Minnesota Department of Commerce
Commissioner of Commerce
85 7th Place East, Suite 208
Saint Paul, Minnesota 55101

New York
Secretary of the State of New York
99 Washington Avenue
Albany, New York 12231

North Dakota
North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island
Director, Department of Business Regulation
JOHN O. PASTORE COMPLEX
1511 Pontiac Avenue
Bldg. 69, First Floor
Cranston, RI 02920

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

EXHIBIT B TO DISCLOSURE DOCUMENT

Virginia
Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

EXHIBIT C TO THE DISCLOSURE DOCUMENT

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

EXHIBIT B TO DISCLOSURE DOCUMENT

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IDEAL AUTOTMOTIVE BROKER FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is entered into on this ___ day of _____, 20___ (the "Effective Date") by and between Ideal Automotive Broker Franchising, LLC ("we", "us" or "our"), a New York limited liability company, with its principal office located at 15-23 132nd Street, College Point, NY 11356, and _____, [an individual [*or*] business entity, with a principal address of _____ ("you" or "your").

RECITALS

WHEREAS, through the expenditure of time, skill, effort and money, we and our affiliates have developed a unique and distinctive business system (the "System") for the development and operation of automobile brokerage businesses that facilitate the sale of used and new automobiles to consumers. Each automobile brokerage franchise operating under the System and identified by the Marks (defined below) are herein referred to as an Ideal Auto Broker Location.

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme and furnishings; proprietary products and services; uniform standards, specifications, and procedures for tracking and assessing operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks "Ideal Automotive Sales" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "Marks"). The Marks are owned by our affiliate, Ideal Automotive IP Holdings, LLC, which has licensed the Marks to us so that we may sub-license the Marks to our franchisees.

WHEREAS, we grant to persons who meet our qualifications, and who are willing to undertake the investment and effort, to own and operate a Ideal Auto Broker Location offering the products and services we authorize (and only the products and services we authorize) and using our System;

WHEREAS, you understand and acknowledge the importance of our high standards of quality, appearance, procedures, controls, and service, and the necessity of operating the Ideal Auto Broker Location in strict conformity with such standards and specifications;

WHEREAS, you desire to develop, own and operate an Ideal Auto Broker Location in conformity with our System and the uniformity requirements and quality standards that we establish and promulgate from time to time.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE I
GRANT OF FRANCHISE; RIGHTS WE RESERVE

1.1 **Grant**. We hereby, subject to the terms and conditions of this Agreement, grant you the right and license and you hereby accept the right and obligation to operate one (1) Ideal Auto Broker Location Business ("Ideal Auto Broker Location") at the Approved Location (defined in Section 2.1), and to use the Marks and the System in connection with your operation of the Ideal Auto Broker Location in accordance with our standards and specifications ("System Standards") and terms and conditions of this Agreement and all related agreements. You and your Principals have represented to us that you have entered into this Agreement with the intention to fully comply with the obligations to develop and operate an Ideal Auto Broker Location hereunder and not for the purpose of reselling the rights to develop the Ideal Auto Broker Location hereunder. You and your Principals understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you and your Principals; and that this Agreement and the rights and obligations hereunder may not be transferred until after the Ideal Auto Broker Location is open for business to the public in accordance with Section 9.3, and then only in accordance with Article XIII hereof.

1.2 **Restrictions to Grant**. You acknowledge and agree that this Agreement does not afford you any rights or options to open any additional Ideal Auto Broker Location(s) and that you do not have any right to sub-license or sub-franchise any of the rights granted hereunder. You acknowledge and agree that you may not use the Marks or System for any purpose other than promoting and operating the Ideal Auto Broker Location at the Approved Location (defined in Section 2.1). If we grant you the right to open and operate any additional Ideal Auto Broker Location, each additional Ideal Auto Broker Location will be governed by a separate form of our then-current Franchise Agreement.

1.3 **Rights We Reserve**. Except to the extent provided in Section 2.4, we (and our affiliates) expressly retain all rights and discretion with respect to the Marks, System and the sale of any products and services, including, without limitation, the right to:

(i) establish, own, or operate, and license others the right to establish, own or operate, Ideal Auto Broker Location(s) outside of your Exclusive Territory under any terms and conditions that we deem appropriate;

(ii) establish, own or operate, and license others to establish, own or operate other businesses under other systems using other trademarks at locations inside and outside of your Exclusive Territory;

(iii) be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within your Exclusive Territory;

(iv) provide the services and sell the products authorized for Ideal Auto Broker businesses ("Ideal Auto Broker Businesses") using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution on such terms and conditions as we deem appropriate. "Alternative distribution channels" shall include, but without limitation, the internet, catalogs, telemarketing or other direct marketing methods;

(v) purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Ideal Auto Broker location business some or all of which may be located anywhere, including within your Exclusive Territory. If we purchase or acquire such businesses within your Exclusive Territory that are not franchised or licensed, we may, in our sole discretion and without any obligation to do so:

(a) offer to sell any such businesses to you or to any third party at the business's fair market value to be operated as an Ideal Auto Broker Location; or

(b) offer you the opportunity to operate such business(s) in partnership with us (or any of our affiliates) under the business(s) existing trade name or a different trade name.

(vi) to sell Ideal Automotive products and services to National/Regional and Institutional Accounts, wherever situated. Notwithstanding the foregoing, where you have exclusive authority under this Agreement to offer and sell through your Ideal Auto Broker Location the services that we would like to provide to the National/Regional and Institutional Account's locations, we may offer you the opportunity to provide those services to the locations of the National/Regional and Institutional Account on the terms and conditions that we have established with the National/Regional and Institutional Account. "National/Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to your Exclusive Territory, including without limitation: colleges and universities, department store chains, hotel/motel chains, casinos, sports or entertainment venues, stadiums, federal, state, and local governmental and quasi-governmental agencies, branches or facilities, whether currently existing or constructed or established subsequent to the date hereof.

(vii) to open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to Ideal Auto Broker Locations under marks other than our Marks at any location.

ARTICLE II
SITE SELECTION; PLANS AND CONSTRUCTION

2.1 **Approved Location**. You must locate, obtain, and occupy the site for your Ideal Auto Broker Location within the Exclusive Territory from which you will operate your Ideal Auto Broker Location (the "Approved Location"). You shall assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for your Ideal Auto Broker Location within your Exclusive Territory, and for constructing and equipping your Ideal Auto Broker Location at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Ideal Auto Broker Location, unless we have approved the site, as set forth below.

2.2 **Site Selection**. You must submit to us for written approval a site proposal for the proposed site of the Ideal Auto Broker Location and such other information or materials as we may reasonably require, including, but not limited to, a copy of a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site ("Site Selection Materials"). If an Approved Location for the Ideal Auto Broker Location has not been determined as of the Effective Date, then you shall select a site for the Ideal Auto Broker Location and shall notify us of such selection, within ninety (90) days of the Effective Date of this Agreement. We shall have thirty (30) days after receipt of your site proposal and all other such information and materials required by us to approve or disapprove, in writing, the site proposal. Any disapproval will set forth our reasons for disapproving a site proposal. If we approve the site, then the site shall be designated as the Approved Location and the address of your Ideal Auto Broker Location will be inserted on Exhibit B to this Agreement. If we do not approve of such selection, you shall select and notify us of new sites until we approve a site for your Ideal Auto Broker Location. We have the right to approve or disapprove a proposed site based on such factors as we deem appropriate, including, without limitation, the condition of the premises, demographics of the surrounding area, proximity to other Ideal Auto Broker Locations, proximity to Competitive Businesses, or the size of the location and lease requirements. You acknowledge that: (i) the location, selection, procurement and development of a site for your Ideal Auto Broker Location is your sole responsibility; and (ii) our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Ideal Auto Broker Location operated at that site will be profitable or otherwise successful.

2.3 **Failure to Select an Approved Location**. Should you fail to enter into a lease (or sublease) for an Approved Location within ninety (90) days after the Effective Date of this Franchise Agreement (or fail to enter into a purchase agreement for the building from where your Approved Location will operate within ninety (90) days after the Effective Date of this Franchise Agreement), we or you will have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 2.3, we will offer you a refund of fifty (50%) percent of the initial Franchise Fee as called for in this Franchise Agreement, provided that you execute a general release, the form of which is attached hereto as Exhibit J, releasing any and all claims against us, any of our affiliates and our and their respective officers, directors, shareholders, managers, members, partners, owners, attorneys, employees and agents (in their corporate and individual capacities). Upon our receipt of your executed general release, this

Agreement shall terminate. Notwithstanding the foregoing, if this Agreement is being executed in connection with a Multi-Unit Development Agreement (the "MUDA"), then you will have the lesser of: (i) ninety (90) days from the Effective Date of this Franchise Agreement; or (ii) the amount of time that remains under the MUDA within which you can enter into an approved lease for the applicable Approved Location.

2.4 **Exclusive Territory**. Simultaneously with the execution of this Agreement, we will assign to you a territory (the "Exclusive Territory"). Your Exclusive Territory shall be defined by and exist within the zip codes or other physical, political or natural boundaries described in Exhibit B attached hereto. If your Ideal Auto Broker Location is located within an urban area, as determined by us in our sole discretion, we will grant you a Exclusive Territory which, typically, will encompass a ten (10) block radius surrounding your Approved Location. If your Ideal Auto Broker Location is located within a suburban area, as determined by u in our sole discretion, we will grant you a Exclusive Territory which, typically, will encompass a three (3) mile radius surrounding your Approved Location. Notwithstanding the above, we may, in our sole discretion, grant you a Exclusive Territory which varies in size and scope from what is stated above.

You will operate the Ideal Auto Broker Location within the designated Exclusive Territory, and you shall limit all direct marketing, advertising, and business activities to your Exclusive Territory. As long as this Agreement is in full force and effect and you are not in default under any of the terms hereof, we shall not: (i) establish or authorize any other person or entity, other than you, to establish an Ideal Auto Broker Location in the Exclusive Territory during the term of this Agreement and any extensions hereof; or (ii) limit or alter the boundaries of your Exclusive Territory. You acknowledge and understand that your rights in the Exclusive Territory are subject to our reserved rights set forth in Section 1.3 above.

2.5 **Lease or Purchase of Approved Location**. If you are purchasing the Approved Location, you must submit to us a copy of the proposed contract of sale for our approval, which we will not unreasonably withhold. We shall have fifteen (15) days after receipt of the lease, sublease or the proposed contract of sale to either approve or disapprove such documentation prior to its execution. We shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, our rights or your duties under this Agreement. You shall provide us with a fully executed copy of the contract of sale within ten (10) days of its execution.

If you will be leasing (or subleasing) the Approved Location, then our approval of the form of lease (or sublease) for the Approved Location will be conditioned on, but not limited to, said lease (or sublease) incorporating the terms of our form of Lease Rider, which is attached hereto as Exhibit D. In connection with your execution of the lease (or sublease) for the Approved Location, you agree that you shall arrange for the landlord of the Approved Location to consent to and execute our form of Collateral Assignment of Lease (the "Collateral Assignment"), attached hereto as Exhibit E.

Simultaneously with your execution of the lease (or sublease) for the location of the Ideal Auto Broker Location, you expressly agree to: (1) execute our form of Collateral

Assignment attached hereto as Exhibit E (the "Collateral Assignment"); and (2) use your commercially reasonable efforts to arrange to have the landlord of the Approved Location consent to (and execute) the Collateral Assignment. Upon your execution of the Collateral Assignment and you arranging for the landlord of the Approved Location to consent to and execute our Collateral Assignment, we will hold the executed Collateral Assignment in escrow until such time as we may elect to activate assignment of your lease as set forth herein. If we elect, in our sole discretion, to activate assignment of your lease (or sublease), you expressly acknowledge and agree that we are irrevocably authorized to serve as your attorney-in-fact to take such steps as we deem necessary to effectuate the assignment of your lease (or sublease) to us.

Simultaneously with your execution of the lease (or sublease) for the location of the Ideal Auto Broker Location, you also expressly agree to comply with Section 15.1 herein and execute our form of Step-In Rights Agreement which is attached hereto as Exhibit I.

You acknowledge and agree that our review of your lease or purchase agreement, or any advice or recommendation that we offer to you shall not constitute a representation or guarantee that you will succeed at the Approved Location nor constitute an expression of our opinion regarding the terms of such lease or purchase agreement. You further acknowledge and agree that you shall solely rely on your own independent review of any such lease or purchase agreement.

2.6 **Licenses, Permits and Zoning Clearances**. You shall be solely responsible for obtaining all zoning classifications and clearances that may be required by state or local laws, ordinances or regulations in connection with the development of the Ideal Auto Broker Location at the Approved Location. Prior to commencing construction of your Ideal Auto Broker Location, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Ideal Auto Broker Location, and (ii) certify to us, in writing, that: (a) all such permits, licenses and certification have been obtained; and (b) the insurance coverage specified in Article X is in full force and effect. You shall, upon our written request, provide us with additional copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications.

2.7 **Development of Approved Location**.

(i) We shall make available to you, at no charge to you, layout and design advice and specifications for construction of your Ideal Auto Broker Location, as well as recommended and/or mandatory vendors from whom you will need to purchase or lease certain items, which may include: furnishings, fixtures, equipment, supplies, inventory, signs and other trade dress elements that are necessary for the development and operation of an Ideal Auto Broker Location. If you are converting an existing automobile brokerage business or similar business into an Ideal Auto Broker Location, then you acknowledge that we may, in our discretion, require you to replace existing equipment, fixtures, furniture, electrical and plumbing, signage and other existing elements to conform with our standards and specifications. You shall develop and construct the Ideal Auto Broker Location in accordance with such specifications and in compliance with all applicable codes, permits and ordinances. You acknowledge that any layout

and/or prototypical design plans that we may furnish to you should be used as a visual reference from which your architects, engineers, designers and/or contractors are to prepare architectural and construction drawings and plans to be used to obtain the permits and authorizations necessary to build and operate the Ideal Auto Broker Location. You shall submit a complete set of your proposed final drawings and plans to us for our approval. We will not assess whether your proposed drawings and plans comply with all applicable federal, state and local laws, codes and regulations, including the Americans with Disabilities Act. Your architect shall certify to you, in writing that the drawings, plans and specifications for your Ideal Auto Broker Location comply with all the American Disabilities Act ("ADA") (including, the architectural guidelines under the ADA), all applicable federal, state and local laws, building codes, fire codes, ordinances, rules and regulations and permit requirements. Upon our request, you shall provide us with a copy of such certification.

(ii) Once we approve your proposed final drawings and plans and you receive the necessary regulatory approvals, you shall commence construction or remodeling of the Ideal Auto Broker Location. You shall use your best efforts to complete the construction or remodeling (as applicable) of the Ideal Auto Broker Location within sixty (60) days of executing the lease, sublease or purchase agreement for the Approved Location by lease or purchase. During such construction or remodeling process, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as we may reasonably request. Additionally, we, in our sole discretion, may conduct on-site inspections as we deem reasonably necessary to evaluate such progress. You shall notify us of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date. We may require any corrections and modifications that we and/or our designees consider reasonable and necessary to bring the Ideal Auto Broker Location into compliance with the drawings, plans and specifications we approved.

(iii) Within a reasonable time after the date the construction or remodeling is completed, we may, at our option, conduct an inspection of the newly constructed or remodeled Ideal Auto Broker Location. You acknowledge and expressly agree that you will not open the Ideal Auto Broker Location for business without our prior written authorization, which shall be conditioned, without limitation, upon whether your Ideal Auto Broker Location conforms to the approved drawings, plans and specifications, including any changes thereto that we approved and whether we consider you and your personnel prepared to commence operating the Ideal Auto Broker Location.

2.8 **Failure to Develop Approved Location**. Should you fail to develop and open the Approved Location for business within earliest of: (i) ninety (90) days after you enter into a lease for the Approved Ideal Auto Broker Location (or within ninety (90) days from the date that you enter into a purchase agreement for the building from where your Approved Ideal Auto Broker Location will operate); or (ii) six (6) months from the Effective Date of this Agreement; or (iii) if this Agreement is being executed in connection with a MUDA, the date that you or your affiliate (as Developer) is required to open the Ideal Auto Broker Location for business as provided in Exhibit A to the MUDA, we have the right to terminate this Agreement, unless we agreed, in writing, to an extension of time. If this Agreement is terminated pursuant to this Section 2.8, you are required to execute a general release, the form of which is attached hereto

as Exhibit J, releasing any and all claims against us, any of our affiliates and our and their respective officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities). Upon our receipt of your executed general release, this Agreement shall terminate and we shall have no future obligations to you as of the date of said termination. In connection with such termination, you shall execute our form of general release, which is attached hereto as Exhibit J, releasing us from any and all claims that you may have against us, our affiliates and their respective officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities).

2.9 **Use of Approved Location**. You shall not use the Approved Location for any purpose other than for the operation of your Ideal Auto Broker Business or in connection with the operation of an Ideal Auto Dealer business ("Ideal Auto Dealer Business") in full compliance with this Agreement and the Operations Manual, unless approved by us, in writing.

2.10 **Relocation**. You may not relocate your existing Ideal Auto Broker Location ("Existing Location") without our prior written approval, which is subject to our sole discretion.

If you wish to or need to relocate your Existing Location, you must, as soon as reasonably practicable, notify us in writing of your intent in relocating your Existing Location ("Relocation Request") and submit to us all of the information and materials that we require to consider your request, including Site Selection Materials. We will consider your request based on our then-existing policies associated with relocation as well as the fulfillment of various conditions, including but without limitation, the profitability of your Existing Location, your compliance this Agreement and such other financial and operational considerations as we, in our sole discretion, may deem to be appropriate.

If we approve your Relocation Request, you will pay us our then current relocation fee, currently being $5,000 and we will assign a new Exclusive Territory for your replacement location ("Replacement Location") in accordance with the criteria described in this Agreement. The relocation of your Existing Location must be completed at your sole expense and subject to certain conditions that we may specify in the Franchise Agreement. We will not allow you to relocate your Ideal Auto Broker Location within the existing Exclusive Territory of another franchisee in the System.

If your Relocation Request is related to the expiration of your Existing Location's lease, you must enter into a lease for your Replacement Location so that you will have sufficient time to, and that you will, open for business no later than the day after your Existing Location's lease expires or the date that you enter into an approved lease, which ever shall be the first to occur.

If your Relocation Request is due to a casualty, natural disaster, force majeure event, or other event resulting in the closure of your Existing Location ("Closure Event"), you must immediately notify us of the Closure Event. Within ten (10) days of the Closure Event (the "Intention Notice Period"), you must provide us with written notice and advise us whether you intend to reopen your Existing Location or relocate into a Replacement Location (The "Intention Notice"). If you advise us that you intend to reopen your Existing Location, then you must

reopen your Existing Location for business within ninety (90) days of the Closure Event. If you reasonably conclude that you will not be able to reopen your Existing Location within ninety (90) days after the Closure Event, then you must submit a Relocation Request within the Intention Notice Period.

With respect to any Relocation Request which is not related to your lease you will have ninety (90) days to enter into an approved lease for the Replacement Location from the earlier of: (i) the date of your Relocation Request; or (ii) the Closure Event. You must open the Replacement Location within ninety (90) after the date that you are required to enter into an approved lease.

During the period following the Closure Event within which you are not operating an Ideal Auto Broker Location, you shall pay us an Estimated Royalty Fee and an Estimated Marketing Fund Contribution, as provided in Sections 4.3 and 4.5 of this Agreement.

2.11 **Marketing and Solicitation Restrictions**

(i) You shall not directly market to or solicit customers whose principal business office or property address is located outside of your Exclusive Territory. Except as part of cooperative advertising implemented pursuant to Section 5.4, you shall not advertise in any media whose primary circulation is within the area of primary responsibility of another franchisee. We shall make reasonable efforts to enforce these restrictions with regard to you and any other Ideal Auto Broker Locations, but under no circumstances shall we be required to engage in litigation or similar actions with regard to these restrictions.

(ii) Despite the marketing restriction in the previous section, you shall be permitted to serve any customers regardless of their home or business location at your Approved Location within the Exclusive Territory.

ARTICLE III
TERM AND RENEWAL

3.1 **Initial Term**. This Agreement shall be effective and binding for an initial term of ten (10) years from the Effective Date, unless sooner terminated pursuant to Article XIV.

3.2 **Renewal Terms**. Subject to the conditions below, you have the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into our then-current franchise agreement. Your right to a successor franchise is limited to one (1) successive renewal term of ten (10) years. To qualify for a successor franchise, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

(i) You have, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;

(ii) You have access to and, for the duration of the successor franchise, the right to remain in possession of the Approved Location, or a suitable substitute location approved by us, which is in full compliance with our then-current specifications and standards;

(iii) You have, at your expense, made such capital expenditures (including, but not limited to, renovating, refurbishing and modernizing the design, equipment, signs, interior and exterior décor items, displays, inventory, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks for your Ideal Auto Broker Location) as are necessary to for your Ideal Auto Broker Location to conform to our then-current standards and specifications. Notwithstanding the foregoing, you will not be required to make any such renovations or improvements during the last twelve (12) months of your lease term; provided, that in the event there is an extension or renewal of the lease term, then you shall complete such renovations and improvements within six (6) months of the commencement of your renewal lease term;

(iv) You have satisfied all monetary obligations you owe to us or (or any of our affiliates), and you have timely met these obligations throughout the term of this Agreement;

(v) You are not in default of any provision of this Agreement or any other agreement between you and us;

(vi) You have given us written notice of your intent to operate a successor franchise no later than one hundred eighty (180) days prior to the end of the term of this Agreement;

(vii) You have executed our then-current form of franchise agreement (or at our election, you have executed other documents that modify this Agreement to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), not less than thirty (30) days before the expiration of your Franchise Agreement or thirty (30) days after you receive a copy of the documents from us, whichever is later. You acknowledge and agree that your successor franchise agreement shall supersede this Agreement in all respects, and the terms may substantially differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Marketing Fund Contribution; provided, however, that you shall not be required to pay our then-current Franchise Fee, except as provided in (viii) below;

(viii) You have paid a renewal fee of $5,000.00 percent of our then-current franchise fee;

(ix) You have complied with our then-current qualifications for a new franchisee and have agreed to comply with any training requirements; and

(x) You have executed a general release, in a form the same as or similar to the General Release attached as Exhibit K, of any and all claims against us, any of our affiliates and against their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where your Ideal Auto Broker Location is located.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

ARTICLE IV
FEES

4.1 **Franchise Fee**. Upon execution of this Agreement, you shall pay to us an initial franchise fee of Forty-Five Thousand ($45,000.00) Dollars ("Franchise Fee"). The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable, except under certain conditions set forth under Sections 2.3 and 8.3.

4.2 **Royalty Fee**. During the term of this Agreement, we will retain a royalty fee ("Royalty Fee") of five (5%) percent of your Gross Profits (as defined in Section 4.10) out of your proceeds from each transaction that your Ideal Auto Broker Location performs (e.g., regular deals, straight sell transactions, etc.).

4.3 **Estimated Royalty Fee**. During any period which your Ideal Auto Broker Location is closed, you shall pay to us an estimated Royalty Fee ("Estimated Royalty Fee") equal to the average monthly Royalty Fees that you paid us during the twelve (12) months of operation preceding the closure of your Location (or if you have been operating for less than twelve (12) months, equal to the average monthly Royalty Fees that you paid us during the period that you have operated). Franchisee agrees that this amount represents a reasonable estimate of the approximate Royalties that Franchisee would pay if its Ideal Auto Broker Location was open for business. With respect to any partial month that the Ideal Auto Broker Location is closed, Franchisee will pay a pro rata portion of the applicable Estimated Royalty Fee to us or our affiliate.

4.4 **Marketing Fund Contribution**. In addition to the Royalty Fee described in Section 4.2 above, you shall to pay to us each month, a marketing fund fee in an amount equal to two (2%) percent of your Ideal Auto Broker Location's Gross Profits (the "Marketing Fund Contribution"), which we may adjust from time to time. Notwithstanding the foregoing, we will not increase the Marketing Fund Contribution more than 0.5 basis points during any twelve (12) month period. The Marketing Fund Contribution is payable us at the same time and in the same manner as the Royalty Fee.

Such Marketing Fund Contribution shall be contributed to a Marketing Fund we maintain, as described in Section 5.3 below. If the Marketing Fund has not yet been established when this Agreement is executed by us and you, then you shall begin paying the Marketing Funding Contribution upon thirty (30) days' advance notice from us that the Marketing Fund has been established.

4.5 **Estimated Marketing Fund Contribution**. During any period which your Ideal Auto Broker Location is closed, you shall pay to us an estimated Marketing Fund Contribution ("Estimated Marketing Fund Contribution") amount equal to the average monthly Marketing Fund Contributions that you paid us during the twelve (12) months of operation preceding the closure of your Location (or if you have been operating for less than twelve (12) months, equal to the average monthly Marketing Fund Contributions that you paid us during the period that you have operated). Franchisee agrees that this amount represents a reasonable estimate of the approximate Marketing Fund Contributions that Franchisee would pay if its Ideal Auto Broker

Location was open for business. With respect to any partial month that the Ideal Auto Broker Location is closed, Franchisee will pay a pro rata portion of the applicable Estimated Marketing Fund Contribution to us or our affiliate.

4.6 **Administrative Transaction Fee**. On each transaction that your Ideal Auto Broker Location performs (e.g., sale transactions, trade-in transactions, etc.), you shall pay our then-current administrative transaction fee ("Pack") to us (or do an affiliate that we designate). The amount of the Pack will be subject to reasonable increases, but not more than once in each calendar year.

4.7 **Electronic Funds Transfer**. At our request, you must sign and deliver to us the Electronic Funds Transfer Authorization Form (the form of which is attached hereto as Exhibit C, or such other documents that we may periodically require to authorize us to debit your business checking account automatically for the Royalty Fees, Marketing Fund Contributions and other amounts due to us under this Agreement or any related agreement between us and you (or our respective affiliates). You agree to make the funds available for withdrawal by electronic transfer before each applicable due date. If payments are not received when due, we may impose a late fee penalty on the overdue amount in accordance with Section 4.6 below. We may, in our sole discretion and upon written notice to you, require you to pay such fees directly to us in lieu of electronic funds transfer.

4.8 **Taxes and Other Payments**. You shall pay to us: (i) all sales taxes, excise taxes, use taxes, withholding taxes and similar taxes imposed on the fees payable by you to us or our affiliates hereunder (excluding any corporate income taxes imposed on us or our affiliates); (ii) all amounts we advance, pay or become obligated to pay on your behalf for any reason; and (iii) all amounts you owe us or our affiliates for products or services that you purchase from us or our affiliates.

4.9 **Late Fee on Overdue Amounts**. Any Royalty Fees, Marketing Fund Contributions, amounts due for services and/or goods you purchased from us or our affiliates, or and other amounts that are not received by us within five (5) days after the due date shall incur a late fee penalty at the rate of the lower of: (i) one and one-half percent (1.5%) per month; or (ii) the highest rate allowed by the law of the state where your Ideal Auto Broker Location is located; from the date payment is due to the date payment is received by us. You shall pay us for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, Marketing Fund Contributions or any other amounts you owe to us, including reasonable accounting and legal fees. This Section shall not constitute an agreement by us to accept any payments after the due date or a commitment by us to extend credit to or otherwise provide you with financing.

4.10 **Definition of Gross Profits**. "Gross Profits" means the total of all revenue you receive for all goods sold and services rendered from your Ideal Auto Broker Location or otherwise with the Ideal Automotive brand name or Marks or the operation of your Ideal Auto Broker Location, whether from cash, check, credit, debit account, exchange, barter or otherwise, reduced by: (1) the actual cost at which vehicles are acquired from us or our affiliates, dealerships, auctions, or other third parties, including any and all fees, taxes, transportation

charges, etc.; (2) sales, value added, or service taxes actually and lawfully collected from customers; (3) all customer refunds; (4) customary tips and gratuities received by Ideal Auto Broker Location employees in the normal course of business. The amount of our per-transaction administrative charges (i.e., the "Pack") is not excluded from your Gross Profits total.

4.11 **Failure to Report**. If you fail to report your Ideal Auto Broker Location's Gross Profits for any period, you acknowledge and expressly agree that we may debit your account for one hundred twenty percent (120%) of the Royalty Fee and Marketing Fund Contribution that we debited for the previous period. If, after we have determined the true and correct Gross Profits for the subject period, the amount we debited from your account is less than the amount you actually owe to us for the period, then we will debit your account for the balance due on the day we specify. If, however, the amount we debited from your account is greater than the amount you actually owe to us for the subject period, then we will credit the amount of overpayment against the amount we will debit from your account during the following period without interest.

4.12 **Application of Payments and Right of Set-off**. Notwithstanding any designation by you, we or our affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine. You may not withhold payment of any amounts you owe to us due to our alleged nonperformance of any of our obligations under this Agreement or any other agreement between us (or affiliates) and you.

4.13 **Management Fee**. If we, at your request or by our own volition as described herein, step in to temporarily operate your Ideal Auto Broker Location, you agree to pay to us our then-current management fee for each representative sent by us to temporarily manage your Ideal Auto Broker Location ("Management Fee") plus the expenses (including, but not limited to travel, lodging and meals) we incur in providing you with management assistance.

4.14 **Reimbursement of Opening Team Expenses**. We will send a team to assist you with the grand opening of your Ideal Auto Broker Location for up to seven (7) days at the time of your Ideal Auto Broker Location's grand opening event ("Grand Opening Event"). Not less than sixty (60) days prior to the date of the Grand Opening Event, you shall deposit either: (i) $8,500 (if your Ideal Auto Broker Location is less than seventy (70) miles from our company office); or (ii) $10,000 (should your Ideal Auto Broker Location be located seventy (70) miles from our company office) to cover the expenses of our opening team. This amount includes a maximum of two (2) staff members ("Opening Team"), their meals, travel accommodations, the then-current training fee for our opening team members for up to seven (7) days. Thirty days (30) following the date of your Grand Opening Event, we will prepare an itemized statement reflecting the expenditures we made in providing you with grand opening assistance, a copy of which we will provide to you for your records. If the actual total costs of your Grand Opening Event are less than the amount of your Opening Assistance Deposit, we will return the unused portion of your deposit. Should the itemized expenditures for the opening assistance that we provide to you exceed the amount of your Opening Assistance Deposit, you will not be required to pay the amount of the overage.

ARTICLE V
ADVERTISING AND PROMOTIONAL ACTIVITIES

5.1 **Grand Opening Advertising and Promotion**. We will, after consultation with you and at your expense, conduct a Grand Opening event during the week of the grand opening of your Ideal Auto Broker Location, which will include a grand opening advertising campaign ("Grand Opening Event"). We will coordinate and manage your Grand Opening Event including the pre-opening media and advertising for your Ideal Auto Broker Location, public relations and event management services for and during the event, and provide follow-up public relations after the event (including, but not limited to, providing event photos, website and social media, and press releases to local media. not limited to, providing event photos, website and social media, and press releases to local media. We estimate that the cost of your Grand Opening Event will be between $3,500.00 and $7,000.00, if your Ideal Auto Broker Location is located within seventy (70) miles of our company office, or between $5,950.00 and $10,700.00, if your Ideal Auto Broker Location is located more than seventy (70) miles from our company office. No less than sixty (60) days prior to the opening of your Ideal Auto Broker Location, you shall deposit with us: (i) $7,000.00 if your Ideal Auto Broker Location is located within seventy (70) miles from our company office; or (ii) $10,700.00, if your Ideal Auto Broker Location is located more than seventy (70) miles from our company office (collectively referred to herein as, the "Grand Opening Deposit"). We will deduct the expenses for your Grand Opening Event from your Grand Opening Deposit. Thirty days (30) following the date of your Grand Opening Event, we will prepare an itemized statement reflecting the expenditures we made in conducting your Grand Opening Event, a copy of which we will provide to you for your records. If the actual total costs of your Grand Opening Event are less than the amount of your Grand Opening Deposit, we will return the unused portion of your Grand Opening Deposit to you. Should the itemized expenditures for your Grand Opening Event exceed the amount of your Grand Opening Deposit, you will not be charged for the amount of the overage.

5.2 **Local Advertising**

(i) You shall promote your Ideal Auto Broker Location on a continuous basis. Every month, you shall spend, for the duration of the term of this Agreement, the greater of: (i) Two Hundred Fifty ($250.00) Dollars; or (ii) one percent (1%) of your monthly Gross Profits on advertising, promotions and public relations within the immediate locality surrounding the Ideal Auto Broker Location ("Local Advertising"). Such expenditures shall be made directly by you, subject to our prior approval and direction. We shall provide you with general guidelines for conducting your Local Advertising.

(ii) You shall submit to us, for our prior approval, all advertising and promotional materials you wish to use including, but not limited to, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail. We shall use our reasonable efforts to provide notice of approval or disapproval within twenty (20) days from the date all requested material is received by us. Our approval of your proposed advertising may be withheld for any or no reason. If we do not respond within twenty (20) days following our receipt of your proposed advertising material(s), then our approval shall be deemed withheld and the proposed advertising

material(s) not approved. You shall not use any marketing or promotional material prior to our approval or which would harm the company's family friendly brand. Your advertising shall comply with any applicable laws and regulations, or contain required disclosures, that govern or are applicable to the automobile broker business / sales industry in the area in which your Ideal Auto Broker is located.

(iii) Notwithstanding the foregoing, you may not use any advertising material approved by us if our approval took place more than twelve (12) months prior to the proposed use. In such event, you must resubmit such advertising material for our approval. For example, an approved Holiday Season ad from one year would need to be re-approved before it can be used again the second year. You acknowledge and agree that our approval or rejection of your proposed advertising will not give rise to any liability on our part and you, therefore, waive any possible claims against us to the contrary.

5.3 **Marketing Fund**. Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, you agree that we or our designee shall have the right to establish, maintain and administer a marketing fund (hereinafter referred to as the "Marketing Fund") for our national and regional advertising programs, as we may deem necessary or appropriate. If we, in our sole discretion, elect to establish the Marketing Fund, it shall be maintained and administered by us or our designee as follows:

(i) We shall oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the Marketing Fund. The program(s) may be local, regional or System-wide. We do not warrant the success or effectiveness of any particular marketing program.

(ii) Your Marketing Fund Contributions may be used to meet the costs of, or to reimburse us for our costs of, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine, newspaper, and direct mail advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees). All Marketing Fund Contributions shall be maintained in a separate account from our monies and shall not be used to defray any of our general operating expenses, except for such reasonable costs and expenses, if any, that we may incur in activities reasonably related to the administration of the Marketing Fund.

(iii) We shall endeavor to spend all Marketing Fund Contributions on marketing programs and promotions during our fiscal year within which such contributions are made. If excess amounts remain in any Marketing Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the Marketing Fund, and next out of prior year contributions and then out of current contributions.

(iv) Although we intend the Marketing Fund to be of perpetual duration, we have the right to terminate the Marketing Fund at any time. The Marketing Fund shall not be terminated, however, until all Marketing Fund Contributions have been expended for advertising and promotional purposes or returned to you and other franchisees on a pro rata basis based on total Marketing Fund Contributions made in the aggregate by each franchisee.

(v) Each franchised business operated by us or an affiliate shall make Marketing Fund Contributions at the same rate as our Ideal Auto Broker Businesses.

(vi) An accounting of the operation of the Marketing Fund shall be prepared annually and shall be available to your upon request. We retain the right to have the Marketing Fund reviewed or audited and reported on, at the expense of the Marketing Fund, by an independent certified public accountant selected by us.

(vii) You acknowledge that the Marketing Fund is not a trust and we assume no fiduciary duty in administering the Marketing Fund.

5.4 **Cooperative Advertising**. We have the right, but not the obligation, to create a cooperative advertising program for the benefit of Ideal Auto Broker Businesses located within a particular region. We have the right to collect and designate all or a portion of the Local Advertising to payments or contributions to us for the funding of a cooperative advertising program. We have the right to determine the composition of all geographic territories and market areas for the implementation of each cooperative advertising program and to require that you participate in such cooperative advertising programs when established within your region. If a cooperative advertising program is implemented in a particular region, we have the right to administer the cooperative advertising program or to establish an advertising council of franchisees to self-administer the cooperative advertising program. You shall participate in the council according to the rules and procedures established by the council and you shall abide by the council's decisions. Should we establish a cooperative advertising program or programs with or without an advertising council, we have the right, but not the obligation, to change, dissolve or merge such program(s) and/or council(s) at any time.

5.5 **Advisory Council**. We reserve the right, in our sole discretion, to form an advisory council (the "Advisory Council") to work with us to improve the System, the products and services offered by Ideal Auto Broker Locations, advertising conducted by the Marketing Fund, and any other matters that we deems appropriate. The Advisory Council will include franchisees, representatives of ours and may include a consultant for us. If an Advisory Council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council at any time. We will have the right to approve the policies and procedures of the Advisory Council, and you must comply with those policies and procedures.

5.6 **Internet, Website and Social Media Marketing**. As used in this Agreement, the term "Website" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term

Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, you agree to the following:

(i) You must comply with the requirements included in the Operations Manual regarding your use of the Licensed Marks in electronic commerce, which includes all forms of electronic or computer communication, including use of social media or mobile marketing. You cannot have your own Website or register any domain name/URL address. You must use the Website and that is provided by us or our affiliate. We may allocate one or more pages of our Website which will provide information relating to your principal(s) and which will describe your Ideal Auto Broker Location. We may provide you with a template which will provide you with the basic layout of your web page. The content and design of your web page is subject to our approval, in our sole discretion.

(ii) We have developed a mobile application ("Mobile App") that provides Ideal Automotive Broker customers with access to the current vehicle inventory of Ideal Automotive Dealer locations and the ability to evaluate prospective vehicle trades. We reserve the right to modify, replace or retire the Mobile App at any time. With respect to your usage of the Mobile App, you must comply with the requirements in the Operations Manual.

(iii) Your use of social media, such as Facebook, Twitter and Flicker, and mobile marketing for your Ideal Auto Broker Location is subject to our prior written approval and your complying with our other requirements. Digital marketing and advertising is an area that changes quickly. We have the right to control all of your online presence (which includes text messaging and mobile applications) and may develop specific rules, guidelines and policies for use and content of your online presence.

(iv) Franchisor may also establish an intranet, electronic notice board, or other electronic communications vehicle through which downloads of operations and marketing materials (including the Operations Manual), exchanges of franchisee e-mail, System discussion forums and systemwide communications (among other activities) can be effected.

(v) We shall have the right to modify the provisions of this Section 5.6 relating to Websites as we shall solely determine is necessary or appropriate.

ARTICLE VI
MARKS

6.1 **Grant of License to Use Trademarks**. We grant you the right to use the Marks during the term of this Agreement in accordance with the System and our standards and specifications.

6.2 **Ownership**. We are the licensee of the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them. All references herein to our right, title and interest in the Marks shall be deemed to include the owner's (Ideal Automotive Broker Franchising, LLC) right, title and interest in the Marks. Your right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct

of business by you pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by us. Your unauthorized use of the Marks is a material breach of this Agreement and an infringement of our and our affiliates rights in and to the Marks. Your use of the Marks, and any goodwill created thereby, shall inure to the benefit of us and our affiliate. You shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to you. You shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.3 **Limitations on Use**. You understand and agree that nothing in this Agreement gives you any right, title or interest in the Marks, other than the license to display and use the Marks in accordance with the terms and limitations set forth in this Agreement, our Operations Manual or any written notifications that we may give to you from time to time. You acknowledge and expressly agree that your license to use the Marks is limited to the Marks (provided that we have not designated a Mark(s) as withdrawn from use), together with those Marks that we may designate, in writing, in the future. Unless otherwise authorized or required by us, you shall operate and advertise your Ideal Auto Broker Location only under the name, Ideal Automotive Sales, without any prefix, suffix or modifying words, terms, designs or symbols (other than those logos licensed by us to you). You shall not use any Mark or portion of any Mark as part of any business entity name. You shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by us. You shall give such notices of trademark and service mark registrations as we specify and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as an Ideal Automotive Broker Business. You shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to you. You shall include on its letterhead, forms, invoices, cards and other such identification, and shall display at such conspicuous locations at the Approved Location or any such delivery vehicle (as we may designate), a prominent notice stating that your Ideal Auto Broker Location is an "Independently Owned and Operated Franchise" of ours. You shall not use the Marks to incur any obligation or indebtedness on our behalf. You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and you agree to execute any documents we (or our counsel) deems necessary to obtain protection of the Marks or to maintain their continued validity and enforceability.

6.4 **Use and Display of Marks**.

(i) Use. You understand and agree that each time you use the Marks, such use must be in full compliance with our specifications and limitations. You expressly agree not to use the Marks in a manner that would jeopardize the goodwill associated with the Marks or the System. Any authorized use of the Marks by you will constitute an infringement of our and our affiliate's rights and a material and incurable breach of this Agreement, which unless we waive the breach,

will entitle us to immediately terminate this Agreement upon notice to you, with no opportunity to cure.

(ii) Display. You agree to affix the Marks at the site of your Ideal Auto Broker Location, as well as on: (a) any delivery vehicles, if any, operated by you; (b) your Ideal Auto Broker Location point-of-sale materials, signs, stationery, advertising, sales, marketing; and (iii) your promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Operations Manual or otherwise. You also agree to display the Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Manual. No trademarks, logotypes, names, symbols or service marks other than the Marks may be used by or in connection with your Ideal Auto Broker Location, except as we may expressly provide in its Operations Manual or as we may approve in writing.

6.5 **Notification of Infringements and Claims**. You shall immediately notify us of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. You shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim; provided, however, you may communicate with your counsel, at your expense. We have the right to take such action as we deem appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. You shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks.

6.6 **Indemnification for Use of Marks**. We shall indemnify you and hold you harmless from and against any and all claims, liabilities, costs, damages, and reasonable expenses reasonably incurred by you in any trademark or similar proceeding disputing your authorized use of any Mark, provided that you (and your principals) have fully complied with the provisions of Section 6.3 and has complied with this Agreement and our directions in responding to such proceeding. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark. This indemnification shall not include the expense to you of removing signage or discontinuance of the use of the Marks; shall not apply to litigation between us and you wherein your use of the Marks is disputed or challenged by us; shall not apply to any separate legal fees or costs incurred by you in seeking independent counsel separate from the counsel representing us and you in the event of litigation disputing our and your use of the Marks.

6.7 **Discontinuance of Use**. If we deem it necessary for you to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, you shall comply with our directions within ten (10) business days after notice to you by us and subject to the limitations set forth in this Agreement. We shall not be required to reimburse you for your expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark. You waive any other claim arising from or relating to our discontinuance, modification

or substitution of any of the Marks. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

6.8 **Right to Inspect**. To preserve the validity and integrity of the Marks licensed hereunder, and to ensure that you are properly employing the Marks in the operation of your Ideal Auto Broker Location, we and our designees have the right to enter and inspect the Approved Location at all reasonable times and, additionally, have the right to assess your use and display of the Marks.

6.9 **Franchisor's Sole Right to Domain Name**. You shall not advertise on the Internet use, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "Ideal Automotive", "Ideal Automotive Sales," "Ideal Automotive Services," "Ideal Automotive Sales & Services" or any variation thereof without our written approval.

ARTICLE VII
NON-DISCLOSURE AND NON-COMPETITION COVENANTS

7.1 **Confidential Operations Manual**.

(i) We will loan you one copy of the operations manual (the, "Operations Manual"). The Operations Manual will at all times remain our sole and property.

(ii) To protect the integrity of the System, our reputation and goodwill and to maintain the high standards of operations under the Marks, you shall operate your Ideal Auto Broker Location in accordance with: (1) our Operations Manual (as may be amended); (2) other written directives that we may issue to you from time to time (whether or not such directives are included in the Operations Manual); and (3) any other manuals and materials we create or approve for use in the operation of the Ideal Auto Broker Location.

(iii) We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in our Operations Manual or otherwise in writing (such as via e-mail) of any changes in our standards and/or specifications. You expressly agree to modify the operations of your Ideal Auto Broker Location to implement all such revisions, additions and supplements made by us to the System which are reflected by the Operations Manual as promptly as reasonably possible. You will not use the Operations Manual or any information contained therein for any purpose other than the operation of the Ideal Auto Broker Location.

(iv) You shall, at all times, treat the Operations Manual and any other manuals created for or approved for use in the operation of the your Ideal Auto Broker Location as secret and confidential, and you shall use all reasonable means to keep such information secret and confidential. You and your employees will not make any copy, duplication, record or reproduction of the Operations Manual available to any unauthorized person and shall implement all reasonable procedures to prevent unauthorized use or disclosure of the Operations Manual.

(v) You shall at all times keep your copy of the Operations Manual current and up-to-date, and in the event of any dispute regarding the Operations Manual, the terms of the master copy of the Operations Manual maintained by us will be controlling in all respects. We will have the right to "update" the Operations Manual by either mailing the updates to you or by making copies of the updates available on a secure Internet website or by some other electronic means.

(vi) You agree that upon the expiration or termination of this Agreement, you will, in accordance with our instructions, return to us all written or electronic copies of the Operations Manual.

7.2 **Trade Secrets and Other Confidential Information**. We and you expressly understand and agree that we will be disclosing and providing to you certain confidential and proprietary information concerning the System and the procedures, operations, technology and data used in connection with our System. You will not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any such confidential and proprietary information, knowledge or know-how concerning the methods of operation of the Ideal Auto Broker Location that may be communicated to the you, or of which you may be apprised by virtue of this Agreement. You shall divulge such Confidential Information only to your employees who must have access to it in order to operate your Ideal Auto Broker Location.

For the purposes of this Agreement, Confidential Information shall include, without limitation, any and all information: (1) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, Trade Secrets, knowledge and experience used in developing and operating Ideal Auto Broker Locations (including, without limitation, system standards); (2) market research and promotional, marketing and advertising programs for Ideal Auto Broker Locations; (3) knowledge of specifications for and suppliers of, and methods of ordering certain operating assets, materials, equipment and fixtures that Ideal Auto Broker Locations use; (4) knowledge of the operating results and financial performance of Ideal Auto Broker Locations other than your Business; (5) customer communication programs, along with data used or generated in connection with those programs; (6) the terms of this Agreement; (7) the Operations Manual; (8) graphic designs and related intellectual property; (9) the Customer List (as described in Section 7.6); and (10) our website and intranet.

"Confidential Information" does not include information, knowledge or know-how which you knew from previous business experience before we provided it to you (directly or indirectly) or before you began training or operating your Ideal Auto Broker Location. If we include any such matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

7.3 **Restriction on Use of Confidential Information**. You acknowledge and agree that we own the Confidential Information. You further acknowledge that you will be given access to the Confidential Information while affiliated with us and during the term of this Agreement. You also acknowledge and agree that you will not acquire any interest in

Confidential Information, other than the right to use certain Confidential Information in the development and operation of the Ideal Auto Broker Location during the term of this Agreement and in performing your obligations in accordance with the terms and conditions of this Agreement. You acknowledge that your use of any Confidential Information in any other business would constitute an unfair method of competition with us, our affiliates and our franchisees and may violate certain laws. To wit, you will execute, and you will cause your owners, officers, directors and any guarantor(s) of your obligations under this Agreement to execute separate Non-Disclosure Agreements in the form attached to this Agreement as Exhibit F. You further acknowledge and agree that the Confidential Information is proprietary and is disclosed to you only on the condition that you, your owners, your Ideal Auto Broker location manager ("Location Manager"), managers, employees, agents and/or independent contractors who have access to it agree, and they do agree, that you, and your principals and such Location Manager, managers, employees, agents and/or independent contractors:

(i) will not use any Confidential Information in any other business or capacity;

(ii) will keep the Confidential Information absolutely confidential during and after this Agreement's term (and any extension thereof) or during and after their employment with you, as applicable;

(iii) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

(iv) will adopt and implement all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting your disclosure to Ideal Auto Broker Location personnel and others needing to know such Confidential Information to operate the Ideal Auto Broker Location; and

(iv) At our request, you must require your Location Manager(s) and other employees who will have access to our Confidential Information (and any other person or entity to whom you wish to disclose any confidential information) to sign non-disclosure agreements with you providing that they will maintain the confidentiality of the disclosed information. These various agreements must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

You agree that upon the expiration or termination of this Agreement, you will, in accordance with our instructions, destroy or return to us all written or electronic copies of the Confidential Information.

7.4 **Additional Developments**. All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Confidential Information, whether or not protectable intellectual property and whether created by or for you or its owners or employees and independent contractors, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for

Franchisor. No compensation shall be due to you or your owners or employees and independent contractors, and you agree to assign to Franchisor all right, title and interest in any intellectual property so developed. Franchisor has the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, you shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to you concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, you shall take all actions to assist our efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by you or not.

7.5 **Customer List**. You agree that the list of the names, addresses and other information regarding your current customers, former customers, and those who have inquired about Ideal Automotive products and services (the "Customer List") shall be included in the Confidential Information, shall be our property and shall constitute our Trade Secret. You agree that you may not disclose the Customer List, or any portion thereof, to any person other than us, either during the term of this Agreement or thereafter. You further agree that a breach of this Section shall be grounds for immediate termination of this Agreement pursuant to Article XIV.

7.6 **Affiliates of Franchisor**. You agree that the names, addresses and other information regarding our affiliates, partners, vendors and service providers that Franchisor introduced to you (the "Ideal Automotive Affiliates") shall be included in the Confidential Information, shall be our property and shall constitute our Trade Secret. You agree that you may not disclose any information concerning the Ideal Automotive Affiliates, to any person, either during the term of this Agreement or thereafter. You also agree that upon the expiration or termination of this Agreement, you will not, for a period of two (2) years following the expiration or termination of this Agreement, contact, communicate with, contract, engage or attempt to contract or engage any Ideal Automotive Affiliate that:

(i) we introduced to you;
(ii) you came in contact with while an Ideal Automotive franchisee; or
(iii) you learned of during your tenure as an Ideal Automotive franchisee.

You further agree that a breach of this Section shall be grounds for immediate termination of this Agreement pursuant to Section 14.2.

7.7 **Non-Disparagement**. You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our affiliates' directors, officers, employees, representatives or affiliates, current or former franchisees or developers of us or our affiliates, the Ideal Automotive brand, the Franchise System, any Ideal Auto Broker Location, any business using the Marks, any other brand or service marked or trademarked concept of us or our affiliates, or which would subject the Ideal Automotive brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or

which would negatively impact the goodwill of the Marks or the Franchise System. The obligations of this Section 7.7 shall survive any expiration or termination of this Agreement. Your obligations relating to non-disparagement will be included in our form of Non-Disclosure Agreement (Exhibit F to the Franchise Agreement) and our form of Non-Competition Agreement (Exhibit G to the Franchise Agreement).

7.8 **Covenant Not to Compete**

(i) Covenant Not to Compete During Franchise Term. You (each individual who is a Franchisee) shall execute and, if you are an entity, each of your owners, officers, directors and any personal guarantor who guarantees your obligations under this Agreement, shall execute a Non-Competition Agreement in the form annexed hereto as Exhibit G. Further, you expressly agree that you shall not, during the term of this Agreement or any subsequent renewal term, directly or indirectly for you or through, on behalf of or in conjunction with any person(s) (including a spouse, family member, business associate, etc.), partnership or corporation:

(a) acquire, operate, finance, invest in, control (directly or indirectly, whether of record, beneficially or otherwise) or own any beneficial interest in, or perform services as a director, officer, manager, employee, consultant, representative or agent for any, or in connection ("Involvement") in connection with any Competitive Business (as defined below), wherever located; or

(b) divert, or attempt to divert, any actual or potential business or customer of your Ideal Auto Broker Location or ours to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, injurious or prejudicial to the goodwill associated with the Marks and the System.

At our request, you must also require your Location Manager(s) to enter a non-competition agreement with you which will restrict said Manager(s) from having any direct or indirect Involvement (as defined above) in connection with, any Competing Business (as defined below) wherever located, during the term of your Franchise Agreement and any renewal or extension thereof. You shall be responsible for ensuring that the terms and conditions relating to these restrictive covenants are reasonable and enforceable under applicable state law where you operate your Ideal Auto Broker Location. Any such agreement must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

(ii) Post Term Covenant Not to Compete. You agree that, as per our form of Non-Competition Agreement which is attached hereto as Exhibit G, upon the expiration or termination of this Agreement or any subsequent renewal term, all individual Franchisees, and if you are an entity, your owners, officers, directors, as well as any personal guarantor who guarantees your obligations under this Agreement, will not, for a period of two (2) years beginning on the effective date of such expiration or termination, as the case may be, for you or through, on behalf of or in conjunction with any person(s) (including a spouse, family member, business associate, etc.), partnership or corporation, directly or indirectly:

(a) acquire, operate, finance, invest in, control or own any beneficial interest in, or perform services as a director, officer, manager, employee, consultant, representative or agent for any, or in connection ("Involvement") in connection with any Competitive Business (as defined below) located within ten (10) miles of: (a) the location where the Ideal Auto Broker Location that was developed and operating during the term of this Agreement; or (b) any Ideal Auto Broker Location (whether company owned, franchised or otherwise established and operated) (collectively, the "Restricted Area") existing, in operation or in development on the date that this Agreement is assigned, terminates or expires; or

(b) divert, or attempt to divert, any business or customer of your Ideal Auto Broker Location or ours to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, any act which is or may be injurious or prejudicial to the goodwill associated with the Marks and the System.

The term "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (i) an automobile broker business that facilities the sale of used and new vehicles to consumers; or (ii) in which our Trade Secrets and other Confidential Information (as defined herein) are used; provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Franchisor.

You acknowledge and agree that these restrictions shall also apply after the consummation of any transfers, as provided in Article XIII below. You further acknowledge and expressly agree that the Restrictive Period shall be tolled for any period of time during which you or any of your Owners are in breach of this Section 7.8 and shall resume only when you or your Owner(s) begin or resume compliance.

At our request, you must also require your Location Manager(s) to enter a non-competition agreement with you which will restrict said Location Manager(s) having any direct or indirect Involvement (as defined above) in connection with any Competing Business (as defined above) during a period to be defined, after your Franchise Agreement and any renewal or extension thereof, expires is transferred (assigned) or is terminated. You shall be responsible for ensuring that the terms and conditions relating to these restrictive covenants are reasonable and enforceable under applicable state law where you operate your Ideal Auto Broker Location. Any such agreement must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

(iii) Reasonableness of Restrictions. The parties acknowledge and agree that the time and geographical limitations set forth in this Section 7.8 are reasonable do not impose a greater restraint than is necessary to protect our goodwill or other business interests, in the event that this Agreement expires or is terminated for any reason. The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, then you shall submit to the reduction of any such activity, time period or

geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

(iv) Injunctive Relief. You agree that the provisions of this Section 7.8 are necessary to protect our and our affiliates' legitimate business interests, including, without limitation, the protection of the Marks, System, brand and Confidential Information; the assurance of our ability to maintain and regain the goodwill of the brand; the assurance that franchisees can depend on the enforcement of the covenants not to compete contained in its franchise agreements; and our ability to award franchises. You agree that monetary damages alone cannot adequately compensate Franchisor if you violate this Section 7.8 and that injunctive relief is essential for the protection of Franchisor and its affiliates. You and your owners accordingly consent to the issuance of an injunction prohibiting any conduct by you and your owners in violation of the terms of this Section. You and your owners agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

ARTICLE VIII
TRAINING AND ASSISTANCE

8.1 **Initial Training**. You (or if you are an entity, your Principal) and your Manager must attend and successfully complete our initial training program at least sixty (60) days prior to the date you are required to open your Ideal Auto Broker Location for business. We will train you (or if you are an entity, your Principal) and the Location Manager for a minimum of five (5) days. All training will be offered as often as we deem necessary, and will be held at our Training Store or at another location designated by us. The training program will include site visits (as available) and on-the-job instruction on topics selected by us. We shall not charge tuition or similar fees for initial training, however, all expenses incurred by you in attending such program including, but not limited to, travel costs, room and board expenses and your employees' salaries, shall be the sole responsibility of you. If you wish to send additional employees to our initial training program, whether before the Ideal Auto Broker Location opens or while the Ideal Auto Broker Location is operating, you shall pay us our then-current training fee for each additional trainee. You shall be responsible for training your management and other employees. If you (or your operating owner) and your Location Manager do not successfully complete the required training program, they will not be permitted to participate in the operations of your Ideal Auto Broker Location and we will have the right to terminate this Agreement as provided for in Section 14.2 of this Agreement.

8.2 **Opening Assistance**. In conjunction with the beginning of operation and pursuant to Section 4.12 herein, we will send an Opening Team consisting of up to two (2) individuals to assist you with the grand opening of your Ideal Auto Broker Location for a period of up to seven (7) days surrounding the grand opening of your Ideal Auto Broker Location, for the purpose of familiarizing your staff with the Ideal Automobile Franchise System techniques and for the purpose of providing on-site pre-opening and opening training, supervision, and

assistance. You shall reimburse us for the expenses our Opening Team incurs while providing you with assistance in connection with the grand opening of your Ideal Auto Broker Location. These expenses include, but are not limited to, our Opening Team members' then current training fee, along with the costs of their travel, lodging and meals. If, during the term of this Agreement, you request additional assistance with respect to the opening or continued operation of your Ideal Auto Broker Location, and should we deem it necessary and appropriate to comply with such request, you shall pay our then-current training fee for each representative we provide, and you must reimburse us for any expenses our representatives incur for providing such additional assistance, such as, the costs of travel, lodging, and meals.

8.3 **Failure to Complete Initial Training Program**. If you are unable to complete the training program described above to our satisfaction within sixty (60) days prior to the date you are required to open your Ideal Auto Broker Location, we have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section, we shall return to you fifty percent (50%) of the Franchise Fee paid by you upon our receipt of a general release, the same as or similar to the General Release attached as Exhibit K, releasing any and all claims against us, any affiliate and their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities). If you are a business entity and your Location Manager fails to complete the initial training program to our reasonable satisfaction, you may be permitted to select a substitute manager and such substitute manager must complete the initial training to our satisfaction, at your cost.

8.4 **New Location Manager**. If after beginning operations, you or your Location Manger elect to terminate your relationship, you will have sixty (60) days to notify us of the identity of the new Location Manager and the new Location Manager must complete the initial training program to our satisfaction within thirty (30) days of being named. The new Location Manager shall attend the initial training program without charge, provided that we have the right to require you to pay the costs of training if we determine that manager changes are excessive or caused by poor hiring practices. You shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the new Location Manager's attendance at such training(s).

8.5 **Ongoing Training**. From time to time, we may provide and if we do, have the right to require that your Ideal Auto Broker Location Manager attend ongoing training programs or seminars during the term of this Agreement. We shall not charge a fee for any mandatory ongoing training. You shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Location Manager's and/or your attendance at such training(s).

8.6 **Additional Training and Assistance**. Upon your reasonable request or as we shall deem appropriate, we may (but have no obligation to do so), during the term hereof, subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site remedial training and assistance to your Ideal Auto Broker Location personnel. For this additional training and assistance, you shall pay our then current training fee being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

ARTICLE IX
FRANCHISEE'S OBLIGATIONS; STANDARDS OF OPERATION

9.1 **Ownership and Management**. You acknowledge that it is a material consideration for us in granting this franchise that you and/or your Location Manager shall devote sufficient time, attention, and energies to the day to day management and performance of your duties in connection with the Ideal Auto Broker Location operations and shall not, either directly or indirectly, alone or in association with others, be connected with or concerned in any other business, competing or noncompeting, during the term of this Agreement (or any extension thereof). The Ideal Auto Broker Location shall, at all times, be under your direct supervision (or if you are an entity, your principals) who will appoint a Location Manager that will provide personal "on premises" supervision of the Ideal Auto Broker Location. The Location Manager is required to devote sufficient efforts to the management of the day-to-day operation of the Ideal Auto Broker Location, which shall entail not less than forty (40) hours per week, excluding vacation, sick leave and similar absences. You shall keep us informed, in writing, at all times of the identity of your Location Manager. You and the Location Manager must not engage in any business or other activities that will conflict with their obligations under this Agreement. If you own more than one (1) Ideal Auto Broker Location, under most circumstances, a Location Manager must be employed for each Ideal Auto Broker Location. Any successor Location Manager must successfully complete the training program conducted by us before starting work in the Ideal Auto Broker Location.

9.2 **Compliance with our Quality and Service Standards**. We have developed and will continue to develop uniform standards of quality, cleanliness and service regarding the business operations of our Ideal Auto Broker Locations to protect and maintain (for our benefit and the benefit of all of our franchisees) the distinction, valuable goodwill and uniformity represented and symbolized by Ideal Auto Broker Businesses, the Marks and the System. You acknowledge that the quality of customer service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, you agree to operate your Ideal Auto Broker Location in strict conformance with the System and the other uniformity and quality standards we require pertaining to the sale of products and services.

Your Ideal Auto Broker Location shall in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If we deem that you did not fairly handle a customer complaint, we have the right to intervene and satisfy the customer. If an activity or media event occurs at your Ideal Auto Broker Location, with you, your employees or people affiliated with your franchise or ownership which negatively effects the Ideal Automotive brand, you are required to notify us immediately to help with damage control and present the official company position to the media. We will take disciplinary action by giving written notice for failing to comply with our business practices. Termination will occur after three (3) notices have been issued within any twelve (12) month period. You shall reimburse us for all costs incurred by us in servicing a customer of the Ideal Auto Broker Location pursuant to this Section.

9.3 **Opening**. Unless we have, in our sole discretion, agreed (in writing) to grant you an extension, you shall open the Ideal Auto Broker Location and commence operations within the earliest of: (i) ninety (90) days after you enter into a lease for the Approved Ideal Auto Broker Location (or within ninety (90) days from the date that you enter into a purchase agreement for the building from where your Approved Auto Broker Location will operate); or (ii) six (7) months from the Effective Date of this Agreement; or (iii) if this Agreement is being executed in connection with a MUDA, the date that you or your affiliate (as Developer) is required to open the Ideal Auto Broker Location for business as provided in Exhibit A to the MUDA.

(i) complete all exterior and interior preparations for the Ideal Auto Broker Location (including, without limitation, installation of equipment, fixtures, furnishings and signs pursuant to the drawings, plans and specifications approved by Franchisor;

(ii) fulfill all of your pre-opening obligations;

(iii) furnish us with copies of all insurance policies required by this Agreement, or by the lease (if any), or such other evidence of insurance coverage and payment of premiums as we may request;

(iv) complete initial training to our reasonable satisfaction;

(v) hire and train the personnel necessary or required for the operation of the Ideal Auto Broker Location;

(vi) if you are a business entity, cause each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;

(vii) obtain our permission and approval of an opening date; we shall not unreasonably withhold consent to open. Permission to open shall be based on our determination that you are ready to open and satisfactorily prepared to operate; and

(viii) pay in full all amounts due to us.

If you fail to reasonably comply with any of such obligations, except for delay caused by a force majeure act as described in Section 21.11, we shall have the right to prohibit you from commencing business. Your failure to open the Ideal Auto Broker Location and commence business in accordance with the foregoing shall be deemed an event of material default under this Agreement, and in such an event, we have the right to terminate your Franchise Agreement and retain the initial franchisee fee you paid upon signing the Franchise Agreement.

9.4 **Appearance and Condition of Ideal Auto Broker Location**. You shall maintain the condition and appearance of the Ideal Auto Broker Location (including any parking

area) and the operating assets in accordance with our System standards and consistent with the image of a Ideal Auto Broker Location as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service. In connection therewith, you shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment and décor, as we may reasonably direct in order to maintain System-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new products or services from the Ideal Auto Broker Location or to provide the Ideal Auto Broker Location services by alternative means. Except as may be expressly provided in the Operations Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Ideal Auto Broker Location or its premises without our prior written approval.

9.5 **Renovations and/or Redecoration of Ideal Auto Broker Location**. You shall, upon our request, renovate and/or redecorate the Ideal Auto Broker Location premises, equipment (including Point Of Sale or computer hardware and software systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Ideal Auto Broker Location to reflect the then-current image of a Ideal Auto Broker Location and conform to our then-current design, technology, standards and other specifications. Within one hundred twenty (120) days from your receipt of notice from us specifying the required renovation(s), you shall, at your expense, commence the requisite renovations and/or redecorations and expressly agrees to diligently complete such renovation(s) and/or redecorations within a reasonable time after its commencement. However, you will not be required to renovate and/or redecorate the Ideal Auto Broker Location more than once every five (5) years, with no requirement for you to renovate and/or redecorate the Ideal Auto Broker Location within the first year of your initial term. Notwithstanding the foregoing, if renovations and/or redecorations are required for the Ideal Auto Broker Location, we will not obligate you to make any such renovations or modifications in the last twelve (12) months of your lease or franchise term. However, in the event that you renew your lease for the site of the Business or this Franchise Agreement (as the case may be), you will be required to make the necessary renovations and upgrades within six (6) months of your lease or Franchise Agreement renewal.

9.6 **Authorized Products, Services and Suppliers**.

(i) Limitations on Products and Services. You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, you agree that you: (a) will offer and sell from the Business only the products and services that we specify and that comply with our specifications and quality standards; (b) will not offer or sell at your Ideal Auto Broker Location any products or services we have not authorized; and (c) will discontinue selling and offering for sale any products or services that we at any time disapprove.

(ii) Approved Suppliers. We reserve the right to periodically designate and approve standards, specifications, suppliers and/or distributors of the operating assets and the products and services that you will use in connection with the operation of your Ideal Auto Broker Location. We shall provide you, in the Operations Manual or other written or electronic form, with a list of specifications and a list of Approved Suppliers for some or all of the supplies, signs, furniture, fixtures, inventory, equipment and other approved or specified items and services. We may from time to time issue revisions to such lists. We may revoke our approval of any supplier or vendor at any time by notifying you and/or the supplier or vendor. You shall, at your own expense, promptly cease using and shall promptly cease purchasing from suppliers disapproved by us.

(iii) Procedure for Approval of Products, Services and Suppliers. If you desire to utilize any products or services that we have not approved (for products and services that require supplier approval), you shall first send us sufficient information, specifications and samples for us to determine whether the service or product complies with our standards and specifications or whether the supplier meets our Approved Supplier criteria. You shall bear all expenses we incur in connection with determining whether we will approve an item, service or supplier. We will decide within a reasonable time (usually forty-five (45) days) after receiving the required information whether you may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any independent, certified laboratory which we designate for testing. We reserve the right periodically to re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet our criteria. Nothing in this Section shall be construed to require us to approve any particular supplier, or to require us to make available to prospective suppliers, standards and specifications that we deem confidential.

(iv) Local or Regional Designation of Products. We have the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 9.7(iii) and shall not create any rights in you to provide the same products or services.

(v) Franchisor's Right to Receive Supplier Payments. You acknowledge that we may receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, markups, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and other payments ("Supplier Payments") based upon purchases of operating assets and services from Approved Suppliers, us and our affiliates, and/or other suppliers, vendors and distributors (collectively "Suppliers" or "Supplier"). You agree that any Supplier Payments received by us from any

Suppliers as a result of or based on your purchases from those Suppliers shall be retained by us to be used in the manner determined by us, in its sole discretion. You shall have no entitlement to or interest in any such benefits.

(vi) Pricing. We have not instituted mandatory pricing with respect to Ideal Automotive Broker products or services. However, we reserve the right to provide you with guidelines for suggested pricing. Notwithstanding anything to the contrary in this Section 9.7(vi), you shall have the discretion to set pricing for your products and services provided that, subject to applicable antitrust laws, such pricing:

(a) is at or below any maximum price cap programs established by us for the System;

(b) is at or above any minimum price threshold programs established by us for the System; or

(c) conforms to any bona fide promotional programs or national or regional accounts programs established from time to time by Franchisor for the System.

You are required to maintain the integrity of the products and services you are providing under the Ideal Automotive brand and the System and your pricing should be reflective of that concept. If you elect to sell any or all your products or services at any price recommended by us, you acknowledge that we have not guaranteed or warranted to you that offering such products or services at the recommended price will enhance your sales or profits. As a member of the Ideal Automotive Broker Franchise System, you agree to honor any and all special purchasing agreements made by us.

9.7 **Unapproved Products and Services**. Should you sell any products and logoed merchandise or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering, selling or providing the unauthorized or unapproved product, premium, logoed merchandise or from performing such services and (ii) pay to us, on demand, a fine equal to Three Hundred Dollars ($300) per day for each day such unauthorized or unapproved product, logoed merchandise or service is offered or provided by you after written notice from us. The fine shall be in addition to all other remedies available to us under this Agreement or at law.

9.8 **Computer System**.

(i) You will, at your sole expense, lease or purchase and install the computer hardware, software, Point Of Sale systems, computer peripherals (collectively, the "Computer System") for the administrative operation of the Ideal Auto Broker Location that meet the specifications set forth in the Operations Manual, or such other written notifications that we may give to you. We shall have full access to all of your Computer System and all related information by means of direct access, either in person or by telephone, modem or Internet to permit us to verify your compliance with your obligations under this Agreement.

(ii) We reserve the right to modify our specifications for the Computer System and/or other technological developments or events, which may require you to purchase, lease and/or license new or modified, equipment, computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System, you agree to incur the costs of obtaining the equipment or the computer hardware and software comprising the Computer System (or additions or modifications), along with the required service or support. We have no obligation to reimburse you for any Computer System costs. Within thirty (30) days upon receipt of notice from us of a modification of the Computer System, you agree to obtain the components of the Computer System that we designate and to ensure that your Computer System is functioning properly.

(iii) Notwithstanding the fact that you must buy, use, install and maintain the Computer System in accordance with our standards and specifications, you shall have sole and complete responsibility (including, without limitation, responsibility for the cost thereof) for: (a) the acquisition, operation, maintenance and upgrading of the Computer System; (b) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (c) any and all consequences that may arise if the Computer System is not properly installed, operated, maintained and upgraded.

(iv) You shall comply with our standards for data backup, data recovery, virus protection and other computer security procedures.

(v) You agree to maintain, at all times during the term of this Agreement, a high-speed internet connection and dedicated e-mail address.

9.9 **Days of Operation**. You shall keep your Ideal Auto Broker Location open for business during the minimum hours and days specified in the Operations Manual, unless otherwise approved in writing.

9.10 **Compliance with Applicable Laws**.

(i) You shall comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations pertaining to the development and operation of your Ideal Auto Broker Location including, but not limited to: (a) employment laws (including all wage and hour laws, employment laws, workers' compensation laws, discrimination laws, sexual harassment laws, disability and discrimination laws); (b) federal, state and local occupational hazards and health laws and regulations; (c) applicable worker’s compensation laws; (d) unemployment insurance laws; (e) federal, state and local zoning laws and regulations; and (f) tax laws (including those relating to individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, inventory taxes, personal property taxes and real estate taxes and federal, state and local income tax laws). We will have no liability for any taxes which arise or result from your Ideal Auto Broker Location and the you will indemnify us for any such taxes that maybe assessed or levied against us which arise out of or result from your Ideal Auto Broker Location. If any "franchise" or other tax which is based upon the Gross Profits, receipts, sales, business activities or operation of the your Ideal Auto Broker Location is imposed upon us by any taxing authority,

then the you will reimburse us for all such taxes paid by us within ten (10) days after receiving an invoice from us for such taxes.

(ii) You will, at your expense, be solely and exclusively responsible for determining the licenses, permits and certificates required by law for the your Ideal Auto Broker Location, for obtaining and qualifying for all licenses and permits, including for example, obtaining broker licenses, and for compliance with all applicable laws by your employees, agents and independent contractors. We make no representation to you with regard to any legal requirements that you must satisfy or comply with in connection with the operation of the Ideal Auto Broker Location. You shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Ideal Auto Broker Location.

(iii) You (including your owners) agree to comply, and to assist us, to the fullest extent possible in our efforts to comply, with Executive Order 13224 issued by the President of the United States on September 23, 2001, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the 'USA Patriot Act"), and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (collectively referred hereinafter as the "Anti-Terrorism Law. In connection with that compliance, you hereby represent, warrant, and certify to us that neither you nor any of your directors, managers, officers, shareholders, partners, members, employees, or agents, nor any of your affiliates or directors, officers, shareholders, partners, members, employees, or agents, nor any other direct or indirect interest holders of any of the preceding:

(a) are or have been listed on any Government Lists (as defined below);

(b) are or have been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No 13224 (Sept 23, 2001), or any other similar prohibitions contained in the rules and regulations of OFAC (as defined below) or in any enabling legislation or other Presidential Executive Orders in respect thereof;

(c) have been indicted for or convicted for any offenses under the USA Patriot Act; or

(d) have no property or interests subject to being block under the Anti-Terrorism Laws.

For the purposes of this Section, "Government Lists" means any of the following lists (1) the "Specially Designated Nationals and Blocked Persons List" maintained by OFAC; (2) any other list of terrorists, terrorist organizations, or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC; or (3) any similar list maintained by the United States Department of State, the United States Department of Commerce, or any other Governmental Authority, or pursuant to any Executive Order of the President of the United States of America.

"OFAC" means the Office of Foreign Assets Control, United States Department of the Treasury, or any other office, agency, or department that succeeds to the duties of OFAC. "Governmental Authority" means all federal, state, national, territorial, county, local, foreign, or other governmental or regulatory agencies, authorities (including self-regulatory authorities), instrumentalities, commissions, boards, and bodies.
Any violation of the Anti-Terrorism Laws by you and your owners, or any blocking of your assets or the assets of your owners under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

9.11 **Hiring**. You shall hire and train competent customer-focused employees for the operation of your Ideal Auto Broker Location and shall pay all wages, commissions, fringe benefits, workers' compensation premiums and payroll taxes (and other withholdings required by law) due to your employees. You will be responsible for the operation of your Ideal Auto Broker Location, and will control, supervise and manage all the employees, agents and independent contractors who work for or with you. You shall ensure that all personnel you employ maintain the standards of appearance, manner and demeanor we establish in our Operations Manual or otherwise. You shall conduct the training sessions, in-house meetings, electronic training programs or other such other programs that we may specify in our Operations Manual or otherwise (or as you, in your reasonable business judgment, determines are necessary, appropriate and desirable) to inform your management and employees of our most current policies, techniques, procedures and standards. With respect to your hiring of your personnel, you acknowledge and expressly agree that: (i) you are the sole employer and we will not have any right, obligation or responsibility to control, supervise or manage your employees, agents or independent contractors; (ii) we are not in any way involved in the employment matters concerning your Ideal Auto Broker Location; (iii) all personnel you hire are at-will employees of your independently owned and operated Ideal Auto Broker Location; and (iv) you shall be responsible for making sure, during your training of your employees, that all of your employees are aware of and understand the foregoing.

9.12 **Notification of Claims or Proceedings**. You shall provide us with written notice of your receipt of any notice of demand or threatened claim of liability of, or damages against or involving, you or the Ideal Auto Broker Location not more than five (5) days after your receipt of such notice. You shall notify us, in writing, of the commencement of any action, suit or proceeding involving you or the Ideal Auto Broker Location, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Ideal Auto Broker Location not more than five (5) days after notice of such commencement or issuance. You shall deliver to us not more than five (5) days after your receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects your failure to meet and maintain the highest applicable rating or your noncompliance or less than full compliance with any applicable law, rule or regulation.

9.13 **Uniforms**. You shall require your employees to wear the standard attire and uniforms described in our Operations Manual. Uniform items must be purchased from an Approved Supplier.

9.14 **Gift Cards / Rewards Program**. We reserve the right to develop (or have our affiliates develop) a Gift Card or Rewards Program ("Rewards Program"). Should we or our affiliates develop a Rewards Program, you agree that you will participate in our Rewards Program.

9.15 **E-Mail**. You shall, at all times and at your expense, maintain an e-mail address and account for communicating with us. You may change its e-mail address by giving written notice of such change of address to us.

9.16 **Best Efforts**. You shall use your best efforts to promote and increase the sales and recognition of services offered through your Ideal Auto Broker Location. You shall require all of your employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all products and services provided as part of the System.

9.17 **Right to Inspect Operations at Your Ideal Auto Broker Location**. We and our designated agents and representatives have the right to enter and inspect your Ideal Auto Broker Location at all reasonable times to observe: (i) the manner in which you render services and conduct activities and operations, and to inspect facilities, equipment, products, supplies, reports, forms and documents and related data to ensure that you are operating the Ideal Auto Broker Location in accordance with the quality control provisions and performance standards established by us. We and our agents shall have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other items to test whether such products or items meet our then-current standards. We or our designee have the right to observe you and your employees during the operation of the Ideal Auto Broker Location and to interview and survey (whether in person, by mail or through email) customers and employees and to photograph or videotape the operations.

We and our representatives who visit the Ideal Auto Broker Location may prepare written evaluations or reports detailing any problems or concerns discovered during any such visit and indicating required or suggested changes or improvements in the operations of your Ideal Auto Broker Location. A copy of any such written report may be provided to you. You shall promptly implement required changes or improvements as we may require.

9.18 **Adequate Reserves and Working Capital**. You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all of your obligations under this Agreement and to cover the risks and contingencies of the Ideal Auto Broker Location for at least three (3) months These reserves may be in the form of cash deposits or lines of credit.

9.19 **Business Entity Requirements and Records**. If you are a corporation, limited liability company, partnership or other type of business entity, you must comply with the requirements set forth below:

(i) Furnish us with formation, organizational and governing documents, and any amendments thereto (including the resolution of the Board of Directors authorizing entry into

this Agreement), along with copies of nay shareholder, partnership, membership; buy/sell or equivalent agreements;

(ii) Your entity formation documents shall at all times provide that your activities are confined exclusively to operating the Ideal Auto Broker Location;

(iii) You shall maintain stop-transfer instructions against the transfer of any equity securities, and you shall conspicuously endorse on the face of each of your stock certificates or membership interest certificates a statement in a form satisfactory to us that such certificate is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement; and

(iv) You shall complete the Principals of Franchisee in the form attached hereto as Exhibit A, which you represent and acknowledge is a complete and accurate description of the owners, officers and directors of you. you expressly acknowledge and agree that any proposed change in the owners listed on Exhibit A shall require our prior written consent subject to Section 19.2 hereof and shall promptly update and provide such form to us in the event of any change of ownership.

9.20 **Personal Guaranty**. If you are a corporation, limited liability company, partnership, or if your successor or assignee is a corporation, limited liability company or partnership, then all of your owners, shall execute the Guaranty and Assumption of Obligations, attached hereto as Exhibit H.

ARTICLE X
INSURANCE

10.1 **Types and Amounts of Coverage**. At your sole expense, you shall procure within sixty (60) days of the Effective Date, and maintain in full force and effect during the term of this Agreement, the types of insurance listed below. All policies (except any workers' compensation insurance) shall expressly name us as an additional insured or loss payee and shall also contain a waiver of all subrogation rights against us, our successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, you shall procure:

(i) "All risks" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Ideal Auto Broker Location. Your property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

(ii) Workers' compensation insurance that complies with the statutory requirements of the state in which the Ideal Auto Broker Location is located and employer liability coverage with a minimum limit of Five Hundred Thousand Dollars ($500,000.00) or, if higher, the statutory minimum limit as required by state law;

(iii) Comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Ideal Auto Broker Location, or your conduct of business pursuant to this Agreement, with a minimum liability coverage of Two Million Dollars ($2,000,000.00) per occurrence or, if higher, the statutory minimum limit required by state law;

(iv) Business interruption insurance sufficient to cover your expenses (including any payments to us or our affiliates which are or may be required under your Franchise Agreement), prospective and anticipated profits or losses for a minimum period of twelve (12) months from the date of closure due to an insured loss

(v) If any vehicle is operated in connection with the Ideal Auto Broker Location, automobile liability insurance (including coverage of owned, non-owned and hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) One Million Dollars ($1,000,000.00) for each person killed or injured and, subject to that limit for each person, a total minimum of One Million Dollars ($1,000,000.00) along with a minimum limit of One Million Dollars ($1,000,000.00) for injury destruction or loss of use of property of third persons as a result of any one accident;

(vi) In connection with any construction, renovation, refurbishment or remodeling of the Ideal Auto Broker Location, you shall maintain Builder's Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us;

(vii) Insurance coverage of types, nature and scope sufficient to satisfy your indemnification obligations under the Franchise Agreement;

(viii) Such other insurance as required by the terms of the lease for the Ideal Auto Broker Location, or as may be required by the state or locality in which the Ideal Auto Broker Location is located and operated or as may be required by us during the term of this Agreement.

10.2 **Future Increases**. We have the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

10.3 **Carrier Standards**. Such policies shall be written by an insurance company licensed in the state in which you operate and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, we require an "A" rating.

10.4 **Evidence of Coverage**. Your obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of this obligation relieve you of liability under the indemnity provisions set forth in Article XIX. You shall provide, annually, certificates of insurance showing compliance with the foregoing requirements. Such certificates shall state that said

policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to us and shall reflect proof of payment of premiums.

10.5 **Failure to Maintain Coverage**. Should you not procure and maintain insurance coverage as required by this Agreement, we have the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to you, which charges, together with a reasonable fee for expenses incurred by us in connection with such procurement, shall be payable by you immediately upon notice from us.

ARTICLE XI
ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

11.1 **Records**. During the term of this Agreement, you shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by us in the Operations Manual or otherwise in writing. You shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to your Ideal Auto Broker Location including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts, coupons and disbursement journals, general ledgers, and any other financial records designated by us or required by law.

11.2 **Gross Profits Reports**. You shall maintain an accurate record of daily Gross Profits and shall deliver to us by the tenth (10th) day of each month via facsimile transmission, email, or the intranet, a signed and verified statement of monthly Gross Profits ("Gross Profits Report") for the previous month in a form that we approve or provide in the Operations Manual. The Gross Profits Report for the preceding month must be provided to us by the close of business on the tenth (10th) day of each month.

11.3 **Financial Statements**. In addition to the reports you must remit to us under this Article XI and Section 11.2 above, you shall remit to us, in the manner and format that we periodically prescribe, the following:

(i) On or before the tenth (10th) day of each month following the close of a quarter, in a form approved by us, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding quarter and the fiscal year-to-date.

(ii) Within ninety (90) days after the end of your fiscal year, you shall provide to us, at your expense, a complete annual financial statement prepared by an independent certified public accountant for the calendar year just ended and a balance sheet as of the last day of your fiscal year, in each instance certified by you, or if you are an entity, by your Chief Executive Officer. We reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of payments due to us of three percent (3%) or more on an annualized basis, as set forth in Section 11.5.

(iii) Within ten (10) days after filing thereof, exact copies of federal and state income and other tax returns and any other forms, records, books and other information we periodically require relating to the Ideal Auto Broker Location.

Such financial statements shall be prepared in accordance with GAAP, applied on a consistent basis, and if we so require. You shall submit to us such other periodic reports in the manner and at the time specified in the Operations Manual or otherwise in writing.

11.4 **Other Reports**. You hall submit to us copies of all state sales tax returns, if any, that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to time or as specified in the Operations Manual. We shall have the right to release financial and operational information relating to the Ideal Auto Broker Location to our lenders or prospective lenders. You shall certify as true and correct all reports to be submitted pursuant to this Agreement.

11.5 **Right to Access Your Books and Records**. We or our designee(s) have the right, during normal business hours, to inspect, check, access, examine, copy and audit your books, records (including state and federal tax returns), journals, receipts, orders and any correspondence or data relating to your Ideal Auto Broker Location ("Records"). We have the right to verify any portion of your Records and to discuss your Records with any officers, directors and employees that are responsible for maintaining the Records. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay to us the amount of the underpayment plus interest from the date such amount was due until paid at the rate of the lesser of: (i) eighteen percent (18%) per annum; (ii) or the highest rate allowed by the law of the state where you are located. If the audit or any other inspection discloses an underpayment of three percent (3%) or more, on an annualized basis, of the amount due for any period covered by the audit, you shall, in addition to paying us the amount of any such underpayment, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have.

11.6 **Release of Records**. At our request, you shall authorize and direct any third parties, including accounting and legal professionals, to release to us all accounting and financial records arising from or relating to the operation of the Ideal Auto Broker Location including, but not limited to, records evidencing Gross Profits, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall execute all documents necessary to facilitate the release of records referenced herein to us. We shall use our commercially reasonable efforts to ensure and maintain the confidentiality of your records.

11.7 **Correction of Errors**. You acknowledge and agree that our receipt or acceptance of any of the statements furnished or royalties paid to us (or the cashing of any royalty checks or processing of any EFTs) shall not preclude us from questioning the

correctness thereof at any time and. In the event that any inconsistencies or mistakes are discovered in such statements or payments, such inconsistencies or mistakes shall immediately be rectified by you and the appropriate payment shall be made by you.

11.8 **Franchisor is Attorney-in-Fact**. You hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to the Ideal Auto Broker Location. This power of attorney shall survive the expiration or termination of this Agreement.

ARTICLE XII
OUR OBLIGATIONS

We shall provide you with the following services in connection with the development and operation of your Ideal Auto Broker Location:

12.1 **Site Selection Assistance**. We will provide you with our recommended criteria for site selection and assist you, as we deem necessary, with selecting the site for the location of your Ideal Auto Broker Location.

12.2 **On-Site Evaluations of Proposed Location for your Ideal Auto Broker Location**. At your request or in our sole judgment, we shall conduct an on-site evaluation of your proposed location. You shall pay our then-current location assistance fee and reimburse us for our expenses in providing such assistance or evaluation, including travel, lodging and meals for our representative. We reserve the right to not conduct an on-site evaluation.

12.3 **Review of Lease for Approved Location**. We will review and approve or disapprove your lease or purchase agreement for the site for your Ideal Auto Broker Location, primarily for the purposes of ensuring that the terms of our lease rider are incorporated therein. You acknowledge and expressly agree that our review of your lease or purchase agreement and any advice or recommendations we may offer is not a representation or guarantee by us that the terms of your lease or purchase agreement are favorable to you or that your Ideal Auto Broker Location will be successful.

12.4 **Prototype Design Plans**. We will provide you with a sample layout and prototypical design plans to you to be used as a visual reference. You acknowledge and agree that you shall independently, and at your expense, have your architects, engineers, designers and contractors prepare architectural and construction drawings and plans to be used to obtain the permits and authorizations necessary to build and operate the Ideal Auto Broker Location.

12.5 **Initial Training Program**. We shall provide an initial training program for you (or if you are an entity, your owner and your Location Manager) for five (5) days, in accordance with Article VIII.

12.6 **Operations Manual**. We will loan you a copy of our confidential Operations Manual that contains mandatory and suggested specifications, standards, and procedures for the

operation and management of your Ideal Auto Broker Location, along with all amendments thereto.

12.7 **Schedule of Products and Services, Approved Suppliers and Operating Assets**. We shall provide you with a written schedule of all products and services sold or used by all Ideal Automotive franchisees in connection with our System, along with the fixtures, furnishings, equipment, computers software, supplies and inventory required for the operation of the your Ideal Auto Broker Location. We shall also provide you with a list of Approved Suppliers for the products and services for the Ideal Auto Broker Location.

12.8 **Advertising and Promotional Materials**. We shall provide you with advertising and promotional materials and information developed by us and/or its affiliate for use by you in marketing and conducting local advertising for your Ideal Auto Broker Location at no cost or a reasonable cost to you. We shall have the right to review and approve or disapprove all advertising and promotional materials that you propose to use, pursuant to Article V.

12.9 **Marketing Fund**. In accordance with Article V, we shall administer a Marketing Fund for our overall national and regional advertising programs.

12.10 **General Management and Operations Advice and Guidance**. We shall be available to render advice, discuss problems and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods with respect to planning, opening and operating your Ideal Auto Broker Location. We shall not charge for this service, however, we retain the right to refuse or charge a fee for this service should you be deemed by us to be utilizing this service too frequently or in an unintended manner.

12.11 **Periodic Visits and Inspections**. We or our designated affiliate will make periodic visits, which may be announced or unannounced, to your Ideal Auto Broker Location to inspect your operations, observe and interview your employees in order to verify your compliance with the Franchise Agreement and the Operations Manual to ensure that our high standards of quality and service are being met. We and our representatives who visit the Ideal Auto Broker Location may prepare, for the benefit of both us and you, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Ideal Auto Broker Location. A copy of any such written report may be provided to you. You shall implement any required changes or improvements as we may require with time being of the essence.

12.12 **Licensed Products for Resale**. We shall, from time to time, in our reasonable discretion and at a reasonable cost, make available for resale to your customers certain merchandise identifying the System, such as merchandise and memorabilia displaying our logo, in sufficient amounts to meet customer demand. We may specify that you must purchase such merchandise from us, our affiliate, or another designated supplier.

12.13 **Opening Assistance**. Pursuant to Section 8.2, we shall send a team of our representatives to provide you and your employees with assistance and training in connection

with the grand opening of your Ideal Auto Broker Location. You agree to pay us for the expenses that our opening team incurs while providing opening assistance, including our team members' then current training fee, accommodations, travel and meals.

ARTICLE XIII
TRANSFERABILITY OF INTEREST

13.1 **Transfer by Franchisor**. We shall have the right, without needing to obtain your consent, to assign, transfer, or sell its rights under this Agreement, in whole or in part, to any person or entity; provided that the assignee shall: (i) be financially responsible and economically capable of performing our obligations; and (ii) expressly assume, in writing, our obligations hereunder. Upon consummation of such assignment or transfer, we shall thereafter have no liability for the performance of any obligations contained in this Agreement.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Ideal Automotive Broker Franchising, LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the Ideal Automotive business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to Transfer our rights under this Agreement.

13.2 **Transfer by you to a Third Party**. Your rights and duties as set forth in this Agreement, and the franchise herein granted, are personal to you (or your owners), and we have entered into this Agreement in reliance upon your personal or collective character, skill, aptitude, attitude, business ability and financial ability. Accordingly, neither you nor any holder of a legal or beneficial interest in you may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer (collectively, a "Transfer"), whether by operation of law or otherwise, any interest in this Agreement, the franchise granted hereby, the Approved Location used in operating the Ideal Auto Broker Location, your assets or any part or all of the ownership interest in you without our prior written consent. Any purported Transfer without such approval shall be voidable and shall constitute a material breach of this Agreement.

13.3 **Franchisor Right of First Purchase**

(i) In the event that you wish to transfer, sell or assign (a) an interest in this Agreement; (b) all or substantially all of the Ideal Auto Broker Location operating assets; or (c) the Ideal Auto Broker Location (including the right to receive your portion of the Ideal Auto Broker Location's profits or losses), other than to any partner, co-shareholder, or member of your entity or, if you are an individual, to any member of your immediate family thereof or Trust for the benefit of any such family member (all of which will be free of any of the rights provided for herein) then you shall first notify us of your desire to sell, transfer or assign the Ideal Auto Broker Location, interest in this Agreement, or all or substantially all of your

operating assets, and you shall inform us of the price and terms (the "Offer") upon which you are willing to sell, transfer or assign such franchise or interest (cumulatively, "Interest").

(ii) We shall have ninety (90) days within which to evaluate the Offer and to exercise our Right of First Purchase by written notice ("Notice to Purchase") to you. If we exercise our Right of First Purchase, the closing with respect to said transfer shall occur within thirty (30) days of the date of receipt of the Notice to Purchase at our offices or at such other place as may be mutually agreed upon by us and you. If we fail to exercise our Right of First Purchase, as aforesaid, then you agree to market such transfer through us for six (6) months. If by the expiration of said six (6) month period, we have not produced or identified a bona fide third party buyer whom we approve, then you will be free to offer the Interest to third parties on terms and conditions no less favorable than those offered to us and otherwise subject to the terms of this Agreement. Notwithstanding the foregoing, no transfer of any Interest governed by this Section shall be made unless: (a) the transferee meets our then-current standards for our franchisees, fairly and consistently applied, in good faith; and (b) transfer is in compliance with Section 13.4 below.

(iii) In the event that you wish to sell the Interest upon price or terms less favorable than those set forth in the Offer, then you will notify us in writing of the new price and terms ("Reduced Offer") that you would be willing to accept. In such event, the conditions set forth in Subsection (13.3(b)) above, will apply except that Franchisor will have twenty (20) days within which to evaluate the Reduced Offer and to exercise its Right of First Purchase.

(iv) If you do not complete such sale, transfer or assignment within one (1) year from the date of the expiration of the thirty (30) day period referred to in Subsection 13.3(b) above, then you must again offer to us any Interest that you wish to offer (subject to the exceptions provided for herein) before you shall have the right to complete such a transfer and we will have the Right of First Purchase referred to above on the same terms and conditions and subject to the same time requirements provided for in this Section.

13.4 **Conditions to Transfer**. If you are in compliance with this Agreement and we have not exercised our Right of First Purchase, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

(i) You have complied with the requirements set forth in Section 13.3 - Right of First Purchase;

(ii) All monetary obligations owed to us, and all other outstanding obligations relating to the Ideal Auto Broker Location, are fully paid and satisfied;

(iii) You and your affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or any of our affiliates at the time of transaction;

(iv) You (and any transferring owners, if you are a business entity) have executed a general release, in a form the same as or similar to the General Release attached as Exhibit K,

of any and all claims against us, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of the franchise; provided, however, that if a general release is prohibited by applicable law, you shall give the maximum release permitted by applicable law;

(v) The prospective transferee meets our management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as we may require to demonstrate the transferee's ability to manage and operate the Ideal Auto Broker Location;

(vi) The transferee and, if we require, all persons owning any interest in the transferee, have executed our then-current franchise agreement for new franchisees, the provisions of which may be substantially different from the terms contained in this Agreement;

(vii) You have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the Franchise;

(viii) You, or the transferee, has paid to us a transfer fee in the amount Five Thousand Dollars ($5,000.00) (the "Transfer Fee");

(ix) The transferee shall enter into a written agreement, in a form reasonably satisfactory to Franchisor, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement; and, if the transferee is an entity, transferee's owners shall execute our form of Guaranty and Assumption of Obligations guaranteeing the performance of all such obligations, covenants and agreements;

(x) The lessor of the Approved Location shall have consented to your assignment or sublease of the lease to transferee, or such transferee has secured a substitute premises for the Ideal Auto Broker Location which has been approved by us;

(xi) The transferee (or its owners, if the transferee is an entity) and the transferee's Location Manager completes, to our satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operations of the Ideal Auto Broker Location;

(xii) The transferee, at his/her/its expense, shall renovate, modernize and otherwise upgrade the Ideal Auto Broker Location to conform to the then-current standards and specifications of the System, and shall complete the upgrading and other requirements which conform to our System-wide standards within the time frame that we specify;

(xiii) You shall remain liable for all of the obligations to us in connection with the Ideal Auto Broker Location that incurred prior to the effective date of the Transfer and shall execute any and all instruments the we reasonably request to evidence such liability;

(xiv) You acknowledge that you are bound by the provision of Section 7.7 above; and

(xv) The transferee has obtained all necessary types of insurance as described in Section 10.1.

13.5 **Transfer to a Controlled Entity**. If you wish to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity solely for the convenience of business entity ownership (the "Controlled Entity"), you must obtain our prior written consent, which shall be conditioned upon the satisfaction of the following requirements:

(i) the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Ideal Auto Broker Location;

(ii) you or all holders of a legal or beneficial interest in you own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

(iii) all of your obligations to us or any of our affiliates are fully paid and satisfied; provided, however, that neither you nor the Controlled Entity shall be required to pay a Transfer Fee as required pursuant to Section 13.4(viii);

(iv) the Controlled Entity has entered into a written agreement with us expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Ideal Auto Broker Location. If the consent of any other party to any such other agreement is required, you have obtained such written consent and provided the same to us prior to consent by us;

(v) all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with us, whereby they are jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to us and the performance by the Controlled Entity of all the obligations of this Agreement;

(vi) The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;

(vii) copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to us immediately upon adoption.

(viii) The Transfer has been completed within thirty (30) days of the effective date of this Agreement.

The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

Our consent to a transfer of any interest in this Agreement, or of any ownership interest in the Ideal Auto Broker Location, shall not constitute a waiver of any claims that we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

A transfer under this Section 13.5 may occur one (1) time only.

13.6 **Franchisor Disclosure to Transferee**. We have the right, without liability of any kind or nature whatsoever to you, to make available for inspection by any intended transferee of you all or any part of our records relating to this Agreement, the Ideal Auto Broker Location or to the history of the relationship of the parties hereto. You hereby specifically consent to such disclosure by us and shall release and hold us harmless from and against any claim, loss or injury resulting from an inspection of our records relating to the Ideal Auto Broker Location by an intended transferee identified by you or otherwise disclosed to us.

13.7 **For-Sale Advertising**. You shall not, without our prior written consent, place in, on or upon the location of the Ideal Auto Broker Location, or in any communication media, any form of advertising relating to the sale of the Ideal Auto Broker Location or the rights granted hereunder.

13.8 **Transfer by Death or Disability**.

(i) Upon your death, incapacity or permanent disability (if you are a natural person) or upon the death, incapacity or permanent disability of the last surviving principal who is a natural person and who has an interest in this Agreement or Franchisee ("Interest"), your spouse or child(ren) who are at least twenty-four (24) years of age (the "Majority Children") shall have the right to continue operating and managing your Ideal Auto Broker Location; provided that such heir: (a) meets our then-current criteria for Ideal Auto Broker Businesses; (b) successfully completes our training to our satisfaction; and (c) provides us with a Manager for the Ideal Auto Broker Location acceptable to us who successfully completes our training to our satisfaction. Such transfer shall not be subject to our Right of First Purchase under Section 10.3 or the payment of a Transfer Fee under 13.4(viii). This transfer shall occur: (a) six (6) months from the date of the appointment of an executor, administrator or personal representative; or (b) nine (9) months from the date of your death, incapacity or disability whichever shall first occur.

(ii) If your spouse or Majority Children fail to meet our then-current criteria for our Ideal Auto Broker Businesses; or if your Interest passes to your minority children or a trust for the benefit of your minority children; or if your spouse and/or your Majority Children do not wish to assume the ownership, operation and management of your Ideal Auto Broker Location,

then your estate or personal representative (as the case may be) shall transfer, (subject to our Right of First Purchase as set forth in Section 13.3 and in compliance with the conditions provided in Section 13.4), your Interest to a third party approved by us. This transfer shall occur: (a) six (6) months from the date of the appointment of an executor, administrator or personal representative; or (b) nine (9) months from the date of your death, incapacity or disability whichever shall first occur.

(iii) "Permanent disability" or "incapacity" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent the afflicted person from performing the obligations set forth in this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability or incapacity is unlikely. Permanent disability or incapacity shall be determined by a licensed practicing physician or psychiatrist (as applicable) agreed upon by the parties, or , if the parties cannot agree, three (3) physicians or psychiatrists, one chosen by you and the other chosen by us with the third physician agreed upon between our and your respective physicians or psychiatrists, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed to be permanently disabled or incapacitated as of the date of such refusal for the purpose of this Section 13.8. The costs of any examination required by this Section shall be paid by us.

(iv) In the event of such a death, incapacity or permanent disability of you or your last surviving principal, we shall have the right, but not the obligation, to assume operation of the Ideal Auto Broker Location until the deceased, incapacitated or disabled owner's Interest is transferred to a third party which meets our standards and is approved by us. We may, pursuant to Section 4.10, charge a Management Fee currently equal to Four Hundred ($400.00) Dollars per day, plus we shall be entitled to reimbursement for any expenses we incur that are not paid out of the operating cash flow of the Ideal Auto Broker Location.

(v) Within ten (10) days of the death, incapacity or disability of you or your last surviving principal, your estate, personal representative or the guardian or trustee for your minority children (as the case may be) must notify us of such death or claim of incapacity or permanent disability. If an interest is not transferred upon death, incapacity or permanent disability as required in this Section, then such failure shall constitute a material event of default under this Agreement.

13.9 **Effect of Consent to Transfer**. Our consent to any Transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Ideal Auto Broker Location' or transferee's prospects of success, or a waiver of any claims we have against you or of our right to demand the transferee's full compliance with this Agreement's terms or conditions.

13.10 **Sales or Transfers to Family Excepted**. If you, or any of your owners, proposes to sell or otherwise transfer the Ideal Auto Broker Location (or any of its assets outside of the normal course of business), any ownership interest in you or any ownership interest in the franchise granted hereunder to a member of your (or your owners') family, then the terms and conditions of Section 13.3 shall be inapplicable. Nothing in this Section 13.10 shall be construed

to relieve you from full compliance with the terms and conditions of Section 13.4 prior to a sale or transfer to family pursuant to this Section.

ARTICLE XIV
DEFAULT AND TERMINATION

14.1 **Termination by You**. If you are in full compliance with all of the terms of this Agreement and we materially breach this Agreement and fail to commence reasonable efforts to cure such breach within ninety (90) days after receiving written notice identifying the claimed breach, you may elect to terminate this Agreement unless the breach cannot reasonably be cured within such ninety (90) day period. If the breach cannot reasonably be cured in such ninety (90) day period, you may elect to terminate this Agreement only if we do not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish you reasonable proof of such efforts.

14.2 **Termination by Franchisor with No Opportunity to Cure**. You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, if you:

(i) fail to timely select an Approved Location for or establish, equip and commence operations of the Ideal Auto Broker Location pursuant to Article II and Section 9.3;

(ii) fail to have your Location Manager satisfactorily complete any training program pursuant to Article VIII;

(iii) made any material misrepresentation or omission in its application for the franchise or otherwise to us in the course of entering into this Agreement;

(iv) are convicted of or plead no contest to a felony or other crime or offense that is likely to adversely affect our reputation, you or the Ideal Auto Broker Business;

(v) disclose, duplicate or otherwise use in an unauthorized manner any portion of the Operations Manual, Trade Secrets or any other Confidential Information;

(vi) abandon, fail or refuse to actively operate the Ideal Auto Broker Location for five (5) or more consecutive days (unless the Ideal Auto Broker Location has not been operational for a purpose approved by us); or, if first approved by us, fail to promptly relocate the Ideal Auto Broker Location following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable;

(vii) surrender or transfer control of the operation of the Ideal Auto Broker Location without our approval; make or attempt to make an unauthorized direct or indirect assignment of the franchise or an ownership interest in you; or fail or refuse to assign the franchise or the interest in you of a deceased or disabled owner thereof as herein required;

(viii) fail to timely transfer your interest your Ideal Auto Broker Location and this Agreement following the death, incapacity or permanent disability of you or your last surviving principal pursuant to Section 13.8;

(ix) submit to us on four (4) or more separate occasions during any twenty-four (24) consecutive month period, any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by more than three percent (3%) for any accounting period, on an annualized basis, and you are unable to conclusively demonstrate that such understatements resulted from inadvertent error;

(x) are adjudicated as bankrupt, become insolvent, commit any affirmative act of insolvency, or file any action or petition of insolvency; if a receiver of your property or any part thereof is appointed by a court; if you make a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); if execution is levied against your business or property; if a suit to foreclose any lien or mortgage against your Approved Location or equipment is instituted against you and not dismissed within thirty (30) days or is not in the process of being dismissed;

(xi) misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

(xii) fail on four (4) or more separate occasions within any twenty-four (24) consecutive month period, to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fund Contribution, Administrative Transaction Fee amounts due for purchases from us and any of our affiliates, or other payment when due to us or any of our affiliates, whether or not such failures to comply are corrected after notice thereof is delivered to you;

(xiii) violate on two (2) or more occasions any health or safety law, ordinance or regulation, or operate the Ideal Auto Broker Location in a manner that presents a health or safety hazard to its customers, employees or the public;

(xiv) engage in any activity exclusively reserved to us;

(xv) breach this Agreement and/or fail to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Operations Manual on two (2) or more separate occasions within any period of twelve (12) consecutive months, whether or not previous breaches or failures are cured;

(xvi) you (or your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Ideal Auto Broker Business's reputation, the reputation of other Ideal Automotive Broker franchisees or the goodwill associated with the Marks;

(xvii) you interfere with our right to inspect the Ideal Auto Broker Location or observe your operation, as provided in Section 9.18 of this Agreement;
(xviii) any material licenses or permits necessary for the proper operation of the Ideal Auto Broker Location are revoked or not renewed;

(xix) you fail to pay when due, any federal, state or local income, service, sales or other taxes due in connection with the operation of the Ideal Auto Broker Locatoin, unless you are, in good faith, contesting your liability for said taxes;

(xx) you (and your owners) violate the in-term non-compete covenant under Section 7.8(a);
(xxi) your assets, property or interests are "blocked" under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation, or any other law, ordinance or regulation applicable to your Ideal Auto Broker Location;

(xxii) default under any other agreement between us (or any of our affiliate(s)) and you (or your affiliate(s)), such that we or our affiliate(s), as the case may be, have the right to terminate such agreement or such agreement automatically terminates; or

(xxiii) you fail to comply with any other provision of this Agreement or any System standard and do not correct the failure within thirty (30) days after we deliver to you written notice of the failure.

14.3 **Termination by Franchisor with Opportunity to Cure**. Except as otherwise provided in Section 14.2, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination ("Notice of Default") stating the nature of the default. Notwithstanding the foregoing, you may avoid termination by curing such default (or, if you cannot reasonably cure such default within the applicable cure period, by providing proof acceptable to us that you have commenced taking the steps to cure such default or failure within the applicable cure period and will diligently continue to make all reasonable efforts to cure such default) within the specified cure period, if you:

(i) fail to pay any amounts due to us within five (5) days of receiving our Notice of Default;

(ii) fail to maintain insurance as specified in Article X of this Agreement and fail to cure such default within ten (10) days of receiving Notice of Default from us;

(iii) fail to: (1) have any holder of a legal or beneficial interest in you and any officer, director, execute our forms of Non-Disclosure and Non-Competition Agreements (attached hereto as Exhibits F and G, respectively) upon execution of this Agreement or prior to each such person's affiliation with you; or (2) provide us with copies of any Non-Disclosure Agreement, Non-Competition Agreement or other agreement signed pursuant to Article VII, if

we so request, and fail to cure such default(s) within ten (10) days of receiving our Notice of Default;

(iv) fail to comply with any applicable law or regulation within ten (10) days after being given notice of noncompliance;

(v) within thirty (30) days of receiving a Notice of Default of any other default by you or upon your failure to comply with any mandatory specification, standard or operating procedure prescribed in the Operations Manual or otherwise prescribed in writing.

14.4 **Termination Based Upon Cross Default of Another Agreement**. You will be deemed to be in default of this Agreement, and we may, at our option, terminate this Agreement, together with any other Franchise Agreement or any other agreement made between you (or any of your Affiliates) and Franchisor (or any of our Affiliates), and all of the rights granted therein, respectively, effective as of the time noted, if any other Franchise Agreement or any other agreement (including, but not limited to, the Multi-Unit Development Agreement ("MUDA") made between you (or any of your Affiliates) and us (or any of our Affiliates) is terminated by us (or by our Affiliate), or if the lease for the Approved Location has been terminated, if the underlying conduct, action or omission indicates dishonest or unethical conduct in our sole opinion, adversely affects the reputation of the System, other Ideal Automotive multi-unit developers or franchisees or the goodwill associated with the Marks, or otherwise negatively reflects your or the Franchisee's suitability to be a franchisee in the Ideal Automotive Broker Franchise System. By way of example only, and not meant to be an exhaustive list, examples of underlying conduct which will trigger our right to terminate this Agreement based upon a "cross-default" include: unauthorized use of the Marks or unauthorized disclosure of Confidential Information; making any material untrue statement, material misrepresentation or material omission to Franchisor, knowingly submitting a false report or financial statement to Franchisor; under-reporting of royalties or other amounts due to us (or our affiliates); failure to pay Royalty fees or contributions to the Marketing Fund; being convicted of or pleading no contest to a felony or other crime or offense that is likely to adversely affect our reputation, your reputation or the reputation of the Franchised Business; being found to have engaged in sexual misconduct, harassment or bullying;
If we elect to terminate this Agreement pursuant to this Section 14.4, we shall have the right, but not the obligation, in accordance with Section 16.5 of this Agreement, to purchase the assets with respect to any Ideal Auto Broker Location existing at the time. This includes our right to offset from the amount that would otherwise be payable, the amount of any damages which have been caused or suffered by us (or our Affiliates). We expressly reserve the right to pursue any and all remedies that we (or our Affiliates) may have in the event that the damage caused or suffered is in excess of any amounts that would have otherwise been payable under Section 16.5 of this Agreement. Further, if we elect to terminate this Agreement pursuant to this Section 14.4, we shall have no obligation to pay or compensate you in any amount or to refund any fees or amounts to you that were previously paid to us.

14.5 **Reinstatement and Extension**. If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, we may reinstate or

extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

14.6 **Right of Franchisor to Discontinue Services to You**. If you are in breach of any obligation under this Agreement, and we deliver to you a Notice of Default pursuant to Section 14.3, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any products or services for which we are an Approved Supplier to you, until such time as you correct the breach.

14.7 **Franchisor Rights and Your Duties in Event of a Default**. If you are in default of this Agreement for which we provide you a Notice of Default as described herein, then you acknowledge and agree that we shall have the following rights and you shall have the following obligations until such default is cured or this Agreement is terminated for your failure to cure the default:

(i) Upon your receipt of a Notice of Default, you agree to:

(a) continue to operate the Ideal Auto Broker Location pursuant to System standards and specifications and according to our instructions;

(b) maintain all signage for the Ideal Auto Broker Location in place, unless otherwise approved or instructed by us; and

(c) maintain the Approved Location, including all leasehold improvements, equipment and operating assets related to the operation of the Ideal Auto Broker Location, in good condition. As described herein, we have the right to "step- in" and manage your Business to ensure that our requirements are being met.

(ii) Upon us sending you a Notice of Default, you agree that we shall have the right, to be exercised in our sole discretion, to determine whether your Ideal Auto Broker Location can be sustained as a Ideal Auto Broker Location. If this Agreement is terminated by us for cause, we may exercise our right under Section 16.5 below to repurchase all or a portion of the Ideal Auto Broker Location and then, in our sole discretion, to re-sell the Ideal Auto Broker Location to a new franchisee.

(iii) In addition to our right to terminate this Agreement, and not in lieu of such right or any other rights, we have the right (but not the obligation) under this Agreement and the Collateral Assignment of Lease (Exhibit E), if you fail to cure any default within the applicable time period (if any), to enter upon and take possession of the Approved Location, implement the Collateral Assignment of Lease.

ARTICLE XV
FRANCHISOR'S STEP-IN RIGHTS

15.1 **Franchisor Step-In Rights**. If we determine in our sole judgment that your operation of the Ideal Auto Broker Location is deficient, or not compliant with our standards,

or if a default occurs under this Agreement, any other agreement that you have with us or our affiliates (if any) or the lease for the Approved Location, then in order to prevent: (i) an interruption of the Ideal Auto Broker Location; or (ii) the continued operation of a substandard Ideal Auto Broker Location which would cause harm to the System and thereby lessen its value, you agree that we shall have the right (but not the obligation) to operate the Ideal Auto Broker Location for as long as we deem necessary and practical, and without waiver of any other rights or remedies that we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Ideal Auto Broker Location if, without limitation:

(i) you are absent or incapacitated by reason of illness or death;

(ii) you have failed to discharge or have failed to remove any and all liens or encumbrances of every kind placed upon or against the Ideal Auto Broker Location; or

(iii) we determine that operational problems require that we operate the Ideal Auto Broker Location for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business in accordance with our standards.

In connection with our Step-In Rights, you acknowledge and expressly agree to execute our form of Step-In Rights Agreement, attached hereto as Exhibit I.

15.2 **Step-In Rights – Duties of Parties**. We shall keep in a separate account all monies generated by the operation of your Ideal Auto Broker Location, less the expenses of the business, including the Management Fee described in Section 4.10 and expenses for our representatives. In the event we exercise our Step-In Rights (as provided for in our form of Step-In Rights Agreement attached hereto as Exhibit I), we agree to indemnify, defend and hold you (and your representatives and employees) harmless from and against any claims that may arise out of our operation of the Ideal Auto Broker Location. Nothing contained herein shall prevent us from exercising any other right that we may have under this Agreement, including, without limitation, termination.

If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be an authorized Ideal Automotive franchisee and you will lose all rights to the use of the Marks, the Ideal Automotive System, all Confidential Information and know-how owned or developed by us and any goodwill (including "local" goodwill) engendered by the use of the Marks and/or attributed to the operation of your Ideal Auto Broker Location.

ARTICLE XVI
RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION

16.1 **Actions to be Taken**. Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to you shall terminate and you shall:

(i) immediately cease to operate the Ideal Auto Broker Location and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as our present or former franchisee;

(ii) cease to use the Trade Secrets or other Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

(iii) acknowledge and agree that we, at our option, have the right to withdraw from escrow the Collateral Assignment you executed simultaneously with this Agreement to effectuate your assignment of any and all interest that you have in the Lease (including any renewal rights or other options), sublease, right of entry or easement for the Approved Location. You further acknowledge, that upon the implementation of such assignment, you have the right to take prompt possession of the Approved Location and you expressly agree to promptly and completely vacate your Ideal Auto Broker Location;

(iv) take such action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "Ideal Automotive", "Ideal Automotive Services," "Ideal Automotive Sales," "Ideal Automotive Sales & Services," or any other Mark, and you shall furnish us with evidence satisfactory to us of your compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

(v) pay all sums owing to us and any of our affiliates. In the event of termination for any default by you, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees with respect to litigation, arbitration, appellate or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by you as a result of any early termination of this Agreement, and any other amounts due to us or any one of our affiliates;

(vi) pay to us all costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of the franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

(vii) immediately return to us the Operations Manual, Trade Secrets and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by us to you relating to the operation of the Ideal Auto Broker Location (all of which are acknowledged to be our property);

(viii) assign all telephone listings, telephone numbers and email addresses for your Ideal Auto Broker Location to us and shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to or at our direction; and

(ix) comply with all other applicable provisions of this Agreement.

16.2 **Post-Termination Covenant Not to Compete**. You agree to strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article VII of this Agreement.

16.3 **De-Identification**. If we elect not to receive an assignment or sublease of the Approved Location, you shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between us or the System and any business subsequently operated by you or others at the Approved Location. You shall make such specific additional changes to the Approved Location as we may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If you fail, neglect or refuse to comply with the requirements of this Section, we have the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at the expense of you, which expense you shall pay upon demand.

16.4 **Discontinuance of Communications with our Vendors**. For a period of two (2) years following the expiration or termination of this Agreement, you expressly agree to immediately cease any and all communication with any of our affiliates, vendors, suppliers, distributors or manufacturers (collectively referred to as "Ideal Automotive Vendors") and you further agree that you will not contract, engage or attempt to contract or engage any Ideal Automotive Vendor whom you: (i) were introduced to; (ii) came in contact with; or (iii) learned about during your tenure as a Ideal Automotive franchisee.

16.5 **Franchisor Option to Purchase Certain Operating Assets**. In the event we terminate this Agreement as a result of your default, you acknowledge and expressly agree that we have the right (but not the obligation) to purchase certain or all of your Operating Assets as follows:

(i) Inventory of Business Assets. Within fifteen (15) days from the date of termination or expiration of this Agreement, the parties will arrange for an inventory and evaluation to be made, at our cost, of all of your and the Ideal Auto Broker Location's leasehold improvements, furniture, fixtures, equipment, inventory and supplies (collectively, the "Operating Assets"), which inventory must be completed within forty-five (45) days of the date of expiration or termination.

(ii) Exercise of Option. Upon termination or expiration of this Agreement and evaluation according to its terms and conditions, we have the option, exercisable by giving you written notice within thirty (30) days after the inventory is completed, to purchase any Operating Assets that we designate. We have the unrestricted right to assign this option to purchase. You will provide us with all customary warranties and representations in connection with the purchase of your Operating Assets, including, without limitation, representations and warranties as to ownership and condition of and title to assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise.

(iii) Purchase Price. The purchase price for the Operating Assets we select to acquire will be the fair market value of such asset(s), provided that these items will not include any value for the franchise or any rights granted by this Agreement, goodwill attributable to the

Marks, our brand image, or other intellectual property or participation in the network of Ideal Automotive franchises.

(a) Fair Market Value Determination. In determining the fair market value of your Operating Assets, we and you agree to first attempt to negotiate the fair market value. If after fifteen (15) days, negotiation proves unsuccessful, then we and you will obtain an appraisal of the Operating Assets that will be submitted for mediation to help the parties to negotiate the fair market value of the Operating Assets. Mediation shall be limited to two (2) days. In the event that mediation is unsuccessful, the parties shall submit their dispute concerning the fair market value of the membership interest to binding Arbitration before the American Arbitration Association (AAA), under the rules of the AAA, provided however, that there shall be a single arbitrator, and the arbitrator shall conduct the arbitration by what is known as "Baseball" or "Pendulum" arbitration, sometimes also referred to as "final offer arbitration". In the subject arbitration proceeding: (i) we and you will submit our respective appraisals of the fair market value of the Operating Assets; (ii) the proposal will be accompanied by a memorandum, which will not exceed fifteen (15) pages, as to why the party believes that its appraisal should be chosen by the arbitrator; (iii) the arbitrator will hold a hearing with respect to the issues at hand, which hearing shall not exceed two (2) days without the express written consent of each of the parties and the arbitrator; (iv) the arbitrator shall issue a written determination, choosing one (1) of the two (2) proposals and setting forth his or her reasons for doing so; and (v) there shall be no review or appeal from the arbitrator's determination. The parties agree that they will abide by and perform any award rendered by the arbitrator. In addition, there shall be no fee-shifting provision in the arbitration award and each party shall incur its own attorney's fees and costs, and the expenses of the arbitration, including filing fees and the fees of the arbitrator shall be shared. The venue for the arbitration shall be held in the State of New York in either New York County, at a location that we shall determine. Once the fair market value has been agreed upon or determined (as the case may be), we agree to pay, and you agree to accept the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is agreed upon or determined. Notwithstanding the foregoing, we (or our assignee) may decide, after the purchase price is determined, not to exercise our purchase option and to withdraw our exercise of the option to purchase by sending written notice of such withdrawal to you within fifteen (15) days of the determination of the Fair Market Value. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates, if any. At the closing, you agree to deliver instruments transferring to us (or our assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of your business' licenses and permits which are assignable or transferable.

(b) If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and our affiliates' respective shareholders, officers, directors,

employees, agents, representatives, successors and assigns. If we exercise our rights under this Section 16.5, you agree that you will be bound by the non-competition covenant contained in Section 7.7 above.

16.6 **Liquidated Damages**. If we terminate the Franchise Agreement with cause or you terminate the Franchise Agreement without cause, you must pay us within fifteen (15) days after the termination's effective date, liquidated damages equal to the average monthly Royalty Fees you paid during the twenty-four (24) months of operation before the termination (or if you have been operating for less than twenty-four (24) months, equal to the average monthly Royalty Fees you paid during the period that you have operated), multiplied by the lesser of: (i) twenty-four (24) months; or (ii) the number of months remaining in your Franchise Agreement had we not terminated it. These liquidated damages cover only our damages from loss of the Royalty. Franchisee agrees that this amount represents a reasonable estimate of the damages that Franchisor would suffer (in connection with the loss of income in the form of Royalty Fees) in the event that Franchisor terminates this Agreement for cause prior to its expiration. This amount is in addition to any other damages, costs and expenses (including, reasonable attorneys' fees) to which we may be entitled.

16.7 **Survival of Certain Provisions**. All of our and your obligations, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

ARTICLE XVII
BENEFICIAL OWNERS OF YOU

17.1 **Disclosure of your Owners**. You represent, and we enter into this Agreement in reliance upon such representation, that the individuals identified in Exhibit A are the sole holders of a legal or beneficial interest (in the stated percentages) of you.

17.2 **Change in your Owners**. You expressly acknowledge and agree that any proposed change in the owners listed on Exhibit A shall require our prior written consent, which we can withhold or deny for any reason. In the event that we consent to your change in ownership, you agree to promptly update the Principals of Franchisee Form and provide such updated form to us.

ARTICLE XVIII
RELATIONSHIP OF THE PARTIES

18.1 **No Relationship**. This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal representative, joint-venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. You may not represent or imply to third-parties that you are an agent of Franchisor, and you are in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on our behalf.

18.2 **Independent Contractor**. During the term of this Agreement, and any extension or renewal hereof, you agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, your own Ideal Auto Broker Location personnel and others as the Ideal Auto Broker Location's owner under a franchise we have granted. You shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which we have the right to specify.

18.3 **No Liability for Acts of Other Party**. We and you agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that our relationship is other than franchisor and franchisee. Under no circumstances shall we be liable for any act, omission, contract, debt, nor any other obligation of you. We shall in no way be responsible for any injuries to persons or property resulting from the operation of the Ideal Auto Broker Location. Any third party contractors and vendors retained by you to convert or construct the premises are independent contractors of you alone.

18.4 **Display of Disclaimer**. You must prominently display appropriate notices in a format that we designate, in order to inform the public that you independently own and operate your Ideal Automotive broker franchise under a license from us and that you are not our agent. As an example, you must place a conspicuous sign in the window of your Approved Location, which sign is visible to customers as they enter your Approved Location, and which will states: "This Business is an Independently Owned and Operated Ideal Automotive Brokerage Franchise."

ARTICLE XIX
INDEMNIFICATION

19.1 **Indemnification by You**. To the fullest extent permitted by law, you shall, at your sole cost and expense, hold harmless and indemnify us, our affiliates, all holders of a legal or beneficial interest in us and all of our officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon:

(i) any personal injury, bodily injury or property damage whatsoever occurring in or at the location of the Ideal Auto Broker Location;

(ii) any bodily injury to an employee of you arising out of and in the course of employment of the employee;

(iii) your ownership or operation of the Ideal Auto Broker Location;

(iv) your breach of the lease for the Approved Location;

(v) your violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule;

(vi) your breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or our affiliate);

(vii) your defamation of us or the System;

(viii) your acts, errors or omissions committed or incurred in connection with the Ideal Auto Broker Location and or place of operations, including any negligent or intentional acts; or

(ix) your infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section shall expressly survive the termination of this Agreement.

19.2 **Notification of Action or Claim**. You shall give us immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that may give rise to a claim for indemnification by a Franchisor Indemnitee. We have the right (but not the obligation) to retain counsel of our own choosing in connection the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Should we elect to retain counsel, you acknowledge and agree that such an undertaking by you shall in no way diminish the obligation of you (and your owners) to indemnify the Franchisor Indemnitees and to hold them harmless, and to be represented by counsel of your own choosing with respect to any such action, suit, proceeding, claim, demand, inquiry or investigation in which you is personally named.

19.3 **Franchisor Right to Settle**. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, consent or agree to settlements or take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe:

(i) any of the acts or circumstances listed in Section 19.1 above have occurred; or

(ii) any act, error, or omission as described in Section 19.1(viii) may result directly or indirectly in damage, injury, or harm to the System, any person or any property.

19.4 **Recovery from Third Parties**. If our exercise of our rights under this Section to settle or take corrective or remedial action, causes any of your insurers to refuse to pay a third party claim, all cause of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party's part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

19.5 **Survival of Terms**. You (and your owners) expressly agree that the terms of this Article XIX shall survive the termination, expiration or transfer of this Agreement or any interest herein.

ARTICLE XX
DISPUTE RESOLUTION; CHOICE OF LAW; JURISDICTION; WAIVER OF JURY TRIAL

20.1 **Dispute Resolution**. The Parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without resorting to litigation or arbitration. The Parties agree that if any dispute arises between them, then in such event, before beginning any legal action to interpret or enforce this Agreement, they will first follow the procedures described in this Section 20.1.

(i) Initiation of Procedures. The Party that initiates these procedures ("Initiating Party") shall give written notice to the other Party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief, and identifying one or more people with authority to settle the dispute for him, her, or it. The Party receiving the notice ("Responding Party") will, within ten (10) days of receipt of said notice, provide the Initiating Party with a response to the Initiating Party's description of the dispute and will designate, by written notice to the Initiating Party, one or more people with authority to settle the dispute on the Responding Party's behalf. These people are called the "Authorized People."

(ii) Negotiation. The parties may investigate the dispute as they consider appropriate, but agree to meet in person, by prearranged teleconference, or by video conference within fifteen (15) days from the date of written notice from one party ("Initiating Party") to the other to discuss resolution of the dispute. The parties may meet at any times and places and as often as they agree.

(iii) Mediation. If the dispute has not been resolved within thirty (30) days after the initial meeting, the Parties shall engage in mediation, with either Party having the right to begin mediation procedures. The Mediation will be conducted by and under the American Arbitration Association ("AAA"), or under the auspices of such other organization or mediator to which the parties may agree, and shall be limited to two (2) days, unless otherwise agreed upon by written agreement of the parties. The parties will share the costs of mediation, other than attorney fees, equally. All applicable statutes of limitation shall be tolled from the date of the first notice from the Initiating Party, to ten (10) days after completion of the mediation. The parties shall choose one (1) mutually acceptable mediator by agreement. In the event that the Parties are not able to agree on the selection of a mediator, the Parties agree that the AAA will designate a mediator in connection with the dispute. The Mediation will be held in the State of New York in New York County at a location to be mutually agreed by the parties. If the parties cannot agree, then at a location designated by us. However, notwithstanding the above, in the event that it is not reasonably practicable for one or more of the Parties, or the Mediator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the mediation remotely through a video-conferencing application such as Zoom, etc.The parties

will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 20.1(iii) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information; or (ii) any of the restrictive covenants contained in this Agreement.

(v) Arbitration. Subject to Subsection 20.1(v) below and Section 21.4 below (entitled "Injunctive Relief"), any controversies, disputes or claims between us (our affiliates, if any, and our respective shareholders, officers, directors, agents, employees, successors and assigns) and you (your owners, guarantors, and their respective officers, directors, agents, employees, successors and assigns) under, or arising out of, or in connection with, this Agreement, if not resolved by the negotiation and mediation procedures above, shall be settled by arbitration administered by the AAA under its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction within the State of New York. Any arbitration shall be before a single arbitrator and the arbitration shall be held at a location within the State of New York in New York County, as selected by the arbitrator. Notwithstanding anything contained above, in the event that it is not reasonably practicable for one or more of the Parties, or the Arbitrator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the arbitration proceeding remotely through a video-conferencing application such as Zoom, etc. The Federal Arbitration Act shall govern, excluding all state arbitration laws. New York law will govern all other issues. The decision of the arbitrator will be final and binding upon the parties. Subject to subsection (v) below and subject to Section 21.4 below, this arbitration clause will not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief he or she deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 20.5 ("Limitation of Damages"), award any special, consequential, exemplary, or punitive damages against either party (we and you hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 20.5 below, any right to or claim for any special, consequential, exemplary, or punitive damages against the other). The arbitrator shall award to the successful party(ies), the costs and expenses of the prevailing party(ies), including reasonable attorneys' fees and disbursements, accountant's fees, expert witness fees, deposition related expenses, arbitration proceeding filing fees, arbitrator's compensation and expenses.

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined in the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any clam that is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the

right, but have no obligation, to advance your share of the costs (excluding attorneys' fees) of any arbitration proceeding in order for such arbitration proceeding to take place or go forward and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of these costs in accordance with this Section and Section 21.6 below.

(vi) Disputes Not Subject to the Arbitration Process. Notwithstanding anything contained in this Section 20.1 or otherwise, either party has the right to commence a legal action in any court of competent jurisdiction in order to assert claims or disputes (or portions thereof) which relate primarily to the enforceability of, and/or ownership rights in and to, the Trade Name, Marks, including, for example disputes governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law. Any such legal action may be commenced in court regardless of the type of relief sought (e.g., whether money damages or a temporary restraining order and/or temporary or preliminary injunctive relief). Notwithstanding the above, nothing shall restrict or prohibit a party from bringing any such claims referenced in this paragraph as part of or within an arbitration proceeding. Any covenant to negotiate, mediate or arbitrate disputes in accordance with Section 20.1 will not apply to any legal actions which are brought in court pursuant to this paragraph.

Notwithstanding anything contained in this Section 20.1 or otherwise, either party has the right to commence a legal action in any court of competent jurisdiction bringing claims or disputes (or portions thereof) where the relief sought is a temporary restraining order and/or temporary or preliminary injunctive relief and where the claim(s) or dispute(s) relate(s) primarily to the enforceability of provisions in this Agreement relating to restrictions with respect to: (i) Trade Secrets or Confidential Information (as defined herein) that we have licensed to you; (ii) non-disparagement; or (iii) non-competition. Any covenant to negotiate, mediate or arbitrate disputes in accordance with Section 20.1 will not apply to circumstances under which any party shall have the right to seek injunctive relief as provided in this Agreement. To the extent that either party brings claims or disputes relating to (i), (ii) or (iii) in this paragraph, where injunctive relief is not sought, then any such claims shall be subject to the dispute resolution procedures contained in this Section 20.1 (i) through (iv) (e.g., relating to negotiation, mediation and arbitration).

Notwithstanding anything contained in this Section 20.1 or otherwise, we and/or our affiliate(s) have the right to commence a legal action in any court of competent jurisdiction with respect to any claims relating to monies owed to us or our affiliate(s). In the event that such an action is commenced, neither we nor our affiliate(s) shall be required to comply with the provisions relating to negotiation, mediation and arbitration which are contained in Article XX.

If the provisions of this subsection are unenforceable or would result in rendering this Section 20.1(v) (or any portion thereof) unenforceable for any reason, the dispute shall be subject to negotiation, mediation, arbitration and appeal of any arbitration decision as provided in this Article XX.

(vii) Individual Dispute Resolution. We and you agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between

us and you shall not be consolidated with any other arbitration proceeding involving us and any other natural person, association, corporation, partnership or other entity.

(viii) Performance During Resolution of Disputes. We and you will fully perform our obligations under this Agreement during the entire dispute resolution process.

(ix) Survival. The provisions of this Section 20.1 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Nothing contained in this Section 20.1, shall restrict or prohibit us from exercising our "Step-In Rights" as provided for in this Agreement.

20.2 **Choice of Law**. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement or any particular dispute is governed by the Federal Arbitration Act, this Agreement shall be governed by and construed in accordance with the laws of the State of New York (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

20.3 **Consent to Jurisdiction**. Subject to Section 20.1(v) and Section 21.4 below (entitled "Injunctive Relief"), any action brought by either party except those claims required to be submitted to arbitration, shall only be brought in the appropriate state or Federal courts located in or serving New York, New York. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by us where you are located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

20.4 **Cumulative Rights and Remedies**. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar our right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

20.5 **Limitation of Damages**. Except for the following claims arising out of this Agreement: (i) your obligation to indemnify us for third party claims under Subsection (ix) of 19.1 (Indemnification by You), relating to claims for indemnification arising out of your infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information; (ii) claims for breach of your obligations under Section 7.3 (Restrictions on Use of Confidential Information); (iii) claims for breach of your obligations under Section 7.7 (Non-Disparagement); and (iv) claims for breach of your obligations under Section 7.8 (Covenant Not to Compete), neither party will be entitled to recover special, consequential, exemplary or punitive damages under this Agreement. Subject to the above, the parties each waive, to the fullest extent permitted by law, any right or

claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees. You waive and disclaim any right to consequential damages in any action or claim against us concerning this Agreement or any related agreement.

20.6 **Waiver of Jury Trial and Class Action**. Each party hereby irrevocably waives all rights to trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party initiates the suit. This waiver applies to any matter arising out of or in any way related to this Agreement, the parties' performance under or breach of this Agreement, and your purchase from us of the Ideal Auto Broker Location and/or any goods or services. You additionally waive the right to initiate or participate in a class action in any forum, including without limitation, participating in any class or group arbitration, and the parties agree that all proceedings arising out of or related to this Agreement or your purchase of the Ideal Auto Broker Location will be conducted on an individual, and not a class-wide basis. The parties acknowledge and further agree that any proceeding between you, your Guarantor(s) and Franchisor or our affiliates, officers and/or employees may not be consolidated with any other proceeding between us and any other third party.

20.7 **Limitations of Claims**. Except with respect to claims relating to your indemnification obligations under Section 19.1, claims arising from your unauthorized use of our intellectual property, and claims arising from your non-payment or underpayment of amounts you owe to us or our affiliates, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a legal action or arbitration proceeding (in the required or permitted forum) is commenced within two (2) years from the date on which the violation, act, or conduct giving rise to the claim occurs, regardless of when then the party asserting the claim knew or should have known of the facts giving rise to the claim.

ARTICLE XXI
GENERAL CONDITIONS AND PROVISIONS

21.1 **Entire Agreement**. This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

21.2 **Binding Effect**. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement shall not be modified except by written agreement signed by us and you.

21.3 **No Waiver**. None of our failure to exercise any power reserved to us hereunder, our failure to insist upon strict compliance by you with respect to any obligation or condition hereunder, or any custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement.

Our waiver of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

21.4 **Injunctive Relief**. As any breach by you of any of the restrictions contained in Articles VI, VII and XV would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and you shall be responsible for our reasonable attorneys' fees incurred in pursuing the same. Our right to seek injunctive relief will not affect the parties' waiver of jury trial. Any covenant to negotiate, mediate or arbitrate disputes in accordance with Section 20.1 will not apply to circumstances under which any party shall be entitled to seek injunctive relief pursuant to this Agreement. Our rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court of competent jurisdiction. Notwithstanding anything contained in this Agreement, to the extent that any party seeks a temporary restraining order and/or temporary or preliminary injunctive relief from a court of competent jurisdiction, that party agrees to contemporaneously submit the dispute for arbitration on the merits as provided for in Section 20.1(iv).

21.5 **Notices**. All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Certified Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

To Franchisor:	Ideal Automotive Broker Franchising, LLC 15-23 132nd Street College Point, NY 11356 Attn: Jeff Li, CEO/President
With Copies to:	Rosen Karol Salis, PLLC 110 East 59th Street, 23rd Floor New York, NY 10022 Attn: Richard L. Rosen, Esq.
To Franchisee:	_____ _____ _____ _____

21.6 **Cost of Enforcement or Defense**. If we or you are required to enforce this Agreement in a judicial or arbitration proceeding, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to reimbursement of its costs, including reasonable attorneys' fees, accountant's fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, taxes, costs and expenses incident to arbitration, appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

21.7 **Guaranty and Assumption of Obligations**. All holders of a legal or beneficial interest in you shall be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Exhibit I, through which such holders agree to assume and discharge all of your obligations under this Agreement and to be personally liable hereunder for all of the same.

21.8 **Approvals**. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

21.9 **Severability and Modification**

(i) Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at its option, terminate this Agreement.

(ii) Notwithstanding the above, each of the covenants contained in Articles VII and XV shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

21.10 **Construction**. All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

21.11 **Force Majeure**. Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

21.12 **Withholding Payments**. You shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to us or to our affiliates. You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right to apply any payments made by you against any of your past due indebtedness as we deem appropriate. We shall set off sums we owe to you against any unpaid debts owed by you to us.

21.13 **Further Assurances**. Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

21.14 **Third-Party Beneficiaries**. Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than we or you, and our respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

21.15 **Disparity in Franchise Agreements and Renewal Franchise Agreements**. We do not represent or warrant that all current (or future) Ideal Automotive franchise agreements issued by us do (or will) contain terms substantially similar to those contained in this Agreement. Further, you recognize and agree that we may, in our reasonable business judgment, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to Ideal Automotive franchise owners in a non-uniform manner.

21.16 **Counterparts**. The parties hereby agree that this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. The parties further agree that in the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

ARTICLE XXII
ACKNOWLEDGEMENTS

22.1 **Franchisee Representations**. You represent and warrant to us, with the intention that w relying thereon in entering into this Agreement, that:

(i) If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Ideal Auto Broker Location.

(ii) If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

(iii) You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you furnished to us before the execution of this Agreement.

(iv) As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors or partners (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

(v) Neither you nor any of your owners is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

(vi) All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

22.2 **Franchisee Acknowledgements**. You acknowledge, warrants and represents to Franchisor and Franchisor relies on such acknowledgements, warranties and representations that:

(i) Neither we nor any of our any of our employees, agents or salespersons made a representation on which you relied as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Ideal Auto Broker Location, or any other franchisee or any Ideal Auto Broker Location owned and operated by us or our affiliates. We make no guaranties, promises, representations, statements or warranties that you can or will achieve any level or range of sales, income or other measures of performance.

_____
Initials

(ii) Neither we nor any of our any of our employees, agents or salespersons have made a representation or statement on which you relied regarding your anticipated income, earnings and growth or that of our or the System, or the viability of the business opportunity being offered under this Agreement.

_____
Initials

(iii) Before executing this Agreement, you have had the opportunity to contact any and all of our existing franchisees.

_____
Initials

(iv) You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisors (if you so elect) of your choosing. You have been advised to consult with your advisors with respect to the legal, financial and other aspects of this Agreement, the Ideal Automotive franchise, and the prospects for the Ideal Auto Broker Location. You have either consulted with these advisors or have deliberately declined to do so.

_____
Initials

(v) You have received from us a copy of our Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before payment by you to us of any consideration in connection with the sale or proposed sale of the Franchise granted by this Agreement, or with respect to either of said cases, ten (10) business days if you reside in the State of New York.

_____
Initials

(vi) Neither we nor any of our any of our employees, agents or salespersons have made a representation or statement on which you relied regarding your ability to procure any required licenses or permits that may be necessary to the offering of one or more of the services contemplated to be offered by the Ideal Auto Broker Location.

_____
Initials

(vii) You represent that your execution of this Agreement will not violate any other agreement or commitment to which you or any holder of a legal or beneficial interest in you is a party.

_____
Initials

(viii) You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.

_____
Initials

(ix) You understand and agree that we may manage and change the System and our business in any manner that is not expressly prohibited by this Agreement. Whenever we have the right within this Agreement to take or withhold action or to grant or decline to you the right to take or withhold action, we may make such a decision on the basis of our business judgment of what is in our best interests and those of the System and the franchise network, without regard to whether other reasonable alternative decisions exist or whether our decision adversely affects you. Absent applicable statute, we shall have no liability for such a decision and you agree that our decision will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, you agree that such a covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with our rights and obligations hereunder.

_____
Initials

EXHIBIT C TO THE DISCLOSURE DOCUMENT

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

FRANCHISOR

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By: _____
Name: _____
Title: _____

FRANCHISEE

[NAME OF FRANCHISEE]

By: _____
Name: _____

EXHIBIT A

EXHIBIT C TO THE DISCLOSURE DOCUMENT

PRINCIPALS OF FRANCHISEE

Franchisee Contact. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____
Address: _____
Daytime Telephone No.: _____
Mobile Telephone No.: _____
E-mail Address: _____

Principals of Franchisee. The undersigned agree and acknowledge that the following is a complete list of all of the shareholders, partners, or members ("Principals") of Franchisee and the percentage interest of each individual:

Name:_____
Position/Title:_____
Home Address:_____
_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership: _____%

Name:_____
Position/Title:_____
Home Address:_____
_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership _____%

Name:_____
Position/Title:_____
Home Address:_____
_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership: _____%

Name:_____
Position/Title:_____
Home Address:_____
_____
_____
Telephone No.:_____
E-mail address:_____
Percentage of ownership _____%

Change in Owners. Franchisee acknowledges and agrees that any proposed change in the Principals listed above, shall require Franchisor's prior written consent.

IN WITNESS WHEREOF, the undersigned has executed this Principals of Franchisee Form on this ___ day of _____, 20___.

FRANCHISEE
[_____]

_____
By: _____
Title: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT B

APPROVED LOCATION; EXCLUSIVE TERRITORY

IDEAL AUTOMOTIVE BROKER LOCATION

Pursuant to Section ____ of the Franchise Agreement, the Franchised Business shall be located at the following Approved Location:

_____
_____
_____
_____
_____

Franchisee acknowledges that Franchisor's approval of the Approved Location is not a guarantee, recommendation or endorsement that Franchisee's Ideal Automotive Broker Location will be profitable or successful as a result of it being located at the Approved Location. Franchisor's approval is only intended to indicate that the Approved Location meets Franchisor's minimum site selection criteria based upon Franchisor's general business experience. Franchisee acknowledges that the success of the Ideal Automotive Broker Location to be operated at the Approved Location is dependent upon Franchisee's abilities as an independent businessperson. Note: If this Exhibit B is not completed at the execution of the Franchise Agreement, then this Exhibit B will be completed at such time that the Approved Location is determined.

EXCLUSIVE TERRITORY

Pursuant to Section ___ of the Franchise Agreement, Franchisee's Exclusive Territory shall be defined by and exist within the following Zip Code(s) or other physical, political or natural boundaries (if identified on a map, please attach map and reference attachment below):

_____
_____
_____
_____
_____
_____
_____
_____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT C

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name:_____

Franchisee hereby authorizes and requests _____ (the "Bank") to honor and charge the bank account below (the "Bank Account") for electronic funds transfers or drafts drawn on the Bank Account and payable to the Franchisor or its designated affiliate ("Payee"). Each week Payee (will present to the Bank a notice setting forth the amount to be charge set forth the amount of such charge in a notice from the Payee presented to the Bank on Tuesday of each week. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payee or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payee has received written notification from the Franchisee in such time and manner as to afford the Payee and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payee.

INDEMNIFICATION OF BANK

In consideration of the Bank's compliance with the foregoing request and authorization, the Payee agrees with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

AGREED:
FRANCHISEE
[INSERT FRANCHISEE NAME]
By: _____
Name (Print): _____
Title: _____

FRANCHISOR APPROVAL
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
By: _____
Name:_____
Title: _____
***Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers*.**

EXHIBIT D
LEASE RIDER

THIS RIDER TO LEASE made this_____day of___, 20__, by and between [LANDLORD NAME], ("Landlord"), and [TENANT NAME], a [ENTITY TYPE] ("Tenant"), a duly authorized franchisee of Ideal Automotive Broker Franchising, LLC ("Ideal Automotive") a New York limited liability company, with its principal offices at 1523 132nd Street, College Point, NY 11356.

WHEREAS, the parties desire that this Lease Rider to supplement and form a part of that certain lease between Landlord and Tenant, dated _____, 20__ (the "Lease") for the leased premises located at _____ (the "Leased Premises");

WHEREAS, the parties are entering into this Lease Rider in connection with Ideal Automotive's grant of a franchise to Tenant to operate an automobile brokerage business that facilitates the sale of used and new vehicles to consumers under the name and mark "Ideal Automotive" ("Ideal Auto Broker Location") at the Leased Premises;

WHEREAS, the parties intend that this Lease Rider provide Ideal Automotive with the opportunity to preserve the Leased Premises as an Ideal Location under the Ideal Automotive brand in the event of: (i) Tenant's default under the Lease or the Franchise Agreement; (ii) the termination of Tenant's rights under the Lease; or (iii) the expiration or termination of the Franchise Agreement between Ideal Automotive and Tenant; and

WHEREAS, Ideal Automotive desires to assure Landlord that, if Ideal Automotive, or its subsidiary, affiliate or franchisee ("Franchisor") exercises its right to effectuate the Collateral Assignment of Lease executed by Tenant on the ___day of _____, 20__, thereby assigning to Franchisor all of Tenant's right, title and interest in the Lease, any default by Tenant under the Lease will be cured by Franchisor upon taking possession of the Leased Premises.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord hereby:

1. Agrees to notify Franchisor, in writing, of and upon Tenant's failure to cure any default by Tenant under the Lease, and to provide Franchisor with the right, but not the obligation, to cure any default by Tenant under the Lease within thirty (30) days from Franchisor's receipt of notice ("Cure Period") from Landlord of such default by Tenant; however, if such default cannot be reasonably cured by Franchisor within the Cure Period, Landlord agrees that the Cure Period will be extended for such time as is reasonably necessary to cure such default, provided Franchisor commenced taking the steps to cure such default within the Cure Period and is diligently working towards curing said default;

2. Agrees that Franchisor has the right to take possession of the Lease Premises in

the event Franchisor elects to exercise its "step-in rights" as set forth in the Step-In Rights Agreement (incorporated herein by reference) by and between Franchisor and Franchisee;

3. Agrees that Franchisor has the right, but not the obligation, within thirty (30) days of the date of Franchisor's receipt of notice from Landlord of default by Tenant, to take possession of the Leased Premises and Landlord will recognize Franchisor as tenant under the Lease, provided that Franchisor cures Tenant's defaults under the Lease within the Cure Period set forth in Section (1) above;

4. Agrees that Franchisor will have the right and option, but not the obligation, to effectuate the Collateral Assignment of Lease upon: (i) Tenant's default or termination under the Lease; (ii) Tenant's default under the Franchise Agreement; or (iii) the expiration or termination of the Franchise Agreement;

5. Agrees that if Franchisor becomes the assignee of the Lease as provided for in (3) above, Franchisor may: (i) further assign the Lease to an affiliate of Franchisor or to another franchisee of Franchisor; or (ii) enter into a sublease with an affiliate or Franchisor or another franchisee. Landlord agrees that upon the effectiveness of the assignment referred to in subsection 4(i) above, Franchisor will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee will operate the Leased Premises as an Ideal Automotive Broker business;

6. Agrees that the Lease may not be amended, assigned or sublet without Franchisor's prior written consent; and

7. Agrees that for a period of two (2) years after the termination or expiration of Tenant's Franchise Agreement, Landlord will not enter into a lease with Tenant (or an affiliate of Tenant) to operate an automobile brokerage business similar to that of Tenant at the demised premises except that Landlord may enter into a lease with Tenant or Tenant's affiliate if the operation of said automobile brokerage business (similar to that of Tenant) is pursuant to any franchise agreement with Franchisor or any affiliate of Franchisor; and

8. Notwithstanding anything contained herein, in the event that the Lease for the Leased Premises was entered into prior to Tenant (or its affiliate) entering into the Franchise Agreement with Franchisor and if their respective expiration dates are different, Franchisor and Landlord agree that they each will cooperate with each other and use reasonable best efforts to adjust the expiration dates in the Lease and in the Franchise Agreement so that the current term of the Lease will be adjusted such that the expiration of said Lease term will expire contemporaneously with the expiration of the initial term of the Franchise Agreement. In addition, if the Lease provides for a renewal term, or terms, such term or terms will be adjusted so as to expire, respectively, contemporaneously with the renewal term or terms of the Franchise Agreement. In doing so, Franchisor and Landlord will adjust their respective expiration dates, where

possible, by an equal number of days, respectively, but neither Franchisor nor Landlord shall be required or expected to adjust the expiration date of its respective Franchise Agreement or lease, as the case may be, by more than ninety-two (92) days (a cumulative total adjustment of one hundred and eighty-four (184) days). By means of example, if the term of the Franchise Agreement will expire on December 31, 2030 and the Lease will expire on June 30, 2031, then the Franchisor will adjust the expiration of the Franchise Agreement to March 31, 2031 and the Landlord will adjust the expiration of the Lease to March 31, 2031.

IN WITNESS WHEREOF, Landlord, Tenant and Franchisor have caused this Lease Rider to be executed as of the date first written above.

LANDLORD

[NAME OF LANDLORD]

By: _____
Name: _____
Title: _____

TENANT

[NAME OF TENANT]

By: _____
Name: _____
Title: _____

FRANCHISOR

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By: _____
Name: _____
Title: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT E

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns, transfers and sets over to Ideal Automotive Broker Franchising, LLC, a New York limited liability company ("Assignee"), all of Assignor's right and title to and interest as tenant in, to and under that certain lease a copy of which is attached as Exhibit A ("Lease") for the premises known as _____("Premises").

1. Assignment. This Assignment is for collateral purposes only and except as specified in this document, Assignee, or its designee, will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment, or from or in connection with the Lease, unless and until: (i) Assignee provides written notice to Assignor and the landlord of the Premises (the "Landlord") under the Lease that Assignee is effectuating this Collateral Assignment of Lease and that Assignee (or Assignee's designee) is assuming all of Assignor's rights, title and interest under the Lease pursuant to this assignment and (ii) Assignee (or Assignee's designee) takes possession of the Premises demised by the Lease pursuant to the terms thereof, and assumes the obligations of Assignor thereunder. Upon the effective date of this Assignment, the Assignor shall indemnify and hold harmless the Assignee from and against all claims and demands of any type, kind or nature made by any third party which arise out of or are in any manner connected with the Assignor's use and occupancy of the Premises subject to the Lease.

2. Authority. Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the Premises it demises.

3. Assignor's Default. Upon Assignor's default under the Lease or under the "Franchise Agreement" for an Ideal Automotive Broker franchise, or in the event Assignor defaults under any document or instrument securing the Franchise Agreement, Assignee has the right and is empowered to take possession of the Premises the Lease demises and expel Assignor from the Premises. In that event Assignor will have no further right and title to or interest in the Lease, but Assignor will remain liable to Assignee for any past due rental payments or other charges Assignor is required to pay the Landlord to effectuate the assignment this document contemplates. Upon such default by Assignor, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact with the authority to execute (in the name, place and stead of Assignor) such additional agreements as may be reasonably requested by Assignee or Landlord for the purpose of effectuating the Assignee's right to possession of the Premises. The Assignor will reimburse the Assignee or its designee for the costs and expenses incurred by Assignee in connection with effectuating this assignment, including, but not limited to the payment of: (i) any back rent and other payments due under the Lease; (ii) attorneys' fees and litigation expenses incurred in enforcing this Collateral Assignment of Lease; (iii) costs incurred in reletting the Premises, and (iv) costs incurred for putting the Premises in good working order and repair.

4. Assignor's Obligations During Lease Term. Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor irrevocably appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

5. Assignor's Indemnification. To the fullest extent permitted by law, Assignor shall, at Assignor's sole cost and expense, hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Assignee and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Assignee Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or are in any manner connected with Assignor's use and occupancy of the Premises subject to the Lease.

IN WITNESS WHEREOF, Assignor has caused this Collateral Assignment of Lease to be executed as of the date below.

DATED: _____

ASSIGNOR:

[NAME OF ASSIGNOR]

_____
By: _____
Title: _____

CONSENTED TO BY:

LANDLORD:

[NAME OF LANDLORD]

_____
By: _____
Title: _____
Date: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

STATE OF _____
COUNTY OF _____

On this ___day of _____, in the year 20___, before me personally came _____, to me known, who, being by me duly sworn did depose and say that he/she resides in _____; that he/she is the _____ of _____, the Assignor described in and which executed the above Assignment; and that he/she is authorized and empowered to sign this Assignment on behalf of Assignor.

_____
Notary Public

STATE OF _____
COUNTY OF _____

On this ___day of _____, in the year 20___, before me personally came _____, to me known, who, being by me duly sworn did depose and say that he/she resides in _____; that he/she is the _____ of _____, the Assignee described in and which executed the above Assignment; and that he/she is authorized and empowered to sign this Assignment on behalf of Assignee.

_____
Notary Public

STATE OF _____
COUNTY OF _____

On this ___day of _____, in the year 20___, before me personally came _____, to me known, who, being by me duly sworn did depose and say that he/she resides in _____; that he/she is the _____ of _____, the Landlord described in and which executed the above Assignment; and that he/she is authorized and empowered to sign this Assignment on behalf of Landlord.

_____
Notary Public

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT F

NON-DISCLOSURE AGREEMENT
IDEAL AUTOMOTIVE BROKER FRANCHISE

This Non-Disclosure Agreement (the "Agreement") is made and entered into this ___ day of _____ 20___ is by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") a New York limited liability company, with its principal address 1523 132nd Street, College Point, NY 11356 on the one hand, and on the other, _____ ("Franchisee") a _____

_____, with its principal place of business and any other entities or individuals who shall be bound to the terms and conditions of this Agreement (collectively, the "Obligated Parties").

RECITALS

WHEREAS, Franchisor has developed a unique system (the "System") for the development and operation of an automobile brokerage business that facilitates the sale of used and new vehicles to consumers ("Ideal Auto Broker Location");

WHEREAS, Franchisor has granted _____ (the "Franchisee") the limited right to operate an Ideal Auto Broker Location under Franchisor's licensed mark(s) ("Marks") to engage in the operation of an automobile brokerage business that facilitates the sale of used and new vehicles to consumers (the "Franchised Business").

WHEREAS, Franchisee and Franchisor are parties to that certain Franchise Agreement dated _____, 20__ ("Franchise Agreement");

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement and otherwise, on the importance to both Franchisor and to Franchisee, as well as to other licensed users of the System, of restricting the use, access and dissemination of Franchisor's Confidential Information (as defined below);

WHEREAS, Franchisor will disseminate to the Obligated Parties certain Confidential Information (as defined below) and grant Franchisee the license to use Franchisor's Marks in connection with the Franchisee's operation of their Ideal Auto Broker Location;

WHEREAS, the Obligated Parties expressly acknowledge and agree that the Marks are owned by Ideal Automotive IP Holdings, LLC ("Ideal Automotive IP Holdings"), a Delaware limited liability company, and that pursuant to that certain Trademark License Agreement dated January 5, 2021 by and between Ideal Automotive IP Holdings and Franchisor, Franchisor has granted Franchisee the right to use the Marks solely in connection with Franchisee's operation of the Franchised Business, provided that such operation is in strict compliance with the Franchise Agreement(s) and the System Standards which Franchisor may prescribe;

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement and otherwise, on the importance to Franchisor and to Franchisee as well as to other licensed users of the System, of: (i) restricting the use, access and dissemination of Franchisor's Confidential Information; and (ii) protecting the Marks;

WHEREAS, the Marks and Confidential Information provides the Franchisor with an economic advantage and are neither publicly known to, nor readily ascertainable by lawful means by, our competitors, who could obtain economic value from knowledge and use of our Confidential Information;

WHEREAS, the Obligated Parties are required by the Franchise Agreement to execute this Agreement simultaneously with the execution of Franchisee's Franchise Agreement; and

WHEREAS, the Obligated Parties understand the necessity of not disclosing any such information to any other party or using such information to compete against Franchisor or its franchisees in any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) automobile brokerage services, or the same as or similar to services provided by Franchisee as provided for in the Franchise Agreement; or (ii) in which Franchisor's Trade Secrets and other Confidential Information (as defined herein) are used (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee (or its affiliate) under a Franchise Agreement with Franchisor.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

The Obligated Parties acknowledge and understand that Franchisor will grant them access to Franchisor's Trade Secrets and other Confidential Information that are important to Franchisor, the Ideal Automotive System and Franchisor's affiliates and other franchisees.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or nontechnical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Franchised Business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and nontechnical information used in or related to the Franchised Business that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other

information identified as confidential when delivered by Franchisor to the Obligated Parties shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of the Obligated Parties; (ii) the Obligated Parties can demonstrate was rightfully in his, her, its or their possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve the Obligated Parties of his, her, its or their obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. The Obligated Parties understand Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Franchisor and each Obligated Party with respect to the Trade Secrets and other Confidential Information.

2. <u>Confidentiality/Non-Disclosure</u>

a) The Obligated Parties shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, the Obligated Parties must take all steps reasonably necessary and/or requested by Franchisor to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. The Obligated Parties must comply with all applicable policies, procedures and practices that Franchisor has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) The Obligated Party's obligations under paragraph 2(a) of this Agreement shall continue in effect after the expiration or termination of Franchisee's Franchise Agreement.

c) At Franchisor's request, Obligated Party (Franchisee) must require that Franchisee's Ideal Auto Broker Location General Manager(s) and other employees who will have access to Franchisor's Confidential Information (and any other person or entity to whom Franchisee wishes to disclose any confidential information) to sign non-disclosure agreements with Franchisee providing that they will maintain the confidentiality of the disclosed information. These various agreements must be in a form satisfactory to Franchisor and must identify Franchisor as a third-party beneficiary with the independent right to enforce the agreements. At Franchisor's request, a copy of these signed agreements must be provided to Franchisor.

3. <u>Marks</u>.

a) The Obligated Parties acknowledge and understand that the Marks are owned by Ideal Automotive IP Holdings and that Ideal Automotive IP Holdings owns all right, title and interest in and to such Marks, and the Obligated Parties agree not to represent in any manner that any of them have acquired any ownership rights in the Marks. The Obligated Parties

further acknowledge and agree that his, her, its or their use of the Marks and any goodwill established by that use are for Franchisor's exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon any Obligated Party whatsoever.

b) The Obligated Parties agree not to use any Mark or any variation thereof: (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address or search engine you maintain on any "Website" (as such term is defined in Section 5.6 of the Franchise Agreement), or (5) in any other manner without first obtaining Franchisor's prior written consent.

c) The Obligated Parties expressly covenant and agree to solely use the Marks in connection with Franchisee's operation of the Business, in accordance with the Franchise Agreement and all System Standards that Franchisor may prescribe during the franchise term (or any renewal thereof). The Obligated Parties also understand and expressly agree that his, her, its or their ability to use the Marks does not extend beyond the termination or expiration of the Franchise Agreement (or any renewal thereof).

d) The Obligated Parties acknowledge and agree that any unauthorized use of the Marks by him, her, it or them is a breach of this Agreement and an infringement of Franchisor's rights in the Marks. The Obligated Parties expressly covenant that, during the franchise term, any renewal term and thereafter, he, she, it or they will not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Franchisor's right to use the Marks or take any other action in derogation thereof.

e) The Obligated Parties acknowledge that Franchisor has an obligation to monitor its own and other parties' use of the Marks and agrees to do so. The Obligated Parties agree to promptly notify Franchisor of any claim, demand or cause of action that Franchisor may have based upon or arising from any unauthorized attempt by any person or legal entity to use the Marks, any colorable variation thereof, or any other mark, name or indicia in which Franchisor has or claims a proprietary interest. The Obligated Parties agree to assist Franchisor, upon request and at Franchisor's expense, in taking such action, if any, as Franchisor may deem appropriate to halt such activities.

f) The Obligated Parties acknowledges that to breach his, her, its or their obligations under this Section 3 would cause damage to Franchisor and its other franchisees, and that the Obligated Parties shall therefore, be jointly and severally liable for such damage.

4. Reasonableness of Restrictions

The Obligated Parties acknowledge that each of the terms set forth herein, including the covenants and restrictions, is fair and reasonable and is reasonably required for the protection of Franchisor, and Franchisor's Trade Secrets and other Confidential Information, Franchisor's System, network of franchises and trade and service marks, and each Obligated Party waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction

is unreasonable or unenforceable, then the Obligated Parties shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Non-Disparagement.

The Obligated Parties agree not to (and to use its best efforts to cause its current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor, its affiliates, any of Franchisor's or its affiliates' respective directors, officers, employees, representatives or affiliates, current or former franchisees or developers of Franchisor or their respective affiliates, the Ideal Automotive brand, the Franchise System, any Ideal Auto Broker Location, any business using the Marks, any other brand or service marked or trademarked concept of Franchisor or its affiliates, or which would subject the Ideal Automotive brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of the Marks or the Franchise System. The obligations of this provision shall survive any expiration or termination of this Agreement.

6. Relief for Breaches of Confidentiality and Non-Disparagement

The Obligated Parties further acknowledge that an actual or threatened violation of the covenants and restrictions contained in this Agreement will cause Franchisor immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. The Obligated Parties agree that monetary damages alone cannot adequately compensate Franchisor if an Obligated Party violates this Section and that injunctive relief is essential for the protection of Franchisor, its franchisees and its affiliates. Accordingly, the Obligated Parties consent to the issuance of an injunction in favor of Franchisor from any court of competent jurisdiction restraining any further violation by the Obligated Parties of this Agreement without any requirement for Franchisor to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisor may have at law or in equity. The Obligated Parties agree that the shall be jointly and severally liable for and to pay all court costs and reasonable attorneys' fees incurred by Franchisor in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

7. Use of Name and Likeness.

Franchisor will be entitled to use the name, likeness and voice of each Obligated Party for purposes of promoting the Franchisee, Franchisor and its products and services, including, without limitation, all photos and audio and video recordings of the Obligated Parties, and each of the Obligated Parties hereby irrevocably consents thereto. The Obligated Parties acknowledge that Franchisor will own all right, title and interest, to the extent allowed by law, in

all rights of integrity, disclosure and publication and any other rights *that* may be known as or referred to as "moral rights," "artist's rights," "publicity rights" (collectively "Rights") or the like associated with such photos and audio and video recordings, and the Obligated Parties hereby assign and transfer unto Franchisor the full and exclusive right, title, and interest to Rights.

8. Innovations.

The Obligated Parties may conceive, invent, create, design and/or develop various ideas, techniques, methods, processes and procedures, formulae, or other concepts and features in connection with the products and services provided by the Franchised Business (the "Innovations"). The Obligated Parties assign any and all of its, his, her or their rights, title and interest in the Innovations, including, without limitation, any intellectual property rights, to Franchisor, and also agrees to cooperate with Franchisor and its counsel in the protection of the Innovations, including without limitation, the perfecting of title thereto.

9. Copyrights; Works-for-Hire; Solicitation.

All advertising and promotional materials generated by or for Franchisee or its officers, directors or managers for the Franchised Business will be deemed a work-made-for-hire, and all ownership rights, including, without limitation, any copyrights, in such advertising and promotional materials are hereby assigned to Franchisor. In addition, the Obligated Parties will cooperate in the protecting any items or materials deemed to be suitable for copyright protection by Franchisor. The Obligated Parties will not solicit other franchisees or use the lists of franchisees, for any commercial or other purpose other than purposes directly related to the operation of the Franchised Business.

10. Sections of Franchise Agreement which are Incorporated Herein by Reference

The parties agree that the following sections (in their entirety) of the Franchise Agreement are hereby incorporated by reference into this Agreement (and that references in the Franchise Agreement to "you" or "Franchisee" will apply with full force and effect to each of the "Obligated Parties" herein):

Section 16.6 (entitled "Liquidated Damages");

Section 16.7 (entitled "Survival of Certain Provisions");

Section 20.1 (Entitled "Dispute Resolution")

Section 20.2 (entitled "Choice of Law");

Section 20.3 (entitled "Consent to Jurisdiction");

Section 20.5 (entitled "Limitation of Damages");

Section 20.7 (entitled "Limitation of Claims"); and

Section 21.4 (entitled "Injunctive Relief");

11. Miscellaneous

a) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between the parties. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of New York (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency. EACH OBLIGATED PARTY HEREBY WAIVES HIS, HER OR ITS RIGHT TO A TRIAL BY JURY, WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, PARTICIPATING IN ANY CLASS OR GROUP ARBITRATION, AND WAIVES THE RIGHT TO SUE FOR OR COLLECT PUNITIVE, CONSEQUENTIAL OR SPECIAL DAMAGES IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, IN ANY ARBITRATION.

c) The Obligated Parties agree that if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, filing fees, taxes, costs and expenses incident to arbitration (including arbitrator compensation and expenses), appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

d) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the parties' successors, heirs and assigns. This Agreement may not be assigned by any Obligated Party without the prior written consent of the Franchisor.

e) The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

f) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

g) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

h) This Agreement may be modified or amended only by a written instrument duly executed by the parties.

i) The existence of any claim or cause of action that any person or entity, including without limitation, any Obligated Party (including Franchisee), might have against Franchisor (or any person or entity) will not constitute a defense to the enforcement of this Agreement by Franchisor.

j) Except as otherwise expressly provided in this Agreement, no remedy conferred upon Franchisee or Franchisor pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

k) This Agreement may be executed in multiple counterparts, each being deemed an original and this being one of the counterparts. An executed signature page to this Agreement delivered by facsimile or as a PDF or a similar attachment to an email shall constitute effective delivery for all purposes with the same force and effect as the delivery of an executed original counterpart signature page.

THE OBLIGATED PARTIES EACH CERTIFY THAT HE, SHE OR IT HAS READ THIS AGREEMENT CAREFULLY, HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

[Signature page follows]

EXHIBIT C TO THE DISCLOSURE DOCUMENT

IN WITNESS WHEREOF, Franchisor has hereunto caused this Agreement to be executed by its duly authorized officer. If an Obligated Party is an entity, it has hereunto caused this Agreement to be executed by its duly authorized officer or Member. If an Obligated Party is an individual, he or she has executed this Agreement in his or her individual capacity.

FRANCHISOR

IDEAL AUTOMOTIVE BROKER
FRANCHISING, LLC

By: _____
Name: _____
Title: _____

OBLIGATED PARTIES

FRANCHISEE

Entity Name: _____
By: _____
Name: _____
Title: _____

OBLIGATED PARTY
(If an Individual)

_____
Name: _____

OBLIGATED PARTY
(If an Individual)

_____
Name: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT G

NON-COMPETITION AGREEMENT
IDEAL AUTOMOTIVE BROKER FRANCHISE

This Non-Competition Agreement (the "Agreement") is made and entered into this ___ day of _____ 20___ is by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") a New York limited liability company, with its principal address of 1523 132nd Street, College Point, New York 11358 on the one hand, and on the other, _____ ("Franchisee") a _____

_____, with its principal place of business and any other entities or individuals who shall be bound to the terms and conditions of this Agreement (collectively, the "Obligated Parties").

RECITALS

WHEREAS, Franchisor has developed a unique system (the "System") for the development and operation of an automobile brokerage business under the name and mark "Ideal Automotive" ("Ideal Auto Broker Location");

WHEREAS, Franchisor has granted _____ (the "Franchisee") the limited right to operate an Ideal Location under Franchisor's licensed mark(s) ("Marks") to engage in the operation of an automobile brokerage business that facilitates the sale of used and new vehicles to consumers (the "Franchised Business").

WHEREAS, Franchisee and Franchisor are parties to that certain Franchise Agreement dated _____, 20__ ("Franchise Agreement");

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement and otherwise, on the importance to both Franchisor and to Franchisee, as well as to other licensed users of the System, of restricting the use, access and dissemination of Franchisor's Confidential Information (as defined below);

WHEREAS, Franchisor will disseminate to the Obligated Parties certain Confidential Information (as defined below) and grant Franchisee the license to use Franchisor's Marks in connection with the Franchisee's operation of their Ideal Auto Broker Location;

WHEREAS, the Obligated Parties expressly acknowledge and agree that the Marks are owned by Ideal Automotive IP Holdings, LLC ("Ideal Automotive IP Holdings"), a Delaware limited liability company, and that pursuant to that certain Trademark License Agreement dated January 5, 2021 by and between Ideal Automotive IP Holdings and Franchisor, Franchisor has granted Franchisee the right to use the Marks solely in connection with Franchisee's operation of the Franchised Business, provided that such operation is in strict compliance with the Franchise Agreement(s) and the System Standards which Franchisor may prescribe;

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement and otherwise, on the importance to Franchisor and to Franchisee as well as to other licensed users of the System, of: (i) restricting the use, access and dissemination of Franchisor's Confidential Information; and (ii) protecting the Marks;

WHEREAS, the Marks and Confidential Information provides the Franchisor with an economic advantage and are neither publicly known to, nor readily ascertainable by lawful means by, our competitors, who could obtain economic value from knowledge and use of our Confidential Information;

WHEREAS, the Obligated Parties are required by the Franchise Agreement to execute this Agreement simultaneously with the execution of Franchisee's Franchise Agreement; and

WHEREAS, the Obligated Parties understand the necessity of not disclosing any such information to any other party or using such information to compete against Franchisor or its franchisees in any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) automobile brokerage services, or the same as or similar to services provided by Franchisee as provided for in the Franchise Agreement; or (ii) in which Franchisor's Trade Secrets and other Confidential Information (as defined herein) are used (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee (or its affiliate) under a Franchise Agreement with Franchisor.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. **Trade Secrets and Confidential Information**

The Obligated Parties acknowledge and understand that Franchisor will grant Obligated Party access to Franchisor's Trade Secrets and other Confidential Information that are important to Franchisor, the Ideal Automotive System and Franchisor's affiliates and other franchisees.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or nontechnical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Franchised Business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and nontechnical information used in or related to the Franchised Business that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information

contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisor to Obligated Party shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of the Obligated Parties; (ii) the Obligated Parties can demonstrate was rightfully in his, her its or their possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve the Obligated Parties of his, her, its or their obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. The Obligated Parties understand Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Franchisor and each Obligated Party with respect to the Trade Secrets and other Confidential Information.

2. **Confidentiality/Nondisclosure**

a) The Obligated Parties shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, the Obligated Parties must take all steps reasonably necessary and/or requested by Franchisor to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. The Obligated Parties must comply with all applicable policies, procedures and practices that Franchisor has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) The Obligated Party's obligations under paragraph 2(a) of this Agreement shall continue in effect after the expiration or termination of the Franchise Agreement between Franchisor and Franchisee.

(c) At Franchisor's request, Obligated Party (Franchisee) must require that Franchisee's Ideal Auto Broker Location Manager(s) and other employees who will have access to Franchisor's Confidential Information (and any other person or entity to whom Franchisee wishes to disclose any confidential information) to sign non-disclosure agreements with Franchisee providing that they will maintain the confidentiality of the disclosed information. These various agreements must be in a form satisfactory to Franchisor and must identify Franchisor as a third-party beneficiary with the independent right to enforce the agreements. At Franchisor's request, a copy of these signed agreements must be provided to Franchisor.

3. **Marks**.

a) The Obligated Parties acknowledge and understand that the Marks are owned by Ideal Automotive IP Holdings and that Ideal Automotive IP Holdings owns all right, title and

interest in and to such Marks. The Obligated Parties agree not to represent in any manner that any of them have acquired any ownership rights in the Marks. The Obligated Parties further acknowledge and agree that his, her, its or their use of the Marks and any goodwill established by that use are for Franchisor's exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon any Obligated Party whatsoever.

b) The Obligated Parties agree not to use any Mark or any variation thereof: (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos Franchisor has licensed to Franchisee), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address or search engine or (5) in any other manner without first obtaining Franchisor's prior written consent.

c) The Obligated Parties expressly covenant and agree to solely use the Marks in connection with Franchisee's operation of the Franchised Business, in accordance with the Franchise Agreement and all System Standards that Franchisor may prescribe during the franchise term (or any renewal thereof). The Obligated Parties also understand and expressly agree that his, her, its or their ability to use the Marks does not extend beyond the termination or expiration of the Franchise Agreement (or any renewal thereof).

d) The Obligated Parties acknowledge and agree that any unauthorized use of the Marks by him, her, it or them, is a breach of this Agreement and an infringement of Franchisor's rights in the Marks. The Obligated Parties expressly covenant that, during the franchise term, any renewal term and thereafter, he or she will not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Franchisor's right to use the Marks or take any other action in derogation thereof.

e) The Obligated Parties acknowledge that Franchisor has an obligation to monitor its own and other parties' use of the Marks. The Obligated Parties agree to promptly notify Franchisor of any claim, demand or cause of action that Franchisor may have based upon or arising from any unauthorized attempt by any person or legal entity to use the Marks, any colorable variation thereof, or any other mark, name or indicia in which Franchisor has or claims a proprietary interest. The Obligated Parties agree to assist Franchisor, upon request and at Franchisor's expense, in taking such action, if any, as Franchisor may deem appropriate to halt such activities.

f) The Obligated Parties acknowledge that any breach of his, her its or their obligations under this Section 3 would cause damage to Franchisor and its other franchisees, and that the Obligated Parties shall therefore, be jointly and severally liable for such damage.

4. **Non-Competition**

a) Covenant Not to Compete During Franchise Term. The Obligated Parties agree that he, she, it or they shall not, during the term of the Franchise Agreement or any subsequent renewal term, directly or indirectly for Franchisee or through, on behalf of or in conjunction with any person(s) (including a spouse, family member, business associate, etc.), limited liability company, partnership or corporation:

1. acquire, operate, finance, invest in, control (directly or indirectly, whether of record, beneficially or otherwise) or own any beneficial interest in, or perform services as a director, officer, manager, employee, consultant, representative or agent ("Involvement") for any Competitive Business (as defined herein), wherever located; or

2. divert, or attempt to divert, any actual or potential business or customer of Franchisee's Ideal Location or Franchisor to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, injurious or prejudicial to the goodwill associated with the Marks and the System.

At Franchisor's request, Obligated Party (Franchisee) must also require that the Ideal Auto Broker Location Manger(s) enter into a non-competition agreement with Franchisee which will restrict said Manager(s) having any direct or indirect Involvement (as defined above) in connection with, any Competing Business (as defined herein) wherever located, during the term of Franchisee's Franchise Agreement and any renewal or extension thereof. Obligated Party (Franchisee) shall be responsible for ensuring that the terms and conditions relating to these restrictive covenants are reasonable and enforceable under applicable state law where Franchisee operates its Ideal Auto Dealer Location. Any such agreement must be in a form satisfactory to Franchisor and must identify Franchisor as a third-party beneficiary with the independent right to enforce the agreements. At Franchisor's request, a copy of these signed agreements must be provided to Franchisor.

b) Post Term Covenant Not to Compete. The Obligated Parties agree that, upon the assignment, expiration or termination of the Franchise Agreement or any subsequent renewal term, Franchisee (each individual who is a Franchisee) and, if Franchisee is an entity, its owners, officers, directors as well as any personal guarantor who guarantees Franchisee's obligations under the Franchise Agreement, will not, for a period of two (2) years beginning on the effective date of such expiration or termination, as the case may be, for Franchisee or through, on behalf of or in conjunction with any person(s) (including a spouse, family member, business associate, etc.), limited liability company, partnership or corporation, directly or indirectly:

- acquire, operate, finance, invest in, control or own any beneficial interest in, or perform services as a director, officer, manager, employee, consultant, representative or agent ("Involvement") for any Competitive Business (as defined herein) that serves customers located within ten (10) miles of, or whose Competitive Business is located within ten (10) miles of: (1) the location where Franchisee operated Franchisee's Ideal Auto Broker Location; or (2) any Ideal Auto Broker Location, whether franchised or company-owned, existing at the time that the Franchise Agreement is assigned, terminated or expires (the "Restricted Area"); or

- divert, or attempt to divert, any business or customer of Franchisee's Ideal Auto Broker Location or Franchisor to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, any act

which is or may be injurious or prejudicial to the goodwill associated with the Marks and the System.

Obligated Party (Franchisee) acknowledges and agrees that these restrictions shall also apply after the consummation of any transfers, pursuant to Article XIII of Franchisee's Franchise Agreement. At Franchisor's request, Obligated Party (Franchisee) must also require its Ideal Auto Broker Location Manger(s) to enter a non-competition agreement with Franchisee which will restrict said Manager(s) having any direct or indirect Involvement (as defined above) in connection with, any Competing Business (as defined herein) during a period to be defined, after the Franchise Agreement and any renewal or extension thereof, expires is transferred (assigned) or is terminated. Obligated Party (Franchisee) shall be responsible for ensuring that the terms and conditions relating to these restrictive covenants are reasonable and enforceable under applicable state law where Franchisee operates its Ideal Auto Broker Location. Any such agreements must be in a form satisfactory to Franchisor and must identify Franchisor as a third-party beneficiary with the independent right to enforce the agreements. At Franchisor's request, a copy of these signed agreements must be provided to Franchisor.

5. Reasonableness of Restrictions

The Obligated Parties acknowledge that each of the terms set forth herein, including the covenants and restrictive, is fair and reasonable and is reasonably required for the protection of Franchisor, and Franchisor's Trade Secrets and other Confidential Information, Franchisor's System, network of franchises and trade and service marks, and each Obligated Party waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then the Obligated Parties shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

6. Non-Disparagement.

The Obligated Parties agrees not to (and to use its best efforts to cause its current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor, its affiliates, any of Franchisor's or its affiliates' respective directors, officers, employees, representatives or affiliates, current or former franchisees or developers of Franchisor or their affiliates, the Ideal Automotive brand, the Franchise System, any Ideal Auto Broker Location, any business using the Marks, any other brand or service marked or trademarked concept of Franchisor or its affiliates, or which would subject the Ideal Automotive brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of the Marks or the Franchise System. The obligations of this provision shall survive any expiration or termination of this Agreement.

7. Relief for Breaches of Non-Competition and Non-Disparagement

The Obligated Parties further acknowledge that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisor immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. The Obligated Parties agree that monetary damages alone cannot adequately compensate Franchisor if an Obligated Party violates this Section and that injunctive relief is essential for the protection of Franchisor, its franchisees and its affiliates. Accordingly, the Obligated Parties consent to the issuance of an injunction in favor of Franchisor from any court of competent jurisdiction restraining any further violation by the Obligated Parties of this Agreement without any requirement for Franchisor to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisor may have at law or in equity. The Obligated Parties agree that they shall be jointly and severally liable for and to pay all court costs and reasonable attorneys' fees incurred by Franchisor in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

8. Use of Name and Likeness.

Franchisor will be entitled to use the name, likeness and voice of each Obligated Party for purposes of promoting the Franchisee, Franchisor and its products and services, including, without limitation, all photos and audio and video recordings of the Obligated Parties, and Obligated Party hereby irrevocably consents thereto. The Obligated Parties acknowledge that Franchisor will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as "moral rights," "artist's rights," "publicity rights" (collectively "Rights") or the like associated with such photos and audio and video recordings, and the Obligated Parties hereby assign and transfer unto Franchisor the full and exclusive right, title, and interest to Rights.

9. Innovations.

The Obligated Parties may conceive, invent, create, design and/or develop various ideas, techniques, methods, processes and procedures, formulae, or other concepts and features in connection with the products and services provided by the Franchised Business (the "Innovations"). The Obligated Parties assigns any and all of its rights, title and interest in the Innovations, including, without limitation, any intellectual property rights, to Franchisor, and also agrees to cooperate with Franchisor and its counsel in the protection of the Innovations, including without limitation, the perfecting of title thereto.

10. Copyrights; Works-for-Hire; Solicitation.

All advertising and promotional materials generated by or for Franchisee or its officers, directors or managers for the Franchised Business will be deemed a work-made-for-hire, and all ownership rights, including, without limitation, any copyrights, in such advertising and promotional materials are hereby assigned to Franchisor. In addition, the Obligated Parties will cooperate in the protecting any items or materials deemed to be suitable for copyright protection

by Franchisor. The Obligated Parties will not solicit other franchisees or use the lists of franchisees, for any commercial or other purpose other than purposes directly related to the operation of the Franchised Business.

11. Sections of Franchise Agreement which are Incorporated Herein by Reference

The parties agree that the following sections (in their entirety) of the Franchise Agreement are hereby incorporated by reference into this Agreement (and that references in the Franchise Agreement to "you" or "Franchisee" to apply will apply with full force and effect to each of the "Obligated Parties" herein)::

Section 16.6 (entitled "Liquidated Damages");

Section 16.7 (entitled "Survival of Certain Provisions");

Section 20.1 (Entitled "Dispute Resolution")

Section 20.2 (entitled "Choice of Law");

Section 20.3 (entitled "Consent to Jurisdiction");

Section 20.5 (entitled "Limitation of Damages");

Section 20.7 (entitled "Limitation of Claims"); and

Section 21.4 (entitled "Injunctive Relief");

12. Miscellaneous

a) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between the parties. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency. EACH OBLIGATED PARTY HEREBY WAIVES HIS, HER OR ITS RIGHT TO A TRIAL BY JURY, WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, PARTICIPATING IN ANY CLASS OR GROUP ARBITRATION, AND WAIVES THE RIGHT TO SUE FOR OR COLLECT PUNITIVE,

CONSEQUENTIAL OR SPECIAL DAMAGES IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, IN ANY ARBITRATION.

c) The Obligated Parties agree that if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court and arbitration costs and all expenses, including, without limitation, all fees, filing fees, taxes, costs and expenses incident to arbitration (including arbitrator compensation and expenses), appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

d) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors, heirs and assigns. of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. This Agreement may not be assigned by any Obligated Party without the prior written consent of Franchisor.

e) The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

f) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

g) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

h) This Agreement may be modified or amended only by a written instrument duly executed by the parties.

i) The existence of any claim or cause of action that any person or entity, including without limitation, any Obligated Party (including Franchisee) might have against Franchisor (or any person or entity) will not constitute a defense to the enforcement of this Agreement by Franchisor.

j) Except as otherwise expressly provided in this Agreement, no remedy conferred upon Franchisee or Franchisor pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

k) This Agreement may be executed in multiple counterparts, each being deemed an original and this being one of the counterparts. An executed signature page to this Agreement

delivered by facsimile or as a PDF or a similar attachment to an email shall constitute effective delivery for all purposes with the same force and effect as the delivery of an executed original counterpart signature page.

THE OBLIGATED PARTIES EACH CERTIFY THAT HE, SHE OR IT HAS READ THIS AGREEMENT CAREFULLY, HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

[Signature page follows]

EXHIBIT C TO THE DISCLOSURE DOCUMENT

IN WITNESS WHEREOF, Franchisor has hereunto caused this Agreement to be executed by its duly authorized officer. If an Obligated Party is an entity, it has hereunto caused this Agreement to be executed by its duly authorized officer or Member. If an Obligated Party is an individual, he or she has executed this Agreement in his or her individual capacity.

FRANCHISOR

IDEAL AUTOMOTIVE BROKER
FRANCHISING, LLC

By: _____
Name: _____
Title: _____

OBLIGATED PARTIES

FRANCHISEE

Entity Name: _____
By: _____
Name: _____
Title: _____

OBLIGATED PARTY
(If an Individual)

_____
Name: _____

OBLIGATED PARTY
(If an Individual)

_____
Name: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT H
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ___ day of _____, 20__ in connection with that certain franchise agreement of even date ("Franchise Agreement"), by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee").

1. In consideration for Franchisor entering into the Franchise Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned for themselves, their heirs, successors, and assigns do jointly, individually and severally hereby personally, absolutely and unconditionally guarantees to the Franchisor, and its successors and assigns, for the term of the Franchise Agreement and thereafter, as provided in the Agreement, shall: (i) punctually pay all monies due and payable to Franchisor and/or its affiliates under the Franchise Agreement and any other agreement between Franchisee and Franchisor or Franchisor's affiliates; and (ii) perform each and every obligation, undertaking, agreement, covenant, term, and condition set forth in the Franchise Agreement. The undersigned, individually and jointly, hereby agree to be personally bound by, and personally liable for the breach of, each and every term, provision, agreement and covenant contained and set forth in the Franchise Agreement (including any amendments or modifications of the Franchise Agreement) or any other agreement with Franchisor or with any affiliates of Franchisor (the "Agreements"), including, but not limited to, monetary obligations and any obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities. The undersigned further agree that this Guaranty shall be construed as if each of the undersigned were the original Franchisee at the time of the execution of the Franchise Agreement as well as any of the other Agreements.

2. Each of the undersigned consents and agrees that: (i) he/she shall render any payment or performance required under the Franchise Agreement or any of the other Agreements upon demand if Franchisee fails or refuses punctually to do so; (ii) such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Franchisee or any other person; and (iii) such liability shall not be diminished, relieved or otherwise affected by an extension of time, credit or other indulgence which the Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable throughout the term of the Franchise Agreement and any other Agreements and for so long thereafter as there are monies and/or obligations owed by Franchisee under the Franchise Agreement or any of the Agreements.

3. Each of the undersigned waives: (i) acceptance and notice of acceptance by Franchisor of this Guaranty; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed hereunder; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed hereby; (iv) any right he or she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; (v) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution or an performance under this Guaranty by the undersigned; and (vi) any and all other notice and legal or equitable defenses to which he/she may be entitled.

4. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of the Franchisee, or settle, adjust, or compromise any claims against the Franchisee. The undersigned each waive notice of amendment of the Franchise Agreement and agree to be bound by any and all such amendments and changes to the Franchise Agreement.

5. This Guaranty shall be governed by, and construed under, the laws of the State of New York, without regard to its conflicts of law principles. Guarantor expressly agrees that Franchisor, or its assigns, shall have the option, in its sole and unfettered discretion, to choose to enforce this Guaranty by commencing either: (i) a court action in any state or federal court of competition jurisdiction in the State of New York, New York County, and the undersigned Guarantor(s) irrevocably submit(s) to the jurisdiction and venue of those courts and waive(s) any objection to jurisdiction and venue of those courts; or (ii) an arbitration proceeding in the manner described and set forth in Section 20.1(iv) of the Franchise Agreement, which provisions are specifically incorporated by reference herein.

6. If the Franchisor, or its assigns, is required to enforce this Guaranty in a court action or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If the Franchisor engages legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse the Franchisor for any of the above-listed costs and expenses incurred by it.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed its signature on the same day, month and year as the Franchise Agreement was executed.

GUARANTOR

By: _____
Name: _____
Address: _____
_____

GUARANTOR

By: _____
Name: _____
Address: _____
_____

GUARANTOR

By: _____
Name: _____
Address: _____
_____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT I

STEP-IN RIGHTS AGREEMENT

THIS STEP-IN RIGHTS AGREEMENT (the "Agreement") is made and entered into this _____ day of, _____ 20__, between Ideal Automotive Broker Franchising, LLC, a New York limited liability company, having its principal offices at 1523 132nd Street, College Point, NY 11358 ("Ideal Auto") or, at Ideal Auto's option, an entity to be designated by Ideal Auto, so long as that entity is either a subsidiary, affiliate or franchisee of Ideal Auto ("Franchisor") and _____, a _____, with its principal office at _____ ("Franchisee").

WHEREAS, Franchisor has developed a unique system (the "System") for the development and operation of an automobile brokerage business that facilitates the sale of used and new vehicles to consumers under the name and mark "Ideal Automotive" ("Ideal Auto Broker Location");

WHEREAS, Franchisor has granted Franchisee the limited right to operate an Ideal Auto Broker Location to engage in the above referenced automobile brokerage business (the "Franchised Business").

WHEREAS, Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ ("Franchise Agreement");

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement and otherwise, on the importance to Franchisor of preventing any interruption in the operations of any Ideal Auto Broker Location, which could cause harm to said Ideal Auto Broker Location, the Franchisor and/or the System by reducing the value thereof; and

WHEREAS, Franchisee acknowledges and agrees that, in order to protect against the above, Franchisor shall have the right, at its sole discretion, to temporarily "step in" and manage the operations of Franchisee's Ideal Auto Broker Location pursuant to Sections 15.1 and 15.2 of the Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the compensation paid or to be paid to Franchisor, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Franchisee covenants and agrees as follows:

1. Franchisor's Step-In Rights.

   (a) Pursuant to that certain Franchise Agreement, Franchisor has the right (but not the obligation), in its sole discretion, to "step in" and take control over the management of the Ideal Auto Broker Location, if, without limitation:

      (i) Franchisor determines, in its sole judgment, that Franchisee's proper operation of the Ideal Auto Broker Location is in jeopardy, including, but not limited to, Franchisee engaging in any business or advertising practice which might injure either Franchisee's or Franchisor's business or the goodwill associated with the Marks or with other Ideal Auto Broker Locations;

(ii) Franchisee is in default under:

(1) the Franchise Agreement;

(2) any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates; or

(3) the lease for the location of the Ideal Auto Broker Location;

(iii) Franchisee dies, is deemed disabled or incapacitated or is periodically or regularly absent from the Ideal Auto Broker Location operation for whatever reason;

(b) Should Franchisor elect, either on its own or upon Franchisee's request, to exercise its right to enter the premises of Franchisee's Ideal Auto Broker Location and take over the operation of the Ideal Auto Broker Location, Franchisee acknowledges and agrees that Franchisor's right to "step-in" and operate (or arrange for another person or entity to operate) the Ideal Auto Broker Location shall continue until such time that Franchisor determines that it shall either: (i) terminate Franchisee's Ideal Auto Broker Franchise; or (ii) return the operation of Franchisee's Ideal Auto Broker Location back to Franchisee.

2. Management Fee and Expenses. If Franchisor steps in to manage the Ideal Auto Broker Location, as provided for in the Franchise Agreement, and pursuant to this Agreement, Franchisee expressly agrees to: (i) pay Franchisor its then-current Management Fee for each representative sent by Franchisor to temporarily manage the Franchised Business; and (ii) reimburse Franchisor for the expenses (including, but not limited to, travel, lodging and meals for each representative sent by Franchisor) Franchisor incurs in providing management assistance.

3. Monies Generated During Step-In Period. Franchisor and Franchisee acknowledge and agree that all monies generated during the period of time that Franchisor operates Franchisee's Ideal Auto Broker Location shall be placed in a separate account, that Franchisor shall oversee and maintain, and the expenses of Franchisee's Ideal Auto Broker Location, including the Management Fee and expenses incurred by Franchisor, shall be charged to said account and paid to Franchisor or its designee(s).

4. Indemnification. In the event Franchisor exercises its Step-In Rights, Franchisee agrees to indemnify, defend and hold Franchisor (and Franchisor's representatives and employees) harmless from and against any claims that may arise out of Franchisor's operation of the Ideal Auto Broker Location. Franchisee agrees to pay all of Franchisor's reasonable attorneys' fees and costs incurred as a consequence of Franchisor's exercise of the Step-In Rights.

5. Rights Cumulative. Franchisee expressly acknowledges that nothing contained herein shall prevent Franchisor from exercising any other right which it may have under the Franchise Agreement, including, without limitation, termination of the Franchise Agreement.

6. Dispute Resolution. Franchisor and Franchisee each expressly agree that in the event of any dispute between them arising out of or related to: (i) this Agreement or any provision hereof; (ii) Franchisor's exercise of its Step-In Rights; or (iii) the validity of this Agreement, then in any such event, before beginning any legal action to interpret or enforce this Agreement, they will first follow the dispute resolution procedures described below.

(a) Initiation of Procedures. The Party that initiates these procedures ("Initiating Party") shall give written notice to the other Party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief, and identifying one or more people with authority to settle the dispute for him, her, or it. The Party receiving the notice ("Responding Party") will, within ten (10) days of receipt of said notice, provide the Initiating Party with a response to the Initiating Party's description of the dispute and will designate, by written notice to the Initiating Party, one or more people with authority to settle the dispute on the Responding Party's behalf. These people are called the "Authorized People."

(b) Negotiation. The parties may investigate the dispute as they consider appropriate, but agree to meet in person, by prearranged teleconference, or by video conference within fifteen (15) days from the date of written notice from one party ("Initiating Party") to the other to discuss resolution of the dispute. The parties may meet at any times and places and as often as they agree.

(c) Mediation. If the dispute has not been resolved within thirty (30) days after the initial meeting, the Parties shall engage in mediation, with either Party having the right to begin mediation procedures by filing a Request for Mediation with the American Arbitration Association ("AAA") and providing the other Party with a copy thereof in the manner designated for written notices in this Agreement. The Mediation will be conducted by and under the American Arbitration Association ("AAA"), or under the auspices of such other organization or mediator to which the parties may agree, and shall last no longer than two (2) days, unless otherwise agreed upon by written agreement of the parties. The parties will share the costs of mediation, other than attorney fees, equally. All applicable statutes of limitation shall be tolled during the course of any mediation which is initiated before the last day of the limitations period with the tolling beginning the date that the Request for Mediation is deemed to be received by the recipient Party (pursuant to the Notices provision contained in this Agreement), and continuing until ten (10) days after the mediation is either concluded or suspended due to a Party's failure or refusal to participate in the mediation in violation of this Agreement. The parties shall choose one (1) mutually acceptable mediator by agreement. In the event that the Parties are not able to agree on the selection of a mediator, the Parties agree that the AAA will designate a mediator in connection with the dispute in accordance with its procedures and policies. The Mediation will be held in the State of New York in New York County at a location designated by Franchisor, or if no such designation is made, at such other location as is mutually agreed upon by the parties. However, notwithstanding the above, in the event that it is not reasonably practicable for one or more of the Parties, or the Mediator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the mediation remotely through a video-conferencing application such as Zoom, etc.

(d) Arbitration. Any dispute between the parties under, or arising out of, or in connection with, this Agreement, if not resolved by the negotiation and mediation procedures above, shall be settled by arbitration administered by the AAA under its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction within the State of New York. Any arbitration shall be before a single arbitrator and the arbitration shall be held at a location in the

State of New York in New York County, as selected by the Parties, or, if the Parties cannot agree on a location, at a location as directed by the arbitrator. Notwithstanding anything contained above, in the event that it is not reasonably practicable for one or more of the Parties, or the Arbitrator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the arbitration proceeding remotely through a video-conferencing application such as Zoom, etc. The Federal Arbitration Act shall govern, excluding all state arbitration laws. New York State law will govern all other issues. This arbitration clause will not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction. The arbitrator shall award costs and arbitrator's and attorneys' fees to the successful party.

Franchisor and Franchisee agree that arbitration shall be conducted on an individual, not a class-wide or group basis and that an arbitration proceeding between Franchisor and Franchisee shall not be consolidated with any other arbitration proceeding involving Franchisor and any other natural person, association, corporation, partnership or other entity.

Nothing contained in this Section 6, shall restrict or prohibit the Franchisor from exercising its "Step-In Rights" as provided for in this Agreement.

7. Miscellaneous Provisions.

(a) Entire Agreement; Amendment. This Agreement contains the entire agreement and understanding between the parties thereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by each of the parties hereto.

(b) Severability. Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto.

(c) Law to Govern; Jurisdiction; Right to Jury Trial and Class Action Waived; Certain Damages Waived; Statute of Limitations. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of New York (without giving effect to its conflict of laws principles), provided however, that nothing in this Agreement is intended to invoke, or shall invoke, the application of any franchise, business opportunity, antitrust, "implied covenant", unfair

competition, unfair trade practice, fiduciary or any law or doctrine of law of the State of New York or any other state, which would not otherwise apply. Each party agrees that any litigation between the parties will be commenced and maintained only in the courts located in the State of New York in New York County and each party consents to the jurisdiction of those courts; provided, however, that Franchisor may seek to obtain injunctive relief in any court that Franchisor may select. FRANCHISOR AND FRANCHISEE EACH HEREBY WAIVE THEIR RIGHT TO A JURY TRIAL. FRANCHISEE WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, PARTICIPATING IN ANY CLASS OR GROUP ARBITRATION, AND WAIVES THE RIGHT TO SUE FOR OR COLLECT PUNITIVE, CONSEQUENTIAL OR SPECIAL DAMAGES IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, IN ANY ARBITRATION. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, FRANCHISEE AGREES THAT ANY CLAIMS UNDER, ARISING OUT OF, OR RELATED TO, THIS AGREEMENT MUST BE BROUGHT WITHIN ONE YEAR OF THE DATE ON WHICH THE UNDERLYING CAUSE OF ACTION ACCRUED, AND FRANCHISEE HEREBY WAIVES ANY RIGHT TO BRING ANY SUCH ACTION AFTER SUCH ONE-YEAR PERIOD HAS PASSED.

(d) Binding Nature of Agreement. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this Step-In Rights Agreement to be executed as of the date first written above.

FRANCHISOR:

IDEAL AUTOMOTIVE BROKER
FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

FRANCHISEE:

[NAME OF FRANCHISEE]

By: _____
Print Name: _____
Title: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT J

GENERAL RELEASE

This General Release is this ___ day of _____, 20__ made by _____, ("RELEASOR") a/an _____ with a principal address of _____, wherein the parties hereto, in exchange for good and valuable consideration received from or on behalf of Ideal Automotive Broker Franchising, LLC ("RELEASEE"), the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. RELEASOR, individually and for itself, its parent, subsidiaries, affiliates, agents, servants, employees, shareholders, officers, directors, members, partners, heirs, successors and assigns, do each hereby release and discharge RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees, attorneys and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. RELEASOR 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 the RELEASEE, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, member, shareholder, partner, employee, attorney, agent, attorney, executor, administrator, estate, trustee or heir, in any court or tribunal of any kind of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before the execution of this Agreement. In the event RELEASOR breaches any of the promises covenants, or undertakings made herein by any act or omission, RELEASOR shall pay, by way of indemnification, all costs and expenses of RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees, attorneys and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns caused by the act or omission, including reasonable attorneys' fees.

2. RELEASOR hereto 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 RELEASOR party 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. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Any action brought by either party regarding this Release, shall only be brought in the appropriate state or federal court located in or serving New York County in the State of New York. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.

5. New York State law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

6. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of New York.

7. This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

8. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement. Further, facsimile and electronic signatures on counterparts of this Agreement are hereby accepted and acknowledged as though they were originals.

[Signature page to follow.]

EXHIBIT C TO THE DISCLOSURE DOCUMENT

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this General Release to be executed as of the date first written above.

RELEASEE:

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

RELEASOR:

[NAME OF RELEASOR]

By: _____
Print Name: _____
Title: _____

EXHIBIT K

INITIAL FRANCHISE FEE
DISCOUNT ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM (the "Addendum") is made on this __ day of _____, 20__, and shall be attached to, and made a material part of, the Franchise Agreement (the "Franchise Agreement") entered into by and between Ideal Automotive Broker Franchising, LLC (the "Franchisor" or "we"), a New York limited liability company, and _____ a[n] [corporation] [limited liability company] [partnership] [other business entity] [individual] [individuals] formed under the laws of _____ which maintains a principal place of business at _____ whose principal place of residence its_____ ([collectively referred to as] the "Franchisee" or "you").

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement dated _____;

WHEREAS, Franchisor has implemented an "Initial Franchise Fee Discount Program for Veterans and Employees" contained in the Franchisor's Franchise Disclosure Document;

WHEREAS, Franchisee or Franchisee's principal represents that he/she is a veteran of the United States Armed Forces ("Veteran") or an employee of the Franchisor, its affiliate, or a company owned or operated Ideal Automotive Location ("Employee");

WHEREAS, Franchisor acknowledges: (i) Franchisee's status as a [Veteran]/[Employee]; and (ii) that Franchisee has met all of the requirements required by Franchisor's program;

WHEREAS, the parties desire to amend the Franchise Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1. **Initial Franchise Fee**. Section 4.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> "Upon execution of this Agreement, you shall pay us an initial franchise fee ("Franchise Fee") of THIRTY-FIVE THOUSAND DOLLARS ($35,000.00). The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable, except under certain conditions set forth under Sections 2.8 and 8.3."

2. **Remaining Terms of Franchise Agreement**. Except as set forth in this Addendum, all other terms of the Franchise Agreement are unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between this Addendum and the Franchise Agreement, the terms of this Addendum will prevail.

3. **Counterparts**. It is agreed and acknowledged by all parties hereto that this Addendum may be executed in counterparts and at various times and at various places by the several parties hereto, all of which taken together shall be deemed as one original. Executed facsimile copies or as a PDF or similar attachment to an email of this Addendum shall be deemed to be as effective as original signatures.

IN WITNESS WHEREOF, the parties to this Addendum have duly executed and delivered this Addendum, under seal, on the day and year first above written.

FRANCHISOR
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

_____
By: _____
Title: _____

FRANCHISEE

_____
By: _____
Title: _____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

EXHIBIT L
SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT ("Agreement") is made effective this ___ day of _____, 20__ ("Effective Date"), by and between Ideal Automotive Broker Franchising, LLC, a New York limited liability company with a business address at 15-23 132nd Street, College Point, NY 11356 ("Franchisor"), and _____, ("Franchisee") having an address at _____ (collectively, the "Parties").

R E C I T A L S

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement dated the ____ day of _____, 20___ (the "Franchise Agreement");

WHEREAS, Franchisor, through its affiliate(s), has developed proprietary customer management software known as "Syndicate" for use by authorized franchisees in the operation of their Ideal Automotive broker location ("Ideal Auto Broker Location"). For purposes of this Agreement, the Syndicate software and any related software, user manuals, documentation, training videos, tutorials, and other materials as may be made available, now and in the future shall (collectively, the "Syndicate System"); and

WHEREAS, Franchisee desires and is willing to license the Syndicate System from Franchisor and Franchisor is willing to grant a license to Franchisee in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties hereto agree as follows:

1. **Grant of License**. Franchisor grants Franchisee a non-transferable, non-exclusive, revocable license to access and use the Syndicate System provided that Franchisee fully complies at all times with the terms and conditions of both this Agreement and the Franchise Agreement.

2. **Delivery of Log-In Credentials**. Upon execution of this Agreement (which is being executed simultaneously with the Franchise Agreement) Franchisor shall supply Franchisee (and each of its designated employees) with Log-In credentials which Franchisee (and each of its designated employees) will use to access the Syndicate System. Franchisee agrees, that upon request of Franchisor, and at Franchisee's sole expense, Franchisee shall promptly acquire and utilize an internet connection, and any other required computer hardware and/or software necessary, in order to access the Syndicate System now and in the future, as the Franchisor may direct.

3. **Initial Access Fee**. Upon execution of this Agreement, Franchisee will pay to Franchisor (or to Franchisor's designated affiliate) a non-refundable Initial Access Fee in the amount of $295.00.
4. **Monthly User Fee**. During the term of this Agreement, Franchisee shall pay to Franchisor (or to Franchisor's designated affiliate) an ongoing monthly user fee in the amount of $40.00 per

user per month ("Monthly User Fee"). Franchisor reserves the right to increase the amount of the Monthly User Fee once per calendar year but in no event will the annual increase exceed ten (10%) percent of the prior year's Monthly User Fee.

5. **Term**. The term of this Agreement shall be from the Effective Date of this Agreement through the earlier of: (i) termination of the Franchise Agreement; (ii) discontinuation of the Syndicate System, as provided for in this Agreement; or (iii) termination of the Franchisor's software license agreement with Franchisor's affiliate, Ideal Automotive Software, LLC.

6. **Use and Restrictions**. The Syndicate System may only be used by the Franchisee and its designated employee(s) in connection with the operation of this Franchisee's Ideal Auto Broker Location. Franchisee shall not:

   a. use the Syndicate System except as expressly permitted in this Agreement;

   b. sell, assign, rent, lease, sublease, distribute, or allow access to the Syndicate System or any component thereof to any person other than Franchisor;

   c. edit, modify, decompile, reverse engineer, disassemble, or translate the Syndicate System, nor create any derivative works, or otherwise be involved with a recreation of a similar or derivative software package to the Syndicate System; or

   d. copy or reproduce the Syndicate System, or any component thereof, except as expressly permitted in this Agreement.

7. **Access by Franchisor**: Franchisor has the right at all times to access the Syndicate System, remotely or otherwise, and to retrieve, store, analyze and use all data in the files of Franchisee generated by the Syndicate System. Franchisor reserves the right to refuse technical support if Franchisee's computer and/or operating system is not functioning properly or is otherwise infected with a virus, malware, spyware, or other similar issue, as determined by Franchisor until the computer has been repaired by a computer professional.

8. **Proprietary Rights**. Franchisee acknowledges that the Syndicate System, including all copies and components thereof, regardless of the form or media in which the original or copies may exist, is the sole and exclusive property of Franchisor and is copyrighted material under the laws of the United States and international treaty provisions. Franchisee acknowledges that the Syndicate System, including the source and object codes, logic and structure, constitute valuable trade secrets of Franchisor (and its affiliate(s)). Franchisee further acknowledges and agrees that it has no copyright, patent, trade secret, trademark or other intellectual property or proprietary rights in the Syndicate System (or any component thereof) and the information derived therefrom; and that the only rights granted to it are as a licensee under this Agreement. Franchisee agrees not to remove or alter any trademark, logo, copyright or other proprietary notices, legends, symbols or labels in the Syndicate System or any component thereof.

9. **Discontinuance / Replacement of Syndicate System**. Franchisor may, in its sole discretion, discontinue and/or replace the Syndicate System after providing Franchisee with thirty (30) days'

written notice. Franchisor may require Franchisee to enter into a new software license agreement under terms and conditions which may be different from those contained in this Agreement. Franchisor will have no obligation or liability to Franchisee or any other third-party for any expenses or losses which are incurred as the result of any action taken by Franchisor pursuant to this Section 9.

10. **Termination**. Notwithstanding anything contained herein, this Agreement shall automatically terminate upon the expiration or termination of the Franchise Agreement, if Franchisee transfers an interest in the Franchise Agreement or the Ideal Auto Broker Location, or it transfers an interest in itself, pursuant to the transfer provisions of the Franchise Agreement. Franchisor shall have the right to terminate this Agreement and/or disable Franchisee's access to the Syndicate System, effective upon delivery of written notice to Franchisee, if:

    a. Franchisee fails to make payments of any amounts due to Franchisor (and/or its designated affiliate) under this Agreement, or under the Franchise Agreement or any other related agreement, or Franchisee's lease for the Ideal Auto Broker Location, and does not cure such failure within ten (10) days after written notice is delivered to Franchisee or as otherwise provided in any such agreement or lease; or

    b. Franchisee fails to cure a breach of this Agreement within ten (10) days after written notice is delivered to Franchisee.

    Upon the termination or expiration of this Agreement, Franchisee and its employees shall immediately discontinue use of the Syndicate System.

11. **Assignment.** Licensor may, in its sole discretion, assign the rights, privileges and obligations granted in this Agreement to a third party.

12. **Warranty Disclaimer**. Franchisor does not represent and warrant to Franchisee, and Franchisor expressly disclaims any warranty to Franchisee, that the Syndicate System is error-free or that the operation and use of the Syndicate System by Franchisee will be uninterrupted or error-free. Franchisor does not warrant that the Syndicate System is compatible with all equipment and software installations. Franchisor will have no obligation or liability for any expense or loss incurred by Franchisee arising from use of the Syndicate System. The Syndicate System is provided on an "As Is" basis, without any other warranties or conditions, express or implied, including but not limited to warranties of merchantability, or fitness for a particular purpose or those arising by law, statute, usage of trade, or course of dealing.

13. **LIMITATION OF LIABILITY**. IN NO EVENT SHALL FRANCHISOR BE LIABLE TO FRANCHISEE OR ANY OTHER PERSON FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES AND CLAIMS WHATSOEVER, INCLUDING BUT NOT LIMITED TO LOSS OF REVENUE OR PROFIT, LOST OR DAMAGED DATA, ATTORNEYS' FEES AND COSTS, OR OTHER COMMERCIAL OR ECONOMIC LOSS EVEN IF FRANCHISOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR THEY ARE FORESEEABLE; OR FOR CLAIMS BY A THIRD PARTY. FRANCHISOR DOES NOT GIVE PROFESSIONAL ADVICE. FRANCHISOR IS NOT

IN THE BUSINESS OF PROVIDING LEGAL, FINANCIAL, ACCOUNTING, OR TAX PROFESSIONAL SERVICE OR ADVICE. FRANCHISEE SHOULD CONSULT THE SERVICES OF A COMPETENT PROFESSIONAL WHEN FRANCHISEE NEEDS THIS TYPE OF ASSISTANCE. FRANCHISOR DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES THAT FRANCHISEE'S USE OF THE SYNDICATE SYSTEM WILL SATISFY OR ENSURE COMPLIANCE WITH ANY FEDERAL, STATE OR ANY OTHER JURISDICTION'S LAWS OR REGULATIONS. FRANCHISEE IS SOLELY RESPONSIBLE THAT FRANCHISEE'S USE OF THE SYNDICATE SYSTEM IS IN ACCORDANCE WITH APPLICABLE LAWS. FRANCHISEE ACKNOWLEDGES THAT IT IS NOT RELYING UPON FRANCHISOR AND/OR ANY INFORMATION PROVIDED OR PRODUCED BY THE SYNDICATE SYSTEM FOR ADVICE REGARDING TAXES AND ACCOUNTING, AND SUCH INFORMATION SHOULD NOT BE RELIED UPON WITHOUT FIRST CONSULTING A LOCAL TAX PROFESSIONAL AND/OR ACCOUNTANT.

14. **Security**. Franchisee acknowledged that the Syndicate System has been developed to permit remote use and access. While Franchisor has taken reasonable steps to ensure that data is secure, Franchisee acknowledges that opening a network to access by remote users over the Internet increases the likelihood of a security breach. Franchisee accepts all liability for any damages that may arise due to an unsecured or improperly secured network. Franchisee further agrees that the storing of credit card, debit card, bank account numbers, or other sensitive customer financial data within the Syndicate System is strictly prohibited.

15. **Dispute Resolution**. The Parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without resorting to litigation or arbitration. The Parties agree that if any dispute arises between them, then in such event, before beginning any legal action to interpret or enforce this Agreement, they will first follow the procedures described in this Section 15.

    a. Initiation of Procedures. The Party that initiates these procedures ("Initiating Party") shall give written notice to the other Party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief, and identifying one or more people with authority to settle the dispute for him, her, or it. The Party receiving the notice ("Responding Party") will, within ten (10) days of receipt of said notice, provide the Initiating Party with a response to the Initiating Party's description of the dispute and will designate, by written notice to the Initiating Party, one or more people with authority to settle the dispute on the Responding Party's behalf. These people are called the "Authorized People."

    b. Negotiation. The Parties may investigate the dispute as they consider appropriate, but agree to meet in person, by prearranged teleconference, or by video conference within fifteen (15) days from the date of written notice from one party ("Initiating Party") to the other to discuss resolution of the dispute. The Parties may meet at any times and places and as often as they agree.

    c. Mediation. If the dispute has not been resolved within thirty (30) days after the initial meeting, the Parties shall engage in mediation, with either party having the

right to begin mediation procedures by filing a Request for Mediation with the American Arbitration Association ("AAA") and providing the other Party with a copy thereof in the manner designated for written notices in this Agreement. The Mediation will be conducted by and under the AAA, or under the auspices of such other organization or mediator to which the Parties may agree, and the Mediation Conference shall be limited to two (2) days, unless otherwise agreed upon by written agreement of the Parties. The Parties will share the costs of mediation, other than attorney fees, equally. All applicable statutes of limitation shall be tolled during the course of any mediation which is initiated before the last day of the applicable limitations period with the tolling beginning the date that the Request for Mediation is deemed to have been received by the recipient Party (pursuant to the Notices provision contained in this Agreement), and continuing until ten (10) days after the mediation is either concluded or suspended due to a Party's failure or refusal to participate in the mediation in violation of this Agreement. The Parties shall choose one (1) mutually acceptable mediator by agreement. In the event that the Parties are not able to agree on the selection of a mediator, the Parties agree that the AAA will designate a mediator in connection with the dispute in accordance with its procedures and policies. The Mediation will be held in the State of New York in New York County at a location to be mutually agreed by the Parties or, if the Parties agree, by video conference. If the Parties cannot agree, then at a location designated by Franchisor. However, notwithstanding the above, in the event that it is not reasonably practicable for one or more of the Parties, or the Mediator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the mediation remotely through a video-conferencing application such as Zoom, etc.

d. Arbitration. Any dispute between the Parties under, or arising out of, or in connection with, this Agreement, if not resolved by the negotiation and mediation procedures above, shall be settled by arbitration administered by the AAA under its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction within the State of New York. Any arbitration shall be before a single arbitrator and the arbitration shall be held at a location in the State of New York in New York County, as selected by the Parties, or, if the Parties cannot agree on a location, at a location as directed by the arbitrator. Notwithstanding anything contained above, in the event that it is not reasonably practicable for one or more of the Parties, or the Arbitrator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the arbitration proceeding remotely through a video-conferencing application such as Zoom, etc. The Federal Arbitration Act shall govern, excluding all state arbitration laws. New York State law will govern all other issues. This arbitration clause will not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction. The arbitrator shall award costs and arbitrator's, expert's and attorneys' fees to the successful party.

Franchisor and Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis and that no arbitration proceeding between Franchisor and Franchisee shall be consolidated with any other arbitration proceeding involving Franchisor and any other natural person, association, corporation, partnership or other entity.

e. Performance During Resolution of Disputes. The Parties agree that they will fully perform their respective obligations under this Agreement during the entire dispute resolution process.

f. The provisions of this Section 15 shall continue in full force and effect subsequent to, and notwithstanding, the expiration or termination of this Agreement.

16. **Cumulative Remedies.** No right or remedy conferred upon or reserved to Franchisor (or its designated affiliate) or Franchisee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

17. **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties hereto with respect to the subject matter hereof and wholly cancels, terminates and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties with respect to the subject matter contained herein. No amendment, modification or rescission of the Agreement shall be effective unless set forth in writing and signed by each party hereto.

18. **Binding Effect**. This Agreement is binding upon the Parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement shall not be modified except by written agreement signed by the Parties.

19. **No Waiver.** None of Franchisor's failure to exercise any power reserved to it hereunder, Franchisor's failure to insist upon strict compliance by Franchisee with respect to any obligation or condition hereunder, or any custom or practice of the Parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Franchisor's waiver of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (i) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (ii) on the next business day after being sent via guaranteed overnight delivery by a commercial courier service; or (iii) three (3) business days from the date deposited with the United States Postal Services, if being sent by Certified Mail (return receipt requested). Either party may change its address by a written notice sent in accordance with this

Section. All notices required by this Agreement shall be sent to the appropriate Party at the address(es) below.

if to Franchisor:	Ideal Automotive Broker Franchising, LLC 1523 132nd Street College Point, NY 11356 Attn: Jeff Li
with a copy to:	Rosen Karol Salis, PLLC 110 East 59th Street 23rd Floor New York, NY 10022 Attn: Richard L. Rosen, Esq.
if to Franchisee:	_____ _____ _____

20. **Construction**. All captions herein are intended solely for the convenience of the Parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

21. **Force Majeure**. Whenever a period of time is provided in this Agreement for either party to perform any act, except to pay monies due, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, public health crisis, pandemics, terrorism, governmental regulation or control or other causes beyond the reasonable control of the Parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22. **Counterparts.** The Parties hereby agree that this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. The Parties further agree that in the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

23. **Third-Party Beneficiaries**. Nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than the Franchisor and the Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

24. **Further Assurances**. The Parties to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

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

FRANCHISOR:

Ideal Automotive Broker Franchising, LLC

By:_____

Print Name: _____

Title: _____

FRANCHISEE

[NAME OF FRANCHISEE]

By: _____

Print Name: _____

Title:_____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

ADDENDUM TO THE IDEAL AUTOMOTIVE BROKER FRANCHISE AGREEMENT

This **ADDENDUM TO THE IDEAL BROKER FRANCHISE AGREEMENT** (the "Addendum") is made and entered into this ___ day of _____ 20___ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor" or ("We") a New York limited liability company, with its principal address at 1523 132nd Street, College Point, NY 11356 and _____ a _____ , with its principal place of business at _____ ("Franchisee" or "You").

WHEREAS, Franchisee or its affiliate (the "Dealer Franchisee") has been granted the limited right to operate an Ideal Auto Dealer Business (the "Dealer Business") pursuant to a franchise agreement with our affiliate, Ideal Automotive Dealer Franchising, LLC, (the "Dealer Franchisor") dated _____, 20___ (the "Dealer Franchise Agreement");

WHEREAS, the Dealer Franchise Agreement is conditioned upon the Franchisee opening and operating an Ideal Auto Broker Business (the "Broker Business") at the same Approved Location at which the Dealer Franchisee operates its Dealer Business (the "Combined Broker/Dealer Location");

WHEREAS, Franchisee is required to enter into this Addendum, which modifies certain provisions of its Broker business franchise agreement ("Broker Franchise Agreement"), which is being entered into with Franchisor simultaneously with the Dealer Franchisee entering into the Dealer Franchise Agreement;

NOW, THEREFORE, in consideration of the foregoing premises, the compensation paid or to be paid to Franchisor, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Franchisee covenants and agrees as follows:

1. **Section 1.1 ("Grant")** is hereby deleted in its entirety and is replaced with the following provision:

> "We hereby, subject to the terms and conditions of this Agreement, grant you the right and license and you hereby accept the right and obligation to operate one (1) Ideal Auto Broker Location Business ("Ideal Auto Broker Location") at the Approved Location (defined in Section 2.1), and to use the Marks and the System in connection with your operation of the Ideal Auto Broker Location in accordance with our standards and specifications ("System Standards") and terms and conditions of this Agreement and all related agreements. Notwithstanding the foregoing, You and your Principals acknowledge that this grant is conditioned upon you entering into a separate franchise agreement for an Ideal Automotive dealer business ("Ideal Auto Dealer Business") franchise agreement simultaneously with your entering into your Ideal Auto Broker franchise agreement. **Unless prohibited by applicable federal, state and local law, you must operate your Ideal Auto Broker Business and you or your affiliate's Ideal Auto Dealer Business at the Combined Broker/Dealer Location.**

2. The following sentence is hereby added to the end of **Section 2.2 ("Site Selection")**:

"With respect to the proposed site for the Combined Broker/Dealer Location, the approval or rejection of the Approved Location shall be provided by the Dealer Franchisor."

3. The following sentence is hereby added to the end of **Section 2.4 ("Exclusive Territory")**:

"The exclusive territory of the Combined Broker/Dealer Location shall be defined by and exist within the zip codes or other physical, political or natural boundaries described in Exhibit B attached to the Dealer Franchise Agreement."

4. The second and third paragraphs of **Section 2.5 ("Lease or Purchase of Approved Location")** are hereby deleted in their entirety and are replaced with the following paragraphs:

"If you or your affiliate will be leasing (or subleasing) the Approved Location, then our approval of said lease (or sublease) (the "Lease") will be conditioned on incorporating the terms and conditions of Dealer Franchisor's form of Lease Rider, which is attached to the Dealer Franchise Agreement as Exhibit D. Simultaneously with your or your affiliate's execution of the Lease, you agree that you shall arrange for the landlord of the Approved Location to consent to and execute, together with Dealer Franchisor, Dealer Franchisor's form of Collateral Assignment of Lease (the "Collateral Assignment"), attached to the Dealer Franchise Agreement as Exhibit E.[1] Dealer Franchisor will hold the fully executed Collateral Assignment in escrow until such time as it may elect, in its sole discretion, to activate assignment of the Lease as set forth herein. You expressly acknowledge and agree that Dealer Franchisor is irrevocably authorized to serve as your or your affiliate's attorney-in-fact to take such steps as Dealer Franchisor deems necessary to effectuate the assignment of the Lease to itself."

5. **Section 2.8 ("Failure to Develop Approved Location")** is hereby deleted in its entirety and is replaced with the following provision:

"**Section 2.8 Failure to Develop Approved Location**. Should you fail to develop and open the Approved Location for business by the earliest to occur of: (i) one hundred twenty (120) days after you or your affiliate enters into the Lease (or within one hundred (120) days from the date that you or your affiliate enters into a purchase agreement for the building in which the Combined Broker/Dealer Location is located); (ii) seven (7) months from the Effective Date of this Agreement; or (iii) if this Agreement is being executed in connection with a Combined Multi-Unit Development Agreement for Ideal Auto Broker and Ideal Auto Dealer Businesses ("Combined Broker/Dealer MUDA"), the date that Developer is required to open the Combined Broker/Dealer Location for business as provided in Exhibit A to the Combined Broker/Dealer MUDA, we have the right to terminate this Agreement, unless we have agreed in writing to an extension of time. If this Agreement is terminated pursuant to this Section 2.8, you are required to execute a general release, the form of which is attached

[1] For purposes of clarity, with respect to your Combined Broker/Dealer Location, you shall execute both the form of Lease Rider and form of Collateral Assignment of Lease, each of which are attached to the Dealer Franchise Agreement; each of these forms shall supersede and replace the form of Rider and the form of Collateral Assignment which are attached to the Broker Franchise Agreement.

hereto as Exhibit J, releasing any and all claims against us, any of our affiliates and our and their respective officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities). Upon our receipt of your executed general release, this Agreement shall terminate and we shall have no future obligations to you as of the date of said termination."

6. The following sentence is hereby added to the end of **Section 2.10 ("Relocation")**:

"In connection with the relocation of your Broker Business, you will also be required to simultaneously relocate your (or your affiliate's) Ideal Auto Dealer Business to the Replacement Location and pay any relocation fee associated with your or your affiliate's Ideal Auto Dealer Business, as provided for in the applicable Dealer Franchise Agreement."

7. Paragraph (xi) of **Section 3.2 ("Renewal Terms")** is hereby deleted and replaced with the following provision:

"(xi) You or your affiliate are continuing to operate the Ideal Auto Dealer Business at the Combined Broker/Dealer Location in compliance with the applicable Dealer Franchise Agreement."

8. The following sentence is hereby added to the end of **Section 4.1 ("Franchise Fee")**:

"Notwithstanding the foregoing, for each Combined Broker/Dealer Location, the Initial Franchise Fee for your Ideal Auto Broker Business is hereby discounted from forty-five thousand ($45,000.00) dollars to thirty thousand ($30,000.00) dollars."

9. The following provision is hereby added to the end of **Section 4.14 ("Reimbursement of Opening Team Expenses")**:

"Notwithstanding the above, if you or your affiliate pays for the entire cost of the Opening Team Expenses under the Dealer Franchise Agreement, your obligations under this Section 4.14 shall be deemed satisfied."

10. The following sentence is hereby added to the end of **Section 5.1 ("Grand Opening Advertising and Promotion")**:

"Notwithstanding anything contained above, if you or your affiliate pays for the entire cost of the Grand Opening Advertising and Promotion expenses under the Dealer Franchise Agreement, your obligations under this Section 5.1 shall be deemed satisfied."

11. Based upon the fact that you are operating a Combined Broker/Dealer Location and that you or your affiliate with be obligated to comply with **Section 5.2 ("Local Advertising")** of the Dealer Franchise Agreement, Section 5.2 of this agreement is hereby deleted in its entirety."

12. The following provision is hereby added to the end of **Section 8.1 ("Initial Training")**:

"Notwithstanding the foregoing, if you (or if you are an entity, your Principal) and your Location Manager satisfactorily complete the Combined Broker/Dealer Initial Training in connection with your or your affiliate's Dealer Franchise Business, then your obligation to complete the initial training program this Section 8.1 shall be deemed satisfied."

13. With respect to **Section 8.2 ("Opening Assistance")** of this Agreement, the opening assistance provided under Section 8.2 of the Dealer Franchise Agreement shall be for both your (or your affiliate's) Dealer Business and your Broker Business.

14. **Section 8.3 ("Failure to Complete Initial Training Program")** is hereby deleted in its entirety and is replaced with the following provision:

"**Section 8.3 Failure to Complete Combined Broker/Dealer Initial Training Program**. If we determine that you (or if you are an entity, your principal) or your Location Manager are unable to satisfactorily complete the Combined Broker/Dealer Initial Training described in Section 8.1 of this Agreement, we have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, we shall return to you fifty percent (50%) of the Franchise Fee paid by you upon our receipt of a general release, the form of which is attached as Exhibit K hereto, releasing any and all claims against us, any affiliate of our and their respective officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities). If your Location Manager fails to complete the Combined Broker/Dealer Initial Training program to our reasonable satisfaction, you may be permitted to select a substitute manager ("Substitute Location Manager") and such Substitute Location Manager must complete the Combined Broker/Dealer Initial Training to our satisfaction, at your cost."

15. The first paragraph of **Section 9.3 ("Opening")** is hereby deleted in its entirety and is replaced with the following provision:

"Unless we have, in our sole discretion, agreed in writing to grant you an extension, you shall open the Ideal Auto Broker Business and commence operations by the earliest to occur of: (i) one hundred twenty (120) days after you or your affiliate enters into the Lease for the space (or within one hundred (120) days from the date that you or your affiliate enters into a purchase agreement for the building in which the Combined Broker/Dealer Location is located); (ii) seven (7) months from the Effective Date of this Agreement; or (iii) if this Agreement is being executed in connection with a Combined MUDA, the date that Developer is required to open the Combined Broker/Dealer Location for business as provided in Exhibit A to the Combined MUDA."

16. Paragraph (iv) of **Section 9.3 ("Opening")** is hereby deleted in its entirety and replaced with the following provision:

"(iv) complete Combined Broker/Dealer Initial Training to our reasonable satisfaction;"

17. **Section 10.1 ("Types and Amounts of Coverage")** is deleted in its entirety and replaced with the following provision:

EXHIBIT D TO THE DISCLOSURE DOCUMENT

"**Section 10.1 Types and Amounts of Coverage**. At your sole expense, you shall procure within sixty (60) days of the Effective Date and maintain in full force and effect during the term of this Agreement, the types of insurance listed below. All policies (except any workers' compensation insurance) shall expressly name us as a second named insured and shall also contain a waiver of all subrogation rights against us, our successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, you shall procure:

(i) Comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Combined Broker/Dealer Location, or your conduct of business pursuant to this Agreement, with the following policy minimums:

a. $1,000,000 each occurrence.
b. $100,000 damages to premises (each occurrence).
c. $5,000 medical expenses (any one person).
d. $1,000,000 personal & advertising injury.
e. $2,000,000 general aggregate.
f. $1,000,000 products/completed operations aggregate.

(ii) Umbrella Liability Insurance with the following policy minimums:
a. $2,000,000 each occurrence
b. $2,000,000 aggregate

(iii) Workers' compensation insurance that complies with the statutory requirements of the state in which your Combined Broker/Dealer Location is located and employer liability coverage with a minimum limit of Five Hundred Thousand Dollars ($500,000.00) or, if higher, the statutory minimum limit as required by state law;

(iv) Business interruption insurance sufficient to cover your expenses (including any payments to us or our affiliates which are or may be required under your Franchise Agreement), prospective and anticipated profits or losses for a minimum period of twelve (12) months from the date of closure due to an insured loss;

(v) "All risks" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Combined Broker/Dealer Location. Your property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

(vi) In connection with any construction, renovation, refurbishment or remodeling of the Combined Broker/Dealer Location, you shall maintain Builder's Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us;

(vii) Insurance coverage of types, nature and scope sufficient to satisfy your indemnification obligations under the Franchise Agreement; and

(viii) Such other insurance as required by the terms of the lease for the Ideal Auto Dealer Business, or as may be required by the state or locality in which the Ideal Auto Dealer Business is located and operated or as may be required by us during the term of this Agreement.

For all required insurance coverage, you must: (a) name Ideal Automotive Dealer Franchising, LLC and its designated affiliates as a second named insured; (b) ensure that each policy extends to and provides indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement; (c) ensure all such insurance coverage is primary to and noncontributory with respect to any other insurance purchased by us; and (d) provide, by endorsement, that we entitled to receive at least thirty (30) days prior written notice of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend said policy."

18. **Section 12.5 ("Initial Training Program")** is hereby deleted in its entirety and replaced with the following provision:

"**Section 12.5 Combined Broker/Dealer Initial Training Program**. We shall provide a Combined Broker/Dealer Initial Training Program for you (or if you are an entity, your principal) and your Location Manager for a period of ten (10) days in accordance with Article VIII."

19. The following provision is hereby added to the end of the first paragraph in **Section 13.1 ("Transfer by Franchisor")**:

"Notwithstanding anything contained in this Agreement, if you seek to assign, transfer or sell your rights under this Agreement under any and all circumstances (including those arising under Section 13.8 of this Agreement), you or your affiliate are also required to seek the consent of Dealer Franchisor to assign, transfer or sell the rights under your Ideal Auto Dealer Franchise Agreement. The Ideal Auto Dealer Business and your Ideal Auto Broker Business must be assigned, transferred or sold together as part of the same transaction."

20. Paragraph (xi) of **Section 13.4 ("Conditions to Transfer")** is deleted in its entirety and replaced with the following provision:

"(xi) The transferee (or its owners, if the transferee is an entity) and the transferee's Location Manager completes to our satisfaction, a training program which is similar in substance to the Combined Broker/Dealer Initial Training described in Section 8.1 prior to assuming the management of the day-to-day operations of the Ideal Auto Broker Business;"

21. The following provision is hereby added to the end of **Section 13.4 ("Conditions to Transfer")**:

"(xvi) You or your affiliate are not in default of any provision of the Ideal Auto Dealer Business franchise agreement in connection with your Combined Broker/Dealer Location."

22. The following provision is hereby added to the end of **Section 14.2 ("Termination by Franchisor with No Opportunity to Cure")**:

"(xxiv) default under your (or your affiliate's) Ideal Auto Dealer Business franchise agreement or any other agreement between us (or our affiliate(s)) and you (or your affiliate(s)) relating to the Combined Broker/Dealer Location, such that we or our affiliate(s), as the case may be, have the right to terminate the Ideal Auto Dealer Business franchise agreement or such agreement automatically terminates; or"

23. The first sentence in **Section 14.4 ("Termination Based Upon Cross Default of Another Agreement")** is deleted in its entirety and replaced with the following provision:

"You will be deemed to be in default of this Agreement, and we may, at our option, terminate this Agreement, together with any other Franchise Agreement or any other agreement made between you (or your affiliate(s)) and us (or our affiliate(s)), and all of the rights granted therein, respectively, effective as of the date indicated, if any other franchise agreement or any other agreement (including, but not limited to, the Dealer Franchise Agreement, the Combined MUDA made between you (or your affiliate(s)) and us (or any of our affiliate) is terminated by us (or by our affiliate), or if the Lease for the Approved Location has been terminated."

24. The following sentence is hereby added to the end of **Section 15.1 ("Franchisor Step-In Rights")**:

"(iv) Notwithstanding the foregoing, the exercise of "Step-In Rights" by our affiliate under the Dealer Franchise Agreement, shall give us the right, but not the obligation, to exercise our Step-In Rights under this Agreement."

25. The following new section shall be added as **Section 9.21 ("Purchase of Ideal Auto Dealer Franchise")** to this Agreement:

"**Section 9.21 ("Purchase of Ideal Auto Dealer Franchise")**: Unless prohibited by applicable federal, state or local law, you or your affiliate are required to enter into a separate Ideal Auto Dealer Franchise Agreement simultaneously with your entering into this Agreement. As an Ideal Auto Broker franchisee, you will conduct all of the business operations of your Ideal Auto Broker Business from the Combined Broker/Dealer Location and comply with all of the terms and conditions of this Agreement.

To the extent that any provision in either the Dealer Franchise Agreement or the Broker Franchise Agreement provides dates and /or time frames pertaining to your obligation to (i) select the site of; site selection; (ii) enter into a lease (or purchase); and (iii) open the Combined Broker/Dealer Location for business, the time frames provided in the Dealer Franchise Agreement shall control."

EXHIBIT D TO THE DISCLOSURE DOCUMENT

26. The following new section shall be added as **Section 9.22 ("Syndicate Software System")** to this Agreement:

"**Section 9.22 ("Syndicate Software System")**: When you enter into a franchise agreement with us, you will be required to enter into a software license agreement ("Software License Agreement") with us (or an affiliate that we designate) for the Syndicate software ("Syndicate System") and pay us (or an affiliate that we designate) the then current setup fee ("Setup Fee") which is presently $295.00. This Setup Fee is not refundable. Notwithstanding the foregoing, you will be charged the Setup Fee only one time with respect to the Combined Broker/Dealer Location. (For example, the Setup Fee which is referenced in the Software License Agreement attached as Exhibit L to this Agreement will be waived, provided that you or your affiliate pays the Setup Fee in connection with the Dealer Franchise Agreement.)

In addition, you will be required to pay to us (or to our designated affiliate) a monthly user fee ("Monthly User Fee") which is presently $40 per user. For purposes of clarification, the Monthly User Fee will be charged once per individual user account for your and/or your affiliate's Combined Broker/Dealer Location. (For example, the Monthly User Fee which is referenced in the Software License Agreement attached as Exhibit L to this Agreement will be waived, provided that you or your affiliate pays the appliable Monthly User Fees in connection with the Dealer Franchise Agreement.)

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

FRANCHISOR

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By: _____
Name: _____
Title: _____

FRANCHISEE

[NAME OF FRANCHISEE]

By: _____
Name: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

_____

DEVELOPER

_____

DATE

EXHIBIT D TO THE DISCLOSURE DOCUMENT

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MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into this ____ day of _____, 20___ by and Ideal Automotive Broker Franchising, LLC, a New York limited liability company, with its principal office located at 15-23 132nd Street, College Point, NY 11356 ("we" or "Franchisor"), and _____, [an individual [*or*] business entity established in the State of _____], with a principal address of _____("you" or "Developer").

RECITALS

WHEREAS, we have developed a unique and distinctive proprietary business system (the "System") for opening and operating businesses (the "Ideal Auto Broker Businesses") that operate automobile brokerage businesses that facilitate the sale of used and new automobiles to consumers;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme and furnishings; proprietary products, uniform standards, specifications, and procedures for tracking and assessing operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks "Ideal Automotive" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as the "Marks"). The Marks are owned by Ideal Automotive IP Holdings LLC, a Delaware limited liability company, which has licensed the Marks to us so that we may, in turn, sub-license the Marks to selected persons, businesses or entities who comply with our uniformity requirements and quality standards. All Ideal Auto Broker Businesses will be required to ensure that they and their individual Ideal Auto Broker Locations comply with the System, although we in our business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions. We, in our sole discretion, may change or modify the System, from time to time, and all franchisees shall comply with such modifications (including all operational policies, procedures, programs and plans set forth in the Operations Manual or otherwise in writing), all of which shall constitute provisions of this Agreement as if fully set forth herein;

WHEREAS, you understand and acknowledge the importance of our high standards of quality, appearance, procedures, controls, and service, as well as the necessity of your operating your Ideal Auto Broker Business (and each individual Ideal Auto Broker Location) in strict conformity with the standards and specifications we establish; and

WHEREAS, you have independently investigated the business risks involved and such other matters as you deem important (including, current and potential market conditions and competitive factors and risks, have read our Franchise Disclosure Documents, and have not relied on any representations not set forth in this Agreement), and aware of the relevant facts, you desire to enter into this Agreement to obtain right to develop an Ideal Auto Broker Businesses under the System and the Marks in accordance with the attached development schedule described in this Multi-Unit Development Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, we and you agree, and contract as follows:

ARTICLE I
GRANT OF RIGHTS; DEVELOPMENT AREA

1.1 **Grant of Development Rights**. Subject to the terms of this Agreement, we hereby grant you the right, and you hereby accept the obligation, to develop and operate (the "Development Rights") _____ (__) Ideal Auto Broker Locations in the Development Area (the "Ideal Auto Broker Locations"), and to use the System and the Marks in connection therewith, pursuant to the Development Schedule set forth in Exhibit A of this Agreement (the "Development Schedule").

1.2 **Development Area**. Each Ideal Auto Broker Location developed under this Agreement must be located within the Development Area that is specified in Exhibit B attached hereto, (the "Development Area").

1.3 **Franchise Agreement to Govern Operation of Developed Ideal Auto Broker Locations**. Each Ideal Auto Broker Location for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between us and you in accordance with Section 1 hereof.

1.4 **Exclusivity of Development Rights**. Except as otherwise provided in this Agreement, we shall neither establish, nor grant anyone other than you, the right to establish, an Ideal Auto Broker Location in the Development Area during the term of this Agreement, provided you are not in default hereunder.

1.5 No Rights to Use Marks. This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.6 **Franchisor's Rights Reserved**.

(a) Notwithstanding the Development Rights we have granted to you pursuant to Section 1.1 above, we reserve to us and/or our affiliates all rights not specifically granted to you in this Agreement. Among other things, this Agreement does not limit our right or the right of any of our affiliates to use or license the System or to engage in or license any business activity, including, without limitation:

(i) the operation or franchising of Ideal Auto Broker Locations under the Marks at any location outside the Development Area, and/or under any other trade name, trademark or service mark now or hereafter owned by or licensed to us or our affiliates at any location inside or outside the Development Area;

(ii) produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Ideal Auto Broker Locations and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Development Area, and under any terms and conditions we deem appropriate. "Alternative distribution channels" include, but are not limited to, the Internet, catalog sales, other retail outlets, telemarketing or other direct marketing sales;

(iii) Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others the right to develop and operate, Ideal Auto Broker Locations within the Development Area, subject only to the territorial rights granted to you under the Franchise Agreements for the Ideal Auto Broker Locations that you have developed and operate.

(iv) We and our affiliates can acquire the ownership interest or assets of other entities operating automobile brokerage businesses under a different mark, located in the Development Area, and operate them under a different brand.

(b) Upon the expiration of this Agreement, we and our affiliates, have the right, in our sole discretion, to develop and operate additional Ideal Auto Broker Locations in the Development Area based on an increase in population or such other factors that we deem appropriate. If we determine that the development of such additional Ideal Auto Broker Locations is warranted, we will notify you of our determination, as well as: (i) the number of Ideal Auto Broker Locations that need to be developed; (ii) the time period within which the development must be completed; and (iii) the schedule for such development (the "Development Notice") and you will have the right to "opt in," (or "opt out") to develop the additional Ideal Auto Broker Locations in the Development Area (the "Additional Ideal Auto Broker Locations") by notifying us, within thirty (30) days of your receipt of the Development Notice, that you have exercised your right to "opt in" or have decided to "opt out." If you fail to exercise your right to opt in, within the thirty (30) day period set forth above, with time being of the essence, you will be deemed to have opted out of your right to renew your Development Agreement. Under such circumstances, the Development Fee shall be equal to the then-current Franchise Fee multiplied by the number of Additional Ideal Auto Broker Locations that are to be opened ("Renewal Development Fee"). If you "opt out" of the development of the Additional Ideal Auto Broker Locations within the Development Area, we will provide an exclusive territory, as provided in our Franchise Agreement for those Additional Ideal Auto Broker Locations that you have already opened pursuant to the Development Schedule, if any, and we will have the right to continue to develop Additional Ideal Auto Broker Locations in the Development Area.

(c) You acknowledge that our right to use and/or license the System pre-date this Agreement and are not limited or changed by the terms of this Agreement. You agree that by

acknowledging those rights, the parties do not intend to make our exercise of such rights subject to rules applicable to contractual performance or the exercise of contractual discretion under this Agreement.

ARTICLE II
DEVELOPMENT FEE

2.1 **Payment of Development Fee**.

(a) In consideration of the Development Rights we have granted you, you agree to pay simultaneously with your execution of this Agreement, a development fee equal to Forty-Five Thousand ($45,000.00) Dollars for each Ideal Auto Broker Location that you have the right to establish pursuant to the Development Schedule (the "Development Fee"). Fifty (50%) percent of the Development Fee paid to us by you shall be credited, on a pro rata basis, towards each Franchise Fee payable by you for the Ideal Auto Broker Locations you develop under your Multi-Unit Development Agreement. Upon the execution of each Franchise Agreement called for under this Agreement, you will pay us the Franchise Fee provided for in the Franchise Agreement. Within ten (10) business days of your opening the subject Ideal Auto Broker Location for business, in the manner called for in the Franchise Agreement, we shall refund to you fifty (50%) percent of the franchise fee applicable to said location, so that, for example, if you open three (3) Ideal Auto Broker Locations for business, we will refund to you $22,500.00 for each location that you have opened, being the cumulative sum of $67,500.00 for the three (3) locations opened by you. Notwithstanding the foregoing, if you open less than all of the Ideal Auto Broker Locations that you were given the right to develop under this agreement, you will not receive a refund of any portion of your Development Fee that has not been allocated to a Ideal Auto Broker Location opened by you as provided for in this Agreement. For purposes of illustration, if you were to open two (2) of the three (3) Ideal Auto Broker Locations that you were given the right to develop under this Agreement, and if the third location is not opened by you in accordance with the terms of this Agreement, then from the $135,000.00 Development Fee, you would have received a credit of $22,500.00 (e.g., fifty (50%) percent of the $45,000.00 franchise fee applicable to each of the two locations opened by you). Therefore, the remaining unapplied balance of the Development Fee ($90,000.00) would be retained by us.

(b) If we grant you (and you accept) the right to develop and operate Additional Ideal Auto Broker Locations within your Development Area, either during the term of this Agreement or in the event of a renewal or extension of this Agreement, you shall pay the Renewal Development Fee as calculated in Section 1.6(b) above, simultaneously with the execution of: (i) any such modification to this Agreement; or (ii) any such renewal or extension agreement. If you fail to open all of the Additional Ideal Auto Broker Locations that you agreed to develop, you will not receive a refund of any portion of your Development Fee that has not been allocated to a Ideal Auto Broker Location opened by you as provided for in this Agreement. For purposes of illustration, if you were to open two (2) of the three (3) Additional Ideal Auto Broker Locations that you were given the right to develop under this Agreement, and if the third Additional Ideal Auto Broker Location is not opened by you in accordance with the terms of this Agreement, then from the $135,000.00 Development Fee, you would have received a credit of $22,500.00 (e.g., fifty (50%) percent of the $45,000.00 franchise fee applicable to each of the two Additional Ideal

Auto Broker Locations opened by you). Therefore, the remaining unapplied balance of the Renewal Development Fee ($90,000.00) would be retained by us.

2.2 **Development Fee is Nonrefundable**. Subject to Section 2.1 above, the Development Fee (and Renewal Development Fee) will be deemed fully earned when received by us and will be non-refundable in consideration of administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted to you herein.

2.3 **Franchisor's Unilateral Right to Reject Developer**. Subject to applicable law, we will have the absolute right, but not the obligation, to reject or disapprove the you (as our Developer) and to terminate this Agreement, at any time, without providing you any notice to cure, if we determine that you have made one or more material misrepresentations or omissions to us with respect to any required financial, personal or other information, upon which we have relied. In the event that you have committed such an act, nothing is deemed to diminish any of our rights or remedies in connection with, or under, any franchise agreement that you (or your affiliate(s)) have entered into with us. Further, if you have committed such an act, we (and our affiliates) may retain any amounts and any fees that have been paid to us, including without limitation Development Fees, Renewal Development Fees, Initial Franchise Fees (and which have not been credited to you) under this Agreement or any Franchise Agreement or other agreement made with us or our affiliates. Finally, in the event that you have committed such an act, you shall return and pay to us any amounts that we have provided to you in the form of credits or refunds. We will notify you, in writing, if we reject you as a Developer and terminate this Agreement pursuant to this Section 2.3.

ARTICLE III
DEVELOPMENT PROCEDURES FOR EXERCISING DEVELOPMENT RIGHTS

3.1 **Site Location**. You shall assume all cost, liability, expense and responsibility for locating, obtaining and developing proposed sites for the Ideal Auto Broker Locations to be developed within the Development Area. Upon the location of a prospective site, you shall submit to us for our consideration and approval, a site package, setting forth, among other things: (i) a description of the site; (ii) terms of the lease or purchase; (iii) a market feasibility study for the site; and (iv) such other information and materials as we may reasonably require. We shall have thirty (30) days after our receipt of your site package to, in our sole discretion, approve or disapprove of your proposed site. If we have approved a proposed site, you acknowledge and agree that our approval of such proposed site is neither a representation by us that the site will be profitable or successful nor deemed to be or construed as a warranty or guarantee, express or implied, as to the potential volume, profits or success of your Ideal Auto Broker Location. Such approval merely signifies that the proposed site meets our site criteria for the development and operation of an Ideal Auto Broker location. You expressly agree not enter into any binding lease or other agreements until receiving our approval of a proposed site.

3.2 **Lease of Site**. You acknowledge and agree that all leases you enter into for any approved site for your Ideal Auto Broker location must include our form of lease rider, the form of which is attached as Exhibit D to our form of Franchise Agreement.

3.3 **Exercise of Development Rights**. The Franchise Agreement for the first Ideal Auto Broker to be developed hereunder has been executed contemporaneously with this Agreement. Following Franchisor's written approval of Developer's proposed site (the "Approved Location") for each additional Ideal Auto Broker Location to be developed under this Agreement, Franchisor will promptly provide Developer with a copy of its then-current FDD, including two (2) execution copies of Franchisor's then-current Franchise Agreement together with various ancillary agreements (collectively, the "Franchise Documents"). In each instance, upon receipt of the FDD, Developer shall immediately return to Franchisor an executed copy of the Item 23 Receipt to the FDD. Within ten (10) days after the passage of any applicable statutory disclosure period, Developer shall exercise the applicable Development Right granted herein by executing the Franchise Documents for the Approved Location of and for each subsequent Approved Location and returning same to Franchisor for its execution.

The Franchise Agreement for each additional Development Right exercised hereunder shall be our then-current form of Franchise Agreement that we generally offer to franchisees, except that: (i) the Exclusive Territory (a contiguous geographic area located within the Development Area) will be described in the Approved Location and Exclusive Territory Form attached as Exhibit B to the Franchise Agreement; and (ii) the Royalty and Marketing Fund percentages will not exceed the percentages in effect in your initial Franchise Agreement. In the event you do not properly execute and deliver the Franchise Agreement and other Franchise Documents within ten (10) days following the expiration of any applicable statutory disclosure period, our approval of the site shall be void and you shall have no rights with respect to said Approved Location.

3.4 **Developer's Ownership in Franchisee**. You (or an entity in which you have at least a fifty-one (51%) percent ownership interest) shall execute each Franchise Agreement for each Ideal Auto Broker location to be developed and opened pursuant to said Franchise Agreement. In no event shall you relinquish control over each entity operating each Ideal Auto Broker Location. If you utilize an operating entity to enter into the Franchise Agreements for the Approved Locations for each Ideal Auto Broker location that is required to be developed under this Agreement, the principals of such operating entity (regardless of their percentage of ownership interest) shall execute our then-current form of Guaranty and Assumption of Obligations.

You acknowledge and agree that Exhibit C to this Agreement will at all times completely and accurately identify all of your owners and their beneficial ownership interests ("Owner(s)"). You and your Owners must sign and deliver to us such revised Owners Form as may be necessary to reflect any permitted changes in the information contained therein, within five (5) business days following the occurrence thereof, and to furnish such other information about your operating entity or its formation, as we may request.

ARTICLE IV
DEVELOPMENT SCHEDULE

EXHIBIT D TO THE DISCLOSURE DOCUMENT

4.1 **Development Schedule**. You agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Development Schedule, as set forth below and attached hereto as Exhibit A, in a timely manner. Time shall be of the essence with respect to the Development Schedule. You agree to develop your Ideal Auto Broker Location in the Development Area as follows:

(i) With respect to the development of the first (1st) Ideal Auto Broker Location, you shall have a period of ninety (90) days from the Effective Date of this Agreement to enter into a lease (or purchase agreement) for the site for the first Ideal Auto Broker Location;

(ii) With respect to the development of the second (2nd) Ideal Auto Broker Location, you shall have a period of one hundred twenty (120) days from the date that you are required to enter into the lease (or purchase agreement) for the first (1st) Ideal Auto Broker Location, to enter into a lease (or purchase agreement) for the second (2nd) Ideal Auto Broker Location.

(iii) For each additional Ideal Auto Broker Location to be developed pursuant to this Agreement, you shall have a period of one hundred twenty (120) days from the date that you are required to enter into the lease (or purchase agreement) for the preceding Ideal Auto Broker Location, within which to enter into the lease (or purchase agreement) for the subject Ideal Auto Broker Location to be developed; and

(iv) In each instance, you are required to develop and open for business each of the Ideal Auto Broker Locations within the earliest of: (i) ninety (90) days after you enter into a lease for the Approved Ideal Auto Broker Location (or within ninety (90) days from the date that you enter into a purchase agreement for the building from where your Approved Auto Broker Location will operate); or (ii) seven (7) months from the Effective Date of the applicable franchise agreement; or (iii) the date that you are required to open the Ideal Auto Broker Location for business as provided in Exhibit A to this Agreement.

4.2 **Failure to Adhere to Development Schedule**. Pursuant to Section 11.2, if at any time during the term of this Agreement you fail to satisfy the Development Schedule, we will have the right, but not the obligation, to: (i) exercise our termination rights; or (ii) modify your Development Rights, including the Development Schedule, under this Agreement, as determined by us in our sole business judgment.

Should we elect to terminate your Development Rights under this Agreement, such termination will not be a termination of any franchise agreement that you (or your affiliate) entered into with us (or our affiliate) for any Ideal Auto Broker(s) that you have already commenced operating provided that you are in compliance with all of your obligations under such franchise agreement. Our termination of your Development Rights granted by this Agreement, will permit us to develop and operate or grant others the right to develop and operate Ideal Auto Broker Locations within the undeveloped balance of your Development Area (subject to any rights to a "Exclusive Territory" that we may have granted to you in your Franchise Agreement for said Ideal Auto Broker Location), without, in any way, being in violation of this Agreement. This remedy shall be in addition to whatever other remedies we may have available at law or in equity.

ARTICLE V
DEVELOPMENT RIGHTS AND OBLIGATIONS

5.1 **Developer's Rights and Obligations**.

(a) If you are in full compliance with all the terms and conditions of this Agreement, including without limitation you development obligations described in Section 4.1, and you are in full compliance with all of your obligations under each franchise agreement entered into pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant others the right to develop or operate Ideal Auto Broker Locations within your Development Area, other than the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement. Once an Ideal Auto Broker Location has been established in the Development Area, your exclusivity rights with respect to that particular Ideal Auto Broker Location will be defined in the applicable Franchise Agreement.

(b) If, during the term of this Agreement, any of the Ideal Auto Broker Locations permanently close for any reason after having been opened, and as a result of such closure you fall below the development quota applicable at the time of closure pursuant to the Development Schedule, you will have one hundred six (6) months from the closing date in which to open a substitute Ideal Auto Broker Location at an Approved Location within the Development Area in its place. Such substitute Ideal Auto Broker Location shall not decrease the number of Ideal Auto Broker Locations to be opened pursuant to the Development Schedule.

(c) If, during the term of this Agreement, you wish to relocate any Ideal Auto Broker Location for any other reason, the new site for the Ideal Auto Broker Location must be approved by us, pursuant to the relocation provisions of the Franchise Agreement.

(d) This Agreement does not give you the right to either sub-franchise or license or authorize in any way, others to operate any Ideal Auto Broker Multi-Unit Business or any Ideal Auto Broker Location. Only you (or an entity controlled by you) may open and operate Ideal Auto Broker Locations pursuant to this Agreement and only under Franchise Agreements with us.

Notwithstanding the foregoing, you may have other investors involved in the ownership of an individual Ideal Auto Broker Location as long as you advise us of the identity of those investors and provide us with such background and financial information relating to them as we may reasonably request and so long as we approve them in our sole and absolute discretion and further providing that you maintain majority ownership and voting control of the Franchisee for said Ideal Auto Broker Location, including control of any entity which may be the Franchisee for said Ideal Auto Broker location, throughout the term of the Franchise Agreement. Each such investor must execute the Guaranty and Assumption of Obligations attached to the Franchise Agreement as Exhibit I.

(e) If, during the term of this Agreement, you fail to adhere to the Development Schedule, and this Agreement is terminated pursuant the provisions hereof, we, in our sole discretion, will provide an exclusive territory for those Ideal Auto Broker locations that you have already opened and are operating, if any.

5.2 **Franchisor's Obligations**. We shall, at our expense, provide the following services:

(a) Definition of Development Area. Assist you in defining the Development Area and assigning such agreed upon Development Area to you;

(b) Review and Evaluate Proposed Site Locations. Review your proposed site selection(s) to ensure that such proposed site(s) conform to our then-current site selection criteria and standards;

(c) Franchisor's Standard Specifications and Layouts. Provide you with guidance for constructing, designing, equipping, furnishing and operating your Ideal Auto Broker and may provide you with sample design plans and building specifications for constructing, designing, equipping, furnishing and operating your Ideal Auto Broker Location;

(d) Review of Final Build-Out Plans. Upon your request, we will review your final build-out plans and specifications to ensure that such plans and specifications conform to the construction standards and specifications of the System. You acknowledge that it is your sole responsibility to ensure that said final build-out plans and specifications comply with the federal, state and local building code laws and regulations of the state in which the Approved Location for your Ideal Auto Broker location is located.

(e) Additional Assistance and Resources For Developers. Provide you with such other resources and assistance as we may hereafter develop and offer to our other multi-unit developers.

ARTICLE VI
TERM; RENEWAL RIGHTS

6.1 **Term**. Unless terminated earlier pursuant to Article XI, the term of this Agreement shall expire on the first to occur: (i) the date of our acceptance and execution of a Franchise Agreement for the last of the Ideal Auto Broker locations to be established by you pursuant to the Development Schedule; or (ii) the date described in the Development Schedule. This Agreement shall not be enforceable until it has been signed by both you and us.

6.2 **No Renewal Rights**. There is no renewal right under this Agreement, except as provided in Section 1.6(b).

ARTICLE VII
USE OF MARKS

7.1 **No Right to Use Marks**. Pursuant to Section 1.5 herein, you agree that this Agreement does not grant you the right to use any of the Marks or the System and that such right can only be granted under a Franchise Agreement. You acknowledge that all right, title and interest to the System and the Marks are and shall remain vested solely in us, and you disclaim any right or interest in the Marks or the goodwill associated with, or derived from, the Marks.

Notwithstanding the foregoing, you (or your affiliate(s)) will have the nonexclusive personal right to use the Marks and the System in accordance with the provisions of each Franchise Agreement executed for each developed Ideal Auto Broker location. That nonexclusive personal right to use our Marks, granted to you under the Franchise Agreements, shall only apply to the applicable Ideal Auto Broker location, as described in more detail in the applicable Franchise Agreement. "Nonexclusive," for the purposes of this Article, will mean that we have or will grant Ideal Auto Broker Franchised Businesses to other multi-unit developers, franchisees, entities or persons, authorizing them to own and operate Ideal Auto Broker Franchised Businesses in conformity with the System using the name “Ideal Automotive Sales” and the other Marks, and that our affiliates and/or subsidiaries have operated and will continue to own and operate Ideal Auto Broker Franchised Businesses.

7.2 **Notification of Infringement of Marks**. You agree not to do anything, which could adversely affect the Marks, and to immediately notify us of any infringement or imitations and any challenges to our rights to the Marks. We have the sole and absolute right to determine whether we will commence or defend any litigation involving the Marks and/or the System. We shall bear the cost and expense (other than with respect to litigation/arbitration between us and you) of all litigation incurred by us, including attorneys' fees, specifically relating to the Marks or the System.

7.3 **Tender of Defense**. If you are named as a defendant or party in any action involving the Marks or the System solely because the plaintiff or claimant is alleging that you do not have the right to use the Marks or the System, then you will have the right to tender the defense of the action to us, and we will, at our expense, defend you in the action, provided that you have tendered defense of the action to us within seven (7) days after receiving service of the pleadings or the summons and complaint relating to the action. We will indemnify and hold you harmless from any damages assessed against you in any actions resulting solely from the your authorized use of the Marks or the System, so long as you have timely tendered defense of the action to us.

7.4 **Developer’s Right to Participate in Litigation**. You may, at your expense, retain an attorney to represent you individually in all litigation and court proceedings involving the Marks or the System, and may do so with respect to matters involving only you (i.e., not involving the Marks, us or our interests); however, we will control and conduct all litigation involving the Marks or the System and our rights. Except as expressly provided for herein, we will have no liability for any costs that you may incur in any litigation involving the Marks or the System, and

you will pay for all costs, including attorneys' fees, that you may incur in any litigation or proceeding arising as a result of matters referred to under this Article, if you have not timely tendered the defense to us in accordance with this Article.

ARTICLE VIII
CONFIDENTIAL INFORMATION

8.1 **Confidential Information**. You acknowledge that certain information relating to the development and operation of the Ideal Auto Broker locations including, without limitation, the standards, methods, procedures and specifications of the System, including the contents of the Operations Manual, is derived from information we disclosed to you, and that all such information is of a proprietary and confidential nature and our trade secrets ("Confidential Information"). You and each of your Owners, officers, directors, members, partners, managers, employees and agents, must maintain the absolute confidentiality of all such Confidential Information both during the term of this Agreement and after the termination or expiration of this Agreement. You may disclose the Confidential Information to your Owners, officers, directors, members, partners, managers, employees and agents only to the extent necessary for the development of the Ideal Auto Broker Locations in accordance with this Agreement. Neither you nor your Owners, officers, directors, members, partners, managers, employees and agents may disclose any such Confidential Information for any reason whatsoever, except as provided herein. You must sign a non-disclosure agreement that we prescribe in the Franchise Agreement. You cannot use any such Confidential Information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by us during the term of this Agreement or afterwards. At our request, you must require your Ideal Auto Broker Location Area Manager and your employees who will have access to our Confidential Information (and any other person or entity to whom you wish to disclose any Confidential Information) to sign non-disclosure agreements with you which provide that they will maintain the confidentiality of the disclosed information. These agreements must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

8.2 **Use of Confidential Information**.

(a) You acknowledge and explicitly agree that you will not acquire any interest in the Confidential Information other than the right to use the Confidential Information in connection with the development of the Ideal Auto Broker locations during the term of this Agreement, and you acknowledge that your use or duplication of the Confidential Information in any other business or capacity will constitute an unfair method of competition with us, our affiliates and our other multi-unit developers and franchisees.

(b) You acknowledge that we are disclosing the Confidential Information to you solely on the condition that you agree, and you do hereby agree, that any Confidential Information received from us:

(i) shall only be used by you for the purposes of performing your obligations under this Agreement;

(ii) will not be used by you in any other business, manner or capacity;

(iii) will have its absolute confidentiality maintained by you both during and after the Term of this Agreement;

(iv) will not be copied by you without our prior written authorization; and

(v) will not be disclosed by you to any third party without our prior written consent.

(c) You acknowledge that you must, and you agree, to use reasonable care to prevent the disclosure of the Confidential Information to any third party. You further agree to limit the dissemination of the Confidential Information within your own company to those individuals whose duties justify the need to know the Confidential Information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidentiality of the Confidential Information and to restrict its use solely to the purposes specified herein.

(d) You acknowledge that no other right or license to use the Confidential Information is granted by this Agreement, and you agree that the amount of the Confidential Information to be disclosed to you is completely within our discretion.

8.3 **Non-Disparagement**. You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our affiliates' directors, officers, employees, representatives or affiliates, current or former franchisees or developers of us or our affiliates, the Ideal Automotive brand, the Franchise System, any Ideal Auto Broker Location, any business using the Marks, any other brand or service marked or trademarked concept of us or our affiliates, or which would subject the Ideal Automotive brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of the Marks or the Franchise System. The obligations of this Section 8.3 shall survive any expiration or termination of this Agreement. Your obligations relating to non-disparagement will be included in our form of Non-Disclosure Agreement (Exhibit F to the Franchise Agreement) and our form of Non-Competition Agreement (Exhibit G to the Franchise Agreement).

ARTICLE IX
NON-COMPETITION

9.1 **Non-Competition During the Term**. You expressly agree that you, your partners, associates, and if you are an entity, your owners, officers, directors, as well as any personal guarantor who guarantees your obligations under this Agreement shall not, during the

term of this Agreement or any subsequent renewal term, directly or indirectly for you or through, on behalf of or in conjunction with any person(s) (including a spouse, family member, business associate, etc.), partnership or corporation:

(a) acquire, operate, finance, invest in, control (directly or indirectly, whether of record, beneficially or otherwise) or own any beneficial interest in, or perform services as a director, officer, manager, employee, consultant, representative or agent ("Involvement") for any Competitive Business (as defined below), wherever located within or outside the Development Area; or

(b) divert, or attempt to divert, any actual or potential business or customers of your (or your affiliates') Ideal Auto Broker Location or of ours, our affiliates, multi-unit developers or franchisees to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, injurious or prejudicial to the goodwill associated with the Marks and the System.

At our request, you must also require your Ideal Auto Broker Location Area Manager to enter a non-competition agreement with you which will restrict said Area Manager from having any direct or indirect Involvement (as defined above) in connection with any Competing Business (as defined below) wherever located, during the term of this Agreement and any renewal or extension thereof. You shall be responsible for ensuring that the terms and conditions relating to these restrictive covenants are reasonable and enforceable under applicable state law where you operate your Ideal Auto Broker Location. Any such agreement must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

The term "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (i) an automobile broker business that facilities the sale of used and new vehicles to consumers; or (ii) in which our Trade Secrets and other Confidential Information (as defined herein) are used; provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Franchisor.

9.2 **Non-Competition After The Term**. You expressly agree that, upon the assignment, expiration or termination of this Agreement, you (any individuals entering into this Agreement) and if you are an entity, your owners, officers, directors, as well as any personal guarantor who guarantees your obligations under this Agreement, will not, for a period of two (2) years beginning on the later of: (i) the effective date of such assignment, expiration or termination, as the case may be; (ii) the effective date of the assignment, expiration or termination of the last Ideal Auto Broker Franchise Agreement which you or any entity owned, in whole or in part, or within which you were otherwise affiliated, for you or through, on behalf of or in conjunction with any person(s) (including a spouse, family member, business associate, etc.), partnership or corporation, directly or indirectly, was a party:

(a) acquire, operate, finance, invest in, control or own any beneficial interest in, or perform services as a director, officer, manager, employee, consultant, representative or agent

("Involvement") for any Competitive Business (as defined below) that serves customers located: (1) within the Development Area; (2) within the Development Area of any of our other Multi-Unit Developers; (3) within ten (10) miles of the location of any Ideal Auto Broker Location that you developed under this Multi-Unit Development Agreement; or (4) located within ten (10) miles within any Ideal Auto Broker Location existing, in operation or in development on the date of the assignment, expiration or termination of this Agreement (the "Restricted Area"); or

(b) divert, or attempt to divert, any business or customer of ours or Franchisee's Ideal Auto Broker Location(s) to any competitor, by direct or indirect inducement or otherwise or do or perform, directly or indirectly, any act which is or may be injurious or prejudicial to the goodwill associated with the Marks and the System.

The term "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (i) an automobile broker business that facilities the sale of used and new vehicles to consumers; or (ii) in which our Trade Secrets and other Confidential Information (as defined herein) are used; provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Franchisor.

You acknowledge and agree that these restrictions shall also apply after the consummation of any transfers, as provided in Article X below.

At our request, you must also require your Ideal Auto Broker Location Area Manager to enter a non-competition agreement with you which will restrict said Area Manager having any direct or indirect Involvement (as defined above) in connection with any Competing Business (as defined above) within a geographic area to be determined and for a period of time (to be determined) after the later of: (i) the assignment, termination or expiration of this Agreement; or (ii) the date that the last Franchise Agreement which has been entered into, pursuant to the rights granted under the Multi-Unit Development Agreement, has expired or has been transferred (assigned) or terminated. You shall be responsible for ensuring that the terms and conditions relating to these restrictive covenants are reasonable and enforceable under applicable state law where you operate your Ideal Auto Broker Location. Any such agreement must be in a form satisfactory to us and must identify us as a third-party beneficiary with the independent right to enforce the agreements. At our request, a copy of these signed agreements must be provided to us.

9.3 **Reasonableness of Restrictions**. We and you acknowledge and agree that the time and geographical limitations set forth in Article IX herein are reasonable and do not impose a greater restraint than is necessary to protect our goodwill or other business interests, in the event that this Agreement expires or is terminated for any reason. We and you agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, then you shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions

of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

9.4 **Injunctive Relief**. You agree that the provisions of Article VIII and Article IX are necessary to protect us and our affiliates' legitimate business interests, including, without limitation, the protection of the Marks, System, brand and Confidential Information; the assurance of our ability to maintain and regain the goodwill of the brand; the assurance that franchisees can depend on the enforcement of the covenants not to compete contained in its franchise agreements; and our ability to award franchises. You agree that monetary damages alone cannot adequately compensate us if you violate Article VIII and/or Article IX and that injunctive relief is essential for the protection of us and our affiliates. Accordingly, you and your Owners consent to the issuance of an injunction prohibiting any conduct by you and your Owners in violation of the terms of Article VIII and/or Article IX. You and your Owners agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of Article VIII and/or Article IX, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Article

ARTICLE X
TRANSFER/ASSIGNMENT

10.1 **Transfer by Franchisor**. This Agreement may be unilaterally transferred or assigned by us to a person or entity without your approval and will inure to the benefit of the successors and assigns of us, provided that (i) we reasonably believe that the assignee is financially responsible; (ii) we reasonably believe that the assignee is capable of performing our obligations under this Agreement; and (iii) the assignee expressly agrees in writing to assume our obligations under this Agreement. We will provide you with written notice after the transfer or assignment has been completed, and the assignee will be required to fully perform all of our obligations under this Agreement. We may change our ownership or form without restriction.

10.2 **Transfer By Developer**. You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are a business entity, to your Owners) and that we have granted these rights to you in reliance upon our perceptions of you (or your Owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, except as provided below, neither: (i) this Agreement (or any interest in this Agreement); (ii) any Ideal Auto Broker location (or any right to receive all or a portion of the profits or losses or any capital appreciation relating to any of your Ideal Auto Broker Locations); (iii) all or substantially all of the assets of your Ideal Auto Broker locations; nor (iv) any ownership interest in you (if you are a business entity) or any of your direct or indirect Owners (if they are business entities), may be transferred or assigned (herein collectively referred to as a "Transfer") without being in compliance with all of the provisions and conditions set forth in this Article X of this Agreement, and without our prior written approval, which we may grant or deny in our sole judgment; except that a Transfer may not be made to one of our competitors or to a person operating an automobile brokerage or similar business under a license or franchise from one of our competitors. Any actual, attempted or purported Transfer occurring without our prior written consent shall constitute a default of this Agreement and shall be null and void.

In this Agreement, the term "Transfer" includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

(a) transfer of record or beneficial ownership of capital stock, a partnership or membership interest, or any other ownership interest or right (directly or indirectly) to receive all or a portion of your profits or losses or any capital appreciation relating to you;

(b) a merger, consolidation or exchange of ownership interests, or issuance of additional ownership interests or securities representing or potentially representing ownership interests, or a redemption of ownership interests;

(c) any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other agreement granting the right (directly or indirectly) to exercise or control the exercise of the voting rights of your entity or to control your operations or affairs;

(d) a transfer in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

(e) if you or one of your Owners dies, a transfer by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(f) the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any interest in this Agreement, any of your assets, or an ownership interest in you or any of your direct or indirect Owners, or the foreclosure upon or attachment or seizure of any of your assets.

10.3 **Right of First Purchase.**

(a) In the event that you or one or more of your Owners proposes to make a Transfer to: (1) any individual or entity, other than to any partner, co-shareholder, member of your entity, or a corporation, partnership or other entity wholly owned by you or your Owners; or (2) if you are an individual, to any member of the immediate family thereof or Trusts for the benefit of any such family member (all of which will be free of any of the rights provided for herein), then you shall first notify us of your desire to make such a Transfer, and you shall inform us of the price and terms (the "Offer") upon which you are willing to sell, transfer or assign such Development Rights or interest (cumulatively, "Interest").

(b) We shall have ninety (90) days within which to evaluate the Offer and to exercise our Right of First Purchase by written notice ("Notice to Purchase") to you. If we exercise our Right of First Purchase, the closing with respect to said Transfer shall occur within twenty (20) days of the date of your receipt of our Notice to Purchase at our offices or at such other place as may be mutually agreed upon by us and you. If we fail to exercise our Right of First Purchase, as aforesaid, or if we fail to close within the aforesaid time period, then you agree to market such Transfer through us for six (6) months. If by the expiration of said six (6) month period, we have not produced a bona fide third party buyer whom we have approved, then you will be free to

offer the Interest to third parties on terms and conditions no less favorable than those offered to us and otherwise subject to the terms of this Agreement. Notwithstanding the foregoing, no Transfer of any Interest governed by this Section shall be made unless:(i) the transferee meets our then-current standards for our multi-unit developers, fairly and consistently applied, in good faith; and (ii) transfer is in compliance with Section 10.4 below.

(c) In the event that you wish to sell the Interest upon price or terms less favorable than those set forth in the Offer, then you will notify us in writing of the new price and terms ("Reduced Offer") that you would be willing to accept. In such event, the conditions set forth in Section 10.3(b) above, will apply except that we will have twenty (20) days within which to evaluate the Reduced Offer and to exercise our Right of First Purchase.

(d) If you do not complete such sale, transfer or assignment within one (1) year from the date of the expiration of the ninety (90) day period referred to in Section 10.3(b) above, then you must again offer to us any Interest that you wish to offer (subject to the exceptions provided for herein) before you shall have the right to offer such a Transfer and we will have the Right of First Purchase referred to above on the same terms and conditions and subject to the same time requirements provided for in this Section.

10.4 **Conditions for Approval of Transfer**. If you are in full compliance with this Agreement and we have elected not to exercise our Right of First Purchase pursuant to Section 10.3 above, then, subject to the other provisions of Section 10.2 and of this Section 10.4, you may make a Transfer under this Agreement. We will not provide our consent to any Transfer, unless:

(a) We determine, in our sole judgment, that the transferee (and, if applicable, its direct and indirect Owners) has sufficient business experience, aptitude and financial resources and responsibility, and is otherwise acceptable to us based upon our standards for new multi-unit developers used by us at such time;

(b) You are not in default in the performance or observance of any of your obligations under this Agreement (including, without limitation, making all payments in full when due), and any other agreement between you and us or between you or one of our affiliates, relating to the development or operation of Ideal Auto Broker Locations or any other agreement between you and us or one of our affiliates;

(c) You have developed not less than fifty (50%) percent of the Ideal Auto Broker Locations to be developed under this Agreement;

(d) You sell all of your remaining development rights under this Agreement; or if you are selling your existing Ideal Auto Broker Locations, you sell all or a portion of your Ideal Auto Broker Locations, except that if you are selling less than all of your existing Ideal Auto Broker Locations, you must retain ownership of at least three (3) Ideal Auto Broker Locations;

(e) You (and your Owners) have paid all amounts owed to us and our affiliates, and all of your trade creditors, and is not in default or breach of any provision of this Agreement (including the Operations Manual) or any other agreement with us or our affiliates;

(f) neither the transferee nor any of its owners or affiliates operates, has an ownership interest in, or performs services for a business that is competitive with any Ideal Auto Broker Location;

(g) You or the transferee pays us: (i) Five Thousand ($5,000.00) Dollars for each existing Ideal Auto Broker Location developed under this Agreement; plus (ii) the greater of: (1) Five Thousand ($5,000.00) Dollars; or (ii) twenty five (25%) percent of the portion of the purchase price attributable to the Ideal Auto Broker Locations that remain to be developed under this Agreement ("Transfer Fee");

(h) You (and your transferring Owners) sign our form of General Release attached hereto as Exhibit E, releasing us from any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns; and

(i) the proposed transferee assumes all of our rights and obligations under this Agreement.

If the proposed transfer is to or among your Owners or immediate family members, then neither the execution of a General Release, as provided above, nor the payment of a Transfer Fee shall apply.

10.5 **Transfer to a Wholly-Owned Entity**. If you are an individual, you may, simultaneously with or at any time after execution of this Agreement, after obtaining our written consent and provided all of your obligations to us have been satisfied, transfer and assign all of your rights and obligations hereunder to a corporation, limited liability company or other entity, provided you are and throughout the term of this Agreement (and any renewal thereof): (i) remain a principal executive officer of the corporation, limited liability company or other entity; (ii) the beneficial and registered owner of greater than fifty (50%) percent of the issued and outstanding voting and equity rights and interests in such corporation, limited liability company or other entity (and any rights or options convertible into such voting or equity rights or interests); and (iii) maintains the controlling and decision making right and power with respect to the entity, and further provided that you:

(a) Cause the corporation and its directors and shareholders or, if a limited liability company or other entity, its owners or members, to:

(i) acknowledge this Agreement and to agree in writing to be bound by the provisions of this Agreement;

(ii) execute and cause the corporation and its directors and shareholders or, if a limited liability company or other entity, its owners or members, to execute any agreement as may be specified by us relating to the assumption by the corporation, limited liability company or other entity, of any rights and obligations under this Agreement;

(iii) cause the corporation in its articles of incorporation or, if a limited liability company or other entity in its operating agreement, to provide in effect that its object or business is confined exclusively to the development and operation of Ideal Auto Broker locations as provided in this Agreement;

(iv) cause the corporation, limited liability company or other entity to inform us and to keep us informed as to the names and addresses of the then current directors and shareholders or members or equity owners of, and those persons who have a financial interest in, the corporation, limited liability company or other entity from time to time; and

(v) cause the corporation, limited liability company or other entity, to restrict the issue of, and its directors and shareholders to restrict the transfer of, shares of the corporation or ownership or membership interests in a limited liability company or other entity, so that you continuously own greater than fifty (50%) percent of the issued and outstanding voting and equity rights and interests in the corporation, limited liability company or other entity (and any rights or options convertible into such voting or equity rights or interests) and to have such restrictions noted on all share certificates of the corporation or the owner's or members' ownership certificates. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with Ideal Automotive Broker Franchising, LLC dated _____. Reference is made to said Multi-Unit Development Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity."

(b) Remains personally liable under this Agreement as if the Transfer to the entity did not occur and execute such documents in respect of the transfer and assignment as we may direct, including the Owner's Personal Guaranty; and

(c) Pay the Transfer Fee, if, additional members are added as Owners of your operating entity. Notwithstanding the foregoing, you (if an individual) shall not pay a Transfer Fee to transfer of his/her/their rights under this Agreement, provided that the original individual signatories to this Agreement are the only owners of your operating entity.

10.6 **Death, Incapacity or Disability**

(a) Upon your death, incapacity or permanent disability (if you are a natural person) or upon the death, incapacity or permanent disability of the last surviving principal who is a natural person and who has an interest in this Agreement or Developer, your estate or your personal representative (as the case may be) must transfer, subject to our Right of First Purchase

set forth in Section 10.3), not less than fifty point one (50.1%) percent) of your interest in: (i) your remaining Development Rights (if any); and (ii) the management and operation of the existing and future Ideal Auto Broker Locations developed (or to be developed) under this Agreement (the "Interest") to a third party (the "Controlling Transferee"). Provided that the transfer satisfies our conditions set forth in Section 10.4 herein, the Controlling Transferee shall assume: (1) the remainder of your development obligations; and (2) the management and operation of the existing Ideal Auto Broker Locations that remain to be developed pursuant to this Agreement. This transfer shall occur: (i) six (6) months from the date of the appointment of an executor, administrator or personal representative; or (ii) nine (9) months from the date of your death, incapacity or permanent disability, whichever shall first occur. Should your estate or your personal representative (for your benefit) elect to retain a minority Interest in the Ideal Auto Broker Multi-Unit Business, the estate or personal representative (as the case may be) will have no authority to participate in the management or operation of the Multi-Unit Business or the existing or future Ideal Auto Broker Locations that were developed (or that are to be developed) under this Agreement. The management and operating control of the Multi-Unit Business and any Ideal Auto Broker Location developed prior to and after your death, incapacity or permanent disability, as the case may be, shall solely vest in the Controlling Transferee. The minority Interest retained by your estate or you (through your personal representative) shall only entitle you or your estate to share in the income, gains, losses, deductions, credit or similar items of, and to receive distributions from the Multi-Unit Business or the existing and future Ideal Auto Broker Locations developed pursuant to this Agreement.

(b) If your spouse and/or your children who are at least twenty-four (24) years of age ("Majority Children") only want to keep your existing Ideal Auto Broker Locations, they must waive all development rights under this Agreement and this Agreement (and your rights hereunder) must be cancelled. Your spouse and/or Majority Children shall transfer your remaining Development Rights, subject to our Right of First Refusal under Section 10.3 and in accordance with the conditions set forth in Section 10.4. In order to retain the right to own and operate your existing Ideal Auto Broker Locations, your spouse and/or Majority Child(ren) must: (i) meet our then-current criteria for our Ideal Automotive franchisees; (ii) successfully complete, to our satisfaction, our training program; and (iii) provide us with an Ideal Auto Broker Location Manager for each of the existing Ideal Auto Broker Locations developed pursuant to this Agreement, each of whom must be acceptable to us and successfully completes our training program to our satisfaction. Provided that your spouse and/or Majority Child(ren) satisfy (i), (ii) and (iii) above, full ownership in and management of the existing Ideal Auto Broker Locations shall solely vest in such approved spouse and/or Majority Child(ren).

(c) If upon your death, incapacity or permanent disability, you do not have a spouse or Majority Children, but leave minority children or trusts for your minority children, then your executor, administrator or personal representative shall transfer one hundred (100%) percent of your Interest to a third party, who will assume the remainder of your Development Rights, plus full ownership and management of the existing Ideal Auto Broker Locations and any future Ideal Auto Broker Location developed after your death, incapacity or permanent disability. Such transfer shall be: (i) subject to our Right of First Purchase in Section 10.3; and (ii) conducted in accordance with the conditions set forth in Section 10.4 herein.

(d) "Permanent disability" or "incapacity" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent the afflicted person from performing the obligations set forth in this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability or incapacity is unlikely. Permanent disability or incapacity shall be determined by a licensed practicing physician or psychiatrist (as applicable) agreed upon by the parties, or , if the parties cannot agree, three (3) physicians or psychiatrists, one chosen by you and the other chosen by us with the third physician agreed upon between our and your respective physicians or psychiatrists, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed to be permanently disabled or incapacitated as of the date of such refusal for the purpose of this Section 10.6(b). The costs of any examination required by this Section shall be paid by us.

(e) Within ten (10) days of the death, incapacity or disability of you or your last surviving principal, your estate, personal representative or the guardian or trustee for your minority children (as the case may be) must notify us of such death or claim of incapacity or permanent disability. If an interest is not transferred upon death, incapacity or permanent disability as required in this Section, then such failure shall constitute a material event of default under this Agreement.

ARTICLE XI
TERMINATION AND EXPIRATION

11.1 **Termination by Developer**. If you are in full compliance with all of the terms of this Agreement and we materially breach this Agreement and fail to commence reasonable efforts to cure such breach within ninety (90) days after receiving written notice identifying the claimed breach, you shall have the right to terminate this Agreement unless the breach cannot reasonably be cured within such ninety (90) days. If the breach cannot reasonably be cured in such ninety (90) day period, you may only exercise your right terminate this Agreement if we do not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish you with reasonable proof of such efforts.

11.2 **Termination by Franchisor with No Opportunity to Cure**. The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, if:

(a) you fail to meet the Development Schedule;

(b) you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement

(c) you make, or have made, any material misrepresentation or omission to us in connection with you obtaining this Multi-Unit Development Agreement, any site approval hereunder, or any Franchise Agreement;

(d) you are convicted of or plead no contest to a felony or other crime or offense that is likely to adversely affect the reputation of us, you or the Franchised Business;

(e) you disclose, duplicate or otherwise use, in an unauthorized manner, any portion of the Operations Manual, Trade Secrets or any other Confidential Information in violation of Article VIII;

(f) you surrender or transfer control of the operation of the Franchised Business without our approval; make or attempt to make an unauthorized direct or indirect assignment of the Franchised Business or an ownership interest in you; or fail or refuse to assign the Franchised Business or the interest in you of a deceased or disabled owner thereof as herein required;

(g) you are adjudicated as bankrupt, become insolvent, commit any affirmative act of insolvency, or file any action or petition of insolvency; if a receiver of your property or any part thereof is appointed by a court; if you make a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); if execution is levied against your business or property; if a suit to foreclose any lien or mortgage against the Approved Location or equipment is instituted against you and not dismissed within thirty (30) days or is not in the process of being dismissed;

(h) you make an unauthorized use of any of the Marks or commit any other act which can reasonably be expected to impair the goodwill associated with any of the Marks in violation of Article VII;

(i) you cease to operate all of the Ideal Auto Broker locations opened pursuant to the terms of this Agreement;

(j) you engage in any activity exclusively reserved to us;

(k) you (or your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects the reputation of the System, other Ideal Auto Broker multi-unit developers, franchisees, or affiliates or the goodwill associated with the Marks;

(l) you (and your owners) violate the in-term or post-term non-compete covenants under Article IX;

(m) your assets, property or interests are "blocked" under any law, ordinance or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance or regulation, or any other law, ordinance or regulation applicable to the development of your Ideal Auto Broker locations; or

(n) you fail to comply with any other provision of this Agreement and do not correct the failure within thirty (30) days after we deliver to you written notice of the failure.

11.3 **Termination by Franchisor with Opportunity to Cure**. Except as otherwise provided in Section 11.2, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination ("Notice of Default") stating the nature of the default. Notwithstanding the foregoing, you may avoid termination by curing such default (or, if you cannot reasonably cure such default within the applicable cure period, by providing proof acceptable to us that you have commenced taking the steps to cure such default or failure within the applicable cure period and will diligently continue to make all reasonable efforts to cure such default) within the specified cure period, if you:

(a) fail to pay any amounts due to us within five (5) days of receiving our Notice of Default;

(b) begin construction of any Ideal Auto Broker location at any site unless all the conditions stated in Section III hereof have been met;

(c) fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement;

(d) default in the performance of any other obligation under this Agreement; and

(e) open any Ideal Auto Broker Location for business before a Franchise Agreement for such Ideal Auto Broker location has been fully executed and the initial franchise fee due to us has been paid.

11.4 **Termination for Failure to Meet Development Schedule**. If you fail to meet your development obligations under the Development Schedule, such action shall constitute a default under this Agreement, upon which we, in our discretion, may by written notice to you therein:

(a) terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default;

(b) reduce the number of Franchised Businesses to be developed;

(c) reduce the size of the Development Area; or

(d) permit us or others that we designate the right to open and operate Ideal Auto Broker Locations anywhere within the Development Area.

If we elect to terminate this Agreement, we can resell the Development Area, but you shall maintain any Ideal Auto Broker Location you established pursuant to a Franchise Agreement, as long as you continue to comply with the terms of that Franchise Agreement. In such case, we shall assign to you (or your affiliate(s)) an exclusive territory for each Ideal Auto Broker Location developed in accordance with the Franchise Agreement applicable to the Ideal Auto Broker location, to be effective upon the date of termination.

11.5 **Termination Based Upon Cross Default of Another Agreement**. You will be deemed to be in default of this Agreement and we may, at our option, terminate this Agreement, effective immediately upon notice to you, together with any other Franchise Agreement or any other agreement made between you (or any of your Affiliates) and us (or any of our Affiliates), and all of the rights granted therein, respectively, without affording you any opportunity to cure the default, effective immediately upon notice to you, if any other Franchise Agreement or any other agreement (made between you (or any of your Affiliates) and us (or any of our Affiliates) is terminated by us (or by our Affiliate), or if the lease for the Approved Location has been terminated, if the underlying conduct, action or omission indicates dishonest or unethical conduct in Franchisor's sole opinion, adversely affects the reputation of the System, other Ideal Auto Broker multi-unit developers or franchisees or the goodwill associated with the Marks, or otherwise negatively reflects your or the Franchisee's suitability to be a franchisee in the Ideal Auto Broker franchise system. By way of example only, and not meant to be an exhaustive list, examples of underlying conduct which will trigger our right to terminate this Agreement based upon a "cross-default" include: unauthorized use of the Marks or unauthorized disclosure of Confidential Information; making any material untrue statement, material misrepresentation or material omission to us, knowingly submitting a false report or financial statement to us; under-reporting of royalties or other amounts due to us; failure to pay Royalty fees or contributions to the Marketing Fund; being convicted of or pleading no contest to a felony or other crime or offense that is likely to adversely affect the reputation of us, the Franchisee or the Franchised Business; being found to have engaged in sexual misconduct, harassment or bullying;

If we elect to terminate this Agreement pursuant to this Section 11.5, we shall have the right, but not the obligation, in accordance with Section 16.5 of the Franchise Agreement, to purchase the assets with respect to any Ideal Auto Broker locations existing at the time. This includes our right to offset from the amount that we would otherwise be payable, the amount of any damages which have been caused or suffered by us (or our Affiliates). We expressly reserve our right to pursue any and all remedies that we (or our Affiliates) may have in the event that the damage caused or suffered is in excess of any amounts that would have otherwise been payable under Section 16.5 of the Franchise Agreement. Further, if we elect to terminate this Agreement pursuant to this Section 11.5, we shall have no obligation to pay or compensate you in any amount or to refund you any fees or amounts that you previously paid to us.

11.6 **Developer's Obligations on Termination or Expiration**. Upon termination or expiration of this Agreement (or the consummation of a Transfer or Assignment pursuant to Article X), you acknowledge and agree that you will:

(a) immediately cease to select sites for the development of Ideal Auto Broker locations;

(b) have no right to establish or operate any Ideal Auto Broker Location for which a Franchise Agreement has not been executed by us at the time of termination or expiration, except that with respect to expiration at the end of the last development year, if you have signed a lease by the expiration date, you may continue to open the Ideal Auto Broker location within one (1) year of the lease signing as provided in Section 4.1. Thereafter, we will be entitled to establish, and to franchise others to establish, Franchised Businesses in the Development Area (except as

may be otherwise provided under any Franchise Agreement that has been executed between you and us);

(c) immediately cease to hold himself/herself/itself out in any way as our multi-unit developers or to do anything which would indicate a relationship between you and us; and

(d) adhere to the restrictive covenants set forth in Article IX herein.

11.7 **Remedy Is Not Exclusive**. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or equity.

ARTICLE XII
RELATIONSHIP OF PARTIES

12.1 **Independent Status**. You are an independent legal entity and must make this fact clear in your dealings with suppliers, lessors, government agencies, employees, customers and others. You will rely on your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Operations Manual. You may not expressly or implicitly hold yourself our as an employee, partner, shareholder, joint venturer or representative of ours, nor may you expressly or implicitly state or suggest that you have the right or the power to bind us or to incur any liability on our behalf. You may not use the Ideal Automotive trade name or the word "Ideal" or any variation thereof as part of your corporate name, limited liability company name or limited partnership name. You will be solely responsible for paying all the operating costs of your development business, including all taxes.

12.2 **Developer's Liabilit**y. If two (2) or more individuals execute this Agreement as the Developer, the liability of each such individual hereunder shall be joint and several.

12.3 **Non-Liability**. We will not be obligated or liable for any injury or death of any person or damage to any property caused by your action, failure to act, negligence or willful conduct, nor for any other liability you incur.

12.4 **Indemnification**. To the fullest extent permitted by law, you shall, at your sole cost and expense, hold harmless and indemnify us, our affiliate(s), all holders of a legal or beneficial interest in us and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon:

(a) Your failure to pay when due any levies, taxes or assessments that you may be required by applicable law to pay;

(b) Your ownership and operation of your multi-unit development business; or

(c) Your actions, failure to act, negligence or willful conduct.

(d) Your violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule;

(e) Your breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or our affiliate(s));

(f) Your defamation of us or the System;

(g) Your acts, errors or omissions committed or incurred in connection with your multi-unit development business, including any negligent or intentional acts; or

(h) Your infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section shall expressly survive the termination of this Agreement.

12.5 **Notification of Action or Claim**. You shall give us immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that may give rise to a claim for indemnification by a Franchisor Indemnitee. We have the right (but not the obligation) to retain counsel of our own choosing in connection the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Should we elect to retain counsel, you acknowledge and agree that such an undertaking by you shall, in no way, diminish your (or your owners') obligation to indemnify the Franchisor Indemnitees and to hold them harmless, and to be represented by counsel of your own choosing with respect to any such action, suit, proceeding, claim, demand, inquiry or investigation in which you are personally named.

12.6 **Franchisor's Right to Settle**. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, consent or agree to settlements or take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe:

(a) any of the acts or circumstances listed in Section 12.4 above have occurred; or

(b) any act, error, or omission as described in Section 12.4(g) may result directly or indirectly in damage, injury, or harm to the System, any person or any property.

12.7 **Recovery from Third Parties**. If our exercise of our rights under this Section to settle or take corrective or remedial action, cause any of your insurers to refuse to pay a third party claim, all causes of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party's part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

ARTICLE XIII
DISPUTE RESOLUTION

13.1 **Dispute Resolution**. The Parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without resorting to litigation or arbitration. The Parties agree that if any dispute arises between them, then in such event, before beginning any legal action to interpret or enforce this Agreement, they will first follow the procedures described in this Section 13.1.

(a) Initiation of Procedures. The Party that initiates these procedures ("Initiating Party") shall give written notice to the other Party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief, and identifying one or more people with authority to settle the dispute for him, her, or it. The Party receiving the notice ("Responding Party") will, within ten (10) days of receipt of said notice, provide the Initiating Party with a response to the Initiating Party's description of the dispute and will designate, by written notice to the Initiating Party, one or more people with authority to settle the dispute on the Responding Party's behalf. These people are called the "Authorized People."

(b) Negotiation. The parties may investigate the dispute as they consider appropriate, but agree to meet in person, by prearranged teleconference, or by video conference within fifteen (15) days from the date of written notice from one party ("Initiating Party") to the other to discuss resolution of the dispute. The parties may meet at any times and places and as often as they agree.

(c) Mediation. If the dispute has not been resolved within thirty (30) days after the initial meeting, the Parties shall engage in mediation, with either Party having the right to begin mediation procedures by filing a Request for Mediation with the American Arbitration Association ("AAA") and providing the other Party with a copy thereof in the manner designated for written notices in this Agreement. The Mediation will be conducted by and under the AAA, or under the auspices of such other organization or mediator to which the parties may agree, and shall last no longer than two (2) days, unless otherwise agreed upon by written agreement of the parties. The parties will share the costs of mediation, other than attorney fees, equally. All applicable statutes of limitation shall be tolled during the course of any mediation which is initiated before the last day of the limitations period with the tolling beginning the date that the Request for Mediation is deemed to be received by the recipient Party (pursuant to the Notices provision contained in this Agreement), and continuing until ten (10) days after the mediation is either concluded or suspended due to a Party's failure or refusal to participate in the mediation in violation of this Agreement. The parties shall choose one (1) mutually acceptable mediator by agreement. In the event that the Parties are not able to agree on the selection of a mediator, the Parties agree that the AAA will designate a mediator in connection with the dispute in accordance with its procedures and policies. The Mediation will be held in the State of New York in New York County at a location to be designated by us, or if no such designation is made, at such other location as is mutually agreed upon by the parties. However, notwithstanding the above, in the event that it is not reasonably practicable for one or more of the Parties, or the Mediator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the mediation remotely through a video-conferencing application such as Zoom, etc.

The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 13.1(c) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information; and (ii) any of the restrictive covenants contained in this Agreement.

(d) Arbitration. Subject to Subsection 13.1(e) below and Section 14.4 below (entitled "Injunctive Relief"), any controversies, disputes or claims between us (our affiliates, if any, and our respective shareholders, officers, directors, agents, employees, successors and assigns) and you (your owners, guarantors, and their respective officers, directors, agents, employees, successors and assigns) under, or arising out of, or in connection with, this Agreement, if not resolved by the negotiation and mediation procedures above, shall be settled by arbitration administered by the AAA under its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction within the State of New York. Any arbitration shall be before a single arbitrator and the arbitration shall be held in the State of New York at a location within New York County, as selected by the Parties, or, if the Parties cannot agree on a location, at a location as directed by the arbitrator. Notwithstanding anything contained above, in the event that it is not reasonably practicable for one or more of the Parties, or the Arbitrator, to attend the mediation in-person (e.g., as a result of the Covid-19 Pandemic), then the Parties shall agree to conduct the arbitration proceeding remotely through a video-conferencing application such as Zoom, etc. The Federal Arbitration Act shall govern, excluding all state arbitration laws. New York law will govern all other issues. The decision of the arbitrator will be final and binding upon the parties. Subject to subsection (e) below and subject to Section 14.4 below, this arbitration clause will not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief he or she deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid. However, the arbitrator does not have the right to award to you (or your principals) any punitive, exemplary, incidental, indirect, special, consequential or other similar damages against us. As also expressly provided in Section 13.7 ("Limitation of Damages"), you (and your principals) hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential, exemplary, or other similar damages. The arbitrator shall award to the successful party(ies), the costs and expenses of the prevailing party(ies), including reasonable attorneys' fees and disbursements, accountant's fees, expert witness fees, deposition related expenses, arbitration proceeding filing fees, arbitrator's compensation and expenses.

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined in the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any clam that is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but

have no obligation, to advance your share of the costs (excluding attorneys' fees) of any arbitration proceeding in order for such arbitration proceeding to take place or go forward and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of these costs in accordance with this Section and Section 14.6 below.

(e) Disputes Not Subject to the Arbitration Process. Notwithstanding anything contained in this Section 13.1 or otherwise, either party has the right to commence a legal action in any court of competent jurisdiction in order to assert claims or disputes (or portions thereof) which relate primarily to the enforceability of, and/or ownership rights in and to, the Trade Name, Marks, including, for example disputes governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law. Any such legal action may be commenced in court regardless of the type of relief sought (e.g., whether money damages or a temporary restraining order and/or temporary or preliminary injunctive relief). Notwithstanding the above, nothing shall restrict or prohibit a party from bringing any such claims referenced in this paragraph as part of or within an arbitration proceeding. Any covenant to negotiate, mediate or arbitrate disputes in accordance with Section 13.1 will not apply to any legal actions which are brought in court pursuant to this paragraph.

Notwithstanding anything contained in this Section 13.1 or otherwise, either party has the right to commence a legal action in any court of competent jurisdiction bringing claims or disputes (or portions thereof) where the relief sought is a temporary restraining order and/or temporary or preliminary injunctive relief and where the claim(s) or dispute(s) relate(s) primarily to the enforceability of provisions in this Agreement relating to restrictions with respect to: (i) Trade Secrets or Confidential Information (as defined herein) that we have licensed to you; (ii) non-disparagement; or (iii) non-competition. Any covenant to negotiate, mediate or arbitrate disputes in accordance with Section 13.1 will not apply to circumstances under which any party shall have the right to seek injunctive relief as provided in this Agreement. To the extent that either party brings claims or disputes relating to (i), (ii) or (iii) in this paragraph, where injunctive relief is not sought, then any such claims shall be subject to the dispute resolution procedures contained in this Section 13.1 (a) through (d) (e.g., relating to negotiation, mediation and arbitration).

Notwithstanding anything contained in this Section 13.1 or otherwise, we and/or our affiliate(s) have the right to commence a legal action in any court of competent jurisdiction with respect to any claims relating to monies owed to us or our affiliate(s). In the event that such an action is commenced, neither we nor our affiliate(s) shall be required to comply with the provisions relating to negotiation, mediation and arbitration which are contained in Article XIII.

If the provisions of this subsection are unenforceable or would result in rendering this Section 13.1(e) (or any portion thereof) unenforceable for any reason, the dispute shall be subject to negotiation, mediation, arbitration and appeal of any arbitration decision as provided in this Article XIII.

(f) Individual Dispute Resolution. We and you agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and you shall not be consolidated with any other arbitration proceeding involving us and any other natural person, association, corporation, partnership or other entity.

(g) Performance During Resolution of Disputes. We and you will fully perform our respective obligations under this Agreement during the entire dispute resolution process.

(h) The provisions of this Section 13.1 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

13.2 **Choice of Law**. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, and except to the extent that this Agreement or any particular dispute is governed by the Federal Arbitration Act, this Agreement shall be governed by and construed in accordance with the laws of the State of New York (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

13.3 **Consent to Jurisdiction**. Subject to Section 13.1(e) and Section 14.4 ("Injunctive Relief"), any action brought by either party except those claims required to be submitted to arbitration, shall only be brought in the appropriate state or Federal courts located in or serving New York County in the State of New York. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by us where you are located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

13.4 **Cumulative Rights and Remedies**. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar our right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

13.5 **Limitation of Damages**. You and each of your principals (if you are an entity) each hereby waive to the fullest extent permitted by law, any right or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, principals, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, you and your principals shall be limited to the recovery of any actual damages sustained by them. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other similar damages (including, without limitation, loss of profits) shall continue in full force and effect.

13.6 **Waiver of Jury Trial and Class Action**. Each party hereby irrevocably waives all rights to trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party initiates the suit. This waiver applies to any matter arising out of or in any way related to this Agreement, the parties' performance under or breach of this Agreement, and your purchase from us of the Franchised Business and/or any goods or services. You additionally waive the right to initiate or participate in a class action in any forum, including without limitation, participating in any class or group arbitration, and the parties agree that all proceedings arising out of or related to this Agreement or your purchase of the Franchised Business will be conducted on an individual, and not a class-wide basis. The parties acknowledge and further agree that any proceeding between you, and us or our affiliates, officers and/or employees may not be consolidated with any other proceeding between us and any other third party.

13.7 **Limitation of Claims**. Except with respect to claims relating to your indemnification obligations under Section 12.4 ("Indemnification"), claims arising from your unauthorized use of our intellectual property, and claims arising from your non-payment or underpayment of amounts you owe to us or our affiliates, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a legal action or arbitration proceeding (in the required or permitted forum) is commenced within two (2) years from the date on which the violation, act, or conduct giving rise to the claim occurs, or two (2) years from the date on which the party asserting the claim knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claims, whichever occurs first.

ARTICLE XIV
GENERAL CONDITIONS AND PROVISIONS

14.1 **Entire Agreement**. This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

14.2 **Binding Effect**. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement shall not be modified except by written agreement signed by you and us.

14.3 **No Waiver**. Our failure to exercise any power reserved to us hereunder, or to not insist upon your strict compliance with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall not constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Our waiver of any particular default by you shall not be binding unless in writing and executed by us and shall neither affect nor impair our right with respect to any subsequent default of the same or of a different nature. Our subsequent acceptance of any payment(s) due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

14.4 **Injunctive Relief**. As your breach of any of the restrictions contained in Articles VII, VIII and IX would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and you shall be responsible for our reasonable attorneys' fees incurred in pursuing the same. Our right to seek injunctive relief will not affect the parties' waiver of jury trial. Any covenant to negotiate, mediate and arbitrate disputes in accordance with Section 13.1 will not apply to circumstances under which any party shall be entitled to seek injunctive relief pursuant to this Agreement. Our rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court of competent jurisdiction. Notwithstanding anything contained in this Agreement, to the extent that any party seeks a temporary restraining order and/or temporary or preliminary injunctive relief from a court of competent jurisdiction, that party agrees to contemporaneously submit the dispute for arbitration on the merits as provided for in Section 13.1(d).

14.5 **Notices**. All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) three (3) business days from the date deposited with the United States Postal Services, if being sent by Certified Mail (return receipt requested). Either party may change its address by a written notice sent in accordance with this Section. All notices required by this Agreement shall be sent to the appropriate Party at the address(es) listed below.

To Franchisor:	Ideal Automotive Broker Franchising, LLC 1523 132nd Street College Point, NY 11356 Attn: Jian Li
With Copies to:	Rosen Karol Salis, PLLC 110 East 59th Street 23rd Floor New York, NY 10022 Attn: Richard L. Rosen, Esq.
To Developer:	_____ _____ _____ _____

14.6 **Cost of Enforcement or Defense**. If we or you are required to enforce this Agreement in a judicial or arbitration proceeding, in addition to any other relief to which the prevailing party may be entitled, the prevailing party shall be entitled to reimbursement of its costs and expenses including without limitation, reasonable attorneys' (and paralegal) fees,

accountant's fees, investigative fees, expert fees, filing fees, arbitrator compensation and expenses, court costs, taxes and all expenses, together with all costs and expenses incident to arbitration, post-award or post-judgment proceedings and appellate proceedings incurred by the prevailing party in that action or proceeding. As used in this Agreement, the "prevailing party" is the party who recovers greater relief in the action.

14.7 **Approvals**. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

14.8 **Severability and Modification**.

(a) Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at its option, terminate this Agreement.

(b) Notwithstanding the above, each of the covenants contained in Articles X and XI shall be construed as independent of any other covenant or provision of this Agreement. If any court or arbitration panel determines that any provision of this Agreement to be unenforceable under applicable law, such court or arbitration panel shall have power to modify in the least amount as is necessary to render it enforceable to the maximum extent permitted by law.

14.9 **Construction**. All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

14.10 **Force Majeure**. Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

14.11 **Withholding Payments**. You shall not, for any reason, withhold payment of any amounts due to us or to any or our affiliate(s). You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept

and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right, as we deem appropriate, to apply any payments made by you against any of your past due indebtedness. We shall set off sums we owe to you against any unpaid debts you owe to us.

14.12 **Further Assurances**. Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

14.13 **Third-Party Beneficiaries**. Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than the parties, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

14.14 **Developer's Legal Counsel**. You acknowledge that this Agreement constitutes a legal document that grants certain rights to and imposes certain obligations upon you. You have been advised by us to retain an attorney or advisor prior to the execution of this Agreement to review the Franchise Disclosure Document we delivered to you, to review this Agreement in detail, to review all legal documents, including any leases, all purchase agreements and architectural and construction contracts, to review the economics, operations and other business aspects of the multi-unit development business and Ideal Auto Broker locations, to determine compliance with applicable laws, to advise you on economic risks, liabilities, obligations and rights under this Agreement, and to advise you on tax issues, financing matters, applicable state and federal laws, health and safety laws, environmental laws, employee issues, insurance, structure of your business, and other legal and business matters, if applicable.

14.15 **Counterparts**. The parties hereby agree that this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. The parties further agree that in the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

(*Signature Page Follows)*

EXHIBIT D TO THE DISCLOSURE DOCUMENT

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first written above.

FRANCHISOR:

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By: _____
Name: _____
Title: _____

Sign here if Developer is an individual

DEVELOPER:

Signature:_____
Name:_____
Address:_____
_____
_____

Sign here if Developer is a company

DEVELOPER:

[_____]

By:_____
Name: _____
Title: _____
Address:_____
_____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

EXHIBIT A
DEVELOPMENT SCHEDULE

Execution Date of Lease For Ideal Auto Broker Location	Date to Open Ideal Auto Broker Location	Total Number of Operating Ideal Auto Broker Locations at End of Period*

* Note: The time frames by which the Developer is required to complete certain tasks in the development process are set forth in Section 4.1 of this Agreement.

Royalty and Advertising Fees:

The Royalty Fee to be retained for each Ideal Auto Broker location opened in connection with this Agreement shall be 5% of Gross Profits. Each franchisee who executes a Franchise Agreement in connection with this Agreement will incur the following advertising fees: (i) 2% of Gross Profits shall be paid into the Marketing Fund; (ii) the greater of $1,000 per month or 1% of Gross Profits shall be spent on approved local advertising; and (iii) 2% of Gross Profit, subject to a "cap" of $20,000.00 for each twelve (12) month period, shall be contributed to advertising cooperative funds, if established by the Franchisor.

Expiration Date:

This Agreement shall expire on the date of our acceptance and execution of a Franchise Agreement for the last of the Ideal Auto Broker locations to be established pursuant to the above Development Schedule, or on _____, whichever occurs first.

DEVELOPER:

[_____]

By:_____
Name: _____
Title: _____

FRANCHISOR:

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By:_____
Name: _____
Title: _____

EXHIBIT B
DEVELOPMENT AREA

The following describes the Development Area within which Multi-Unit Franchisee may locate Ideal Auto Broker Locations under this Agreement:

APPROVED:

DEVELOPER:	**FRANCHISOR:**
[_____]	**IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC**
By:_____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT C
OWNERS OF DEVELOPER

Name and Address of Owner	Nature of Interest	Percentage of Ownership Interest in Developer

Totals: 100%

EXHIBIT D
CERTIFICATION BY MULTI-UNIT DEVELOPER

The undersigned, personally and as an officer or owner of Developer, as applicable, does hereby certify that Developer has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Ideal Automotive Broker Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that Developer has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "Ideal Automotive Sales" locations. The undersigned further certified that Developer understands the risks involved in this investment and Ideal Automotive Broker Franchising, LLC makes no representation or guaranty, explicit or implied, that Developer will be successful or will recoup Developer's investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this _____ day of _____, 20__ .

DEVELOPER:

[_____]

By: _____

Name: _____

Title: _____

Each of the undersigned has a beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

By: _____ By: _____

Name: _____ Name: _____

By: _____ By: _____

Name: _____ Name: _____

EXHIBIT E
GENERAL RELEASE

This General Release is this ___ day of _____, 20__ made by _____, ("RELEASOR") a/an _____ with a principal address of _____, wherein the parties hereto, in exchange for good and valuable consideration received from or on behalf of Ideal Automotive Broker Franchising, LLC ("RELEASEE"), the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. RELEASOR, individually and for itself, its parent, subsidiaries, affiliates, agents, servants, employees, shareholders, officers, directors, members, partners, heirs, successors and assigns, do each hereby release and discharge RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees, attorneys and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. RELEASOR 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 the RELEASEE, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, member, shareholder, partner, employee, attorney, agent, attorney, executor, administrator, estate, trustee or heir, in any court or tribunal of any kind of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before the execution of this Agreement. In the event RELEASOR breaches any of the promises covenants, or undertakings made herein by any act or omission, RELEASOR shall pay, by way of indemnification, all costs and expenses of RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees, attorneys and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns caused by the act or omission, including reasonable attorneys' fees.

2. RELEASOR hereto 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 RELEASOR party 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. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is

further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Any action brought by either party regarding this Release, shall only be brought in the appropriate state or federal court located in or serving New York County in the State of New York. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.

5. New York State law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

6. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of New York.

7. This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

8. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement. Further, facsimile and electronic signatures on counterparts of this Agreement are hereby accepted and acknowledged as though they were originals.

(Signature Page Follows)

EXHIBIT E TO DISCLOSURE DOCUMENT

IN WITNESS WHEREOF, Franchisor and Releasor have caused this General Release to be executed as of the date first written above.

RELEASEE:

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

RELEASOR:

[NAME OF RELEASOR]

By: _____
Print Name: _____
Title: _____

EXHIBIT F TO DISCLOSURE DOCUMENT
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Broker Franchise Operation Manual

~Your Path to Passion, Purpose, and Profits ~

EXHIBIT F TO DISCLOSURE DOCUMENT
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EXHIBIT G TO DISCLOSURE DOCUMENT
FINANCIAL STATEMENT

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

UNAUDITED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2022

UNAUDITED INTERIM FINANCIAL STATEMENTS

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)
MARCH 31, 2022

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UNAUDITED INTERIM FINANCIAL STATEMENTS

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

BALANCE SHEET

MARCH 31, 2022

		UNAUDITED JAN 1 – MAR 31, 2022	AUDITED AS OF DEC 31, 2021
ASSETS			
	Current Assets		
	Cash and cash equivalents	$79,069.58	$118,614.44
	Other Current Assets		
	Start-up Costs	$42,614.29	$42,614.29
	Prepaid Advertising	$3,316.13	$1,271.27
TOTAL ASSETS		**$125,000.00**	**$162,500.00**
LIABILITIES AND MEMBER'S EQUITY			
	Member's Equity	$125,000.00	$162,500.00
TOTAL LIABILITIES & EQUITY		**$125,000.00**	**$162,500.00**

UNAUDITED INTERIM FINANCIAL STATEMENTS

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

MARCH 31, 2022

Franchise Revenue:	**$0**
Net Income (Loss):	**$0**

UNAUDITED INTERIM FINANCIAL STATEMENTS

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED MARCH 31, 2022

	UNAUDTED JAN 1 - MAR 31, 2022	AUDITED AS OF DEC 31, 2021
OPERATING ACTIVITIES		
Adjustments to reconcile Net Income to net cash provided by operations:		
(Increase)/Decrease in Start-up Costs	$	$ (42,614.29)
(Increase)/Decrease in Prepaid Expense	$ (2,044.86)	$ (1,271.27)
Net cash provided by Operating Activities	$ (2,044.86)	$ (43,885.56)
FINANCING ACTIVITIES		
Increase/(Decrease) in Members Equity	$ (37,500.00)	$ 162,500.00
Net cash provided by Financing Activities	$ (37,500.00)	$ 162,500.00
Net cash increase for period	$ (39,544.86)	$ 118,614.44
Cash at beginning of period	$ 118,614.44	
Cash at end of period	**$ 79,069.58**	**$ 118,614.44**

UNAUDITED INTERIM FINANCIAL STATEMENTS

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

(A Limited Liability Company)

STATEMENT OF MEMBER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021
AND THE PERIOD ENDED MARCH 31, 2022

	TOTAL MEMBER'S EQUITY
BEGINNING BALANCE, JANUARY 1, 2021	$0
NET INCOME	$0
MEMBER'S EQUITY, DECEMBER 31, 2021 **(AUDITED)**	$162,500.00
NET INCOME	$0
MEMBER'S CONTRIBUTION (REDUCTION) (**UNAUDITED**)	($37,500.00)
MEMBER'S EQUITY, MARCH 31, 2022 **(UNAUDITED)**	$125,000.00

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

1. Organization and nature of operations

Ideal Automotive Broker Franchising, LLC (the "Company"), a wholly owned subsidiary of Ideal Automotive Holdings, LLC (the "Parent") was formed and based in New York on March 28, 2019 as a New York single-member limited liability company. On January 5, 2021, the Company filed a Certificate of Amendment with the NYS Department of State to amend its name to Ideal Automotive Broker Franchising, LLC. The Company intends to begin selling franchises pursuant to franchise agreements entered into between it and its franchisees ("Franchisees"). Pursuant to each franchise agreement, the Franchisees will operate automobile broker businesses under the name "Ideal Automotive Sales." The Company has not had significant operations through March 31, 2022.

.

2. Basis of presentation

The accompanying unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal and recurring nature. For further information, refer to the audited financial statements and notes thereto as of and for the twelve-month period ended December 31, 2021.

3. Revenue

The Company has not generated any revenue in the first (1st) Quarter of 2022.

4. Segment information

The Company has one operating segment. The Company's assets and operations are located in North America.

5. Subsequent events

The Company is in process of renewal franchise registration application with New York State Attorney General.

CONSENT OF INDEPENDENT AUDITOR

To the Member:
Ideal Automotive Broker Franchising, LLC

James Pai CPA, PLLC consents to the inclusion in the Franchise Disclosure Document to be issued by Ideal Automotive Broker Franchising, LLC (the "Franchisor") dated March 31, 2022, of our report dated March 31, 2022, on our audit of the enclosed financial statements of Franchisor as of December 31, 2021.

Flushing, New York
March 31, 2022

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

DECEMBER 31, 2021

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)
December 31, 2021

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James Pai CPA PLLC

139 Centre St, Ste 304 New York, NY 10013 Tel: (212) 925-0022 Fax: (212) 925-0033
Email: James@jamespaicpa.com

Independent Auditor's Report

To the Member of
Ideal Automotive Broker Franchising, LLC

Report on the Financial Statements

We have audited the accompanying balance sheet of Ideal Automotive Broker Franchising, LLC (the "Company") as of December 31, 2021 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion
In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Ideal Automotive Broker Franchising, LLC as of December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

CERTIFIED PUBLIC ACCOUNTANT

Flushing, New York
March 31, 2022

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

BALANCE SHEET

December 31, 2021

ASSETS		
Current Assets		
Cash and cash equivalents	$	118,614.44
Other Current Assets		
Start-up Costs	$	42,614.29
Prepaid Advertising	$	1,271.27
TOTAL ASSETS		**162,500.00**
LIABILITIES AND MEMBER'S EQUITY		
Member's Equity	$	162,500.00
TOTAL LIABILITIES & EQUITY	**$**	**162,500.00**

See accompanying notes to financial statements and independent auditor's report

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

December 31, 2021

Franchise Revenue:	**$0**
Net Income (Loss):	**$0**

See accompanying notes to financial statements and independent auditor's report.

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

		Jan 1 - Dec 31, 2021
OPERATING ACTIVITIES		
Adjustments to reconcile Net Income to net cash provided by operations:		
(Increase)/Decrease in Start-up Costs	$	(42,614.29)
(Increase)/Decrease in Prepaid Expense	$	(1,271.27)
Net cash provided by Operating Activities	$	(43,885.56)
FINANCING ACTIVITIES		
Increase/(Decrease) in Members Equity	$	162,500.00
Net cash provided by Financing Activities	$	162,500.00
Net cash increase for period	$	118,614.44
Cash at end of period	**$**	**118,614.44**

See accompanying notes to financial statements and independent auditor's report.

IDEAL AUTOMOTIVE DEALER FRANCHISING, LLC
(A Limited Liability Company)

STATEMENT OF MEMBER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

	MEMBER'S EQUITY
BEGINNING BALANCE, MARCH 28, 2021	$0
NET INCOME	$0
MEMBER'S CONTRIBUTION (REDUCTION)	$162,500.00
MEMEBER'S EQUITY, DECEMBER 31, 2021	$162,500.00

See accompanying notes to financial statements and independent auditor's report.

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of operations

Ideal Automotive Broker Franchising, LLC (the "Company"), a wholly owned subsidiary of Ideal Automotive Holdings, LLC (the "Parent") was formed and based in New York on March 28, 2019 as a New York single-member limited liability company. On January 5, 2021, the Company filed a Certificate of Amendment with the NYS Department of State to amend its name to Ideal Automotive Broker Franchising, LLC. The Company intends to begin selling franchises pursuant to franchise agreements entered into between it and its franchisees (the "Franchisees"). Pursuant to each franchise agreement, the Franchisees will operate automobile broker businesses under the name "Ideal Automotive Sales." The Company has not had significant operations through December 31, 2022.

Use of estimates

The preparation of a balance sheet in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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 balance sheet. Actual results could differ from those estimates.

Cash and Cash Equivalent

For the statements of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash and cash equivalents. As of December 31, 2021, cash and cash equivalents consist of an operating checking account.

Start-up Costs

The start-up costs consist mostly of legal & filing fees, all of which will be amortized over a 15 year period.

Revenue and cost recognition

Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. Subsequently, the FASB issued several additional ASUs during 2016 which provide further clarification of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, No.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients, No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers, and No. 2017-05, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Assets; Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets, and No. 2020-05, Revenue from Contracts with Customers (Topic 606). The Company is currently evaluating the impact that the adoption of these clarifying ASUs will have on its financial statements and disclosures.

Under the current guidance in Topic 606, franchisors are required to analyze preopening activities in their franchise agreements to identify whether those activities represent promised goods or services. In January 2021, the FASB issued ASU 2021-02—Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient for nonpublic business entities. The Company is currently evaluating the impact that the adoption of these clarifying ASUs will have on its financial statements and disclosures.

Royalties will be recognized based on franchisees' reported sales. Initial franchise fees will be deferred until substantially all of the Company's initial services required pursuant to the franchise agreement have been met.

All other fees will be recognized as services are rendered.

The Company intends to defer those direct and incremental costs associated with the sale of franchises for which revenue is deferred. Deferred costs will be charged to earnings when the related deferred franchise fees are recognized as income.

Income taxes

As a single-member limited liability company and therefore a disregarded entity for income tax purposes, the Company's assets and liabilities are not included in the income tax return. Accordingly, the accompanying financial statements do not include a provision for liability for federal or state income taxes.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions as of December 31, 2021.

Subsequent events

The Company has evaluated subsequent events through December 31, 2022, the date on which these financial statements were available to be issued. Except as disclosed in Note 4 and Note 5, there were no material subsequent events that required recognition or disclosure in the financial statements.

NOTE 2. CONCENTRATION OF CREDIT RISK

The Company may place its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

NOTE 3. MARKETING FUND

Pursuant to the Company's franchise agreements, the franchisees shall contribute two (2%) percent of their gross revenues to a marketing fund which will be administered by the Company. The marketing fund is to be utilized for the benefit of the franchisees, to meet the costs of, or to reimburse the Company for its costs of, producing, maintaining, administering and directing consumer advertising. Pursuant to the franchise agreement, the Company is required to segregate and restrict monies collected on behalf of the marketing fund. As of December 31, 2022, the Company has not collected any marketing fund fees.

NOTE 4. LICENSE AGREEMENT

On December 10, 2020, Ideal Automotive IP Holdings, LLC, an entity related to the Company through common ownership and control ("Licensor"), entered into an assignment agreement (the "Assignment Agreement") with Ideal Collision, Inc., through which Licensor obtained the entire interest and goodwill in the trademark with Registration Number. 5281212 (the "Ideal Mark").

On January 5, 2021, the Company entered into a ten (10) year trademark license agreement with Licensor (the "License Agreement") for the non-exclusive right to use the Ideal Mark (and pending trademarks registrations) and other rights, as set forth in the License Agreement. Unless certain circumstances that are provided for in the License Agreement occur, the License Agreement will automatically renew for additional, perpetual consecutive ten (10) year terms. Pursuant to the License Agreement, the Company has acquired the right to sell Ideal Automotive Broker franchises under the Ideal Mark in the United States of America, and to collect franchise fees, royalties and other fees from Franchisees. The Licensor will not license the trademarks and/or confidential information to any third parties for the purpose of operating a competing franchise system. The Company will not use the trademarks for any other business activity without the express approval of the Licensor.

NOTE 5. SOFTWARE LICENSE AGREEMENT

On January 5, 2021, the Company entered into a Software License Agreement with Ideal Automotive Software, LLC, an entity related to the Company through common ownership and control (the "Software License Agreement"), with respect to certain rights regarding the customer management software known as "Syndicate" together with any related software, user manuals, documentation, training videos, tutorials, and other materials as may be made available, now and in the future (collectively, the "Syndicate System"). Unless certain circumstances that are provided for in the Software License Agreement occur, the Software License Agreement will continue in perpetuity. Pursuant to the Software License Agreement, the Company has acquired the right to use and sublicense the Syndicate System in connection with its franchise program. The Company is permitted to collect fees in connection with the sublicensing of the Syndicate System to the Franchisees.

CONSENT OF INDEPENDENT AUDITOR

To the Member:
Ideal Automotive Broker Franchising, LLC

James Pai CPA PLLC consents to the inclusion in the Franchise Disclosure Document to be issued by Ideal Automotive Broker Franchising, LLC ("Franchisor") dated March 3, 2021, of our report dated March 3, 2021, on our audit of the balance sheet of Franchisor as of February 17, 2021.

CERTIFIED PUBLIC ACCOUNTANT

Flushing, New York
March 3, 2021

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

BALANCE SHEET

FEBRUARY 17, 2021

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)
February 17, 2021

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James Pai CPA PLLC

136-56 39TH Ave, STE 410, Flushing, NY
11354 Tel: (718) 612-9000
Fax: (718) 208-4272
Email: Austin@partnerbooks.com

Independent Auditor's Report

To the Member of
Ideal Automotive Broker Franchising, LLC

Report on the Financial Statement

We have audited the accompanying balance sheet of Ideal Automotive Broker Franchising, LLC (the "Company") as of February 17, 2021 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

Opinion
In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Ideal Automotive Broker Franchising, LLC as of February 17, 2021 in accordance with accounting principles generally accepted in the United States of America.

CERTIFIED PUBLIC ACCOUNTANT

Flushing, New York
March 3, 2021

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

BALANCE SHEET

February 17, 2021

ASSETS		
Current Assets		
Cash and cash equivalents	$	125,000.00
TOTAL ASSETS	$	**125,000.00**
LIABILITIES AND MEMBER'S EQUITY		
Member's Equity	$	125,000.00
TOTAL LIABILITIES & EQUITY	$	**125,000.00**

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
(A Limited Liability Company)

NOTES TO FINANCIAL STATEMENT
February 17, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of operations

Ideal Automotive Broker Franchising, LLC (the "Company"), a wholly owned subsidiary of Ideal Automotive Holdings, LLC (the "Parent") was formed and based in New York on March 28, 2019 as a New York single-member limited liability company. On January 5, 2021, the Company filed a Certificate of Amendment with the NYS Department of State to amend its name to Ideal Automotive Broker Franchising, LLC. The Company intends to begin selling franchises pursuant to franchise agreements entered into between it and its franchisees ("Franchisees"). Pursuant to each franchise agreement, the Franchisees will operate automobile broker businesses under the name "Ideal Automotive Sales." The Company has not had significant operations through March 3, 2021.

Use of estimates

The preparation of a balance sheet in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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 balance sheet. Actual results could differ from those estimates.

Revenue and cost recognition

Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. Subsequently, the FASB issued several additional ASUs during 2016 which provide further clarification of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients, No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers, and No. 2017-05, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Assets; Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets, and No. 2020-05, Revenue from Contracts with Customers (Topic 606). The Company is currently evaluating the impact that the adoption of these clarifying ASUs will have on its financial statements and disclosures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under the current guidance in Topic 606, franchisors are required to analyze preopening activities in their franchise agreements to identify whether those activities represent promised goods or services. In January 2021, the FASB issued ASU 2021-02—Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient for nonpublic business entities. The Company is currently evaluating the impact that the adoption of these clarifying ASUs will have on its financial statements and disclosures.

Royalties will be recognized based on franchisees' reported sales. Initial franchise fees will be deferred until substantially all of the Company's initial services required pursuant to the franchise agreement have been met.

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The Company intends to defer those direct and incremental costs associated with the sale of franchises for which revenue is deferred. Deferred costs will be charged to earnings when the related deferred franchise fees are recognized as income.

Income taxes

As a single-member limited liability company and therefore a disregarded entity for income tax purposes, the Company's assets and liabilities are not included in the income tax return. Accordingly, the accompanying financial statement does not include a provision for liability for federal or state income taxes.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions as of March 3, 2021.

Subsequent events

The Company has evaluated subsequent events through March 3, 2021, the date on which this financial statement was available to be issued. Except as disclosed in Note 4 and Note 5, there were no material subsequent events that required recognition or disclosure in the financial statement.

NOTE 2. CONCENTRATION OF CREDIT RISK

The Company may place its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

NOTE 3. MARKETING FUND

The Company may charge its franchisees a marketing fee of 2% of its gross revenues, in accordance with the Company's franchise agreement. The marketing fund is to be utilized for the benefit of the

franchisees, with a portion designated to offset the Company's administrative costs for its administration. Pursuant to the franchise agreement, the Company is required to segregate and restrict monies collected on behalf of the marketing fund. As of March 3, 2021, the Company has not collected any marketing fund fees.

NOTE 4. LICENSE AGREEMENT

On December 10, 2020, Ideal Automotive IP Holdings, LLC, an entity related to the Company through common ownership and control ("Licensor"), entered into an assignment agreement (the "Assignment Agreement") with Ideal Collision, Inc., through which Licensor obtained the entire interest and goodwill in the trademark with Registration Number. 5281212 (the "Ideal Mark").

On January 5, 2021, the Company entered into a ten (10) year trademark license agreement with Licensor (the "License Agreement") for the non-exclusive right to use the Ideal Mark (and pending trademarks registrations) and other rights, as set forth in the License Agreement. Unless certain circumstances that are provided for in the License Agreement occur, the License Agreement will automatically renew for additional, consecutive ten (10) year terms. Pursuant to the License Agreement, the Company has acquired the right to sell Ideal Automotive Broker franchises under the Ideal Mark in the United States of America, and to collect franchise fees, royalties and other fees from Franchisees. The Licensor will not license the trademarks and/or confidential information to any third parties for the purpose of operating a competing franchise system. The Company will not use the trademarks for any other business activity without the express approval of the Licensor.

NOTE 5. SOFTWARE LICENSE AGREEMENT

On January 5, 2021, the Company entered into a Software License Agreement with Ideal Automotive Software, LLC, an entity related to the Company through common ownership and control (the "Software License Agreement"), with respect to certain rights regarding the customer management software known as "Syndicate" together with any related software, user manuals, documentation, training videos, tutorials, and other materials as may be made available, now and in the future (collectively, the "Syndicate System"). Unless certain circumstances that are provided for in the Software License Agreement occur, the Software License Agreement will continue in perpetuity. Pursuant to the Software License Agreement, the Company has acquired the right to use and sublicense the Syndicate System in connection with its franchise program. The Company is permitted to collect fees in connection with the sublicensing of the Syndicate System to the Franchisees.

EXHIBIT H TO DISCLOSURE DOCUMENT
LIST OF CURRENT FRANCHISEES & MULTI-UNIT FRANCHISEES

None.

EXHIBIT I TO DISCLOSURE DOCUMENT
LIST OF CURRENT FRANCHISEES & MULTI-UNIT FRANCHISEES
WHO LEFT THE SYSTEM

None.

EXHIBIT J TO DISCLOSURE DOCUMENT

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC
FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Ideal Automotive Broker Franchising, LLC and Franchisee are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, Ideal Automotive Broker Franchising, LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to Franchisee that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed Ideal Automotive Broker Franchising, LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?

Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes ___ No ___

If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

_____
_____
_____
_____
_____

3. Have you received and personally reviewed Franchisor's Disclosure Document Franchisor provided to you?

Yes ___ No ___

4. Do you understand all of the information contained in the Disclosure Document?

Yes ___ No ___

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

_____
_____
_____
_____

5. Have you discussed the benefits and risks of operating the Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes ___ No ___

6. Do you understand that the success or failure of Franchisee's business will depend in large part upon Franchisee's skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ___ No ___

7. Has any employee or other person speaking on Franchisor's behalf made any statement or promises concerning the revenues, profits or operating costs of the Franchised Business that Franchisor or our franchisees operate?

Yes ___ No ___

8. Has any employee or other person speaking on Franchisor's behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

9. Has any employee or other person speaking on Franchisor's behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes ___ No ___

10. Has any employee or other person speaking on Franchisor's behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

11. If you have answered "Yes" to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

_____
_____
_____
_____
_____

12. Do you understand that in all dealings with you, Franchisor's officers, directors, employees and agents act only in a representative capacity and not in a location Manager capacity and these dealings are solely between Franchisee and Franchisor?

Yes ___ No ___

You understand that your answers are important to Franchisor and that Franchisor will rely on them. By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
Name of Franchisee/Applicant

Date:_____, 20____

_____
Signature

_____
Name and Title of Person Signing

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

1. In addition to the information disclosed in Item 3:

Neither the Franchisor nor any person identified in Item 2 of this Uniform 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.

2. In addition to the information disclosed in Item 17:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

b. 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.).

c. SECTION 31125 OF THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

d. The Franchise Agreement requires that all disagreements be resolved first by non-binding mediation, and if that process does not result in resolution, by litigation. The mediation will occur at Franchisor's headquarters, which are presently located in San Diego County, California or at another location proximate to Franchisor's headquarters. The cost of mediation will be shared equally unless one party breaches the mediation provision, in which case the breaching party must pay the mediator's fees and costs, the non-breaching party's reasonable fees and costs, and to the extent permitted by law, the non-breaching party's reasonable attorney's fees and costs in any suit arising out of the same dispute even if the breaching party is the prevailing party.

e. The California Franchise Investment Law requires us to make the following disclosure:

1. YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A PROSPECTIVE WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTION 31000 THROUGH 31516) BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS PROSPECTIVE

WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043)."

2. OUR WEBSITE IS WWW.IDEAL.AUTO. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

f. The Franchise Agreement limits the time period within which you must commence an action against us. This provision may not be enforceable under California law.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF CALIFORNIA

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of California or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations ("Ideal Auto Broker Locations") in the State of California;

WHEREAS, The "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e. , the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts").

WHEREAS, To the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of California law.

WHEREAS, All capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-31516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Contracts is amended as follows:

- The California Franchise Relations Act provides rights to Franchisee concerning termination or nonrenewal of the Franchise Agreement, which may supersede provisions in the Franchise Contracts.
- Any provision in the Franchise Contracts that terminates the Franchise Agreement upon the bankruptcy of Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Any covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.

- The Franchise Contracts contain a liquidated damages provision(s). Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

- The Franchise Contracts requires binding arbitration. The arbitration will occur at the forum indicated in the applicable provisions with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

2. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

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

2. Section 482E-(3) of Hawaii Revised Statutes provides that Franchisee may be entitled to certain compensation upon termination or refusal to renew the franchise. To the extent this Section is applicable to you, you shall have an interest in the franchise upon termination or refusal to renew as specified therein.

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

4. Hawaii has a General Excise Tax ("HGET"). If we are responsible for paying a HGET on the Total Revenue Amount earned by your Ideal Automotive broker location, we will charge you for our HGET liability by deducting the HGET, along with other deductions, in computing your Net Payout as we explain in the Disclosure Document. The HGET tax liability that we pass on to you will not include any income taxes that we own on income that we receive on account of our relationship with you.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF HAWAII

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Hawaii or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations ("Ideal Auto Broker Locations") in the State of Hawaii;

WHEREAS, The "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e. , the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts").

WHEREAS, To the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Hawaiian law.

WHEREAS, All capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Contracts for Ideal Automotive Broker Franchising, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Franchisee concerning nonrenewal, termination and transfer of the Franchise Agreement. If the Franchise Contracts contain provision(s) that are inconsistent with the Hawaii Franchise Investment Law, then the Hawaii Franchise Investment Law will control.

- The Franchise Contracts require Franchisee to sign a general release as a condition of renewal or transfer of the Franchise and also require Franchisee to sign a general release as a condition to receiving a refund of a portion of the Franchise Fee following a termination of the Franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.

- The Franchise Contracts, which terminate the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Contracts or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The Attorney General of Illinois requires us to make the following specific disclosures to prospective Illinois franchisees:

1. The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law 815 ILCS 705/19 and 705/20.

2. The Illinois Franchise Disclosure Act (815 ILCS Section 705/4) provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State [Illinois] is void provided that a franchise agreement may provide for arbitration in a forum outside of this State [Illinois]."

3. In Item 17, the summary accompanying provision (w) with regard to the Franchise Agreement and Multi-Uni Development are each supplemented by the addition of the following language at the end of the summary:

4. Notwithstanding anything to the contrary contained above, Illinois law, including the Illinois Franchise Disclosure Act of 1987 (815 ILCS 705/1 et seq.), will apply to Illinois franchisees.

5. Illinois law requires us to give you a copy of the Franchise Disclosure Document at least 14 calendar days before you sign the Franchise Agreement or other binding agreement or before we receive any consideration from you, whichever first occurs.

Illinois residents and non-residents who own a franchise located in the State of Illinois will enter into the Illinois Addendum to Franchise Agreement in the form attached to this Exhibit.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF ILLINOIS

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Illinois or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations ("Ideal Auto Broker Locations") in the State of Illinois;

WHEREAS, The "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e. , the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts").

WHEREAS, To the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Illinois law.

WHEREAS, All capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The provisions of the Illinois Franchise Disclosure Act of 1987 (the "Act") shall supersede any provision of the Franchise Contracts which are in conflict with the Act.

3. Illinois law shall be applied to, and govern, any claim between the parties that alleges a violation of the Act.

4. To the extent that the Franchise Contracts require or permit litigation to be brought in a forum outside of the State of Illinois, the provision shall not be effective for a Franchise Agreement entered into with an Illinois resident for an Ideal Auto Broker Location located in Illinois.

5. This Addendum shall be effective only to the extent that jurisdictional requirements of the Act are met independently of and without reference to this Amendment. This Addendum shall have

no effect if the jurisdictional requirements of the Act are not met.

6. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

INDIANA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The Indiana Securities Division requires the following specific disclosures to be made to prospective Indiana franchisees:

1. Indiana has a statute, the Indiana Deceptive Practices Act (the "Act"), which makes it unlawful for a franchise agreement with an Indiana resident or nonresident who will operate a franchise in Indiana to contain any of the following provisions:

    a. Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where the goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute the improper designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute an improper designation. This paragraph does not apply to goods, supplies, inventories, or services that are manufactured or trademarked by, or for, the franchisor.

    b. Allowing the franchisor to establish a franchisor-owned business that is substantially identical to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement, or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

    c. Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

    d. Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for and transmitted to the franchisee.

    e. Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by Indiana law or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This paragraph does not apply to arbitration before an independent arbitrator.

    f. Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers before the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to state or federal law, or the revaluation

of the United States dollar in the case of foreign-made goods, are not subject to this paragraph.

g. Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this paragraph includes any material violation of the franchise agreement.

h. Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This paragraph shall not prohibit a franchise agreement from providing that the agreement is not renewable meets certain conditions specified in the agreement.

i. Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in the absence of an exclusive area provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

j. Limiting litigation brought for breach of the agreement in any manner whatsoever.

k. Requiring the franchisee to participate in any (i) advertising campaign or contest; (ii) promotional campaigns; (iii) promotional materials; or (iv) display decorations or materials, in each case at any expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

l. Requiring a franchisee to enter into an agreement providing the franchisor with any indemnification for liability caused by the franchisee's proper reliance on or use of procedures or materials provided by the franchisor or by the franchisor's negligence.

m. Requiring a franchisee to enter into an agreement reserving the right to injunctive relief and any specific damages to the franchisor, limiting the remedies available to either party without benefit of appropriate process or recognizing the adequacy or inadequacy of any remedy under the agreement.

2. It is unlawful for any franchisor who has entered into any franchise agreement with a franchisee who is either a resident of Indiana or a nonresident operating a franchise in Indiana to engage in any of the following acts and practices in relation to the agreement:

   a. Coercing the franchisee to:

      (1) Order or accept delivery of any goods, supplies, inventories, or services which are neither necessary to the operation of the franchise, required by the franchise agreement, required by law, nor voluntarily ordered by the franchisee.

      (2) Order or accept delivery of any goods offered for sale by the franchisee which includes modifications or accessories which are not included in the base price of

those goods as publicly advertised by the franchisor.

(3) Participate in an advertising campaign or contest, any promotional campaign, promotional materials, display decorations, or materials at an expense to the franchisee over and above the maximum percentage of gross monthly sales or the maximum absolute sum required to be spent by the franchisee provided for in the franchise agreement; and absent a maximum expenditure provision in the franchise agreement, no such participation may be required; or

(4) Enter into any agreement with the franchisor or any designee of the franchisor, or do any other act prejudicial to the franchisee, by threatening to cancel or fail to renew any agreement between the franchisee and the franchisor. Notice in good faith to any franchisee of the franchisee's violation of the terms or provisions of a franchise or agreement does not constitute a violation of this paragraph.

b. Refusing or failing to deliver in reasonable quantities and within a reasonable time after receipt of an order from a franchisee for any goods, supplies, inventories, or services which the franchisor has agreed to supply to the franchisee, unless the failure is caused by acts or caused beyond the control of the franchisor.

c. Denying the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs, or estate maintains all standards and obligations of the franchise.

d. Establishing a franchisor-owned business that is substantially identical to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement, or if no exclusive territory is designated, competing unfairly with the franchisee within a reasonable area. However, a franchisor shall not be considered to be competing when operating a business either temporarily for a reasonable period of time, or in a bona fide retail operation which is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made a significant investment subject to loss in the business operation and can reasonably expect to acquire full ownership of such business on reasonable terms and conditions.

e. Discriminating unfairly among its franchisees or unreasonably failing or refusing to comply with any terms of a franchise agreement.

f. Obtaining money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for and transmitted to the franchisee.

g. Increasing prices of goods provided by the franchisor which the franchisee had ordered

for retail consumers before the franchisee's receipt of a written official price increase notification. Price increases caused by conformity to a state or federal law, the revaluation of the United States dollar in the case of foreign-made goods or pursuant to the franchise agreement are not subject to this paragraph.

h. Using deceptive advertising or engaging in deceptive acts in connection with the franchise or the franchisor's business.

3. Regardless of anything set forth in the Franchise Agreement, you do not waive any right under Indiana statutes with regard to prior representations made in the Franchise Disclosure Document.

4. The Franchise Agreement is amended to provide that it will be governed and construed in accordance with the laws of the State of Indiana.

5. Each provision of the Franchise Agreement which is unlawful pursuant to the Act is deemed to be amended by the parties to conform with the Act.

6. Indiana residents and non-residents who own a franchise located in the State of Indiana will enter into the Indiana Addendum to Franchise Agreement in the form attached to this Exhibit.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF INDIANA

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Indiana or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations in the State of Indiana;

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, To the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Indiana law; and

WHEREAS, All capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The parties expressly agree that to the extent any provision in any of the Franchise Contracts conflicts with the Indiana Deceptive Practices Act (the "Act"), the parties hereby amend the Franchise Contracts to the extent necessary to cause the Franchise Contracts to conform with the Act.

3. The parties expressly agree that (i) no general release given by Franchisee under any of the Franchise Contracts shall operate to release, assign, waive or extinguish any liability arising under the Act; (ii) no provision in any of the Franchise Contracts shall limit Franchisee's right to sue in court for violations of the Act; (iii) no provision in any of the Franchise Contracts which is intended to prevent Franchisee from relying on any statement or representation made before Franchisee signs any of the Franchise Contracts shall be applied or extend to statements contained in the Franchise Disclosure Document delivered to Franchisee before Franchisee's execution of the Franchise Contracts; and (iv) no provision which is found to be a liquidated damages provision under Indiana law shall be enforceable against Franchisee.

4. Notwithstanding anything to the contrary contained in any of the Franchise Contracts, Franchisee shall have no duty to indemnify Franchisor for any liability that Franchisor may sustain as a result of Franchisee's proper reliance on or use of any of the procedures or materials furnished by Franchisor or for liability solely attributable to Franchisor's negligence.

5. This Addendum shall be effective only to the extent that jurisdictional requirements of the Act are met independently of and without reference to this Amendment. This Addendum shall have no effect if the jurisdictional requirements of the Act are not met.

6. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following provisions amend anything to the contrary in Item 17 of the Franchise Disclosure Document:

1. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law (the "Maryland Law"), except for claims that are required to be submitted to arbitration.

2. Claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise.

3. The provisions in the Franchise Agreement which provide for termination upon Franchisee's bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

4. A general release that is required as a condition of renewal, sale and/or assignment/transfer of the franchise shall not apply to any liability under Maryland Law.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF MARYLAND

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Maryland or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive franchise system in operating one or more Ideal Automotive broker locations in the State of Maryland;

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of the Maryland Franchise Registration and Disclosure Law (the "Law").

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. A general release that is required as a condition of renewal, sale and/or assignment/transfer of the franchise shall not apply to any liability under the Law.

3. All representations requiring a prospective franchisee to assent to a release, estoppel or waiver of any liability are not intended to, nor shall they act as, a release, estoppel or waiver of any liability uncured under the Law.

4. Franchisee may bring a lawsuit in Maryland for claims arising under the Law, except for claims that are required to be submitted to arbitration. As written, the Franchise Contracts do not provide for arbitration of disputes.

5. The parties amend any statute of limitations period in the Franchise Contracts to provide that any claims arising under the Law must be brought within 3 years after the effective date of the

Franchise Agreement.

6. This Addendum shall be effective only to the extent that jurisdictional requirements of the Law are met independently of and without reference to this Amendment. This Addendum shall have no effect if the jurisdictional requirements of the Law are not met.

7. The Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

MICHIGAN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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

2. 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.

3. A provision that permits a franchisor to terminate a franchise before 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.

4. 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 the franchisor's intent not to renew the franchise.

5. 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.

6. 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.

7. 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:

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

b. The fact that the proposed transferee is a competitor of the franchisor or sub-

franchisor.

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

d. 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.

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

9. 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 FRANCHISE DISCLOSURE DOCUMENT ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Michigan law provides that a franchisor whose most recent statements are unaudited and which show a net worth of less than $100,000 shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or sub-franchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow. In the event that an escrow is so established, the escrow agent shall be a financial institution authorized to do business in the State of Michigan. The escrow agent may release to the franchisor those amounts of the escrowed funds applicable to a specific franchisee or sub-franchisor upon presentation of an affidavit executed by the franchisee and an affidavit executed by the franchisor stating that the franchisor has fulfilled its obligation to provide real estate, improvements, equipment, inventory, training, or other items. This portion of the Michigan law does not prohibit a partial release of escrowed funds upon receipt of affidavits of partial fulfillment of the franchisor's obligation.

SHOULD THE PROSPECTIVE FRANCHISEE HAVE ANY QUESTIONS REGARDING THE NOTICE OF THIS FILING WITH THE ATTORNEY GENERAL, SUCH QUESTIONS SHOULD BE ADDRESSED TO:

Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
PO Box 30213, Lansing, MI 48909
(517) 373-7117

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

For Minnesota residents and nonresidents owning a franchise to be operated in Minnesota, the applicable sections of the Franchise Disclosure Document are amended to reflect the following wherever appropriate:

1. Franchisor will not refuse to renew a franchise for the purpose of converting your business to an operation that will be owned by Franchisor or one of our affiliates.

2. Minn. Stat. Sec. 80C.21 declares void any condition, stipulation or provision purporting to bind a person to waive compliance with the Minnesota franchise law (Minn. Stat. sections 80C.01 to 80C.22 and the rules promulgated thereunder ("the Minnesota Act"). To the extent that any of the contracts that you sign with us contain a general release, or require you to sign a general release at a later date, in favor of us or our affiliates, the general release will not operate to extinguish claims arising under, or relieve any person from liability imposed by, the Minnesota Act.

3. The Minnesota Act protects your right to require that the venue of any dispute not subject to binding arbitration be in Minnesota and that Minnesota law govern all contracts with us. It furthermore protects your right to a jury trial. To the extent any contract that you sign with us is inconsistent with the Minnesota Act, the contract shall be modified to conform with the Minnesota Act.

4. If any contract that you sign with us contains procedures for terminating the contract that are inconsistent with the Minnesota Act, the contract shall be modified to add the following:

> "Provided, however, with respect to franchises governed by Minnesota law, Franchisor agrees to comply with Minn. Stat. Sec.80C.14, Subds. 3, 4 and 5 which, as of the date of this Agreement, require, except in certain specified cases enumerated in the referenced statute, that Franchisor give Franchisee a minimum of 90 days' notice of termination (with a minimum of 60 days to cure) and a minimum of 180 days' notice for non-renewal of the franchise agreement."

5. If any contract that you sign with us requires you to consent to our obtaining injunctive relief, the contract shall be amended to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent; provided, however, nothing shall prevent us from applying to a forum for injunctive relief. If any contract that you sign with us contain a limitations period for bringing

6. Any claims against us which are shorter than the limitations period provided under the Minnesota Act, the contract shall be modified to conform to the Minnesota Act.

7. The Minnesota Act requires us to indemnify you from any loss, costs or expenses that you might incur arising out of a third party challenge to your authorized use of our service marks. Minn. Stat. Sec. 80C.12, Subd. 1(g) considers it unfair for a franchisor not to protect a franchisee's right to use the licensed marks.

8. Minnesota residents and nonresidents owning a franchise to be operated in Minnesota will enter into the Minnesota Addendum to Franchise Agreement in the form attached to this Exhibit.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF MINNESOTA

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Minnesota or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive franchise system in operating one or more Ideal Automotive broker locations in the State of Minnesota.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Minnesota law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The parties agree that any provision in any of the Franchise Contracts that requires Franchisee to provide Franchisor with a general release in violation of the Minnesota Act is illegal and of no force or effect.

3. The parties agree that if any provision in any of the Franchise Contracts requires venue to be in a state other than Minnesota, declares that the laws of a state other than Minnesota shall govern the Franchise Contracts, or requires Franchisee to waive its right to a jury trial, the applicable provision shall be amended to add the following:

> "Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, nothing in this Agreement shall in any way abrogate or reduce any rights of Franchisee under Minnesota Statutes, Chapter 80C, or require Franchisee to waive his or her right to a jury trial, or require Franchisee to waive any other

rights to any procedure, forum or remedies provided for by Minnesota law."

4. The parties agree that if provision in any of the Franchise Contracts contains procedures for terminating the particular Franchise Contract which are inconsistent with the Minnesota Act, the applicable provision shall be amended to add the following:

> "Provided, however, with respect to franchises governed by Minnesota law, Franchisor agrees to comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which, as of the date of this Agreement, require, except in certain specified cases, that Franchisor give Franchisee a minimum of 90 days' notice of termination (with a minimum of 60 days to cure) and a minimum of 180 days' notice for non-renewal of the Franchise Agreement."

5. The parties agree that any provision in any of the Franchise Contracts that requires Franchisee to consent to Franchisor's obtaining injunctive relief is hereby modified to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent; provided, however, nothing herein shall prevent Franchisor from applying to a forum for injunctive relief.

6. Notwithstanding anything to the contrary in any of the Franchise Contracts, Franchisor agrees to defend and indemnify Franchisee against liability or claims in connection with Franchisee's authorized use of the Licensed Marks. Franchisee shall not b responsible for the costs of any litigation to protect or defend the Licensed Marks unless Franchisee's unauthorized use of the Licensed Marks is the proximate cause of the litigation.

7. This Addendum shall be effective only to the extent that jurisdictional requirements of the Minnesota Act are met independently of and without reference to this Amendment. This Addendum shall have no effect if the jurisdictional requirements of the Minnesota Act are not met.

8. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

   THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

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

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

4. The following language replaces the "Summary" section of Item17(d), titled "**Termination by franchisee**":

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

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

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

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF NEW YORK

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the State of New York or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations in the State of New York.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of North Dakota law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Contracts for Ideal Automotive Broker Franchising, LLC is amended as follows:

- The Franchise Contracts require Franchisee to sign a general release as a condition of renewal, transfer, or receiving a refund of a portion of the Franchise Fee following termination of the Franchise; such release shall exclude claims arising under the General Business Laws.

- The Franchisor Contracts provide that, Franchisor shall not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.

- The Franchise Contracts are amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

- Where the Franchise Contracts require that the Franchise be governed by the laws of the state Franchisor's principal business is then located, such a requirement will not be considered a waiver of any right conferred upon Franchisee by Article 33 of the General Business Laws.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

North Dakota residents and non-residents who own a franchise located in the State of North Dakota will enter into the North Dakota Addendum to Franchise Contracts in the form which is included as part of this Exhibit amending the franchise contracts that you sign with us to conform the franchise contracts to the requirements of North Dakota law.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF NORTH DAKOTA

This FIRST **ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of North Dakota or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations in the State of North Dakota.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of North Dakota law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The North Dakota Franchise Investment Law (the "Law") identifies certain franchisor practices to violate the Law as being unfair, unjust, or inequitable to franchisees. In order to conform the Franchise Contracts with the requirements of the Law, the parties agree as follows:

a. To the extent that the covenants in the Franchise Contracts pertaining to Competitive Businesses restrict competition in a manner contrary to the North Dakota Century Code Section 9-08-06, they may not be enforceable. A covenant not to compete may only apply during the term of a Franchise Agreement and may not apply after the Franchise Agreement ends for any reason. A covenant not to compete that applies after an agreement ends may be unenforceable in the State of North Dakota.

b. Any provision requiring Franchisee to agree to the mediation or arbitration of disputes at a location that is remote from the site of Franchisee's business is not enforceable. As the

Franchise Contracts require mediation, but not arbitration, for the resolution of disputes, the parties shall mutually agree upon a site in North Dakota for any mediation required by any of the Franchise Contracts.

c. Any provision requiring Franchisee to consent to the jurisdiction of courts outside of North Dakota is not enforceable. All litigation involving Franchisee shall be conducted in North Dakota.

d. Each of the Franchise Contracts shall be governed by, and construed in accordance with, the laws of the State of North Dakota to the extent required by the Law

e. Any provision requiring Franchisee to waive the right to a jury trial or the right to collect exemplary or punitive damages is not enforceable.

f. Any provision requiring Franchisee to pay all costs and expenses incurred by Franchisor in enforcing a Franchise Contract is not enforceable. However, the prevailing party in any enforcement action shall be entitled to recover all costs and expenses, including attorney's fees allowed by the mediator or court in the enforcement action.

g. Any provision requiring Franchisee to consent to a limitations of claims is not enforceable. The parties agree that the statute of limitations under North Dakota law shall apply to claims arising under the Franchise Contracts.

h. Any provision in any of the Franchise Contracts that requires Franchisee to provide Franchisor with a general release in violation of North Dakota law shall not apply to Franchisee.

i. Any provision requiring Franchisee to consent to liquidated damages or termination penalties is not enforceable.

3. This Addendum shall be effective only to the extent that jurisdictional requirements of North Dakota law are met independently of and without reference to this Amendment. This Addendum shall have no effect if the jurisdictional requirements of North Dakota law are not met.

4. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

[Signature Page Follows]

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Under Section 19-28.1-14 of the Rhode Island Franchise Investment Act, a provision in a franchise agreement restricting jurisdiction or venue for litigation to a forum outside of Rhode Island or requiring the application of the laws of another state is void with respect to an otherwise enforceable claim that is not subject to binding arbitration.

Rhode Island residents and non-residents who own a franchise located in the State of Rhode Island will enter into the Rhode Island Addendum to Franchise Agreement in the form attached to this Exhibit.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF RHODE ISLAND

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC, ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Rhode Island or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations in the State of Rhode Island.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Rhode Island law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The Rhode Island Franchise Investment Act (the "Act") at Section 19-28.1-14 provides that "a provision in a franchise agreement restricting jurisdiction or venue for litigation toa forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The parties agree that to the extent that any provision in any of the Franchise Contracts entered into by the parties are inconsistent with the Act, the provisions of the Act shall control. This provision shall not change the parties' agreement that any mediation proceedings required by the Franchise Agreement take place in the city where Franchisor maintains its headquarters at the time.

3. Rhode Island law shall be applied to, and govern, any claim between the parties that alleges violation of the Act.

4. This Addendum shall be effective only to the extent that jurisdictional Requirements of the Act are met independently of and without reference to this Amendment. This Addendum shall

have no effect if the jurisdictional requirements of the Act are not met.

5. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following information is required by South Dakota's Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5B (2008)} ("South Dakota Law") and supplements the information in this Disclosure Document:

1. Item 17 is supplemented by the addition of the following language immediately after the table:

> Despite anything to the contrary in the table, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota. Any non-binding mediation will be conducted at a mutually agreed upon site. You are not required to submit to venue or a forum outside the State of South Dakota for any claims you may have under the South Dakota Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5B (2008).

2. This Addendum is effective only to the extent that the jurisdictional requirements of the South Dakota Law are met independent of and without reference to this Addendum. This Addendum will have no effect if the jurisdictional requirements of the South Dakota Law are not met.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS
FOR THE STATE OF SOUTH DAKOTA

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of South Dakota or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations in the State of South Dakota.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of South Dakota law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The parties mutually acknowledge and agree that:

a. Notwithstanding anything to the contrary in the Franchise Contracts, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern shall be governed by the laws of the State of South Dakota.

b. Franchisee shall not be required to submit to venue or forum outside the State of South Dakota for any claims Franchisee may have under the South Dakota Franchises for Brand-Name Goods and Services Law ("South Dakota Law").

3. This Addendum is effective only to the extent that the jurisdictional requirements of the South Dakota Law are met independent of and without reference to this

Addendum. This Addendum will have no effect if the jurisdictional requirements of the South Dakota Law are not met.

4. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Any provision in any of the contracts that you sign with us provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et seq.).

Additional Disclosures. The following statements are added to the information that we disclose in Item 17:

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.

2. 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.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS
FOR THE COMMONWEALTH OF VIRGINIA

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the Commonwealth of Virginia or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations in the Commonwealth of Virginia.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Virginia law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

- Any provision which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

- Any provision which terminates the Franchise Agreement upon the bankruptcy of Franchisee, will not be applicable to Franchise Contracts signed by a Virginia franchisee entering into the attached agreement.

(Signature Page Follows)

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the provisions of the contracts that you enter into with us pertaining to, among other subjects, the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the provisions of the contracts that you enter into with us.

2. To the extent that the applicable governing law stipulated in any of the contracts that you sign with us conflicts with the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the "Act"), the Act shall prevail.

3. A release or waiver of rights executed by a franchisee who is a resident of Washington or who is a nonresident of Washington but operates a franchise in Washington shall not include rights that arise under the Act, except when the release or waiver is executed pursuant to a negotiated settlement agreement provided each party is represented by independent counsel in the settlement negotiations.

4. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims arising under the Act or which reduce or limit your rights or remedies under the Act, such as the right to a jury trial, may not be enforceable under the Act.

5. Under Washington law, transfer fees are collectible to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Washington residents and non-residents who own a franchise located in the State of Washington will enter into the Washington Addendum to Franchise Agreement in the form attached to this Exhibit.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS
FOR THE STATE OF WASHINGTON

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Washington or a non-resident who is acquiring area development or franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker locations in the State of Washington.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Washington law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The parties mutually acknowledge and agree that:

a. To the extent that any provision in any of the Franchise Contracts is inconsistent with the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act shall control.

b. To the extent that the governing law provided for in each of the Franchise Contracts is inconsistent with the Act, the provisions of the Act shall prevail.

c. A release or waiver of rights executed by Franchisee shall not include a release or waiver of rights arising under the Act except when the release or waiver of rights is executed pursuant to a negotiated settlement agreement and provided that each party is represented by independent counsel. Transfer fees payable in connection

d. with an assignment of any of the Franchise Contracts shall be limited to Franchisor's reasonable estimated or actual costs in approving and processing a transfer application.

3. This Addendum shall be effective only to the extent that jurisdictional requirements of the Act are met independently of and without reference to this Amendment. This Addendum shall have no effect if the jurisdictional requirements of the Act are not met.

4. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The Wisconsin Fair Dealership Law applies to most, if not all franchise agreements and prohibits the termination, cancellation, nonrenewal or substantial change of the competitive circumstances of a dealership agreement without good cause. The Wisconsin Law further provides that at least 90 days prior written notice of the proposed termination, cancellation, nonrenewal or substantial change must be given to the dealer. The Wisconsin Law gives the dealer 60 days to cure the deficiency and if the deficiency is timely cured, the notice is void. The Wisconsin Fair Dealership Law may supersede and control the terms of your relationship with us with respect to these subject matters. To the extent that any provision of any contract that you enter into with us pertaining to your franchise rights is inconsistent with the state law, state law will control.

Wisconsin residents and non-residents who own a franchise located in the State of Wisconsin will enter into the Wisconsin Addendum to Franchise Agreement in the form attached to this Exhibit.

EXHIBIT K TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

FIRST ADDENDUM TO FRANCHISE CONTRACTS FOR THE STATE OF WISCONSIN

This **FIRST ADDENDUM TO FRANCHISE CONTRACTS** ("Addendum") is made and entered into on _____, _____ by and between Ideal Automotive Broker Franchising LLC, LLC ("Franchisor") and _____ ("Franchisee"), subject to the following recitals:

R E C I T A L S

WHEREAS, Franchisee is a resident of the state of Wisconsin or a non-resident who is acquiring franchise rights permitting use of the Ideal Automotive broker franchise system in operating one or more Ideal Automotive broker location at an Approved Location at an Approved Location in the State of Wisconsin.

WHEREAS, the "Franchise Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Disclosure Document that Franchisor has delivered to Franchisee, i.e., the Multi-Unit Development Agreement ("MUDA"), Franchise Agreement and each contract that is an exhibit to the MUDA and Franchise Agreement (collectively referred to as the "Franchise Contracts");

WHEREAS, to the extent that the parties enter into any of the Franchise Contracts now or in the future, they desire to amend the Franchise Contracts in order to conform them to the requirements of Wisconsin law.

WHEREAS, all capitalized terms in this Addendum shall have the same meaning assigned to them in the Franchise Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The Wisconsin Fair Dealership Law, Wis. Stats. Ch. 135, Sec. 32.06 et seq. (the "Law"), provides certain rights to franchisees, which extend to Franchisee. In particular, and without limitation, the Law prohibits the termination, cancellation, nonrenewal or substantial change of competitive circumstances (as defined by the Law and by case law) of a dealership or franchise agreement without good cause. The Law further provides that 90 days prior written notice of the proposed termination, cancellation, nonrenewal or substantial change of competitive circumstances must be given to the dealer. The Law allows the dealer 60 days to cure the deficiency and if the deficiency is cured, the notice is void. To the extent that the Law conflicts with any provision of any of the Franchise Contracts, the provisions of the Law shall control.

3. This Addendum shall be effective only to the extent that jurisdictional requirements of the Law are met independently of and without reference to this Amendment. This Addendum shall have no effect if the jurisdictional requirements of the Law are not met.

4. The parties agree that the Franchise Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF parties have executed this Addendum on the date first above written.

FRANCHISOR:	**FRANCHISEE / DEVELOPER:**
IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC	[NAME OF FRANCHISEE / DEVELOPER]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT L TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

GENERAL RELEASE

This General Release is this ___ day of _____, 20__ made by _____, ("RELEASOR") a/an _____ with a principal address of _____, wherein the parties hereto, in exchange for good and valuable consideration received from or on behalf of Ideal Automotive Broker Franchising, LLC ("RELEASEE"), the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

9. RELEASOR, individually and for itself, its parent, subsidiaries, affiliates, agents, servants, employees, shareholders, officers, directors, members, partners, heirs, successors and assigns, do each hereby release and discharge RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees, attorneys and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. RELEASOR 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 the RELEASEE, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, member, shareholder, partner, employee, attorney, agent, attorney, executor, administrator, estate, trustee or heir, in any court or tribunal of any kind of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before the execution of this Agreement. In the event RELEASOR breaches any of the promises covenants, or undertakings made herein by any act or omission, RELEASOR shall pay, by way of indemnification, all costs and expenses of RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees, attorneys and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns caused by the act or omission, including reasonable attorneys' fees.

10. RELEASOR hereto 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 RELEASOR party 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. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

11. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

EXHIBIT L TO DISCLOSURE DOCUMENT
MULTI-STATE ADDENDA

12. Any action brought by either party regarding this Release, shall only be brought in the appropriate state or federal court located in or serving New York County in the State of New York. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.

13. New York State law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

14. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of New York.

15. This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

16. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement. Further, facsimile and electronic signatures on counterparts of this Agreement are hereby accepted and acknowledged as though they were originals.

IN WITNESS WHEREOF, Franchisor and Releasor have caused this General Release to be executed as of the date first written above.

RELEASEE:

IDEAL AUTOMOTIVE FRANCHISING, LLC

By: _____
Print Name: _____
Title:_____

RELEASOR:

[NAME OF RELEASOR]

By: _____
Print Name: _____
Title: _____

EXHIBIT M TO DISCLOSURE DOCUMENT

SBA NEGOTIATED ADDENDUM
RELATING TO
IDEAL AUTOMOTIVE SALES (BROKER BUSINESS)
FRANCHISE AGREEMENT

THIS ADDENDUM (Addendum) is made and entered into on _____, 20____, by Ideal Automotive Broker Franchising, LLC, located at 15-23 132nd Street, College Point, New York 11356 (Franchisor), and _____, located at _____ (Franchisee).

Recitals. Franchisor and Franchisee entered into a Franchise (or License) Agreement on _____, 20__, (Franchise Agreement). The Franchisee agreed among other things to operate and maintain a franchise located at _____ designated by Franchisor as Unit #_____ (Unit). Franchisee has obtained from a lender a loan (Loan) in which funding is provided with the assistance of the United States Small Business Administration (SBA). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

- Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.

- If the Franchise Agreement is terminated and the Franchised Site or its contents are to be sold under Article 16 of the Franchise Agreement and the parties are unable to agree as to a purchase price and terms, the fair market value of such premises and property shall be determined the following process (the sum and substance of which is set forth in Section 16.5(iii) of the Franchise Agreement):

  2 The purchase price for the Operating Assets that Franchisor selects to acquire will be the fair market value of such asset(s), provided that these items will not include any value for the franchise or any rights granted by this Agreement, goodwill attributable to the Marks, Franchisor's brand image, or other intellectual property or participation in the network of Ideal Automotive Broker franchises.

  1. Fair Market Value Determination. In determining the fair market value of Franchisee's Operating Assets, Franchisor and Franchisee agree to first attempt to negotiate the fair market value. If after fifteen (15) days, negotiation proves unsuccessful, then Franchisor and Franchisee will each obtain an appraisal of the Operating Assets that will be submitted for mediation to help the parties to negotiate the fair market value of the Operating Assets. Mediation shall be limited to two (2) days. In the event that mediation is unsuccessful, the parties shall submit their dispute concerning the fair market value of Franchisee's Operating Assets to binding Arbitration before the American Arbitration Association (AAA), under the rules of the AAA, provided however, that there shall be a single arbitrator, and the arbitrator shall conduct the arbitration by what is known as "Baseball" or "Pendulum" arbitration, sometimes also referred to as "final offer arbitration". In the subject arbitration proceeding: (i) Franchisor and Franchisee will submit

their respective appraisals of the fair market value of the Operating Assets; (ii) the proposal will be accompanied by a memorandum, which will not exceed fifteen (15) pages, as to why the party believes that its appraisal should be chosen by the arbitrator; (iii) the arbitrator will hold a hearing with respect to the issues at hand, which hearing shall not exceed two (2) days without the express written consent of each of the parties and the arbitrator; (iv) the arbitrator shall issue a written determination, choosing one (1) of the two (2) proposals and setting forth his or her reasons for doing so; and (v) there shall be no review or appeal from the arbitrator's determination. The parties agree that they will abide by and perform any award rendered by the arbitrator. In addition, there shall be no fee-shifting provision in the arbitration award and each party shall incur its own attorney's fees and costs, and the expenses of the arbitration, including filing fees and the fees of the arbitrator shall be shared. The venue for the arbitration shall be in the State of New York in New York County at a location that we shall determine. Once the fair market value has been agreed upon or determined (as the case may be), Franchisor agrees to pay, and Franchisee agrees to accept the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is agreed upon or determined. Notwithstanding the foregoing, Franchisor (or its assignee) may decide, after the purchase price is determined, not to exercise its purchase option and to withdraw its exercise of the option to purchase by sending written notice of such withdrawal to Franchisee within fifteen (15) days of the determination of the Fair Market Value. Franchisor may set off against the purchase price, and reduce the purchase price by, any and all amounts Franchisee owes Franchisor or its affiliates, if any. At the closing, Franchisee agrees to deliver instruments transferring to Franchisor (or its assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and transfer taxes paid by Franchisee; and (b) all of Franchisee's business' licenses and permits which are assignable or transferable.

- Notwithstanding anything to the contrary in the Franchise Agreement or other ancillary document, Franchisor's (or any Third Party Assignee of the Franchisor) right to elect its Right of First Purchase to exercise said option when the Franchisee decides to sell partial interest(s) in the business is amended. If the Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first purchase 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.

- Notwithstanding anything to the contrary in the Franchise Agreement the Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent.

- Notwithstanding anything to the contrary in the Franchise Agreement, or other ancillary document, Franchisor will subordinate its interest in any lien on Franchisee's collateral to that of the lender/SBA.

- Notwithstanding anything to the contrary in the Franchise Agreement or other ancillary document, franchisor's option or right to purchase real estate owned by the franchisee and used for the franchised business will not be recorded against real property.

EXHIBIT M TO DISCLOSURE DOCUMENT

- Notwithstanding anything to the contrary in the Franchise Agreement, the Collateral Assignment of Lease or other ancillary document, if the Franchisee (or its affiliates) owns the real property upon which the business is located, 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) at fair market value.

- The Collateral Assignment of Lease may not be recorded against SBA real estate collateral, and if done so it must be subordinated to any SBA loan and may not include any attornment language.

- Notwithstanding anything to the contrary in the Franchise Agreement, or other ancillary document, Franchisor is not appointed as Franchisee's Attorney-in-Fact for Franchisee's interests regarding actions to be taken or execution of any documents that pertain to the lease/purchase of the business premises or the equipment used in the franchised business.
- This Addendum, at the option of the Franchisor, automatically terminates on the earliest to occur of the following: (i) the Loan is paid-in-full; or (ii) SBA no longer has any interest in the Loan.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. § 1001 ($250,000 fine and/or up to 5 years imprisonment), 15 U.S.C. § 645(a) ($5,000 fine and/or up to 2 years imprisonment), and, if submitted to a Federally insured institution, under 18 USC 1014 (up to $1,000,000 fine and/or imprisonment of not more than 30 years), and civil penalty under 12 U.S.C. § 1833a (up to $1,000,000), and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729-3733.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:

IDEAL AUTOMOTIVE BROKER FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

By:_____

Print Name: _____

Title: _____

State Effective Dates

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

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

RECEIPT – Franchisor Copy
Issuance Date: July 18, 2022

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

If Ideal Automotive Broker Franchising, LLC offers you a franchise, Ideal Automotive Broker Franchising, LLC 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 unless otherwise stated in your state's addendum. The delivery of the Disclosure Document is to be received 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 in the State of New York.

If Ideal Automotive Broker Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit B.

The following is the name, principal business address, and telephone number of each franchise seller offering the franchise: Jeff Li, Chief Executive Officer, Kang Li, Chief Operating Officer and Tian Ran Shi, Business Account Director 1523 132nd Street, College Point, NY 11356; (718) 888-9922

I have received a Franchise Disclosure Document including the following exhibits on the date listed below:

A. List of State Administrators
B. List of State Agents for Service of Process
C. Franchise Agreement
D. Franchise Agreement Addendum
E. Multi-Unit Development Agreement
F. Table of Contents of the Operations Manual
G. Financial Statements
H. List of Current Franchisees & Multi-Unit Franchisees
I. List of Franchisees & Multi-Unit Franchisees Who Left the System
J. Franchisee Disclosure Questionnaire
K. Multi-State Addenda for FDD and Franchise Contracts
L. General Release
M. Small Business Administration (SBA) Negotiated Addendum

Please sign and print your name below, date and return one copy of this receipt Ideal Auto Broker Franchising, LLC and keep the other for your records.

Signature: _____
Print Name: _____
Date of Receipt: _____
Company Name: _____

Return To:
Ideal Automotive Broker Franchising, LLC
15-23 132nd Street
College Point, NY 11356
Attention: Jeff Li, CEO

RECEIPT – Prospective Franchisee Copy

Issuance Date: July 18, 2022

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