FRANCHISE DISCLOSURE DOCUMENT

Stanley Industrial & Automotive, LLC
A Delaware Limited Liability Company
Through its Mac Tools Division
5195 Blazer Parkway
Dublin, Ohio 43017
(614) 755-7000
www.mactools.com
www.mactoolsfranchises.com
https://franchise.mactools.com
ddc@sbdinc.com

Brief Description of the Franchised Business: The franchisee will receive the right to operate a business that involves the mobile sale of professional automotive tools and similar products manufactured and/or distributed by Mac Tools and bearing the MAC Tools® trademarks. The franchisee may also be permitted to purchase and distribute certain other products sold by Mac Tools. The franchisee will be assigned a Route of assigned stops with a minimum of 325 potential customers of Mac Tools products. The franchisee will regularly visit the stops with a truck equipped with displays of the franchisee's tool inventory. The stops will include automotive aftermarket businesses, service stations, independent garages, car and truck dealerships, and non-automotive businesses such as cycle shops, lawn mower shops, airports, marinas, machine shops, factories, farm implement dealers or repairers, commercial agricultural businesses and other commercial users of tools and shop equipment. The customers at the stops are professional mechanics and others who will use the products in their business. The franchise is granted for an initial term of 10 years with the right, upon compliance with certain conditions, to renew for one additional successive 10 year renewal term.

The total investment necessary to begin operation of a Mac Tools franchise ranges from $120,010 to $340,535. This includes the $81,035 to $88,950 that must be paid to the franchisor or its affiliate(s). The estimated initial investment for an existing Mac Tools distributor converting to a Mac Tools franchisee ranges from $9,200 to $28,580. This includes the $8,000 to $13,950 that must be paid to the franchisor or its affiliate(s). The estimated initial investment for a distributor or franchisee of another mobile tool or mobile product distribution system, or an employee of Stanley Industrial & Automotive, LLC, converting to a Mac Tools franchisee ranges from $118,375 to $338,050. This includes the $81,000 to $88,950 that must be paid to the franchisor or its affiliate(s).

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

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the

Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: February 23, 2023

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 S.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Mac Tools business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Mac Tools franchisee?	Item 20 or Exhibit S lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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 and arbitration in New York, and in Ohio for disputes involving litigation. 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 and arbitrate with the franchisor in New York, or litigate with the franchisor in Ohio, than in your own state.

2. **Spousal Liability.** In some instances, your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even though your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN

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

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than five 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.

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

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

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

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

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

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

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

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

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

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

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

Franchisees should direct any questions concerning this offering to:

Assistant Attorney General
Consumer Protection Division, Franchise Section
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, MI 48933
(517) 373-7117

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

Stanley Industrial & Automotive, LLC through its Mac Tools Division

The name of the franchisor is Stanley Industrial & Automotive, LLC through its Mac Tools Division, which is referred to in this disclosure document as "Mac Tools," the "Mac Tools Division," "we" or "us." Stanley Industrial & Automotive, LLC is a Delaware limited liability company. We offer franchises under the name Mac Tools. A business operated under the MAC Tools® name is referred to in this disclosure document as a "Mac Tools Business." "You" means the person who buys the Mac Tools franchise and the shareholders, members, managers or other owners of the business entity formed to operate the Mac Tools Business. Mac Tools has its principal business offices located at 5195 Blazer Parkway, Dublin, Ohio 43017. Stanley Industrial & Automotive, LLC has its principal business offices located at 1000 Stanley Drive, New Britain, Connecticut 06053. Our agents for service of process are listed in Exhibit U.

Parents, Predecessors and Affiliates

Stanley Black & Decker, Inc., a Connecticut corporation (NYSE: SWK), is the ultimate parent company of Stanley Industrial & Automotive, LLC. Stanley Black and Decker, Inc. holds its interest in Stanley Industrial & Automotive, LLC through a number of subsidiaries. Those subsidiaries are: Black & Decker, Inc., a Delaware corporation, B&D Holdings, Inc., a Maryland corporation, Stanley Atlantic, Inc., a Delaware corporation, The Black & Decker Corporation, a Maryland corporation, and Black & Decker (U.S.) Inc., a Maryland corporation. Stanley Black & Decker, Inc., Black & Decker, Inc., and Stanley Atlantic, Inc., each have a principal business address of 1000 Stanley Drive, New Britain, Connecticut. The main offices of B&D Holdings, Inc., The Black & Decker Corporation, and Black & Decker (U.S.) Inc. are at 701 East Joppa Road, Towson, Maryland.

The Mac Tools Division of Stanley Black & Decker, Inc. is the only predecessor of Stanley Industrial & Automotive, LLC that is required to be disclosed in this disclosure document. Its principal business address is 5195 Blazer Parkway, Dublin, Ohio 43017.

Mac Tools Canada Inc., having a principal business address of 6275 Millcreek Drive, Mississauga, Ontario L5N 7K6, and Stanley Convergent Security Solutions, Inc., having a principal business address of 8350 Sunlight Drive, Fishers, Indiana 46037, are affiliates of Stanley Industrial & Automotive, LLC that currently offer franchises.

Description of the Mac Tools Franchise

You will conduct a Mac Tools Business by operating a truck or van (referred to in this disclosure document as the "truck") equipped with displays of tool inventory on a route of assigned stops (a "Route") with a minimum of 325 potential customers. The stops will be at automotive aftermarket businesses, service stations, independent garages, car and truck dealerships, and non-automotive businesses such as cycle shops, lawn mower shops, airports, marinas, machine shops, factories, farm implement dealers or repairers, commercial agricultural businesses and other commercial users of tools and shop equipment. The customers at the stops are professional mechanics and others who will use the products in their business. The franchise is granted for an initial term of 10 years, with the right, upon demonstrating compliance with certain conditions, to renew for one additional successive 10 year renewal term. The products to be sold include products and equipment manufactured by Mac Tools or its corporate affiliates for sale under the MAC Tools® name and trademarks (the "Manufactured Products") and products manufactured by others that are distributed by Mac Tools (the "Distributed Products"). The Manufactured Products and the Distributed

Products are collectively referred to in this disclosure document as the "Products." Mac Tools may periodically provide you with the opportunity to purchase and distribute certain products sold under other brands owned by Stanley Industrial & Automotive, LLC or Stanley Black & Decker, Inc. (the "SBD Products").

You must operate your Mac Tools Business in accordance with the Franchise Agreement (the "Franchise Agreement") (see Exhibit B) and Mac Tools' standards and specifications. You must also sign the Purchase Agreement (the "Purchase Agreement") and the Security Agreement (the "Security Agreement") (see Exhibit E and Exhibit F).

From time to time, we may offer incentives to become a Mac Tools franchisee to certain franchisee candidates, including veterans, existing Mac Tools distributors and employees, and franchisees or distributors from other mobile distribution systems (see Items 5, 6 and 7 for additional information on these incentives).

From time to time, franchisees may purchase an existing Mac Tools Business from Mac Tools or another franchisee or purchase an existing Route from a franchisee. These purchases may also include the purchase of accounts receivable (see Items 7 and 10, Exhibit Y and Exhibit BB for additional information).

Business Experience of the Mac Tools Division and Its Predecessor and Affiliates

Mac Tools (including through its predecessors) has manufactured products and offered distributorships for the mobile distribution of professional hand tools and equipment to professional mechanics for over 84 years. Until March 2007, through a predecessor, Mac Tools offered tool distributorships in all fifty U.S. states. These tool distributorships were not franchises, in that there were no franchise fees paid to Mac Tools by the distributors. In March 2007, through a predecessor, Mac Tools began offering franchises for Mac Tools Businesses within Kentucky, while continuing to offer its tool distributorship in other states. In November 2011, Mac Tools' predecessor ceased offering tool distributorships and began offering franchises in all U.S. states. While Mac Tools no longer offers tool distributorships, many of its existing distributors continue to operate a Mac Tools Business. In December 2013, certain assets of Stanley Black & Decker, Inc., Mac Tools' ultimate parent company, were contributed to a newly formed limited liability company, Stanley Industrial & Automotive, LLC, which is an indirect subsidiary of Stanley Black & Decker, Inc. As part of this corporate restructuring, Mac Tools became a division of the franchisor, Stanley Industrial & Automotive, LLC, and continued offering franchises for Mac Tools Businesses in all U.S. states.

The Mac Tools Division and its predecessors have operated Mac Tools mobile tool businesses of the same type as that to be operated by you for over 82 years. The Mac Tools distributorships and franchises described above are of the same type as that to be operated by you. Neither Mac Tools nor its predecessor, the Mac Tools Division of Stanley Black & Decker, Inc., have ever offered franchises in any other line of business. Mac Tools is not engaged in other business activities. Except for the Mac Tools franchise offered through its Mac Tools Division, Stanley Industrial & Automotive, LLC has never offered franchises in any line of business.

Since 2012, Mac Tools Canada Inc., an affiliate of Stanley Industrial Automotive, LLC, has offered Mac Tools franchises in Canada, which are the same type of business to be operated by you. Mac Tools Canada Inc. offered Mac Tools distributorships in Canada from 2001 until 2012. As of the original issuance date of this disclosure document, there are 22 Mac Tools distributors and 105 franchisees in Canada, who operate a total of 151 Routes. Mac Tools Canada, Inc. has never conducted the type of business to be operated by you.

Market and Competition

The market for the sale of professional tools and similar products is well developed. The sale of tools is a year-round business with little seasonality. If you become a Mac Tools franchisee, you must compete with franchisees and distributors of other established companies offering professional tools, many of which may have been in business for a significant period of time, as well as retail stores selling the same and/or similar products. You should consult the classified telephone directory and undertake an internet search for "Tool Distributors", "Tool Dealers", and "Tools – Manufacturing" to determine the number of competitors in the area, and you should research other tool distributors, tool dealers and tool manufacturers in the area to determine the number of competitors and the nature of competitive products and prices in the area.

Laws or Regulations Applicable to the Mac Tools Business

A Mac Tools Business is subject to numerous laws and governmental regulations that apply to businesses generally. Before you purchase a Mac Tools franchise, we suggest that you check on the existence and the requirements of these laws and regulations in your area.

ITEM 2. BUSINESS EXPERIENCE

Mac Tools Division Management:

References to "SBDI" in Item 2 mean Stanley Black & Decker, Inc., and references to "SIA" in Item 2 mean Stanley Industrial & Automotive, LLC.

Mac Tools Management:

Except as noted below, the place of employment for each individual included under this heading is Dublin, Ohio.

Vice President and President, Mobile Distribution: Philip Cox

Mr. Cox has served as Vice President and President, Mobile Distribution of SIA since October 2019. From July 2016 to October 2019, he served as Vice President Sales & Marketing of the Stanley Engineered Fastening business of SBDI in Danbury, Connecticut.

Vice President of Franchise Development: Michael A. Button

Mr. Button has served as our Vice President of Franchise Development since June 2022. He served as our Director of Franchise Development from October 2019 to May 2022. From January 2018 to October 2019, he served as our Director of Sales.

Director of Sales: Greg Seagren

Since January 2018, Mr. Seagren has served as our Director of Sales. He was our Director of Sales U.S. West and Canada from April 2017 until January 2018.

Director of Sales: Albert Frank

Since October 2019, Mr. Frank has served as our Director of Sales, and from December 2017 to October 2019, he served as our Regional Sales Manager.

Vice President of Sales: Michael Brubaker

Mr. Brubaker has served as our Vice President of Sales since November 2021. He served as our Director of Channel Marketing from October 2019 to November 2021. He was our Director of Franchise Sales and Training from June 2018 to October 2019 and our Director of Category Management from October 2016 to June 2018.

Vice President, Financial and Customer Services: Stephanie J. Dick

Mrs. Dick has served as our Vice President, Financial and Customer Services since June 2022. She served as our Director of Financial Services from July 2015 to May 2022.

Onboarding Manager: Tressa M. Pinkard

Mrs. Pinkard has served as our Onboarding Manager since August 2015.

Compliance Manager: Jonathan J. Murrell

Mr. Murrell has served as our Compliance Manager since September 2015.

Stanley Industrial & Automotive, LLC Board of Directors and Principal Officers:

Director and Vice President, Corporate Tax: Michael A. Bartone

Mr. Bartone has served as a Director of SIA since December 2013, and its Vice President, Corporate Tax since December 2013. He has been Vice President, Corporate Tax of SBDI since January 2002. Additionally, from April 2017 until July 2020, Mr. Bartone served as Treasurer of SBDI in addition to his role as Chief Tax Officer of Tax. Mr. Bartone is based in New Britain, Connecticut.

Director and Vice President, Tax Compliance and Financial Reporting: Michael D. Vagnini

Mr. Vagnini has served as a Director of SIA in New Britain, Connecticut since February 2017 and has served as Vice President Tax Compliance and Financial Reporting of SIA in New Britain, Connecticut since November 2013. Mr. Vagnini has served as Vice President, Tax of SBDI in New Britain, Connecticut since December 2015. He has served as Vice President, Tax Compliance and Financial Reporting for Black & Decker (U.S.), Inc., in Towson, Maryland since December 2011.

Director and Assistant Secretary: Robin Z. Weyand

Ms. Weyand has served as a Director of SIA in Towson, Maryland since January 2015. Ms. Weyand has served as Assistant Secretary of SBDI since April 2014 and as Assistant General Counsel of SBDI in Towson, Maryland since January 2014.

President: Robert Raff

Since January 2023, Mr. Raff has served as President of SIA. Since July 2022, Mr. Raff has served as Co-President and Chief Commercial Officer of the Tools and Outdoor business of Stanley Black & Decker. Mr. Raff served as Head of the Stanley Outdoor Integration from August 2021 to September 2022, and as President of the Stanley Security business of SBD from June 2017 to August 2021. Mr. Raff is based in Towson, Maryland.

President, Cribmaster: Matthew J. Cornell

Since April 2021, Mr. Cornell has served as President, Cribmaster of SIA in Marietta Georgia, and has also served as Chief Financial Officer of the Industrial Segment of SBDI since May 2020, first in New Britain, Connecticut and then in Marietta, Georgia. Mr. Cornell served as Chief Financial Officer of the EMEA ANZ division of the Global Tools and Storage business of SBDI from December 2016 to April 2020 in Slough, United Kingdom and Brussels, Belgium.

Vice President and Chief Financial Officer: Adrea Williams

Since January 2023, Ms. Williams has served as Vice President and Chief Financial Officer of SIA, and since July 2022 has served as Chief Financial Officer of the Tools and Outdoor business of SBDI. Ms. Williams served as Chief Financial Officer of the Outdoor business of SBDI from March 2021 to June 2022. Ms. Williams served as Region President of Sysco from December 2019 to February 2021, Chief Financial Officer, Specialty Meat Group, of Sysco from May 2018 to December 2019 and Director, Finance of Sysco from September 2016 to March 2018. Ms. Williams is based in Houston, Texas.

Vice President, Real Estate: Gregory P. Smulski

Mr. Smulski has served as Vice President, Real Estate of SIA since December 2013, and as Vice President, Real Estate of SBDI since April 2013. Mr. Smulski is located in New Britain, Connecticut.

Vice President and Secretary: Janet M. Link

Since July 2017, Ms. Link has served as Vice President and Secretary of SIA, and as Senior Vice President, General Counsel and Secretary of SBDI, each in New Britain, Connecticut.

Treasurer: Robert Paternostro

Mr. Paternostro has served as Treasurer of SIA since March 2021. He was Assistant Treasurer of SIA from February 2017 until March 2021. He has served as Vice President and Treasurer of SBDI since July 2020. From April 2017 to April 2019, he held the position of Assistant Treasurer of SBDI, and from April 2018 to July 2020, he was a Vice President in the Treasury department of SBDI. Mr. Paternostro is based in New Britain, Connecticut.

Assistant Secretary: Theodore C. Morris

Mr. Morris has served as Assistant Secretary of SIA since December 2013, and Assistant General Counsel and Assistant Secretary of SBDI since January 2004. He is located in New Britain, Connecticut.

Assistant Secretary: Adan Ayala

Mr. Ayala has served as Assistant Secretary for SIA since December 2013, and General Patent Counsel for SBDI since January 2014. He is located Towson, Maryland.

Assistant Secretary: Gregory Ogunsanya

Mr. Ogunsanya has served as an Assistant Secretary of SIA in Charlotte, North Carolina since February 2022. He has also served as Vice President and Assistant General Counsel of SBDI since November 2020. From December 2019 to November 2020, he served as Vice President, Deputy General Counsel, and from November 2018 to December 2019, as Vice President, Honeywell and General Counsel, each at Honeywell Safety and Productivity Solutions in Charlotte, North Carolina. From February 2017 to

November 2018, he served as General Counsel, Electronic Solutions, Engines and Power Systems and Mergers and Acquisitions in Phoenix, Arizona.

ITEM 3. LITIGATION

The following litigation matters relate either to Stanley Industrial & Automotive, LLC, through its Mac Tools Division, or to its ultimate parent company, Stanley Black & Decker, Inc., which guarantees our performance under the Franchise Agreement.

Pending Actions

Mac Tools, a Division of Stanley Industrial and Automotive, LLC, v. Iron Horse Tools, Inc. et al. (Case No. 2019-CA-4073), Circuit Court of the State of Florida in the Ninth Circuit, Osceola County. On December 12, 2019, Mac Tools filed a Complaint in Replevin against its franchisee, Iron Horse Tools, Inc. ("Iron Horse") and the principals of Iron Horse, Carlos Irizar and Regiena Irizar, seeking to recover possession of approximately $62,000 of personal property in the possession of Iron Horse that is subject to Mac Tools' rights to possession under a Security Agreement. On January 26, 2021, Mac Tools filed an Amended Complaint seeking monetary damages related to the personal property that was not recoverable from Iron Horse. On March 19, 2021, Iron Horse and Mr. and Ms. Irizar filed Defendant's Answer to Plaintiff's Amended Complaint and Counterclaim for Declaratory Judgment and Damages which asserted a counterclaim for damages based upon an alleged mischaracterization of the parties relationship and a counterclaim for declaratory relief asking (a) that Mac Tools' cause of action be stayed pending arbitration, (b) for a declaratory judgment that the counter-plaintiffs are employees rather than independent contractors, (c) that Mac Tools violated the Florida Deceptive and Unfair Trade Practices Act, and (d) for treble damages. Defendants' counterclaims were dismissed on September 3, 2021. The matter remains pending.

Vijayen Streedharan v. Stanley Industrial & Automotive, LLC, Case No. CIV-SB-2132714, in the Superior Court of the State of California in and for the County of San Bernardino. On November 24, 2021, the plaintiff, a former Mac Tools franchisee, filed a Class Action seeking recovery for violations of California's Labor Code, Industrial Welfare Commission wage orders, and California's Unfair Competitive Law on behalf of the plaintiff and other similarly situated franchisees and distributors in California. The plaintiff asserts that the defendant has misclassified its California franchisees and distributors as independent contractors instead of employees. The matter was removed to the United States District Court for the Central District of California as Case No. 5:22-cv-00322 on February 21, 2022. The matter remains pending.

Bernard Dawley v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035686). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice. This matter was officially commenced by JAMS on November 21, 2022, and an arbitrator was appointed on December 7, 2022. The matter remains pending.

Nigel Clarke v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035685). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice. This matter was

officially commenced by JAMS on November 22, 2022, and an arbitrator was appointed on December 7, 2022. The matter remains pending.

James Eagan v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035689). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice. This matter was officially commenced by JAMS on January 4, 2023, but no arbitrator has yet been appointed. The matter remains pending.

Carlos Irizar v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035693). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice. This matter was officially commenced by JAMS on January 4, 2023, but no arbitrator has yet been appointed. The matter remains pending.

John Wentworth v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035695). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice. This matter, as well as the matters filed with JAMS NYC that are listed below, have not yet been officially commenced by JAMS.

Wayne Liebnitzky v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035694). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice.

Marc Grillo v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035691). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice.

Brad Ingraham v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035692). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice.

David Dyke v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035688). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice.

Robert Duclos v. Stanley Industrial & Automotive, LLC - - Mac Tools Division (JAMS Ref. No. 1425035687). Demand for Arbitration form filed with JAMS NYC on July 5, 2021 with a request for mediation in advance of arbitration. The claimant, in the Demand for Arbitration form, asserts that Mac Tools and its Distributor and Franchise Agreements have mischaracterized and misclassified the relationship with its mobile tool distributors as one of independent contractor/franchisee instead of employer/employee and asserts that constitutes a fraud and a deceptive trade practice.

Certain Concluded Civil Actions

Michael Starke v. Stanley Black & Decker, Inc., Case No. C-03-CV-21-001091, in the Circuit Court for Baltimore County, Maryland. On April 13, 2021, the plaintiff, a consumer, filed a Class Action Complaint asserting claims for violation of the Maryland Consumer Protection Act, breach of express warranty and unjust enrichment. The action sought a remedy for allegedly deceptive and misleading business practices of the defendant with respect to the marketing and sales of certain of its titanium drill bit and cobalt drill bit products. The matter was settled. A final hearing was held on March 18, 2022, at which the Court approved the settlement and certain payments to be made by Stanley Black & Decker, Inc. as part of the settlement. The matter is concluded.

Injunctions; Restrictive Orders and Decrees

During the first six months of 1999, Stanley entered into consent decrees with the Federal Trade Commission ("FTC") and the States of Connecticut and Missouri, by which Stanley agreed to meet the very latest FTC guidelines for Made in U.S.A. labeling on its mechanics tools. The guidelines require that products may be marked "Made in U.S.A." if, and only if, those products have all or virtually all domestic content. The guidelines were announced by the FTC in December 1997. Almost all of Stanley's products met the guidelines even before they were announced. Immediately following the change in the guidelines, Stanley voluntarily took steps to ensure that all of its products would comply with the change. Those steps had already been taken when the consent decrees were agreed to in 1999, and, as a result, Stanley was not required to make any additional changes. A copy of the FTC Decision and Order is included as Exhibit V to this disclosure document.

Litigation Against Franchisees in the Last Fiscal Year:

During fiscal year 2022, Mac Tools did not file any lawsuits against franchisees.

Except for the matters described above, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Fee

You must pay us a non-refundable initial franchise fee of $8,000, which is due in full when the Franchise Agreement is signed by both you and us.

Computer Hardware and Software

You must purchase your computer hardware and operating system software from us. The estimated cost for these items is $3,000 to $3,800, depending upon the add-on options selected by you such as printers, warranties and service plans. During our prior fiscal year, the cost paid by franchisees for their computer hardware and operating system software ranged from $2,373 to $3,563. We provide your computer (with your operating system software installed) to you at your initial training. If you do not successfully complete your initial training, you must return your computer to us. Once returned, we will refund the cost of the computer to you. Other than as described in this paragraph, the cost paid by you for the computer is non-refundable.

You will be required to use certain software that we identify for your use in your Mac Tools Business. The software is capable of communicating with the internal computers at Mac Tools and provides you with administrative, inventory control tools and other similar functions (the "Mac Tools Software"). As of the original issuance date of this disclosure document, we do not charge you fees for your use of the Mac Tools Software, but we have the right to do so at any time. If so, we estimate that franchisees will be required to pay an initial fee of up to $500 per Route or user and/or a recurring monthly fee of up to $150 per Route or user. We have the right to change the amount of the fees at any time, in our sole discretion. If we charge an initial fee and/or recurring monthly fee, you must pay us the initial fee and/or the first monthly fee at the time you sign your Franchise Agreement or at the time that you add an additional Route (if you are an existing franchisee adding a Route). These fees are non-refundable. As of the original issuance date of this disclosure document, the required Mac Tools Software is the Mobile Business Assistant (MBA) software (referred to in this disclosure document as "MBA software"). We may require you to use additional or replacement software, which may include Microsoft Dynamics. Exhibit L to this disclosure document includes a copy of the Mobile Business Assistant Agreement and the Microsoft Dynamics Agreement.

Starter Inventory and Tool Displays

With limited exceptions (described below), you must purchase an initial inventory of tools and tool storage (such as tool boxes and tool carts) from us for resale to your customers ("Starter Inventory"). We determine the mix of tools and tool storage items that will be included in your Starter Inventory, taking into consideration our most popular tools and products at the time. The current Starter Inventory is offered at prices ranging from $70,000 to $75,000. During our prior fiscal year, franchisees paid $71,000 for Starter Inventory.

You are required to outfit the interior of your truck with tool displays to showcase your inventory. These tool displays must meet our specifications and may be purchased from us or from other suppliers. The costs of required tool displays are typically included in the cost of your truck (see Item 7 for additional information on your truck). You may also buy optional tool displays from us or other suppliers. We estimate the costs of your tool displays purchased from us will range from $35 to $1,500, depending upon the types and quantities of displays that you purchase. During our prior fiscal year, the cost paid by franchisees for tool displays purchased from us ranged from $32 to $546.

Payment for Starter Inventory and tool displays supplied by us is made in lump sum at the successful conclusion of your initial training. Refunds of payments by you for Starter Inventory and tool displays purchased from us are subject to our then-applicable return policy.

Mac Tools Distributor Conversion

Current Mac Tools distributors ("Converting Mac Distributor") in good standing with us may convert from a distributor to a franchisee. The Converting Mac Distributor must pay us an initial franchise fee of $8,000. In most instances, at the time the Converting Mac Distributor signs its Franchise Agreement, it has sufficient tool and tool storage inventory, the required computer system, and the required tool displays. As such, a Converting Mac Distributor does not typically incur expenses for these items. From time to time, a Converting Mac Distributor will not have the required computer system or the required tool displays. If so, the Converting Mac Distributor will be required to purchase the computer system and tool displays. If we charge the initial software fee and recurring monthly software fees for the Mac Tools Software described above, a Converting Mac Distributor will be required to pay those fees. The estimated fees for items that a Converting Mac Distributor must pay as well as whether such fees are refundable and when payment is due, are as described above (see Item 6 and Item 7 for additional information regarding Converting Mac Distributors).

Franchisee, Distributor or Employee Conversion

If you are (1) a distributor or franchisee of another mobile distribution system, including systems that sell tools and tool storage products, (2) a former Mac Tools distributor or franchisee, or (3) an employee of Mac Tools, Stanley Industrial & Automotive, LLC (or its predecessors, affiliates or subsidiaries), and you become a Mac Tools franchisee (a "Converting Franchisee, Distributor or Employee"), you must pay us an initial franchise fee of $8,000. You must also purchase Starter Inventory and the computer system described above. If we charge the initial software fee and recurring monthly software fee for the Mac Tools Software described above, you will be required to pay those fees. You may already have tool displays inside your truck that meet our specifications, and if so, you will not be required to buy the tool displays described above. If you do not have tool displays that meet our specifications, you will be required to purchase them from us or other suppliers. You may also buy optional tool displays from us and other suppliers. The estimated fees for items that a Converting Franchisee, Distributor, or Employee must pay, as well as whether such fees are refundable and when payment is due, are as described above (see Items 6 and Item 7 for additional information regarding Converting Franchisees, Distributors or Employee).

Additional Routes

We may occasionally allow you to operate more than one Route. If so, you must purchase Starter Inventory and a computer system for each Route. Occasionally, we may allow an existing franchisee commencing an additional Route to use part of its existing inventory to satisfy the requirement to purchase Starter Inventory for the additional Route. We may, in our discretion, allow a franchisee to purchase its Starter Inventory from another franchisee instead of us.

The fees described above are based on the assumption that you will operate one Route.

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ITEM 6. OTHER FEES

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Annual Fee (See Note 1)	$1,200	On or before January 15th of each full calendar year.	Payable in the form of a debit to your trade account.
On-going Inventory Purchases (See Note 2)	Variable, depending upon sales by franchisee	Payable weekly	Total price of product, less 2% if paid in full within 10 days or full price if paid within 30 days.
Late Charge	1.5% per month (18% per year) or the highest rate permitted by law (whichever is lower), based on the cash price of products purchased on a trade account and not paid when due	Payable upon demand	Late charges begin when payment is 10 days past due and continues until the purchase price is paid in full.
Costs and Legal Fees	Will vary under the circumstances	Payable upon demand	Includes our damages, costs and expenses incurred because of: your default under your agreements with us; enforcement of our rights concerning confidential information; enforcement of the Security Agreement; our efforts to collect amounts owed under the Purchase Agreement; you assert, in litigation or arbitration, that the representations and warranties you made in the Franchise Agreement, if any, are not true; and because we compel arbitration.
Indemnity	Will vary under the circumstances	Payable upon demand	You indemnify us from certain claims and liabilities connected with the Mac Tools Business and listed in Section 3.18 of the Franchise Agreement.
Customer Credit Program -- Remittance of Payments (See Note 3)	Will vary under the circumstances	Payable weekly	Under the Customer Credit Program, a franchisee is obligated to make weekly collections of amounts owed to the Credit Provider for purchases made by a

Type of Fee	Amount	Due Date	Remarks
			franchisee's customers. We have the right to collect payment of the amounts from your bank account on a weekly basis.
Customer Credit Program -- Management Fees (See Note 3)	0% to 15% of the amount of each purchase by your customer on a Customer Credit Program account. Upon notice to you, the percentage may be modified by the provider of the Customer Credit Program.	Payable at the time of sale to your customer	Depending on the then-applicable terms of the Customer Credit Program, you may be required to pay the provider of the Customer Credit Program the full amount of the management fee or you may be required to pay a portion of the fee to the provider and a portion to us. The fee is paid at the time that we credit your trade account for your customer's purchase.
Reimbursement to for Charge-backs for Certain Credit Accounts	Will vary under the circumstances	Payable upon demand	(See Note 3)
Large Ticket Account (LTA) Fees	Up to 10% of the purchase price eligible for the LTA Program. As of the date of this disclosure document, for eligible purchases with a payment period of 100 weeks, Mac Tools charges a fee equal to 5% of the amount of the purchase price eligible for the LTA Program. Estimated amount of annual LTA administrative or service fees paid by a participating franchisee is approximately $839. $35 fee for each time LTA payment cannot be made because of insufficient funds in franchisee's bank account or for any other similar reason.	LTA administrative or service fees are payable weekly by direct debit payments from franchisee's designated bank account. Fees for insufficient funds or other similar reasons are payable in lump sum in the form of debit to a franchisee's trade account, LTA account or designated bank account.	(See Note 4)

Type of Fee	Amount	Due Date	Remarks
Mac Tools Software License Fees (See Note 5)	Estimated amount of recurring monthly license fee is $0 to $150 per Route or user. Estimated initial license fee for any additional Route that you operate is $0 to $500.	Payable in lump sum in the form of monthly debits to your trade account.	As of the original issuance date of this disclosure document, Mac Tools does not charge a recurring monthly license fee, but has the right to charge a fee.
Extended Terms Program (ETP) Fees (See Note 6)	Estimated amount of administrative or service fee(s) for each ETP account is $25. $35 fee for each time ETP payment cannot be made because of insufficient funds in franchisee's bank account or for any other similar reason.	ETP administrative or service fees are payable weekly by direct debit payments from franchisee's designated bank account. Fees for insufficient funds or other similar reasons are payable in lump sum in the form of debit to a franchisee's trade account, ETP account or designated bank account.	Mac Tools does not currently charge an ETP administrative or service fee, but reserves the right to do so.
Renewal Fee	One-half of the then-current initial franchise fee.	Payable in lump sum at the time of renewal.	(See Note 7)
Transfer Fee (See Note 8)	If an existing franchisee transfers its Franchise Agreement and Mac Tools Business, then, depending upon the term of the Franchise Agreement signed by the new Mac Tools franchisee, either (1) the existing franchisee must pay us a transfer fee equal to one-half of the then-current initial franchisee fee, or (2) the new franchisee must pay us the full amount of the then-current initial franchise fee. Transfer fee is one-fourth of the then-current initial franchise fee, if you are transferring a Route.	Prior to effectiveness of transfer.	Payable when you sell your franchise or otherwise transfer your franchise or Route(s).

Type of Fee	Amount	Due Date	Remarks
Training Tuition Fee or Attendance Fee (See Note 9)	Estimated amount of tuition fee or attendance fee is a maximum of $2,500 for each person trained.	Payable in lump sum prior to training.	(See Note 9)
Administrative Fees for Insufficient Funds or Other Similar Reasons	$35 fee for each time a franchisee misses a payment to Mac Tools because of insufficient funds in the franchisee's bank account or other similar reasons.	Payable in lump sum in the form of a debit to franchisee's trade account, bank account, and if applicable, LTA account or ETP account.	

Except as noted above or provided in the following notes, the fees and payments listed above are uniformly imposed by us, collected by us, and payable to us. These fees and payments are nonrefundable. You may be obligated to pay us by direct debit from your bank account (see Exhibit N).

Note 1: You must pay an annual fee in the amount of $1,200. During the first calendar year of the term of the Franchise Agreement, the annual fee is payable by you in the form of a single payment amount equal to $100.00 multiplied by the number of whole calendar months in the remainder of the first calendar year of the term. This payment will be in the form of a debit to your trade account and will be due within thirty (30) days of the date of the invoice from us. During each full calendar year during the term of the Franchise Agreement, the annual fee is payable by you in a single payment amount of $1,200. This payment will be in the form of a debit to your trade account, for which you will be invoiced on or before the fifteenth (15^{th}) day of January in each full calendar year. You must pay this amount within thirty (30) days of the date of the invoice from us. If you are a renewing franchisee who has already paid us the annual fee that was due in the last year of your initial Franchise Agreement, we will credit a portion of the amount that you paid for that annual fee to the annual fee due and owing during the first year of your renewal Franchise Agreement.

Note 2: Ongoing Product Purchases. After commencing operation of your Mac Tools Business, you must purchase on-going inventory of the Products from us. We determine the price you pay for this inventory. Unless you are currently complying with a written business improvement plan approved by us, you must purchase a quantity of Products having a total dollar value (calculated based on the prices paid for Products and the net of the dollar value of returns) greater than or equal to at least 80% of the National Franchisee Average and multiplied by the number of Routes assigned to you. (The National Franchisee Average is described in more detail in Section 5.8 of the Franchise Agreement.) You may purchase the Products through your trade account (see Item 10 for additional information on the trade account.) In addition, we may make certain Products available to qualified franchisees to purchase over an extended period of time through the Extended Terms Program (see Item 10 for information.)

You may participate in the ePay program, an online program by which you can access a password protected website maintained by us in order to make payments on your trade account. The ePay program is an electronic transfer of funds system that is provided to you at no cost. You will receive a quarterly rebate of least 1% of all payments made through the ePay program, as long as you are in good standing with us and current on all payments due to us.

From time to time, we may offer to franchisees a quick pay discount on the purchase price of Products for making payment to us earlier than required. We currently offer a discount of 2% for payments

made by franchisees within 10 days of invoice, although we reserve the right to modify or discontinue this discount at any time.

Product Returns. During the term of the Franchise Agreement, Manufactured Products, and if applicable, SBD Products, may be returned to us in accordance with the terms of our then-current Tool Returns policy.

Mac Tools Veterans Incentive. From time to time, we offer incentives or discounts to prospective franchisees who are U.S. veterans or whose spouses are U.S. veterans (referred to in this disclosure document as the "Veterans Incentive"). The type and amount of the Veterans Incentive is determined by us and may be modified or discontinued by us at any time. If you receive the Veterans Incentive, you may not be eligible for other incentives that we offer.

For you to receive the Veterans Incentive, you must provide us with documentation certifying your Honorable Discharge from a branch of the United States Armed Forces, or the Honorable Discharge of your spouse. You are required to form a new business entity such as a limited liability company or corporation to own your Mac Tools Business. The majority owner of the business entity, or his or her spouse, must be eligible for the Veterans Incentive in order for the business entity to receive the Veterans Incentive. If it is your spouse who received the Honorable Discharge, for you to be eligible to receive the Veterans Incentive, your spouse must sign the Guaranty of Indebtedness (see Exhibit J and Exhibit W (state addenda)). To receive the Veterans Incentive, you must sign the Veterans Addendum (see Exhibit D).

As of the date of this disclosure document, the Veterans Incentive is either inventory chosen by us having a franchisee cost of $25,000, or a $25,000 credit to your Mac Tools' trade account. This inventory is in addition to, and not a replacement of, the Starter Inventory that you must purchase. You may not use the credit to your trade account to purchase Starter Inventory, but you may use the credit to your trade account for your on-going inventory purchase requirements.

If you receive the Veterans Incentive and your Franchise Agreement is terminated or you stop operating within three years of the date your Franchise Agreement was signed, or, if we learn that you were not Honorably Discharged, you will be required to immediately pay us $25,000 (which is the amount of the Veterans Incentive).

Converting Mac Distributor. Converting Mac Distributors in good standing with us may convert from a distributor to franchisee, and from time to time, we offer incentives or discounts for them to do so (the "Conversion Incentive"). The type and amount of the Conversion Incentive is determined by us and may be modified or discontinued by us at any time. It is most likely that the Conversion Incentive will be a credit to the Converting Mac Distributor's trade account, which may be used toward on-going inventory purchase requirements. A Converting Mac Distributor must sign the Distributor Conversion Addendum (see Exhibit D).

Converting Franchisee, Distributor or Employee. We may offer Converting Franchisee, Distributor or Employees an incentive or discount to become a Mac Tools franchisee (the "Franchisee Incentive"). The type and amount of the Franchisee Incentive may differ from time to time or from franchisee to franchisee, in our discretion. We may discontinue the Franchisee Incentive at any time. Typically, the Franchisee Incentive is a trade account credit or tool inventory provided by us at no cost to the franchisee. To receive the Franchisee Incentive, you must sign the Franchisee, Distributor or Employee Conversion Addendum (see Exhibit D), and you must not be a party to a non-competition agreement that would prevent you from fulfilling your duties as a Mac Tools franchisee. If you receive the Franchisee Incentive, you may not be eligible for other incentives that we offer to franchisees. You may use this trade account credit toward your on-going inventory purchase requirements.

Note 3: Qualifying franchisees may participate in an optional customer credit program (the "Customer Credit Program") that allows their customers to purchase products on credit provided by the Customer Credit Program provider (the "Credit Provider"). Both you and your customers must meet the Customer Credit Program's requirements and qualifications. You may be required to sign an agreement with the Credit Provider (the "Customer Credit Program Agreement"), and you may be required to sign a rider to the Customer Credit Program Agreement with us (the "Customer Credit Program Rider") (see Exhibit Q). There is no guaranty that you or your customers will qualify for the Customer Credit Program. While not a referral fee, we may receive a portion of the fees that you owe the Credit Provider for purchases by your customers on credit.

As of the original issuance date of this disclosure document, if you participate in the Customer Credit Program, you must collect, on a weekly basis, the amounts that your customers owe the Credit Provider. We debit this amount from your bank account on a weekly basis, and in turn, then credit your trade account for your customer's Customer Credit Program purchases. We transfer a portion (currently 5%) of the Customer Credit Program account purchase price to the Credit Provider (which is the amount you owe to the Credit Provider), and we keep a portion of the purchase price (which is the amount that you owe to us). Qualifying franchisees may receive a weekly credit to their trade account for some or all of the amount retained by us in the previous week with respect to the amount (currently 4%) of the purchase price owed to us. If your customer does not qualify for the Customer Credit Program because the standard underwriting guidelines for the Customer Credit Program are not met or the customer does not have a credit history, your customer may be eligible for a special account that would allow the customer to purchase products using the Customer Credit Program (a "Special Account"). If a Special Account is charged-off or charged-back to us by the Credit Provider, or we repurchase these accounts from the Credit Provider, you will reimburse us for 50% of the amount of that account or a lesser amount as we determine. We have the right to limit your ability to establish new Special Accounts.

The terms of the Customer Credit Program described above, may be modified, limited, replaced or substituted by us at any time. The Credit Provider may be replaced or terminated, and your participation in the Customer Credit Program may be suspended, limited or revoked by us if you do not comply with the requirements of the Customer Credit Program or you submit customer applications that involve dishonesty, misrepresentation and/or fraud.

Note 4: Qualifying franchisees may participate in the Large Ticket Account program ("LTA Program") offered by us for the purchase of single inventory items with a minimum purchase amount of $800 (or a lesser amount agreed to by you and us). If you participate in the LTA Program, the option to purchase products offered under the LTA Program continues until the LTA Program is discontinued by us or until you no longer qualify for the LTA Program. Payments for large ticket items are required weekly, starting two weeks after the invoice date of the purchase. The number of weekly payments will be determined by us in our sole discretion. As of the date of this disclosure document, we estimate the number of weekly payments will range from 50 to 100 weeks. The amount of each weekly payment will vary based on actual shipments, the actual amount financed and the number of weeks in a your repayment plan. Your purchases under the LTA Program must be made by direct debit. If you miss a direct debit payment, we may place your Mac Tools trade account on hold, including product orders. If two or more direct debit payments cannot be made for any reason (other than through the fault of Mac Tools), including insufficient funds in your bank account, you will become ineligible to participate in the LTA Program and all amounts that you owe us under the LTA Program will become immediately due. The credit limit available to a participating franchisee is based on the franchisee's total product purchases during Stanley Industrial & Automotive, LLC's prior fiscal quarter. Mac Tools determines the amount of the credit limit available to a franchisee, which may be up to 15% of the franchisee's total product purchases during such prior fiscal quarter.

Participating franchisees may be charged an administrative or service fee each time the franchisee participates in the LTA Program. As of the date of this disclosure document we do not charge these fee(s) if the franchisee's payment period is less than 100 weeks. If the franchisee's payment period is 100 weeks or more, we charge a fee equal to 5% of the amount of the purchase price of the item eligible for the LTA Program. We have the right to increase the amount of the fee, and if so, we estimate the fee amount would be increased to no more than 10% of the amount of the purchase price of the item eligible for the LTA Program. We have the right to charge administrative or service fees for payment periods less than 100 weeks. If we elect to charge these fee(s) in the future, we estimate the fee(s) will be an amount up to 10% of the amount of the large ticket item purchase price of the item that is eligible for the LTA Program. We estimate the average annual cost paid by each franchisee participating in the LTA would be approximately $839.

You are not be eligible to order large ticket items under the LTA Program until you have been in operation for 6 months, but you may elect to participate in the LTA Program at any time, including at the time you sign the Franchise Agreement. If you participate in the LTA Program, you must sign the LTA Program agreements (see Exhibit P). We have the right to modify the LTA Program, and each purchase made by you under the LTA Program will be subject to our then-current Large Ticket Account Program Agreement.

Note 5: As disclosed in Item 5, you will be required to use certain software that we identify for your use in your Mac Tools Business (the "Mac Tools Software"). As of the original issuance date of this disclosure document, we do not charge you fees for your use of the Mac Tools Software, but we have the right to do so at any time. If so, we estimate that franchisees will be required to pay an initial fee of up to $500 per Route or user and/or a recurring monthly fee of up to $150 per Route or user. We have the right to change the amount of the fees at any time, in our sole discretion. If we charge an initial fee and/or recurring monthly fee, you must pay us the initial fee and/or the first monthly fee at the time you sign your Franchise Agreement or at the time that you add an additional Route (if you are an existing franchisee adding a Route). These fees are non-refundable.

Note 6: We have the right to charge franchisees who participate in the ETP Program an administrative or service fee(s). As of the date of this disclosure document, we do not charge these fee(s). If we elect to charge these fee(s) in the future, we estimate a $25 fee, which will be charged for each ETP account (see Item 10 for additional information on the ETP Program.)

Note 7: Franchisees who signed their Franchise Agreements before March 1, 2016 are not required to pay a renewal fee. Franchisees who signed their Franchise Agreements on or after March 1, 2016 are required to pay a renewal fee upon each renewal of their Franchise Agreement (see Exhibit D for a copy of the Renewal Addendum).

Note 8: The amount of the fee to be paid in connection with a transfer depends upon the term of the new franchisee's Franchise Agreement. If the term is the same as that remaining under your Franchise Agreement, you must pay us a transfer fee equal to one-half of the then-current initial franchise fee. If the term is something other than the term remaining under your Franchise Agreement, you are not required to pay us a transfer fee, but the new franchisee must pay us the then-current initial franchise fee. If we agree to allow you to transfer one of your Routes to a new franchisee, among other conditions, you must pay us a transfer fee equal to one-fourth of the then-current initial franchise fee.

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Note 9: If we provide optional training courses after you have begun operating, and you attend the training, we have the right to charge you a tuition fee or attendance fee for this training. As of the date of this disclosure document, we estimate the tuition fee or attendance fee will be a maximum of $2,500 for each person trained.

There are no purchasing cooperatives required to be disclosed in Item 6.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

New Franchise

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (See Note 1)	$8,000	Lump sum	Upon signing the Franchise Agreement	Mac Tools
Annual Fee (See Note 2)	$1,200	Lump sum	Within 30 days of the date of invoice	Mac Tools
Travel and Living Expenses While Training (See Note 3)	$2,025 to $4,050	Lump sum	As arranged by you	Airlines, hotels, and restaurants
Starter Inventory (See Note 4)	$70,000 to $75,000	Lump sum	Upon signing the Franchise Agreement	Mac Tools
Truck Lease or Purchase (See Note 5)	$13,800 to $180,000	As required by suppliers	As required by suppliers	Truck suppliers
Truck Painting and Decal Application (See Note 6)	$0 to $10,550	Lump sum	Upon signing the Franchise Agreement	Various suppliers
Tool Displays (See Note 7)	$35 to $1,500	Lump sum	Prior to opening	Mac Tools and other suppliers
Payment Processing Services (See Note 8)	$0 to $500	As required by provider	As required by provider	Approved suppliers
Professional Fees (See Note 9)	$850 to $1,800	As arranged by you	As arranged by you	Your professional advisors
Insurance (See Note 10)	$600 to $4,800 for first 6 months	Lump sum	Prior to opening	Insurance company
Uniforms (See Note 11)	$250	Lump sum	Prior to opening	Approved suppliers
Computer System (See Note 12)	$3,000 to $3,800	As arranged by you and supplier	Prior to signing the Franchise Agreement	Mac Tools or other designated supplier

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Opening Advertising and Business Cards (See Note 13)	$50 to $250	As incurred	Upon receipt of invoice	Various suppliers
Licenses, Permits and Authorizations (See Note 14)	$50 to $250	Lump sum	Prior to opening	Government agencies
Mac Tools Software License Fee (See Note 15)	$0 to $900 recurring monthly fee; and $0 to $500 initial license fee	Lump sum	Prior to opening	Mac Tools
Additional Funds: 3 to 6 Months (Working Capital) (See Note 16)	$20,000 to $50,000	As incurred	As incurred	Various suppliers, employees and others
TOTAL	$120,010 to $343,535 (less any incentives offered to you by us)			

Estimated Initial Investment for Converting Mac Distributor

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (See Note 1)	$8,000	Lump sum	Upon signing the Franchise Agreement	Mac Tools
Annual Fee (See Note 2)	$1,200	Lump sum	Within 30 days of the date of invoice	Mac Tools
Truck Painting and Decal Application (See Note 6)	$0 to $10,550	Lump sum	Within 90 days of signing the Franchise Agreement	Various suppliers
Tool Displays (See Note 7)	$0 to 1,500	Lump Sum	Prior to opening	Mac Tools and other suppliers
Payment Processing Services (See Note 8)	$0 to $500	As required by provider	As required by provider	Approved suppliers
Professional Fees (See Note 9)	$0 to $1,300	As arranged by you	As arranged by you	Your professional advisors
Uniforms (See Note 11)	$0 to $250	Lump sum	Prior to opening	Approved suppliers
Computer System (See Note 12)	$0 to $3,800	Lump sum	At signing of Franchise Agreement	Mac Tools or other designated supplier

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Addition to Insurance Premiums (See Note 10)	$0 to $80 (monthly)	Lump sum	Prior to opening	Insurance company or companies
Mac Tools Software License Fee (See Note 15)	$0 to $900 recurring monthly fee; and $0 to $500 initial license fee	Lump sum	Prior to opening	Mac Tools
TOTAL	$9,200 to $28,580			

Estimated Initial Investment for Converting Franchisee, Distributor or Employee

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (See Note 1)	$8,000	Lump sum	Upon signing the Franchise Agreement	Mac Tools
Annual Fee (See Note 2)	$1,200	Lump sum	Within 30 days of the date of invoice	Mac Tools
Travel and Living Expenses While Training (See Note 3)	$2,025 to $4,050	Lump sum	As arranged by you	Airlines, hotels, & restaurants
Starter Inventory (See Note 4)	$70,000 to $75,000	Lump sum	Upon signing the Franchise Agreement	Mac Tools
Truck Lease or Purchase (See Note 5)	$13,800 to $180,000	As required by suppliers	As required by suppliers	Truck suppliers
Truck Painting and Decal Application (See Note 6)	$0 to $10,550	Lump sum	Upon signing the Franchise Agreement	Suppliers of truck painting and decal application services
Tool Displays (See Note 7)	$0 to $1,500	Lump sum	Prior to opening	Mac Tools and other suppliers
Payment Processing Services (See Note 8)	$0 to $500	As required by provider	As required by provider	Approved suppliers
Professional Fees (See Note 9)	$0 to $1,300	As arranged by you	As arranged by you	Your professional advisors
Uniforms (See Note 11)	$250	Lump sum	Prior to opening	Approved suppliers
Computer System (See Note 12)	$3,000 to $3,800	As arranged by you and supplier	Prior to signing Franchise Agreement	Mac Tools or other designated supplier

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Opening Advertising and Business Cards (See Note 13)	$50 to $250	As incurred	Upon receipt of invoice	Suppliers
Licenses, Permits and Authorizations (See Note 14)	$50 to $250	Lump sum	Prior to opening	Government agencies
Mac Tools Software License Fee (See Note 15)	$0 to $900 recurring monthly fee; and $0 to $500 initial license fee	Lump sum	Prior to opening	Mac Tools
Additional Funds: 3 To 6 Months (Working Capital) (See Note 16)	$20,000 to $50,000	As incurred	As incurred	Various suppliers, employees and others
TOTAL	$118,375 to $338,050 (less any incentives offered to you by us)			

All figures in Item 7 are estimates only. Actual amounts will vary for each franchisee and each location depending upon a number of factors. The estimates provided above assume that you will operate one Route. Generally, none of the amounts presented in this Item 7 are refundable. You may be obligated to pay us by direct debit from your bank account (see Exhibit N).

Note 1: The initial franchise fee covers some of the expenses we incur in offering and selling franchises, in training franchisees and in assisting franchisees with the commencement of their Mac Tools Businesses.

Note 2: You must pay us an annual fee of $1,200. This payment will be in the form of a debit to your trade account and is due within thirty (30) days after the date of invoice. During the first year of your franchise, the annual fee will be equal to $100.00 multiplied by the number of whole months that you will be a franchisee during that first year. If you are a renewing franchisee who has already paid us the annual fee that was due in the last year of your initial Franchise Agreement, we will credit a portion of the amount that you paid toward the annual fee due under your renewal Franchise Agreement.

Note 3: This estimate includes airfare, meals and hotel for one person while attending initial training in Dublin, Ohio or at another location in the Columbus, Ohio metropolitan area, as determined by us. Your transportation expenses will vary according to the distance, mode of transportation and market for airline transportation. This estimate does not include personal expenses. Converting Mac Distributors are not required to attend initial training.

Note 4: Starter Inventory must be paid for by certified check, wire transfer or other readily available funds, by you or financed by a third party lender (see Item 10 for more information.) Refunds of payments by you for Starter Inventory are subject to our then applicable return policy if you operate more than one Route, you must purchase Starter Inventory for each Route; however, occasionally, we allow a franchisee who is

adding an additional Route to use its existing inventory to start the Route, instead of requiring the purchase of new Starter Inventory for the additional Route. Converting Mac Distributors typically have sufficient inventory at the time they become a franchisee, and as such, are not required to purchase Starter Inventory.

Note 5: You must purchase or lease a new or used truck that meets our specifications. Truck purchase prices vary significantly depending upon whether a new or used truck is purchased. Purchase of a new truck may cost between $100,000 and $180,000 and a used truck between $5,000 and $130,000. If you lease your truck, the cost to do so is dependent on several factors including the price of the truck, the year, condition and optional features of the truck, and the financing terms and conditions of the lessor. We estimate that your lease of a truck will require a security deposit and delivery fee, collectively in the amount of $3,000 to $15,000, and monthly payments from $1,800 to $3,000. The low range of the estimate above reflects a leased truck with a security deposit and delivery fee of $3,000 and monthly lease payments of $1,800 for a six month period. The high range of the estimate above reflects the purchase of a new truck. Most franchisees purchase, not lease, their trucks. You can purchase or lease your truck from any vendor. We provide the names of companies that sell or lease approved models of trucks that meet our specifications and that can equip the trucks with the appropriate fixtures and tool displays. You are encouraged to contact these companies and other companies to discuss the costs and terms of sale or lease of a truck. Your District Manager may also be able to provide you with information about truck vendors. The estimates in the table above include the costs of truck delivery, truck condition reports, sales taxes, expenses of vehicle registration, and document fees related to purchase or lease of the truck and registration with state and local jurisdictions. The estimate does not include the cost of outfitting the truck to display the current MAC Tools® color scheme, logo, decals and other display requirements (which are described in the following Note 6). If you are a Converting Mac Distributor, we assume that you will use your existing truck to operate your franchised Mac Tools Business, and as such, will not incur any costs to lease or purchase a truck. If you are a Converting Franchisee, Distributor or Employee you may already own or lease a truck that meets our specifications. If so, you will not be required to purchase or lease of a truck to operate your Mac Tools Business and will not incur these expenses.

Note 6: Your truck must meet our specifications regarding color and decals. If you purchase a used truck, or if you are a Converting Mac Distributor using your existing truck, and your truck meets our color and decal requirements, there will be no cost to you for vehicle painting, our decal package (the "Graphics Package") or decal installation. If your truck does not meet our specifications, you must have your truck painted and the Graphics Package installed on your truck. This work is typically done immediately after you successfully complete initial training, or if a Converting Mac Distributor, immediately after you sign the Franchise Agreement. You may need to repair damage to the body of the truck, such as dents, scratches and rust, before your truck is painted. The costs for repair, including costs to prime or re-paint the base color of the truck, are not included in the following estimates.

Decal Removal (if needed)	$800 to $1,500
Estimated Freight (United States Only)	$50
Graphics Package	$1,500 to $4,000
Installation of Graphics Package	$800 to $5,000
Totals	$3,150 to $10,550

If we determine that your truck's repair work, paint job or color scheme does not meet our specifications, we may require you, at your sole cost and expense, to make any necessary changes to the truck to bring the truck into compliance with our specifications.

Note 7: We require you to outfit the interior of your truck with tool displays that are used to showcase your inventory. The tool displays must meet our specifications. If you purchase a used truck, or, if you are a Converting Mac Distributor or a Converting Franchisee, Distributor or Employee using your existing truck

to operate your Mac Tools Business, if your truck meets our tool display requirements, you will not be required to purchase tool displays. Franchisees may elect to buy tool displays, even if not required by Mac Tools to do so. We estimate your costs for tool displays purchased from us for new franchisees and a Converting Franchisee, Distributor or Employee will range from $50 and $1,500, and from $0 to $1,500 for a Converting Mac Distributor. The costs for tool displays are in addition to the cost of your truck. The return of tool displays purchased from us are subject to our return policy, including the amount of any refund that you may receive.

Note 8: You may use payment processing services that allow for mobile methods of accepting payments from your customers, such as payment by a card swipe device connected to your smart phone or tablet device or payment directly from a customer's smart phone. Providers may charge a fee for the devices needed to process payments, set-up fees, monthly service fees, processing fees each time a mobile payment is made, and transaction fees.. The low range of this estimate assumes that you will not use mobile payment processing services, and the high range of this estimate assumes you will use mobile payment processing services and includes the cost to purchase one card swipe device and the amount of fees to be paid by franchisees for a six month period.

Note 9: This is an estimate of your expenses to have an attorney review the franchise documents, as well as the costs of forming a business entity, should you decide to do so. This estimate does not include the possible expenses of a review of the documents by an accountant or business advisor.

Note 10: Costs of insurance will vary by locality, local taxes and your personal loss experience. The estimate provided is for the first six months' coverage. Coverage limits assumed in the estimate are as follows: commercial auto liability insurance coverage – $1,000,000; comprehensive general liability insurance coverage – $1,000,000; and inventory and equipment – $85,000. We have the right to require you to obtain additional types of insurance and coverages, which may increase your insurance costs.

In addition to the costs already incurred by Mac Tools distributors regarding insurance, a Converting Mac Distributor may incur an increase to its insurance premiums in connection with the general business liability insurance requirement under the Franchise Agreement.

Note 11: You must maintain a professional image and comply with our requirements concerning uniforms or work attire. This estimate is for the cost of three uniforms. If you are a Converting Mac Distributor, we assume that you already have the uniforms needed to operate your Mac Tools business and will not incur this expense.

Note 12: You must use a computer system meeting our specifications, the cost of which will vary depending upon the options that you select, such as your printer, warranty and service plans. We provide the computer system to you at initial training. Generally, payment for your computer system is non-refundable, however, if you do not successfully complete initial training, we will refund the cost of the computer system to you if you return the computer system to us. If you are a Converting Mac Distributor or a Converting Franchisee, Distributor or Employee and your computer system already meets our specifications, you will not be required to purchase a new computer system and will not incur this expense.

Note 13: You are not required to advertise prior to commencing business, but most franchisees purchase business cards before they begin operating. If you are a Converting Mac Distributor, we assume that you already have business cards and will not incur this expense.

Note 14: You may be required to obtain business permits and licenses, such as truck licenses, sales tax permits and vendor licenses. The types and costs of required licenses and permits vary from locality to

locality. If you are a Converting Mac Distributor, we assume you already have the required permits and licenses and will not incur this expense.

Note 15: As disclosed in Item 5, you will be required to use certain software that we identify for your use in your Mac Tools Business (the "Mac Tools Software"). As of the original issuance date of this disclosure document, we do not charge you fees for your use of the Mac Tools Software, but we have the right to do so at any time. If so, we estimate that franchisees will be required to pay an initial fee of up to $500 per Route or user and/or a recurring monthly fee of up to $150 per Route or user. We have the right to change the amount of the fee at any time, in our sole discretion. If we charge an initial fee and/or recurring monthly fee, you must pay us the initial fee and/or the first monthly fee at the time you sign your Franchise Agreement or at the time that you add an additional Route (if you are an existing franchisee adding a Route). These fees are non-refundable. The low range of the initial fee in the table above assumes that you are not required to pay an initial fee. The high range of the initial fee assumes that we will charge you an initial fee of $500. The low range of the recurring monthly fee in the table above assumes that you are not required to pay a recurring monthly fee. The high range of the recurring monthly fee assumes that we will charge you $150 per Route or user for each month during the first 6 months that you are in operation. Estimates of the initial license fee and recurring monthly fees assume that you will operate one Route.

Note 16: This is an estimate only of the range of initial start-up expenses that you may incur. This estimate is based on our experience in offering and selling Mac Tools distributorships and franchises. The estimate is for a period of 3 to 6 months. If you are a Converting Mac Distributor, we assume you have sufficient additional funds to commence operations of your franchised Mac Tools Business, and will not incur these expenses.

We do not offer financing to you for your initial investment, but as disclosed in Item 10, Wells Fargo may offer qualifying franchisees financing for Starter Inventory, a truck and other costs associated with a truck, as well as certain expenses associated with starting and operating a Mac Tools Business, including working capital. You may also be able to finance all or part of the initial investment from other third parties (see Item 10 of this disclosure document for additional information.)

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We place restrictions on the sources of products and services that you sell or use in the establishment and operation of your Mac Tools Business. In addition, certain products and services that you sell or use must meet our specifications. The source of these obligations is the Franchise Agreement, and the purpose of these requirements is to maintain the Mac Tools image and the MAC Tools® trademarks and service marks, as well as to insure the identification of Mac Tools Businesses and products by the public, to preserve and enhance the goodwill associated with Mac Tools, and to fulfill the expectations of our customers.

Except for specifications included in our Field Operations Manual, we do not issue specifications for products and services to our franchisees. We do not issue specifications for products and services to approved suppliers. We do not permit you to contract with alternative suppliers when we have designated or approved a supplier.

Items and Services Which Must Meet Mac Tools' Specifications

Truck Used in the Operation of Your Route

In the operation of your Route, you are required to purchase or lease a new or used truck that meets our specifications. If you operate more than one Route, you must purchase or lease a truck for each Route.

You may purchase the truck from any vendor. We provide the names of companies that sell or lease trucks that meet our specifications and that can equip the trucks with the required fixtures and tool displays. You are encouraged to contact these companies and other companies to discuss the costs and terms of sale or lease of a used or new truck. Occasionally, we have a used truck that we offer to franchisees to purchase. Your truck must meet our specifications for color scheme and decals. You must periodically update your truck to conform to our then-current truck specifications. We will not require updates more than once every five years, except that franchisees who are renewing their Franchise Agreement may be required to update at the time of renewal.

Insurance

You must maintain comprehensive general liability insurance coverage, commercial auto liability insurance coverage, and property insurance coverage, covering you, your inventory of the Products and the SBD Products, each of your trucks, and your employees. If you do not obtain and maintain the required insurance, Mac Tools may do so on your behalf at your expense.

Your property insurance must insure against fire, theft and extended coverage, must contain a "lenders loss payable" clause identifying Mac Tools as the "lender," and must be in an amount at least equal to the full replacement cost of the inventory, and must name us as the "loss payee."

Your liability insurance coverage must insure against personal injury, death, and damage to property caused by any product sold by you or your employees, or caused by any motor vehicle being operated by you or your employees in the conduct of your Mac Tools Business, or in any other way as a result of or in connection with the operation of your Mac Tools Business.

You must maintain at least the following types and amounts of insurance coverage: (i) comprehensive general liability insurance in an amount of not less than $1,000,000 per occurrence and combined single limit bodily injury and property damage, $1,000,000 in the aggregate for each policy, (ii) commercial automobile liability insurance for each truck with minimum limits of $1,000,000 per accident for bodily injury and property damage, and minimum limits of $1,000,000 for uninsured and underinsured motorist statutory personal injury protection, and (iii) automobile physical damage insurance, including earthquake and flood coverage, on each truck in an amount equal to the lesser of the actual cash value or the cost of repair of the truck, minus the maximum deductible amount permitted or required by us, typically from $500 to $1,500. We must be included as an "additional insured" on the comprehensive general liability insurance and as an "additional insured grantor of franchise" and, if applicable, an "additional insured lessor" on the automobile liability insurance.

You must secure and maintain at all times workers' compensation coverage for your Mac Tools Business in accordance with the laws of every jurisdiction in which you operate a Route. This means that if your Mac Tools Business has any employees, you must protect them by purchasing and maintaining workers' compensation insurance and, if a jurisdiction has a minimum level of coverage, you must maintain workers' compensation insurance of at least that level. If a jurisdiction requires workers' compensation coverage for a business even if the business has only an owner and no employees, you must secure and maintain workers' compensation insurance for the business.

You must obtain and maintain additional insurance coverage as we may require from time to time. You must complete an Insurance Loss Payee form (see Exhibit K) in favor of us, and, if applicable, Wells Fargo (see Item 10 for additional information regarding Wells Fargo).

Insurance coverage can be obtained from any company or agent that meets our specifications. We have approved an insurance policy that is tailored to meet our insurance specifications. This policy is

administered through Marsh & McLennan Agency, LLC, 100 Front Street, Suite 800, Worcester, Massachusetts 01608, (508) 595-7917. In addition, a comprehensive business insurance package (general liability, fire, casualty, automobile liability and physical damage, inventory and computer equipment, optional business interruption coverage and theft insurance) for you and the truck is available through this company. Costs for insurance provided by Marsh & McLennan Agency will be quoted on an individual basis depending upon a franchisee's needs.

As a Mac Tools franchisee you are an independent contractor and will not be covered by workers' compensation from Mac Tools. Although not required, you should consider purchasing worker's compensation insurance or an a health insurance policy along with disability insurance coverage which may help protect you against losses and expenses resulting from a work-related injury or illness Your insurance agent should be able to explore with you the different types of insurance protection available and the costs.

Uniforms

You must maintain a professional image in the operation of your Mac Tools Business, and you must comply with the requirements in our Field Operations Manual regarding uniforms. We have the right to require you to purchase uniforms only from suppliers approved by us.

Items and Services which Must Be Purchased from a Designated or Approved Supplier

Products and SBD Products

All Products and SBD Products offered by you in the operation of your Mac Tools Business must meet our specifications and must be purchased from us. We are the sole designated supplier of Products and SBD Products.

Graphics Package

If you are required to purchase a Graphics Package for your truck, you must purchase the Graphics Package from a supplier designated by us and have the Graphics Packaged installed by a supplier designated by us. You may select the vendor to perform the labor required to repair any damage to the truck (such as dents, scratches and rust) and to repaint the truck. Our designated supplier for the Graphics Package does not make truck repairs or provide re-painting services.

Computer System

Your computer system must meet our specifications and must be purchased from us or a supplier designated by us. As of the date of this disclosure document, we are the sole designated supplier of the computer system.

Business Forms

Business cards, stationary and other business supplies designed specifically for use in your Mac Tools Business must be obtained from a supplier designated by us, which may include us.

Customer Credit Program

Qualifying franchisees may participate in an optional Customer Credit Program which allows the franchisees' customers to purchase products on credit provided by the Customer Credit Program provider (the "Credit Provider"). To be eligible, your customers must meet the Credit Provider's requirements and

qualifications. We have the right to choose the Credit Provider. Franchisees may offer credit financing only through the Credit Provider selected by us. We may replace or terminate the Credit Provider at any time and for any reason.

Payment Processing Services

If you use payment processing services that allow for mobile methods of accepting payments from your customers, such as payment by a card swipe device connected to your smart cell phone or tablet device or payment directly from a customer's smart phone, you must use a mobile payment provider approved by us.

Other than as disclosed above, you are not required to purchase or obtain products or services from designated suppliers or approved suppliers. There may be multiple sources available to you from which you can obtain the items and services described above. If we revoke our approval of an approved supplier or the list of approved suppliers is otherwise amended, we will communicate with you in writing by regular mail and/or email communication. Except for confidential and proprietary specifications which we do not make available to you, you may obtain a copy of our criteria for supplier approval by contacting us in writing, at this address:

Stanley Industrial & Automotive, LLC
Mac Tools Division
Attention: Onboarding Manager
5195 Blazer Parkway
Dublin, Ohio 43017

Revenue Derived by Mac Tools from Sales to Franchisees

Stanley Industrial & Automotive, LLC, through its Mac Tools Division, will derive revenue from your purchases of tools from us. We estimate that we will receive, on average, approximately $314,612 in purchases of inventory, supplies and services from each franchisee each year. (This estimate is an amount per franchisee, which includes franchisees that operate more than one Route.) The amount of revenue that we receive from franchisees' purchases will be included in the financial statements of our ultimate parent company, Stanley Black & Decker, Inc., the financial statements of which are included as Exhibit A to this disclosure document. During fiscal year 2022, we received revenues from required purchases by franchisees of $255,779,748. These franchisees include Mac Tools franchisees who were in business during all of fiscal year 2022 (including franchisees that may have operated more than one Route) as well as existing Mac Tools distributors that converted to a Mac Tools franchisee during fiscal year 2022 and franchisees who purchased their franchise from an existing Mac Tools franchisee who was leaving the Mac Tools franchise system, provided these franchisees operated continuously for all of fiscal year 2022 (including any conversion franchisee that may have operated more than one Route). Stanley Black & Decker, Inc. had total revenues of $16,947,388,931 during its 2022 fiscal year. The percentage of Stanley Black & Decker, Inc.'s total revenues represented by required purchases by franchisees was 1.5% for 2022. We have no affiliates that sell or lease products to franchisees.

As of the date of this disclosure document, we are paid commissions by Wells Fargo Equipment Finance, Inc. ("Wells Fargo") for placing financing for franchises with Wells Fargo. (See Item 10 for more information about these commissions.)

We estimate that required purchases from designated suppliers and approved suppliers will constitute 82% to 97% of your cost to establish a Mac Tools Business, and 64% to 80% of your total operating expenses after you commence operating.

We may, but are not obligated to, negotiate volume discounts and purchase agreements with suppliers for the benefit of Mac Tools franchisees. No purchasing or distribution cooperatives have been established as of the date of this disclosure document.

We may receive rebates and/or discounts on promotional products from suppliers to Mac Tools Businesses. We received no such rebates during 2022. Generally, we use these rebates to extend discounts on promotional products to our franchisees and to prepare and distribute catalogs and other materials to franchisees.

Except for your Mac Tools franchise, we do not provide material benefits, such as franchise renewals or additional franchises, based upon your use of suppliers.

Neither Mac Tools, nor any officers of Mac Tools nor any officers of Stanley Industrial & Automotive, LLC, own an interest in any non-Stanley Industrial & Automotive, LLC designated or required supplier listed in Item 8.

ITEM 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Agreement or Addendum	Disclosure Document Item
a. Site selection and acquisition/lease	Not applicable	Not applicable
b. Pre-opening purchases/leases (Note 5)	Sections 3.4, 3.11, 3.12 and 3.17 of the Franchise Agreement; Sections 3 of the Veterans Addendum	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Not applicable	Not applicable
d. Initial and ongoing training	Section 3.3 of the Franchise Agreement; Section 6 of the Renewal Addendum; Section 7 of the Mobile Business Assistant Agreement	Items 6 and 11
e. Opening	Attachment A of the Franchise Agreement	Item 11
f. Fees	Sections 1.2, 1.3 and 3.4 of the Franchise Agreement; Article 3 of the Purchase Agreement; Section 3 of the Veterans Addendum; Section 3 and Section 5 of the Renewal Addendum; Section 8 of the Mobile Business Assistant Agreement; Article E of the Microsoft Dynamics Agreement; Paragraphs 3, 4 and 6 of the Extended Terms Program Agreement; Paragraph 4 of the Large Ticket Account Agreement; Paragraphs 1 and 13 of the Customer Credit Program Rider; Paragraph 3(a) and 5 of	Items 5, 6, 7, 8, 9, 10, 11 and 17

Obligation	Section(s) in Agreement or Addendum	Disclosure Document Item
	Franchise Sale Assignment Agreement and of Route Assignment Agreement; Loan summary text box and Sections 6 and 8 of the Mac Tools Loan and Security Agreement	
g. Compliance with standards and policies/Operations Manual	Section 3.20 of the Franchise Agreement; Article 6 of the Purchase Agreement; Section 5 of the Renewal Addendum	Items 6, 8, 11, 15,16, and 17
h. Trademarks and proprietary information	Section 3.11 and Article 7 of the Franchise Agreement	Items 12, 13, 14 and 15
i. Restrictions on products/services offered	Sections 3.9 and 3.10, and Article 4 of the Franchise Agreement; Paragraphs 1 and 4 of the Large Ticket Account Agreement	Items 6, 8, and 16
j. Warranty and customer service requirements	Section 3.15 and Article 6 of the Franchise Agreement; Article 12 of Purchase Agreement; Section 9 of the Mobile Business Assistant Agreement; Section 9, Terms and Conditions, Microsoft Dynamics Agreement	Item 16
k. Territorial development and sales quotas	Articles 3 and 4 of the Franchise Agreement	Item 12
l. Ongoing product/service purchases	Section 5.8 of the Franchise Agreement; Purchase Agreement	Items 6, 8 and 16
m. Maintenance, appearance and remodeling requirements	Sections 3.1, 3.11 and 3.20 of the Franchise Agreement; Section 8 of the Mobile Business Assistant Agreement; Section 3, Terms and Conditions, Microsoft Dynamics Agreement	Item 17
n. Insurance	Section 3.17 of the Franchise Agreement	Items 6, 7 and 8
o. Advertising	Section 7.7 of the Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Section 3.18 of the Franchise Agreement; Paragraph 7 of Franchise Sale Assignment Agreement and of Route Assignment Agreement; Sections 5 and 8 of the Mac Tools Loan and Security Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 3.1 and 3.2 of the Franchise Agreement	Items 11 and 15
r. Records and reports	Section 3.12 of the Franchise Agreement; Article 7 of the Purchase Agreement; Article 2 of the Security Agreement; Section 7 of the Mac Tools Loan and Security Agreement	Item 6
s. Inspections and audits	Section 3.8 and 3.12 of the Franchise Agreement; Article 2 of the Security Agreement	Items 6 and 11

Obligation	Section(s) in Agreement or Addendum	Disclosure Document Item
t. Transfer	Article 9 of the Franchise Agreement; Article 9 of Purchase Agreement; Section 16 of Mobile Business Assistant Agreement; Section 9, Terms and Conditions, Microsoft Dynamics Agreement; Paragraphs 1 and 2 of Franchise Sale Assignment Agreement and of Route Assignment Agreement	Items 1, 6, and 17
u. Renewal	Section 2.2 of the Franchise Agreement Section 5 of the Renewal Addendum; Section 2 of the Mobile Business Assistant Agreement; Section 4, Terms and Conditions, Microsoft Dynamics Agreement; Section 16 of the Mac Tools Loan and Security Agreement	Items 6, 7, 11 and 17
v. Post-termination obligations	Article 11 of the Franchise Agreement; Section 5 of the Mobile Business Assistant Agreement; Section 4, Terms and Conditions, Microsoft Dynamics Agreement); Paragraph 6 of the Extended Terms Program Agreement	Items 5, 10, and 17
w. Non-competition covenants	Sections 3.9, 3.10 and 11.3 of the Franchise Agreement; Section 3 of the Franchisee, Distributor or Employee Conversion Addendum	Items 15 and 17
x. Dispute resolution	Article 20 of the Franchise Agreement; Articles 13 and 14 of Purchase Agreement; Section 10 of the Guaranty of Payment and Performance; Section 9 of the Guaranty of Indebtedness	Item 17
y. Payment of accounts	Section 3.6 of the Franchise Agreement; Articles 1 and 3 of Purchase Agreement; Paragraphs 3, 4, 5 and 6 of the Extended Terms Program Agreement; Paragraph 2, 3, 4 and 5 of the Large Ticket Account Program Agreement; Paragraphs 2 and 4 of the Customer Credit Program Rider	Items 6, 10, and 17
z. Compliance with statutory obligations	Section 3.16 of the Franchise Agreement;	Item 1
aa. Maintaining a professional image and wearing approved work attire / uniforms while operating the Route	Sections 3.1 and 3.2 of the Franchise Agreement	Items 7, 8 and 15
bb. Maintaining a level of inventory of the Products at all times	Section 5.8 of the Franchise Agreement	Items 6, 7 and 8
cc. Payment by Guarantor of amounts owed to Mac Tools	Sections 1, 2 and 11 of the Guaranty of Payment and Performance; Sections 1, 2 and 13 of the Guaranty of Indebtedness; Section 13 of the Mac Tools Loan and Security Agreement	Not applicable

Obligation	Section(s) in Agreement or Addendum	Disclosure Document Item
dd. Software Updates	Section 8 of the Mobile Business Assistant Agreement; Section 3, Terms and Conditions, Microsoft Dynamics Agreement	Item 11
ee. Reimbursement to Mac Tools for Customer Credit Provider charge backs or charge offs	Paragraph 1 of the Customer Credit Provider Rider	Item 6

ITEM 10. FINANCING

Wells Fargo Financing for Establishing Your Mac Tools Business

We have a contractual relationship with a third party provider, Wells Fargo Bank, N.A. ("Wells Fargo"), under which Wells Fargo offers financing to qualified applicants. The loan will be made by Wells Fargo or its affiliate Wells Fargo Equipment Finance, Inc., at the determination of Wells Fargo and dependent on the state where you reside. If you are interested in Wells Fargo financing, you must submit an application to Wells Fargo, who independently decides if it will offer financing to you. The terms and conditions of the Wells Fargo financing are determined solely by Wells Fargo and are subject to change at any time by Wells Fargo.

As of the date of this disclosure document, we are paid commissions by Wells Fargo for placing financing with Wells Fargo. The amount that we receive can be up to 5.25 percentage points of the interest rate charged by Wells Fargo to the borrower, depending upon the interest rate environment at the time of the closing of the financing transaction between Wells Fargo and the borrower. In the event of prepayment or default by the borrower of a loan upon which we received a commission, we are required to return to Wells Fargo a portion of that commission.

Wells Fargo offers financing for the purchase of Starter Inventory, the truck, and other expenses which may be incurred by you in connection with the purchase and operation of your Mac Tools Business, including working capital (financing for working capital and expenses you may incur, other than those relating to Starter Inventory and the truck, is referred to in this disclosure document as "Time Payment Growth financing".)

Wells Fargo may charge an annual interest rate, the amount of which will be determined by Wells Fargo. As of the original issuance date of this disclosure document, Wells Fargo finances the purchase of Starter Inventory for a term of 120 months, with an interest rate of 9.99% per annum. This rate may be modified by Wells Fargo. The term of the financing for the truck varies depending upon the age, condition and purchase price of the truck. Wells Fargo may not agree to finance a truck five years old or older. The annual interest rate for this financing will be determined by Wells Fargo. As of the original issuance date of this disclosure document, Wells Fargo finances the purchase of the truck at 9.99% interest per annum.

If you finance the purchase of your truck through Wells Fargo, you may include the costs to remove existing decals, if any, the costs to repair and paint the truck, the costs of the Graphics Package and the cost to install the Graphics Package as part of your Wells Fargo truck loan. If you do finance your truck through Wells Fargo, you may include these costs in your Starter Inventory loan, provided you obtain the Graphics Package from the supplier designated by us and the installer of the Graphics Package is approved by us.

The amount of the Time Payment Growth financing ranges from $20,000 to $50,000. As of the date of this disclosure document, the typical amount is $30,000. If financed, the Time Payment Growth amount is included in your Starter Inventory loan. The Time Payment Growth financing amount will be in addition to (and not included in) your cost to purchase Starter Inventory. The Time Payment Growth amount borrowed by you from Wells Fargo is held in an account by us for your benefit, and we credit your trade account with a portion of the Time Growth Payment amount each week. The number of weekly credits varies, but will typically be between 15 to 50 weeks, as we determine. The amount credited to your trade account is determined by us and may be a fixed amount or a variable amount. As of the date of this disclosure document, the number of weekly credits varies, but will be no more than fifty (50) weekly credits, and the amount of the weekly credit is a variable amount determined in part on the growth of your accounts receivable from week to week, the costs incurred by you in purchasing the Products and SBD Products and the amounts you charged your customers for the Products and SBD Products. Franchisees obtaining Time Payment Growth financing must sign the Time Payment Growth documentation included in Exhibit CC to this disclosure document. Your participation in the Time Payment Growth financing program will continue until the earlier of (a) the discontinuance of the Time Payment Growth financing program by us, upon which the balance of the Time Payment Growth amount being held by us in your Time Payment Growth account will be credited to your Mac Tools trade account, (b) your Time Payment Growth account has a zero balance ($0.00), and (c) the number of weeks determined by us with respect to the weekly credits of the Time Payment Growth amount has ended, upon which the balance of the Time Payment Growth amount being held by us in your Time Payment Growth account will be credited to your Mac Tools trade account.

The Wells Fargo financing disclosed in this Item 10 is not available to existing Mac Tools distributors who becomes a Mac Tools franchisee and may not be available to a Converting Franchisee, Distributor or Employee.

Wells Fargo uses an agreement titled "Loan and Security Agreement" (the "Loan Agreement") to evidence both loans for the Starter Inventory and the truck. The Loan Agreement contains certain material terms of which you should be aware. These include the following: (1) You have the right to prepay the loan in whole, at any time, together with accrued but unpaid interest and late charges. The following prepayment premiums are for an inventory loan: 3% of the principal amount prepaid if paid during months 1-84, 2% during months 85-96, 1% during months 97-108 and 0% thereafter. For truck loans, the prepayment premiums are dependent on the loan term, as follows:

If the Loan Term Is:							
36 Months		**48 Months**		**60, 72, & 84 Months**		**120 Months**	
Percent	Months	Percent	Months	Percent	Months	Percent	Months
2%	1-12	3%	1-12	3%	1-24	3%	1-84
1%	13-24	2%	13-24	2%	25-36	2%	85-96
		1%	25-36	1%	37-48	1%	97-108

(Loan Agreement, Section 6); (2) If you do not pay on time, Wells Fargo has the right to declare the entire amount of the loan to be due by accelerating the loan, and to bring legal proceedings to collect the amount due (Loan Agreement, Section 14). If this happens, you will also be liable for the applicable prepayment premium, with accrued but unpaid interest from the date of your default to the date of your payment in full of amounts owed to Wells Fargo, at a rate equal to 18% interest per annum or the highest rate permitted by law, and Wells Fargo's expenses incurred in collecting the loan, including attorney's fees. (Loan Agreement, Sections 14 and 16.) If this happens, you also waive your rights to any rights granted by statute or others laws that may limit Wells Fargo's rights or remedies under the Loan Agreement. (Loan Agreement, Section 14); (3) The Loan Agreement contains a provision by which you waive your right to a trial by jury (Loan Agreement, Section 15; Section 11, Continuing Guaranty); (4) Wells Fargo approves

the financing transactions with the individual franchisee or the individual principal of the Mac Tools business entity as the debtor (and not a franchisee business entity); (5) you will grant Wells Fargo a security interest in the collateral and all proceeds of collateral (Loan Agreement, Section 7); (6) if you merge with or sell all or substantially all of your assets to any individual, corporation or other entity, you will be in default under the Loan Agreement (Loan Agreement, Section 13); and (7) if you or we terminate your Franchise Agreement, this will be an "Event of Default" under the Loan Agreement and Wells Fargo has the right to declare the entire amount of the loan to be due by accelerating the loan, and to bring legal proceedings to collect the amount due (Loan Agreement, Section 13). We may terminate your Franchise Agreement, in whole or in part, without providing you with an opportunity to cure, if you fail to comply with any of the terms and provisions of the Wells Fargo financing documents, or any written rules and procedures relating to the Wells Fargo financing, to the extent that your failure to comply results in the termination or expiration of any agreement relating to the Wells Fargo financing or involves the commission of fraud on your part. (Franchise Agreement, Sections 10.1 and 10.1(p)).

Copies of the forms of Wells Fargo financing documents are attached to this disclosure document as Exhibit X. The terms and conditions of the Wells Fargo financing documentation are determined solely by Wells Fargo and are subject to change at any time by Wells Fargo. Wells Fargo may modify, supplement, amend or revise the Wells Fargo financing documents at any time. In its discretion, Wells Fargo has the right to require you to make weekly or monthly loan payments.

If you are approved for financing of both Starter Inventory and the truck, you will sign a Loan Agreement for the Starter Inventory and an additional Loan Agreement for the truck.

If you form a corporation, limited liability company or other business entity to operate your Mac Tools Business, Wells Fargo may require you to sign a personal guaranty of the entity's obligations to Wells Fargo and an Insurance Loss Payee form in favor of Mac Tools and Wells Fargo (see Exhibit K).

Stanley Black & Decker, Inc., the ultimate parent of Mac Tools, provides Wells Fargo with a guarantee pursuant to its contractual arrangement (the "Program Agreement") with Wells Fargo. Under the Program Agreement, we have undertaken certain recourse financing obligations to Wells Fargo that may arise upon defaults by franchisees under certain of their Loan Agreements with Wells Fargo and upon the exercise by Wells Fargo of its rights under the Program Agreement. For certain categories of loans made by Wells Fargo to franchisees, we may be required to purchase the loan from Wells Fargo following a default by the borrower. Under these circumstances, we will become the owner of the loan and will have rights to enforce the Loan Agreement against the borrower. For loans involving the financing of the truck, the default by a borrower provides Wells Fargo the right to require us (1) to make one or more recourse payments to Wells Fargo that cover all or a portion of amounts owed by the borrower to Wells Fargo, and (2) to handle the re-marketing of the trucks that constitute collateral for the loans. If a franchisee defaults on its loan with Wells Fargo, and, as a result, Wells Fargo seeks payment from us under the recourse provisions, we have the right under the Franchise Agreement to immediately terminate the Franchise Agreement. In addition, the franchisee must immediately reimburse us for any amounts that we have paid or are obligated to pay to Wells Fargo in connection with the franchisee's loan(s) and for any related costs incurred by us. (Franchise Agreement Sections 3.7, 3.18(b) and 10.1(l)).

If you are approved by Wells Fargo for a loan or loans, you should request review copies of the Loan Agreement and all other Wells Fargo franchisee financing documents.

From time to time, we may provide prospective new franchisees with information regarding lenders other than Wells Fargo that are willing to enter into financing arrangements for the purchase of a Mac Tools Business. As of the date of this disclosure document, except for commissions we receive from Wells Fargo (described above), we do not receive any consideration for referring franchisees to these lenders.

Financing Provided by Mac Tools

While not offered as of the original issuance date of this disclosure document, in the future, we may decide to offer qualified applicants financing for the purchase of Starter Inventory, the truck and /or other expenses which may be incurred by franchisees in connection with the purchase and operation of their Mac Tools Business, including working capital (financing for working capital and expenses you may incur, other than those relating to Starter Inventory and the truck, is referred to in this disclosure document as "Time Payment Growth financing").

As of the original issuance date of this disclosure document, we anticipate the terms and the conditions of the Mac Tools financing will be as follows:

We may charge an annual interest rate and we may change the amount of the interest rate (As of the original issuance date of this disclosure document, the interest rate will be 9.99% per annum.) The term of the Starter Inventory loan will be 120 months. We may change the term of the Starter Inventory loan, the truck loan and the Time Payment Growth financing. If you obtain Time Payment Growth financing, the financing will be included in your Starter Inventory loan and will be subject to the same terms and conditions of the Starter Inventory loan. The term of the truck loan will be determined by us, depending on factors such as the age, condition and purchase price of the truck. If your truck is five years old or older, we may not agree to finance the purchase of your truck. You may include the costs to remove existing truck graphics and decals and the costs to repair and paint your truck, the costs of the Graphics Package, and the cost to install the Graphics Package as part of your truck loan. You may also include these costs in your Starter Inventory loan, if you also finance your truck through us, you purchase the Graphics Package from a supplier designated by us, and the installer of the Graphics Package is approved by us. Time Payment Growth financing may range from $20,000 to $50,000. We anticipate the typical amount financed will be approximately $30,000. The Time Payment Growth financing amount will be in addition to (and not included in) your cost to purchase Starter Inventory. Your Time Payment Growth amount will be held in an account by us for your benefit. We will credit your trade account with a portion of the Time Growth Payment amount each week. The number of weekly credits may vary, from approximately 15 weeks to 50 weeks, as we determine. The amount credited to your trade account will be determined by us and may be a fixed amount or a variable amount, determined in part on the growth of your accounts receivable from week to week, the costs incurred by you in purchasing the Products and SBD Products and the amounts you charged your customers for the Products and SBD Products. Franchisees obtaining Time Payment Growth financing must sign the Time Payment Growth documentation included in Exhibit CC to this disclosure document. Your participation in the Time Payment Growth financing program will continue until the earlier of (a) the discontinuance of the Time Payment Growth financing program by us, upon which the balance of the Time Payment Growth amount being held by us in your Time Payment Growth account will be credited to your Mac Tools trade account, (b) your Time Payment Growth account has a zero balance ($0.00), and (c) the number of weeks determined by us with respect to the weekly credits of the Time Payment Growth amount has ended, upon which the balance of the Time Payment Growth amount being held by us in your Time Payment Growth account will be credited to your Mac Tools trade account.

To obtain financing from us, you must sign a Loan and Security Agreement, which contains certain material terms of which you should be aware. These terms and the Section in the Loan and Security Agreement where they may be found are as follows: (1) you have the right to prepay the loan in whole, at any time, together with accrued but unpaid interest and late charges. The following prepayment premiums are for a Starter Inventory loan: 3% of the principal amount prepaid if paid during months 1-84, 2% during months 85-96, 1% during months 97-108 and 0% thereafter. For truck loans, the prepayment premiums are dependent on the loan term, as follows:

If the Loan Term Is:							
36 Months		**48 Months**		**60, 72, & 84 Months**		**120 Months**	
Percent	Months	Percent	Months	Percent	Months	Percent	Months
2%	1-12	3%	1-12	3%	1-24	3%	1-84
1%	13-24	2%	13-24	2%	25-36	2%	85-96
		1%	25-36	1%	37-48	1%	97-108

(Section 6); (2) If you do not pay on time, we have the right to declare the entire amount of the loan to be due by accelerating the loan, and to bring legal proceedings to collect the amount due (Section 14). If this happens, you will also be liable for the applicable prepayment premium, with accrued but unpaid interest from the date of your default to the date of your payment in full of amounts owed to us, at a rate equal to 18% interest per annum or the highest rate permitted by law, and our expenses incurred in collecting the loan, including attorney's fees. (Sections 14 and 16.) If this happens, you also waive your rights to any rights granted by statute or others laws that may limit our rights or remedies (Section 14); (3) You waive your right to a trial by jury (Section 15; Section 11, and the Continuing Guaranty); (4) We approve the financing transactions with you personally or the person who is the principal owner of the franchisee business entity as the debtor (and not a franchisee business entity); (5) You will grant us a security interest in the collateral and all proceeds of collateral (Section 7); (6) If you merge with or sell all or substantially all of your assets to any individual, corporation or other entity, you will be in default (Section 13); and (7) If you or we terminate your Franchise Agreement, this will be an "Event of Default" under your Loan and Security Agreement and we have the right to declare the entire amount of the loan to be due by accelerating the loan, and to bring legal proceedings to collect the amount due (Section 13). In addition, we may terminate your Franchise Agreement, in whole or in part, without providing you with an opportunity to cure, if you fail to comply with any of the terms and provisions of our financing documents, or any written rules and procedures relating to the financing that we provided to you, to the extent that your failure to comply results in the termination or expiration of any agreement relating to the financing or involves the commission of fraud on your part. (Franchise Agreement, Sections 10.1 and 10.1(p)).

Copies of the forms of Mac Tools financing documents are attached to this disclosure document as Exhibit Y. The terms and conditions of the financing documentation are determined solely by us and are subject to change at any time by us. We may modify, supplement, amend or revise the Mac Tools financing documents at any time. In our discretion, we have the right to require you to make weekly or monthly loan payments. Mac Tools financing may not be available to a Mac Tools distributor who converts to a Mac Tools franchisee or a Converting Franchisee, Distributor or Employee.

If you are approved for financing of both Starter Inventory and the truck, you will sign a Loan and Security Agreement for the Starter Inventory and an additional Loan and Security Agreement for the truck.

We may require each owner of the corporation or limited liability company that you form to operate your Mac Tools Business to sign a personal guaranty of the entity's obligations to us (see Exhibit J and Exhibit W (state addenda)); and an Insurance Loss Payee form (see Exhibit K)

Mac Tools Trade Account Credit and Purchase Agreement

You may purchase the Products and SBD Products on credit through a trade account that we establish and maintain for you. The trade account is a revolving credit account with a set credit limit determined by us. You may choose to pay the balance of the trade account in full at the end of your billing cycle or you may pay the balance over a period of time. In connection with your trade account, you will be required to sign the Purchase Agreement and Security Agreement (see Exhibit E and Exhibit F).

As of the date of this disclosure document, the initial dollar amount of inventory available on credit is $25,000. The purchase price for the inventory purchased on credit will be due and payable in the amounts and on the dates shown on each balance forward statement or other transaction document. At the time you enter the Purchase Agreement, the terms for credit purchases are: the total price shown, less 2% of that amount if you pay in full within 10 days of the date of the balance forward statement, or the full price within 30 days of the date of the balance forward statement. We can change the terms of purchase in our discretion, and we will notify you of any change. The extension of credit and the continuation of credit is at our sole discretion. (Purchase Agreement, Article 1.) If you do not pay an invoice in full when due, we may charge you a late charge which is calculated by applying a percentage rate to the unpaid cash price for the period of time that the purchase is past due. The percentage rate will be equal to the lower of (a) 1½% per month and (b) the highest rate permitted for late charges, in the state(s) where you conduct your Mac Tools Business. We may apply the percentage rate when your account is at least 10 days past due and continue to apply it to the unpaid balance until the purchase is paid in full. The late charge is not a finance charge, but should be considered a delinquency charge. We will and do take active steps to collect late accounts. (Purchase Agreement, Article 3.) At any time, you may pre-pay, without penalty, any amount owed to us for inventory purchased on your trade account.

If you do not make any payment owed to us under the Purchase Agreement or otherwise when the payment is due, or if you do not follow the provisions of the Purchase Agreement, or if you are in default under the Franchise Agreement or any other agreement between you and us, we may declare you in default under the Purchase Agreement. If we declare you to be in default under the Purchase Agreement, all sums under the Purchase Agreement will become immediately due and payable by you. (Purchase Agreement, Article 10.) You agree to pay us the costs of collecting what you owe us, including reasonable attorney's fees and disbursements, costs of collection agencies, and costs of arbitration, and any other costs related to collection as allowed by law. (Purchase Agreement, Article 11.) If you do not make any payment(s) owed to us under the Purchase Agreement when due, we may terminate your Franchise Agreement. (Franchise Agreement, Section 10.1(l) and Section 10.1(s).) Upon termination of the Franchise Agreement, you must promptly pay to us all indebtedness owed to us as of the date of termination. This indebtedness includes all damages, costs, and expenses, including reasonable attorneys' fees and disbursements incurred by us as a result of your default. (Franchise Agreement, Section 11.1.)

The Purchase Agreement contains certain material terms of which you should be aware. These include the following: (1) the Purchase Agreement will be interpreted and construed under Ohio law (Purchase Agreement, Section 13.1); (2) the Purchase Agreement contains a jury waiver provision (Purchase Agreement, Section 14.8); (3) with limited exceptions, all claims, controversies, or disputes arising out of or relating to the Purchase Agreement must be settled by arbitration (Purchase Agreement, Section 14.4); (4) with limited exceptions, all claims controversies, or disputes arising out of or relating to the Purchase Agreement must be brought within one year from the occurrence of the facts that give rise to the claim, controversy or dispute (Purchase Agreement, Section 14.6); (5) neither we nor you are liable to the other for punitive, exemplary, incidental, consequential, indirect or special damages arising from the sale of products, the performance of any obligation under the Purchase Agreement or any other agreement between you and us (Purchase Agreement, Article 16); and (6) we and you waive, to the fullest extent permitted by law, any right to punitive, exemplary, indirect, special, consequential or incidental damages (Purchase Agreement, Section 15.1).

It is not our practice to assign the Purchase Agreement. However, we have the right to do so without your consent. If we do, the third party may become immune under the law to any defenses to payment you may have against us. If a Purchase Agreement is assigned to a third party, as long as the Franchise Agreement is effective, we will remain primarily obligated to provide the assistance to you for which we are obligated under the Franchise Agreement.

Security Agreement and Guarantees

Your indebtedness to us in connection with your Mac Tools Business, including indebtedness under your trade account, will be secured by a security interest on certain of your business personal property. (Security Agreement, Article 8). You grant us this security interest in order to secure any and all amounts which you owe to us of whatever nature, now or at any time in the future. (Security Agreement, Article 8.)

In the case of a franchisee that is a business entity, your indebtedness will also be guaranteed by each of the natural persons who hold an ownership interest in the franchisee and each person that will oversee the operation of your Mac Tools Business. If we allow someone other than you (such as a spouse, child or other family member) to operate your Route, we may require the operator of the Route to guarantee your indebtedness to us. We may also require that your indebtedness to us be guaranteed by your spouse or other third party, including a relative, friend, or business associate of the franchisee, whose income and assets were considered among the qualifications in the application process to become a Mac Tools franchise (see the Guarantee of Payment and Performance and the Guarantee of Indebtedness at Exhibit I and Exhibit J).

In addition, a third party, including without limitation, a family member or spouse, may be required to sign an Investor Acknowledgment (see Exhibit R and Exhibit W (state addenda)) if any of the following apply: (a) the third party's income and assets are considered among the qualifications in the franchisee candidate's application to become a Mac Tools franchisee; (b) the third party agrees to invest money or other resources in the franchisee candidate's Mac Tools Business; or (c) the third party signs an individual guaranty to Mac Tools of the obligations of the franchisee candidate's Mac Tools Business.

Extended Terms Program

In addition to credit we extend to you for inventory purchases under your trade account, we may periodically make certain Products available to eligible franchisees to purchase on extended repayment terms (the "Extended Terms Program"), if they would like to do so. The types of Products that must be purchased, the prices of the Products, the repayment term, the minimum repayment amount, eligibility to participate, and other additional limitations on the Extended Terms Program are in our sole discretion. Currently, we consider, among other factors, a franchisee's credit and payment history with us and historical performance when determining whether a franchisee is eligible to participate in the Extended Terms Program, and if so, at what level. To participate, you must agree to make weekly direct debit payments to us from your bank account. Weekly payment amounts may vary based on actual shipments and the actual amount financed. In the past, the extended repayment term has ranged from 40 weeks to 48 weeks. We do not charge interest on payments made by a franchisee under the Extended Terms Program. You may pre-pay, without penalty, any amount owed to us for Products purchased through the Extended Terms Program. As of the date of this disclosure document, a franchisee is not required to pay us a fee for its participation in the Extended Terms Program, however, we reserve the right to charge an administrative fee for participation in the Extended Terms Program. A franchisee that participates in the Extended Terms Program must sign an Extended Terms Program Agreement (see Exhibit O).

If you do not make any payment owed to us under the Extended Terms Program when due, we may declare you in default under your Franchise Agreement. (Franchise Agreement, Section 10.1 (l) and Section 10.1(s).) Upon termination of the Franchise Agreement, you must promptly pay to us all indebtedness owed to us as of the date of termination. This indebtedness includes all damages, costs, and expenses, including reasonable legal fees and disbursements incurred by us as a result of your default. (Franchise Agreement, Section 11.1.)

If two or more payments cannot be successfully made for any reason (other than through the fault of Mac Tools), including insufficient funds in your bank account, you will become ineligible for the Extended Terms Program and all amounts owed by you under the Extended Terms Program will become immediately due and payable. If you miss a direct debit payment due to insufficient funds in your bank account or other similar reason, we may charge you a $35 fee for each occurrence, which we may debit from your bank account or add to your account balance with us.

It is not our practice to assign the Extended Terms Program Agreement to a third party, however, we have the right to do so. If we do so, the third party may become immune under the law to any defenses to payment you may have against us. If assigned to a third party, as long as the Franchise Agreement is effective, we will remain primarily obligated to provide the assistance to you for which we are obligated under the Franchise Agreement.

Computer System Purchase through Trade Account

As disclosed in Item 5 and Item 7, you are obligated to purchase your computer system from us. The cost of the computer system will be charged to you through your trade account. In our discretion, we may allow you to pay for the computer system over a period of weeks instead of as a lump sum payment. If so, the number of weeks and the amount of the payment per week will be determined by us. We will have a security interest in your computer system (Security Agreement Section 1(e)). If you pay for the computer system by installment payments, you may prepay the cost of the computer system without penalty. If you fail to pay the required computer system installment payment more than twice in a thirty day period, we may terminate your Franchise Agreement and accelerate the payments so the entire amount is due upon termination. (Franchise Agreement Sections 10(l) and 11.1). We will also have the right to repossess your computer system. (Franchise Agreement Section 3.24 and Security Agreement Section 4(c)). You may be required to pay our court costs and attorney's fees incurred by us in collecting your debt obligations (Franchise Agreement Section 11.1 and Security Agreement Section 4(g)).

Other than as disclosed above in this Item 10, neither Mac Tools nor Stanley Industrial & Automotive, LLC, or any of their corporate affiliates, offers direct or indirect financing to you. Other than as disclosed above, we do not receive direct or indirect payments for placing financing, nor do we guarantee any loan or lease that you may obtain or any obligation that you may incur in your Mac Tools Business.

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

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

Obligations Before Opening

Before you begin operation of your Mac Tools Business, we will provide the following assistance:

1) Grant you a limited non-exclusive license to use the trade names and trademarks associated with the Products in connection with your marketing and sale of the Products. (Franchise Agreement – Section 7.1.)

2) Provide you with an initial training program including training materials. (Franchise Agreement – Section 3.3.)

3) Assign you a Route, which will include a list of Stops with one or more potential customers at each Stop and a minimum of 325 potential customers overall. (Franchise Agreement –

Section 3.1(a).) We customarily provide the Route assignment to you at the same time that you sign the Franchise Agreement.

4) Sell our products to you in accordance with the terms and procedures in the Franchise Agreement and the Field Operations Manual and at prices we publish from time to time. (Franchise Agreement – Article 5.)

5) Provide you with use of our Field Operations Manual in hard and/or electronic copy containing the current rules, policies and procedures to be followed by you in operating your business. (Franchise Agreement – Section 3.1(b).)

6) Provide a limited warranty on the products that we have manufactured for the published warranty period against defects in material or workmanship. (Franchise Agreement – Article 6.)

7) Indemnify you against claims and losses arising out of defects in or design of products that we manufacture. (Franchise Agreement – Section 3.19.)

We generally do not provide equipment, signs, fixtures or supplies directly to you. We are generally not in the practice of providing you with written specifications for these items. We do not deliver or install those items for use by you in the operation of your Mac Tools Business. We occasionally may provide you with the names of approved suppliers offering these items to the extent that they are typically used in a Mac Tools Business. You must purchase Starter Inventory from us before you commence operations of your Mac Tools Business. You may pick up your Starter Inventory from our warehouse in Columbus, Ohio after you successfully complete initial training or we may ship it to you at the address that you provide to us.

Obligations After Opening

After commencement, and during the operation, of your Mac Tools Business, we will:

1) Sell our products to you in accordance with the terms and procedures in the Franchise Agreement and the Field Operations Manual and at Mac Tools' prices as published to you from time to time. (Franchise Agreement – Article 5.)

2) Accept returns of products in accordance with the Franchise Agreement and our Tool Returns policy. (Franchise Agreement – Section 5.6.)

3) Provide notice to you of the minimum product purchase requirement, including the National Franchisee Average. (Franchise Agreement – Section 5.8.)

4) Advise you of our decision regarding any requested change in your Route and providing 30 days written notice of our proposed changes to your Route. (Franchise Agreement – Section 4.3.)

5) Cooperate with you in resolving customer complaints. (Franchise Agreement – Section 3.15.)

6) Provide a limited warranty on the products that we have manufactured for the published warranty period against defects in material or workmanship. (Franchise Agreement – Article 6.)

7) Indemnify you against claims and losses arising out of defects in or design of products that we manufacture. (Franchise Agreement – Section 3.19.)

We do not have an obligation, either before or after opening, to hire or train your employees.

Although we do not have an obligation to do so, we are significantly involved in improving and developing the franchised Mac Tools Business and developing products that you will offer your customers. We endeavor to make available to you, for purchase by your customers, a wide variety of product inventory. It is our right to make ultimate decisions concerning the products and/or services that we make available to you for resale to your customers, and we have the right to add to, discontinue or modify the products and services from the list of available products and/or services at our discretion. There are no limits on this right to make changes.

We do not have an obligation to establish prices but may suggest prices to you from time to time. (Franchise Agreement – Section 5.2.)

As disclosed below in this Item 11 and in Item 5, we require you to use the most recent version of the Mac Tools Software in your Mac Tools Business. This software provides you with administrative, inventory control tools and other similar functions. (Franchise Agreement – Section 3.12.)

Although we do not have an obligation to resolve operating problems you encounter, we are in the practice of providing you with advice and consultation in connection with the operation of your Mac Tools Business.

Advertising

We do not require you to spend money on advertising, except for social media activities and promotions that are required by us. You are not required to participate in local or regional advertising co-operatives or any other advertising fund. You may purchase business cards for your Mac Tools Business, but are not required to do so.

We produce promotional flyers and catalogs from time to time and may provide some copies to you without requiring payment. You may purchase additional copies of these materials from us. We were paid $119, 306 by franchisees for these purchases in 2022. You may purchase your own items used to promote brand awareness from other sources, but any use of the MAC Tools® trademarks on these promotional items will require approval by us. A sample or graphic representation of the item must be submitted to us for approval. All items must be in good taste and representative of the values of our brand. The sale of these items may be governed by state consumer sales acts. You should check whether any laws in your state apply to the sale of these items before you sell them to your customers. Subject to the requirement that all advertising materials must be approved in advance by us, you are free to prepare your own materials and to contract with agencies and suppliers of your choice.

We are not obligated to conduct advertising, but if we elect to do so, we may use the services of various outside agencies to assist our own in-house staff in producing promotional flyers, catalogs and other printed materials, as well as radio advertisements and social media to advertise the Products. This advertising may be done on a local, regional or national level, and we may, in our sole discretion, use additional types of media.

We have no obligation to spend any money for advertising in the geographic area of your Route. We have not appointed an advertising council composed of franchisees that advises us on advertising policies.

We have the sole right to create an Internet website using the Marks (see Item 13 for additional information regarding the Marks), and to register other domain names related or similar to the Marks. You may not register or use a domain name that includes any of the Marks. You may not set up a website related to your Mac Tools Business without our prior consent. You must at all times comply with our policies and guidelines regarding websites and the use of social media.

Computer System

For each Route that you operate, you must use a computer system, including hardware and software components, meeting our specifications. As of the original issuance date of this disclosure document, you must purchase your computer hardware from us at an estimated cost of $3,000 to $3,800. Your computer system will be used to store word processing data, financial information, and information about your customers, transactions with your customers and product inventory.

Your computer will come loaded with Microsoft's Windows Professional operating system software, which you must use. The cost for this software is included in the cost of your computer. In the future, you may be required to pay a fee for your use of this software. Any fee paid by you for use of this software will likely be non-refundable.

While not required at the time of the original issuance date of this disclosure document, in the foreseeable future, you will likely be required to use Microsoft's SQL Server ("SQL") software. If so, this software may be installed on your computer at the time it is provided to you at initial training. SQL is software that allows you to store various types of data (for example, data about your customers, transactions with your customers and product inventory). Other software that you are required to use (as described below) may access and interact with the data stored on SQL. As of the original date of this disclosure document, we anticipate that the cost for SQL will be included in the cost of your computer, however, you may be required to pay a fee for your use of this software. Any fee paid by you for use of this software will likely be made to the supplier of the software and will be non-refundable.

With limited exceptions (described below), neither we nor our affiliates are required to provide system maintenance, repairs, upgrades, updates or support to you for your computer hardware or software. You may contract with third parties to provide maintenance, repairs, upgrades, updates or support to you, but they are not otherwise obligated to provide these to you. We estimate that the annual cost of optional or required maintenance, repairs, upgrades, updates or hardware and software support to you will be between $600 to $900.

For each Route that you operate, you will be required to use certain software that we identify for your use in your Mac Tools Business ("Mac Tools Software"). The required Mac Tools Software will be capable of communicating with the internal computers at Mac Tools and will provide you with administrative and inventory control tools and other similar functions. As of the original issuance date of this disclosure document, the Mac Tools Software provided to you is called Mobile Business Assistant software (referred to in this disclosure document as "MBA software"). You are required to sign the Mobile Business Assistant Agreement included in Exhibit L of this disclosure document. At no cost to you, we provide you with updates to the MBA software when updates are required by us. We may change the type of Mac Tools Software that you are required to use. New or replacement software may include Microsoft Dynamics or other software designated by us. You may be required to sign the Microsoft Dynamics Agreement included in Exhibit L of this disclosure document if we require you to use Microsoft Dynamics or other designated software.

We have the right to charge you a non-refundable initial fee and a recurring monthly fee for your right to use the Mac Tools Software. The initial fee may be an amount up to $500 per Route or user and the recurring monthly fee may be an amount up to $150 per Route or user. You must pay us the initial fee and/or the first monthly fee at the time you sign your Franchise Agreement or at the time that you add an additional Route (if you are an existing franchisee adding a Route). We have the right to change the amount of the fees, at any time and in our sole discretion. As of the original issuance date of this disclosure document, we do not charge these fees.

Although not required to do so, we may also provide some support to you concerning your use of MBA software and any other Mac Tools Software that you are required to use, by providing franchisees with a way to ask us questions concerning the Mac Tools Software or occasionally providing franchisees with information regarding the Mac Tools Software. We may provide some assistance and support if we require franchisees to stop using MBA software and begin using other software required by us. We are not obligated to resolve any issues that you may encounter with your software or hardware.

We do not have independent access to the information stored on your computer hardware or information generated by your MBA software. However, we do have the right to this information, and we have the right to require you to transmit information generated by and/or stored on your computer hardware and software relating to your Mac Tools Business, including MBA software, to us at least twice weekly. We have the right to change the frequency by which you must provide us this information. We will have independent access to the information that you generate or store in cloud-based software platforms. There are no limits to our rights to require you to transmit information to us or to allow us access to the data stored on your computer hardware and software, including cloud-based software.

Under the terms of the Franchise Agreement, you must periodically upgrade and/or update the hardware components and/or software programs that make up your computer system to meet our then-current minimum specifications and list of required capabilities. There are no contractual limitations on the frequency or cost of this obligation.

You must establish and maintain an e-mail account and email address. Your email account must be with a reputable e-mail service provider which meets the specifications we provide periodically. You must maintain an Internet connection sufficient to allow you to meet your obligations under the Franchise Agreement.

Field Operations Manual

We make available to you a copy of a manual, in hard and/or electronic copy, which contains mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by us, as well as information relative to your other obligations under the Franchise Agreement and the operation of the Mac Tools Business (the "Field Operations Manual"). We may revise and update this Field Operations Manual from time to time, in our discretion. The Field Operations Manual is our property and is proprietary to Mac Tools, and you must keep the Field Operations Manual confidential and must return (or destroy) it to us when you cease being a franchisee.

As of the date of this disclosure document, the table of contents of our Field Operations Manual and the number of pages (out of a total of 69 pages) on each subject within the Field Operations Manual is as follows:

[remainder of page intentionally blank]

Mac Tools Field Operations Manual
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Topic	Number of Pages
Mac Tools Field Operations Manual Introduction	1
Communication	1
Field Excellence Meetings	1
Tool Fair	1
Mac Tools Brand	1
Trademark Guidelines – Requirements for Use	1
Flyer Program	1
Mac Tools Training	3
New Franchise Training	2
Mac Tools University	1
Two-Week Field Start	1
On Line/Digital Training	3
Mentor Program	2
Mobile Business Assistant	3
Training and Support	1
Software Support	1
MBA Weekend Support	1
Mac Tools Gift Card Redemption on MBA	1
Virtual Customer Service - VCS	2
Account Manager	2
Customer & Technical Service	5
Ordering Information	1
Shipping Schedule	2
Minimum Order Amounts	1
Mac DC & Third Party Shipment Shortages & Overages	1
Items Received as Damaged	1
Insurance Replacement Policy	1
Financial Services	4
Trade Account	1
Balance Forward	1
Balance Forward Statement Explanation Sheet	1
Mac ePay - U.S. Distributors	1
Mac - Echeque - Canadian Distributors	1
Return Payment NFS Fees	1
Credit Card Payments	1
Credit Review / Hold	2
Distributor Financing	1
Customer Financing	1
Mac Credit	1
Mac Performance Awards - MPR	1
Contract Compliance	3
Minimum Inventory Level & Competitive Product	1
Inspections	1
Distributor & Franchisee Conduct	1
Social Media	1
Insurance	1
Sales Tax Exemption Certificate	1

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Student Tech Program - STP	2
Student & Vocational School Order Guidelines	1
Student Tech Quote Tool	1
Purchase Order Payment for Student Tech Orders	1
Company Apprentice Programs	1
National Account Direct Sales	1
Trade Account and MPR Credit	1
Material Return Authorizations	12
MRA Types	2
Repair Return (Canada Only)	1
Hazardous Material Returns	1
Battery Shipping Regulations	1
Mac Tools & DEWALT Battery Warranty Process	1
To Ensure Timely and Accurate Processing of Your Tool Return	2
Warranty Tool Return	4
Warranty Return Administration - Broken Tool Return	1
Frequency & MRA Limits of Warranty / Broken Tool Returns	1
Misuse and Abuse	2
Customer Care	1
Warranty Resolutions and Adjustments	1
Open Route Warranty	1
Consumer Warranty Policy	1
Mac Tools Service Center - Tool Repair	4
Repair Return (Canada Only)	1
Text to Repairs (614-710-4824)	1
Warranty Repair: Bill of Sale Guidelines	1
Flat Rate Repair	1
Upgrades	1
Parts and Labor Repair	1
Torque Wrench Calibration	1
Repair Estimates	1
Return Procedure for Repairs	1
Repair Return (Canada Only)	1
W Warranty Items - DeWalt Branded	1
Warranty: Tool Box & Utility Cart	5
Rust / Corrosion	1
Contact	1
Non-Repairable / Not Replaced - In Field Warranty	1
Tool Box Replacement - In Field Warranty	1
Tool Box Parts Returned for Credit - In Field Warranty	1
Serviceable Items - In Field Warranty	1
Defective Tool Box / Utility Cart Adjustment Request Form	1
Freight Receiving	3
Freight Claims Policy Details	1
Freight Receiving Best Practices	1
How to Report Concealed Freight Damage After Signing	1

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Topic	Number of Pages
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Route Transfer	5
Route Transfer Additional Guidelines	1
Route Transfer Procedure	2
Transfer Route Approval Process	1
Multi-Route Franchise	1
Multi Route Policy	2
Additional Guidelines	1
Sale of Route or Mac Tools Business	2
SBA Loans – Franchise Requirement	1
Tool Trucks	1
Official Tool Truck Graphic Scheme	1
Selling or Shopping for a Tool Truck?	1

The Field Operations Manual must remain confidential and is our property. We will have the right to add to and otherwise modify the Field Operations Manual periodically as we deem necessary.

Business Location

Your Mac Tools Business will be largely operated out of your truck. Franchisees typically use an office in their home to support their Mac Tools Business. We do not select a business location for you, and we are not required to provide any assistance to you in selecting a location. You may not use our address, or that of our affiliates and parent companies, as your business location. Although we assign the Route(s) to your Mac Tools Business, we do not approve the geographic or other area in which your business is located. We do not assist you in conforming any business location to local ordinances and building codes and/or obtaining any required permits. We are not responsible for constructing, remodeling or decorating any business location you may use for operation of your Mac Tools Business.

Time Before Opening

We estimate that the typical length of time between the signing of the Franchise Agreement (by both you and Mac Tools) and commencing operation of your Mac Tools Business is, in most cases, less than 14 days, but this period could be longer depending upon several factors, such as the length of time to obtain financing and to conclude your current business occupation.

Training

Unless you receive written consent from us regarding an exception to this policy, you are required to accompany an existing Mac Tools franchisee or distributor, selected by us, on the franchisee's or distributor's route ("Mentor Ride"). This Mentor Ride lasts approximately five business days and occurs approximately one week before the initial training described below. Following the Mentor Ride, unless otherwise notified by us, you may attend the initial training program.

The initial training program includes a mandatory classroom training program that typically lasts five to eleven days (depending upon training class size) held in Dublin, Ohio (or such other location in the Columbus, Ohio metropolitan area determined by us). This initial training program is held approximately 12 to 15 times per calendar year and must be successfully completed by you. You must sign a

Confidentiality Agreement (see Exhibit C) prior to attending training. If we agree to allow your spouse, family member or other individual to attend initial training with you, that person must sign a Confidentiality Agreement prior the start of training (see Exhibit C). Unless you have received written consent from us regarding an exception to this policy, if you fail to successfully complete the initial training program, you will not become a Mac Tools franchisee. We have the right to remove you from the initial training program if we determine that you do not meet the qualifications of a Mac Tools franchisee. The initial training program must be attended and successfully completed within the time period agreed upon by you and us at the time your Franchise Agreement is signed and prior to when you commence your Mac Tools Business.

Following the signing of the Franchise Agreement by you and us, you will receive additional one-on-one training during the first five consecutive working days on your Route and at least five additional working days within the first 30 days on your Route with a Mac Tools representative. Unless you have received written consent from us regarding an exception to this policy, you must complete the one on one training in order to continue as a franchisee.

As of the date of this disclosure document, the initial training program is as follows:

TRAINING PROGRAM

Subject/ Type of Training/ Objective	**Hours of Classroom Training***	**Hours of On the Job Training***	**Location*****
Mentor Ride (Understanding of day to day operations; Sales experience; Introduction to computer systems)	Not applicable	40 – 60	A Location Designated by Mac Tools Located within Your District**
Mac Tools University (Selling Techniques; Computer Skills; Financial Management; Exposure and training on all fundamentals of the business)	44-100	Not applicable	Dublin, Ohio or such other location in the Columbus, Ohio metropolitan area determined by us
DM Fast Start (Continued training; fundamentals of selling, servicing customers and computer systems on route)	Not applicable	80	On Your Route
Field Excellence Meetings (On-going product and best practice training at District level) (Optional)	Up to 3 hours per event	Not applicable	A Location Designated by Mac Tools Located within Your District**
DM Work-With (One on One training with DM. DM works side by side with franchisee on his/her route to address any selling, service, financial or process issues.)	Up to 12 hours per event	Not applicable	On Your Route

Subject/ Type of Training/ Objective	Hours of Classroom Training*	Hours of On the Job Training*	Location***
Event Training (On-going training provided at National and International Events – focused on sales and product) (Optional)	Up to 8 hours per event	Not applicable	At Event Location

* The hours of classroom training and on the job training are estimates, and more or less training may be necessary to gain proficiency in the various subject areas depending upon your prior experience with these subject areas.

** Your Mentor Ride may be held at a location designated by us within the district in which an existing Mac Tools franchisee or distributor operates its Route. A district is typically an area encompassing between sixteen to twenty-four Routes.

*** In response to the novel coronavirus (known as COVID 19) pandemic and state and local mandates and recommendations for business closures, physical and social distancing and work from home arrangements, training programs, including Mentor Rides, classroom training, training with Mac Tools district managers, and event training, may be held virtually.

The training instructors have the following numbers of years of experience in the field for which they provide instruction and the following numbers of years' experience with Mac Tools: Tony Atwell, Learning and Development Manager, has 12 to 15 years of experience in the field in which he will provide training, and 6 years' experience with Mac Tools; Jason Long, Learning and Development Specialist, has 4 to 6 years of experience in the field in which he will provide training, and 6 years' experience with Mac Tools; Steven Stinchcomb, Software Training Specialist, has 10 to 12 years of experience in the field in which he will provide training, and 1 year experience with Mac Tools; Shelly Rasberry, Digital Learning and Development Specialist, has 3 to 5 years' experience in the field in which she will provide training, and less than 1 year experience with Mac Tools.

Prior to communications with your customers, you must ensure that each of your employees who will operate a Route is fully trained in our policies and procedures. You may train your employees or you may send your employees to training that we provide, typically in Dublin, Ohio. Depending on factors such as availability of training instructors, upon your request, we may provide your employees with training at your location and/or on your Route(s).

For each Route that you operate, we will train up to two of your employees. If the employee training takes place at our location in Ohio, we will pay the costs and expenses of training materials and our training instructors. If we agree to provide on-site training, we have the right to charge you a fee for our costs and expenses for the training, including the cost of training materials and the travel, room and board, salary and incidental expenses of our training instructors. For your third or subsequent employee on the same Route, in addition to the costs above, we have the right to charge you a tuition fee for each employee attending training. As of the date of this disclosure document, we estimate this fee to be a maximum of $2,500 for each employee trained.

As requested by us from time to time, you must permit your District Manager or his or her designee to ride on the truck(s) that you or your employee(s) operate in the course of your Mac Tools Business. You may attend, but are not required to attend, the annual Tool Fair conference presented by us.

We may provide optional supplemental training courses. Ongoing training will be held at our facilities in Dublin, Ohio or at another location designated by us. We will cover the expenses related to training materials and training instructors, however, we reserve the right to charge you a tuition fee or attendance fee for this training. As of the date of this disclosure document, we estimate the tuition fee or attendance fee will be a maximum of $2,500 for each person trained.

Periodically, and on an as-needed basis, we may provide mandatory supplemental training programs that you must attend in a location designated by us. We cover the expenses related to training materials and training instructors.

Prior to starting the renewal term, unless otherwise agreed by us, you must successfully complete, to our satisfaction, our orientation and training classes for renewing franchisees. We will pay the costs of the training instructors and the training materials.

The training sessions, whether initial training, supplemental training or renewal training will be conducted as often as required, as determined by us. Unless we notify you otherwise, you are responsible for arranging for and paying for your travel, lodging, personal expenses and salary and those of your employees, which you incur in connection with any and all training. Neither you nor your employees will receive any compensation from us while attending training.

We may periodically provide on-line training to you. This training is not mandatory and there is no cost to you for this training.

Franchisee Advisory Council

While we are not contractually obligated to do so, we may establish a Franchisee Advisory Council in the future. If and when established, the Franchisee Advisory Council will meet periodically to discuss issues of importance to you, other Mac Tools franchisees and us, and the Franchisee Advisory Council will be composed of franchisee representatives and representatives of Mac Tools, as determined by us.

ITEM 12. TERRITORY

As a franchisee, you are granted the right to offer and sell the Products, and SBD Products, in connection with the operation of your Mac Tools Business. You will operate one assigned Route, and upon the agreement of us and you, you may operate more than one Route. Each Route assigned by us consists of a list of stops ("Stops"). The location and territory which make up a Route is outlined in Attachment A of the Franchise Agreement. At each of your Stops, there may be one or more potential customers to whom you may sell the Products. Potential customers are professional mechanics, tool buying technicians and other commercial users who, in the operation of their business, purchase and use the Products or SBD Products offered for purchase by Mac Tools franchisees, as well as similar products and tools. The types of businesses at which the potential customers are located include, for example, automotive aftermarket businesses, service stations, independent garages, car and truck dealerships, and non-automotive businesses such as cycle shops, lawn mower shops, airports, marinas, machine shops, factories, farm implement dealers or repairers, commercial agricultural businesses and other similar businesses. It is our policy to initially assign a minimum of 325 potential customers ("Customers") per Route. We make no representation with respect to whether these potential Customers will purchase the Products or the SBD Products from you.

Other than your right to personally solicit Customers on your Route(s), you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control; however, we will not assign any Stops assigned to any of your Route(s) to another franchisee, distributor or Mac Tools employee distributor.

You will not have any ownership interest in any of your Route(s), the Stops or the Customers assigned to your Route(s). You may only service Customers located at Stops on your Route(s). You are not permitted to use other channels of distribution, including the Internet, catalog sales, telemarketing, or direct marketing to solicit sales outside of your assigned Route(s) except with our prior written consent. You are not permitted to use the Internet to offer the Products or the SBD Products for sale. You may request that we add new Stops to, or delete Stops from any of your Route(s). We will advise you in writing within 30 days after we receive your request whether or not we approve it. When making our determination, we consider factors such as the number of customers on your current Route, whether the Stop is on the Route of another franchisee, and the location of the proposed Stop. You are responsible for keeping your Route assignment list, for each of your Routes, current with accurate shop information, including the complete shop name, shop address, and the number of potential customers, and for submitting to us annually your current Route assignment list.

The appointment of the franchise is made on a nonexclusive basis, and we and any of our affiliates may, either by itself or through another entity (or under other trademarks), use other means, including without limitation through the Internet, catalogue sales, telemarketing, direct marketing, direct mail solicitation, sale of Products and SBD Products at automotive racing venues and through retail automotive products stores to sell the Products and the SBD Products to any customers, including to Customers on your Route(s), except that we will not do so using distributors or franchisees to distribute Products to customers located on your Route.

We have the right, in our sole discretion, to sell directly to customers in areas that are not being serviced by a Mac Tools franchisee. From time to time, we may license franchisees to sell Products and SBD Products at retail locations under certain circumstances determined by us in our discretion. Neither Mac Tools nor Stanley Industrial & Automotive, LLC or its corporate affiliates must pay you for their solicitation or acceptance of orders in your territory.

If we reasonably believe that your Customers have not received consistent service in the manner required by the Franchise Agreement, you have not made the minimum number of personal contacts with your Customers, or if a Customer requests that you no longer service that Customer's Stop on the Route, then we have the right, with at least 30 days written notice to you, to adjust the number of Stops on your Route(s) and/or to designate different Stops as part of each Route. Additionally, we reserve the right to make other additions, deletions and/or other changes in any of the Route(s) as we reasonably believe necessary and equitable under the circumstances to insure an adequate Customer base, to insure the proper level of Customer service and to balance conflicting considerations for local, regional and national accounts. Failure to provide consistent service (including, without limitation, the conduct of consistent sales and/or collection activities), as determined by us, to the Customers at a Stop on any Route during any period of 30 consecutive days may result in the reassignment of a Stop or Stops from the applicable Route.

The Franchise Agreement does not grant to you options, rights of first refusal or similar rights to acquire additional franchises within contiguous areas to the Route, and you will not be provided any rights except in a separate written agreement. Other than Mac Tools Canada Inc. and Stanley Convergent Security Solutions, Inc. (as disclosed in Item 1 of this disclosure document), we or our affiliates have not established, nor do we or our affiliates have plans to establish, another franchise, company-owned method of distribution or another channel of distribution selling or leasing similar products or services under a different trademark.

ITEM 13. TRADEMARKS

You will be granted a limited, non- exclusive license (the "Trademark License") to use certain of our trademarks, service marks, trade names, logos and symbols, as designated by us, only in connection

with the advertising, promotion and sale of Products in accordance with the terms of your Franchise Agreement. Consult the Franchise Agreement for the terms and conditions of the Trademark License.

Among the trademarks licensed to you in the Franchise Agreement are the four principal trademarks (the "Marks") described below, which are registered with United States Patent and Trademark Office (the "USPTO"). The Marks are owned by Stanley Logistics, LLC, an affiliate of Stanley Industrial & Automotive, LLC. Stanley Logistics, LLC has licensed to us the right to use these Marks and the right to sublicense the use of these Marks to you solely in connection with the operation of your Mac Tools Business. The Marks include:

Mark:	"MAC TOOLS"
Registration No.:	5,256,648
Registration Date:	August 1, 2017

Mark:	"MAC TOOLS" (Words in stylized form)
Registration No.:	2,193,059
Registration Date:	October 6, 1998
Renewal Date:	September 28, 2008
Second Renewal Date	October 12, 2018
Mark:	"MAC TOOLS (and Design)"
Registration No.:	1,783,842
Registration Date:	July 27, 1993
Renewal Date:	May 4, 2003
Second Renewal Date	June 15, 2013

Mark:	"MAC"
Registration No.:	1,974,452
Registration Date:	May 21, 1996
Renewal Date:	August 24, 2006
Second Renewal Date	July 8, 2016

As of the date of this disclosure document, Stanley Logistics, LLC has filed all required affidavits needed to maintain the registrations of the Marks.

With the exception of the first of the Marks listed above, each of the Marks has been renewed at least once.

All of the Marks are registered on the Principal Register of the USPTO.

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceedings, that affects the ownership, use, or licensing of the Marks in a manner material to the franchise.

There is no pending material federal or state court litigation regarding our use or Stanley Logistics, LLC's ownership rights in the Marks.

There are no currently effective third party agreements that significantly limit our right to use or license the use of the Marks in a manner material to the franchise. As discussed above, we have been

granted a license to use and to sublicense the use of certain of the Marks through a license agreement (the "License Agreement") with Stanley Logistics, LLC. The License Agreement is unlikely to affect the franchisee to any significant extent. The License Agreement's duration is 10 years from its effective date and automatically is renewed from year to year unless prior to the expiration of the preceding term, either licensee or licensor gives the other party at least sixty (60) days' written notice of its intention to terminate the Agreement. The License Agreement may be terminated only upon a breach or default by the other party that is not cured within 60 days of written notice of the breach or default.

The Franchise Agreement does not obligate us to protect your use of the Marks or protect you against claims of infringement or unfair competition arising out of your use of the Marks.

The Franchise Agreement requires that, if you become aware of any infringement of any of the trademarks, you must promptly notify us. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims.

Under the Franchise Agreement, we have the right to control any administrative proceedings or litigation involving the Marks.

The Franchise Agreement does not require us to participate in your defense and/or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark, or if a proceeding involving a Mark is resolved unfavorably to you.

Under the Franchise Agreement, if we discontinue or modify any of the Marks, we may require you to discontinue or similarly modify your use of that Mark.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks in the state where your franchise will be located.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Since 1995, the Mac Tools Division has , owned rights in a copyright registration for the computer software program known as the Mac Tools mobile business assistant system or MBA (Registration number TXu000714502) and, since 1996, owned rights in a copyright registration for the same computer software program (Registration number TXu000758811. As of the original issuance date of this disclosure document, franchisees use this software in the operation of their Mac Tools Businesses. The duration of Registration number TXu000714502 is December 31, 2090. The duration of Registration number TXu000758811 is December 31, 2091. The Mac Tools Division intends to and can renew each of these registrations. There are no currently effective material determinations of the USPTO, the United States Copyright Office or any court regarding these registrations. Our right to use or license this software is not materially limited by any agreement or known infringing use. We are not obligated to defend your use of the MBA software. We are not aware of any copyright infringement that could materially affect you. The MBA software and related documentation is confidential and proprietary to Mac Tools, and you must hold it in strictest confidence.

Other than as disclosed above, we do not currently own any patents or copyrights that are material to the Mac Tools Business. We do not currently have any pending patent applications that are material to the Mac Tools Business.

We own proprietary rights in our confidential information and trade secrets. The Field Operations Manual and various other bulletins and directives, which we publish to our franchisees periodically and

which relate to the standards, procedures and specifications for operation of the Mac Tools Business, are proprietary and confidential.

Section 3.21 of the Franchise Agreement provides that, among other things, any information, knowledge, know-how, and techniques which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. We grant you a limited license to use our trade secrets and proprietary know-how relating to the operation of your Mac Tools Business (the "Confidential Information"). You acquire no interest in the Confidential Information provided to you other than the right to utilize it in development and operation of your Mac Tools Business in accordance with, and during the term of, the Franchise Agreement. You agree that certain confidential information is confidential, proprietary and a trade secret of Mac Tools and that you will not communicate, divulge, disclose, or use for your benefit (other than for the operation of your Mac Tools Business during the term of the Franchise Agreement) or the benefit of any other person, persons, partnership, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the Mac Tools Business which are trade secrets, including without limitation the Mac Tools Software or any other software used by you for product ordering, inventory control, record keeping and/or communication with us, your electronic business records, any electronic records which we may provide to you, and the Field Operations Manual. You agree that you are prohibited from disclosing, copying, duplicating, recording, reproducing or otherwise making available the contents of the Field Operations Manual to any unauthorized person without our consent.

You must promptly notify us of any use of, or claim of right to, the Confidential Information and any litigation instituted by any third party against us or you involving the Confidential Information. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We may, in our sole discretion, undertake the defense, prosecution or settlement of any litigation relating to the Confidential Information and we have the right to control those proceedings. We have no obligation to indemnify you for expenses or damages in a proceeding involving the Confidential Information. If we discontinue or modify any of the Confidential Information, we may require you, at your expense, to discontinue or similarly modify your use of that Confidential Information. We may terminate your rights under the Franchise Agreement if you fail to modify or discontinue use of Confidential Information when notified by us. As a new franchise candidate, you are required to sign the Confidentiality Agreement (see Exhibit C), and if you become a Mac Tools franchisee, you must sign the Franchise Agreement which contains certain provisions regarding the Confidential Information.

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

Unless we agree to allow you to operate your Mac Tools Business as an individual, you must form a corporation or limited liability company ("Business Entity") to operate your Mac Tools Business. You must sign a personal guaranty of the Business Entity's obligations to Mac Tools (see Exhibit I and Exhibit W (state addenda)); and Ownership Acknowledgment (see Exhibit M) and must complete certain additional documents (see Exhibit G and Exhibit H). Each owner of the Business Entity, including an owner who is the spouse of the individual who is the principal operator of the Mac Tools Business, must sign a personal guaranty of the Business Entity's obligations to Mac Tools (see Exhibit I and Exhibit W (state addenda)). The Business Entity must be owned and controlled (control to be determined by ownership of at least 51% or more of the ownership interests in the Business Entity) by the natural person who will operate the Mac Tools Business.

You must actively participate and use your best efforts in your Mac Tools Business and in each Route assigned to you. If you have only one Route, you must personally operate the Route unless we agree otherwise. If you have more than one Route, you are not required to personally operate the additional Route.

An employee of yours may operate the additional Route, but you must actively oversee any Route operated by an employee and supervise your employee(s). You and your employee(s) must at all times act in a professional manner and be fully trained in our policies and procedures. Your employee must complete any training that we require of the employee. Your employee must permit us to ride along on the Route operated by the employee.

You must submit a proposal to us concerning any person you intend to employee to operate a Route and certify to us that the person you intend to hire has not been convicted, plead nolo contendere, or accused of certain crimes or prohibited behavior, has not had his or her driver's license suspended or revoked within the prior five-year period, and will not operate the Route while under the influence of alcohol or drugs that are illegal under United States federal law or state law. If the proposed employee is a former Mac Tools employee, franchisee or distributor, the proposed employee may not have engaged in certain acts prohibited under the Franchise Agreement during his or her employment or relationship with Mac Tools.

It is solely your decision who you hire as your employee and there are no limitations on whom you can hire as an employee, provided you are able to make the certifications described above. Any referral of a potential employee by us is not and should not be construed as a request that you hire a candidate. Your employee is not required to have any amount of equity interest in your franchised business.

You and your employees may have access to our trade secrets and information that is confidential or proprietary to us. These trade secrets and information may not be divulged or used for any purpose other than in connection with the operation of your Mac Tools Business.

You, any other owners of your franchisee Business Entity, and your employees must sign a Non-disclosure, Customer Non-solicitation and Non-competition Agreement (see Exhibit Z) that requires the person signing the Agreement to maintain the confidentiality of our trade secrets, proprietary information and confidential information and to agree to the non-competition covenants described in Item 17 of this disclosure document.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

On your Route, you may sell only the Products, the SBD Products, products that you obtain because of a trade-in by your Customers, and products that you are unable to obtain from us within the time period required by your Customer. We have the right to require you to offer all of the Products that we approve for purchase and sale in Mac Tools Businesses. You must discontinue selling or offering for sale any products or services that we disapprove in writing from time to time. We have the right to add to, discontinue or modify the required products at our discretion. There are no limits on this right to make changes.

You may sell the Products and the SBD Products only to Customers at Stops on your Route. Your Customers must be commercial users of tools and shop equipment such as automotive after-market businesses, service stations, independent garages, car and truck dealerships, cycle shops, lawn mower shops, airports, marinas, machine shops, factories, farm implement dealers or repairers, and commercial agricultural businesses. The Products and SBD Products may not be sold to a person in the business of reselling tools and equipment or to a person who will use them primarily for personal, family, household or other consumer purposes.

We may occasionally enter into agreements with customers, including the government, to create local, regional or national accounts and/or government accounts. If so, we have the right to require you to offer the Products for sale to these customers.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

References in Item 17 to "Conversion Addendum" mean the Franchisee, Distributor or Employee Conversion Addendum. References to "Credit Rider" mean the Customer Credit Program Rider. References to "Dynamics" mean the Microsoft Dynamics Agreement. References to "ETP" mean the Extended Terms Program Agreement. References to "FA" mean the Franchise Agreement. References to "Franchise Assignment" mean the Franchise Sales Assignment Agreement. References to "LTA" mean the Large Ticket Account Agreement. References to "MBA" mean the Mobile Business Assistant Agreement. References to "NDA" mean the Non-Disclosure, Customer Non-Solicitation and Non-Competition Agreement (signed by a franchisee's– Officers, Directors, Members, Managers, and Shareholders). References to "Route Assignment" means the Route Assignment Agreement.

Provision	Section in Agreement	Summary
a. Length of the franchise term	FA Section 2.1; Renewal Addendum Paragraph B and Section 5; MBA Section 2; Dynamics Section 4; ETP Paragraphs 1, 3, 4 and 5; LTA Paragraph 1	FA - 10 years unless terminated earlier under the terms of Franchise Agreement. Renewal Addendum - 10 years unless terminated earlier under the terms of the FA. MBA - Term is the same as the Franchise Agreement. Dynamics - Term is the same as the Franchise Agreement. ETP - Participation in ETP Program continues until discontinued by us or you no longer qualify for the ETP Program. We determine the applicable period of time and the total number of weekly payments. LTA - Your option to purchase products continues until the LTA Program is discontinued by us or you no longer qualify for the LTA Program. We determine the applicable period of time and the total number of weekly payments.
b. Renewal or extension of the term	FA Section 2.2	FA - One 10 year renewal term if conditions are met.
c. Requirements for franchisee to renew or extend	FA Section 2.2; Renewal Addendum Section 5	The term renewal means that the franchise relationship is extended for an additional term of years under our then-current form of Franchise Agreement, which may have materially different terms and conditions than your original contract. FA - To meet renewal conditions, you must: provide timely notice of renewal; not be in default under any agreement with us; have been in full compliance with all material terms and conditions of any agreement with us during the term of the agreements; sign the then-current form of Franchise Agreement, sign a general release (see Exhibit AA and Exhibit W (state addenda)); comply with then-current qualifications and training requirements; agree to upgrade your

Provision	Section in Agreement	Summary
		truck to conform to then-current standards; and pay a non-refundable renewal fee in an amount equal to one-half of the then-current initial franchise fee; have not engaged in behavior prohibited under the Franchise Agreement or been abusive or unprofessional in your communications with us, our affiliates or suppliers.
d. Termination by franchisee	FA Section 10.3	FA - You may terminate if we default under the Franchise Agreement and fail to cure the default within 60 days.
e. Termination by franchisor without cause	FA - Not applicable; ETP Paragraph 1; LTA Paragraph 1; Credit Rider Paragraph 10	FA - Not applicable. ETP - We may discontinue the ETP Program at any time. LTA - We may discontinue the LTA Program at any time. Credit Rider - We may suspend the right to establish new accounts at any time.
f. Termination by franchisor with cause	FA Article 10; Section 4 of Veterans Addendum; Security Agreement Article 3; MBA Section 4; Dynamics Section 4; ETP Paragraph 6; LTA Paragraphs 1 and 5; Credit Rider Paragraphs 4 and 8	FA - We may terminate upon your default. If the Franchise Agreement is terminated, all rights respecting each Route are automatically terminated. If there is a breach of the Franchise Agreement relating to a particular Route, we may terminate the Franchise Agreement or terminate your rights regarding the particular Route. Your failure to service one or more of your Routes for a cumulative period of more than 30 days may terminate your rights regarding that particular Route. Upon termination of any Route, you must, with respect to that Route, stop the use of the Mac Tools System and the Marks and advertising; de-identify the business, including the truck used in connection with the Route; return of all Mac Tools Business manuals, customer lists, computer files and other materials related to the Route; pay to us of all amounts owed with respect to the Route; and refrain from competing with us. Veterans Addendum - We may terminate the Veterans Addendum if your Franchise Agreement is terminated before the third anniversary of its effective date, if you cease to operate your franchised Mac Tools Business prior to the third anniversary of the effective date of the Franchise Agreement, or if we learn that you were not Honorably Discharged from the U.S. Armed Forces. Security Agreement - We may immediately terminate the Security Agreement and pursue any remedies available to us upon your default. MBA - We may terminate the Franchise Agreement immediately upon your default. Dynamics - We may terminate the Franchise Agreement immediately upon your default. ETP - We may discontinue the ETP Program at any time and your rights to participate in the ETP Program can be terminated by us if you no longer qualify for the program.

Provision	Section in Agreement	Summary
		Failure to make two or more ETP direct debit payments for any reason (other than through the fault of Mac Tools), including insufficient funds in your bank account. LTA - We may discontinue the LTA Program at any time in our discretion, and your rights to participate in the LTA Program can be terminated by us if you no longer qualify for the program or if you fail to make two or more LTA direct debit payments for any reason (other than through the fault of Mac Tools), including insufficient funds in your bank account. Credit Rider - We may restrict opening of new accounts if the credit line for certain accounts exceed a set percentage of your annual sales as set out in the Operations Manual. We may suspend, limit or revoke your participation in the Customer Credit Program if you or your customers do not comply with the program's requirements, or if you or your customer were dishonest on any Customer Credit Program applications.
g. "Cause" defined curable defaults	FA Article 10	FA - Defaults that can be cured include: misuse of the System or Marks and other actions that impair the goodwill associated with these; failure to make payment to us when due; failure to furnish any required report or information; failure to operate the Mac Tools Business in compliance with the Franchise Agreement and Operations Manual; failure to perform any provisions of the agreements to which you and we are parties.
h. "Cause" defined non-curable defaults	FA Article 10; Section 4 of Veterans Addendum; MBA Section 4; Dynamics Section 4; ETP Paragraph 6; Credit Rider Paragraph 8	FA - To the extent permitted by applicable law, non-curable defaults include: bankruptcy or insolvency; any fraudulent act or misrepresentation by you in connection the Mac Tools Business; conviction or plea of nolo contendere by you or your Employee(s) of a felony or other crime involving moral turpitude, financial dishonesty, assault or battery, or the use of alcohol or drugs that are illegal under United States federal law or state law; suspension or revocation of your driver's license or that of your Employee(s); any allegation supported by evidence, that you or your Employee(s) have committed a crime that may adversely affects Mac Tools' goodwill, or assault or battery by you or any of your Employees in connection with the Mac Tools Business; multiple or serious complaint(s) about your behavior or the behavior of your Employee(s) that is a breach of the Franchise Agreement, while conducting your Mac Tools Business, or communicating with Mac Tools' employees or the public in an unprofessional manner; failure by you or by your employee(s) operating a Route to comply with training requirements; sale of any unauthorized or competitive products or involvement in a business competitive with us; failure to fully utilize a computer system and any required software, or failure to transmit required information generated by the computer

Provision	Section in Agreement	Summary
		system to us; failure to meet the requirements regarding the minimum levels of customer service; disclosure by you or your employee(s) of confidential information; abandonment of the business by you or the failure to properly service the Customers on the Route(s); sale of products to customers not assigned to your Route(s); failure, more than twice within a thirty day period, to timely pay invoices or failure to make a payment obligation to us or to any third party under an applicable Customer Credit Program; failure to meet minimum product purchase requirement; default by you under the Franchise Agreement which occurs within 6 months after written notice of another default for the same reason; default by you which occurs at any time after notice of three other defaults for any reason; failure to comply with, or the expiration or termination of, or fraud in connection with any agreements pertaining to your participation in the Customer Credit Program; your death, subject to our then effective policy on franchisee survivorship; your disability, if you do not have an employee to perform your obligations; failure to cure, within the applicable cure period, any default under agreement(s) with us, if we have provided financing to you; failure to allow entry and inspection of your truck or any physical premises used in your operation of your Mac Tools Business; seizure or attachment of assets or grant of a security interest that materially impairs your business operations or our security interests. Veterans Addendum - Non-curable defaults include the termination of your Franchise Agreement before the third anniversary of its effective date, cessation of your Mac Tools Business before the third anniversary of the effective date of your Franchise Agreement, and failure to have been Honorably Discharged from the U.S. Armed Forces. MBA - Non-curable defaults include: failure to comply with any of the terms and conditions of the Mobile Business Assistant Agreement or any related license if the default is not cured within thirty (30) days; expiration or termination of the Mobile Business Assistant Agreement or of any related license; or an event of default under any other agreement between you and us not cured within any applicable cure period; or you cease to be an authorized Mac Tools franchisee for any reason Dynamics - Non-curable defaults include: failure to comply with any of the terms and conditions of the Microsoft Dynamics Agreement or any related license if the default is not cured within thirty (30) days; expiration or termination of the Microsoft Dynamics Agreement or of any related license; or an event of default under any other agreement between you

Provision	Section in Agreement	Summary
		and us not cured within any applicable cure period; or you cease to be an authorized Mac Tools franchisee for any reason ETP - Failure to make two or more ETP direct debit payments for any reason (other than through the fault of Mac Tools), including insufficient funds in your bank account. Credit Rider- Non-curable defaults include: you or your customers do not comply with the program's requirements, or if you or your customer were dishonest on any application submitted in connection with Customer Credit Programs.
i. Franchisee's obligations on termination/non-renewal	FA Article 11 and Section 7.8; Sections 4 of Veterans Addendum; MBA Section 5; Dynamics Section 4; ETP Paragraph 6; LTA Paragraph 4; Customer Credit Program Paragraph 1; NDA Paragraph 2	FA - Cease use of the System and the Marks and advertising; complete de-identification of the Mac Tools Business, including the truck; return of all materials related to the Mac Tools Business; pay us all amounts owed; refrain from competing with us for a period of one year following termination; and assignment to us all of your email addresses, social media profiles and classified listings and advertisements associated with or used in the operation of your Mac Tools Business. FA - Within 15 days following the expiration or termination of the Franchise Agreement, we may but are not obligated to purchase all or any portion of your inventory of the Products and/or the SBD Products for the following prices: for truck-worn inventory, in an amount equal to fifty percent (50%) of the most recent franchisee net price(s) for the inventory, and, for new inventory in restockable condition, in an amount equal to ninety percent (90%) of the most recent franchisee net price(s) for the inventory. Discontinued inventory may not be returned to us and you will not receive a credit for discontinued inventory. Veterans Addendum - If the Veterans Addendum is terminated for cause, you must immediately pay us the full amount of the Veterans Incentive received, and the Veterans Addendum will automatically terminate. MBA - Return the original and all copies of the MBA software and all related documentation, erase the Mac Tools Software from all computers and storage media in your possession, return any computer equipment loaned by us in connection with the Mac Tools Software, and certify in writing to us that each action has been taken. Dynamics - Return the original and all copies of the Mac Tools Software and all related documentation, erase the Mac Tools Software from all computers and storage media in your possession, return any computer equipment loaned by us in connection with the Mac Tools Software, and certify in writing to us that each action has been taken.

Provision	Section in Agreement	Summary
		ETP - All amounts that you owe under ETP will become immediately due and payable. LTA - All amounts that you owe under LTA will become immediately due and payable. Credit Rider -you must pay Mac Tools the amount of any monetary obligation to the Credit Provider incurred by Mac Tools for any reimbursements, charge-backs, or repurchases required by the Credit Provider, or a lesser amount as determined by Mac Tools. If Special Account is charged-off, or charged-back to Mac Tools by the Credit Provider, or Mac Tools purchases a Special Account from the Credit Provider, you must reimburse Mac Tools for 50% of the amount of the account, or a lesser amount as determined by Mac Tools. NDA - Individual who is a party to agreement may not use, communicate, divulge or disclose any confidential information, knowledge or knowhow concerning the Mac Tools System or methods of operation of the Mac Tools Business.
j. Assignment of contract by franchisor	FA Section 9.1; Purchase Agreement Section 9.1; Security Agreement Section 10.3	FA - No restrictions on our right to assign as long as our obligations are assumed upon assignment. Purchase Agreement - No restrictions on our right to assign as long as our obligations are assumed upon assignment. Security Agreement - No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	FA Section 9.2; Purchase Agreement Section 9.2	FA - Transfer includes any assignment of the Franchise Agreement and any right, responsibility or interest in or delegation of duties under the Franchise Agreement; transfer of all or substantially of the assets; transfer of the Mac Tools Business to a business entity; any merger, consolidation, reorganization, or other action involving change in the ownership or control of the Mac Tools Business; any sale, resale, pledge, assignment, transfer or encumbrance of voting stock of, or other ownership interest in any business entity, if the franchisee is a business entity. Purchase Agreement - Assignment of any right, responsibility or interest in or delegation of duties under the Purchase Agreement; transfer of all or substantially all of your assets, incorporation of your business (if you are not already conducting the business through a corporation) or reorganization of the business entity; participation in any merger, consolidation, reorganization, or other action involving any change in the your ownership or control of your business.

Provision	Section in Agreement	Summary
l. Franchisor approval of transfer by franchisee	FA Sections 9.2 and 9.3; Purchase Agreement Section 9.2; Franchise Assignment Paragraph 7; Route Assignment Paragraph 7	FA - We must approve all transfers, but we will not unreasonably withhold our consent. Purchase Agreement - We have the right to approve the transferee which may be withheld for any bona fide business reason. Franchise Assignment - We must consent in order for the assignment to be binding. Route Assignment - We must consent in order for the assignment to be binding.
m. Conditions for franchisor approval of transfer	FA Sections 9.2 and 9.3; Purchase Agreement Section 9.2; Consent to Assignment attached to Franchise Assignment and Route Assignment; Franchise Assignment Paragraph 3; Route Assignment Paragraph 3	FA - You must: satisfy all obligations to us; agree that your right to receive compensation is subordinate to our rights to receive any outstanding obligation; sign a general release (see Exhibit AA and Exhibit W (state addenda)); the transferee signs a written assumption and agrees to fully repair, refurbish and update any equipment used in the Mac Tools Business in accordance with current specifications; the transferee meets our qualifications; the transferee signs the then-current Franchise Agreement and other ancillary agreements; at transferee franchisee's expense, the transferee completes the then-current initial training program; and payment of the required fee. FA - If you are a sole proprietor and wish to transfer your interests to a business entity formed for the convenience of ownership, we may require that: the transferee entity is newly organized, its governing documents are provided to us prior to transfer, and its activities are confined to the operation of the Mac Tools Business; legal and trade names of the entity must comply with the terms of the Franchise Agreement; the franchisee owns all of the ownership interest in the entity, except as required by law, and acts as its principal executive and operating officer; you unconditionally guarantee the payment and performance of the entity's obligations to us; any stock certificates meet our requirements; and you comply with any other stated policies. Purchase Agreement - We have the right to approve the transferee which may be withheld for any bona fide business reason. Franchise Assignment – Conditions for transfer include: payment of amounts owed to us by assignor, assignor signing a release of claims, signing a new Franchise Agreement and ancillary agreements by assignee, completion of initial training by assignee, and payment of the applicable fee. Route Assignment - Conditions for transfer include: payment of amounts owed to us by assignor, signing a release of claims by assignor, signing a new Franchise Agreement and ancillary

Provision	Section in Agreement	Summary
		agreements by assignee, completion of initial training by assignee, and payment of the applicable fee.
n. Franchisor's right of first refusal to acquire franchisee's business	FA Section 9.4	FA - We may match any bona fide offer for your interest in the Franchise Agreement, your assets or ownership interest in the Mac Tools Business. We must provide you with timely notice of our intent to exercise this right.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	FA Section 10.1; Security Agreement Article 3	FA - We may automatically terminate the Franchise Agreement upon your death or the death of the individual signing the Franchise Agreement, subject to our then effective policy on franchisee survivorship. We may automatically terminate the Franchise Agreement upon your disability or the disability of the individual signing the Franchise Agreement to the extent the obligations of the Franchise Agreement cannot be performed for 60 consecutive calendar days or for any 60 calendar days within a period of 180 consecutive calendar days (if you have not complied with the provisions of the Franchise Agreement in hiring an employee to perform the obligations). Security Agreement - Automatically terminates upon your death, or the death of the individual signing the Security Agreement.
q. Noncompetition covenants during the term of the franchise	FA Sections 3.9 and 3.10; Conversion Addendum Section 3; NDA Paragraph 4	FA - Except for limited circumstances, no involvement in any business which consists substantially of the supply of products to users in the automotive after-market, service stations, independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment. FA - You must ensure that on each of your Route(s) only authorized products and items are sold. All products manufactured or distributed by us that you sell must have been purchased by you from us unless those restrictions are invalid under the laws of the state(s) in which you conduct your business. You will not compete with us, or with any of our other Mac Tools franchisees, distributors, or employee distributors in any manner, without our prior written consent. Conversion Addendum - A Converting Franchisee, Distributor or Employee may not be restricted from fulfilling its

Provision	Section in Agreement	Summary
		obligations as a Mac Tools franchisee by the terms of a non-competition agreement with a third party. NDA - Individual signing the agreement may not: (1) as to competing products or services, solicit the franchisee's customers for whom the individual performed services or solicited services on behalf of the Mac Tools franchisee, or (2) engage in or advise in the establishment of a competing business.
r. Non-competition covenants after the franchise is terminated or expires	FA Section 11.3; NDA Paragraph 4	FA - Except for limited circumstances, for one year following termination or expiration of the Franchise Agreement for any reason, you may not, in any manner, within three miles of any Stop on any assigned Route: (i) engage in any business involving the sale of products manufactured or sold by Snap-On Incorporated, Matco Tools Corporation, or The Cornwell Quality Tools Company, Apex Tool Group, or any parent, successor, subsidiary or affiliate of any of them, or (ii) carry on or be engaged in or concerned with any business which consists substantially of the supply of products to users in the automotive after-market, service stations, independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment. NDA - For twelve months following termination, the individual signing the agreement may not, as to competing products or services,(1) solicit the franchisee's customers for whom the individual performed services or solicited services on behalf of the Mac Tools franchisee, or (2) engage in or advise in the establishment of a competing business. For twelve months after the termination or expiration of the agreement, the individual signing the Agreement may not, at any location within 3 miles of any Stop on the franchisee's Route(s), engage in the sale of a competing product, or establish, carry on, be engaged in, or advise in the establishment or operation of a competing business.
s. Modification of the agreement	FA Article 19; Section 7; Renewal Addendum Section 13; Purchase Agreement Article 25; Security Agreement Section 10.2; MBA Section 17; Dynamics Section 9	FA, Renewal Addendum, Purchase Agreement, Security Agreement, MBA and Dynamics - No modifications unless they are in writing and signed by both parties.

Provision	Section in Agreement	Summary
t. Integration - merger clause	FA Article 19; Renewal Addendum Section 13; Purchase Agreement Article 25; Security Agreement Section 10.2; MBA Section 17; Dynamics Section 9	FA, Renewal Addendum, Purchase Agreement, Security Agreement, MBA and Dynamics - The terms of each of these agreements are complete and may not be added to, modified, superseded or altered, except in a writing signed by the parties to the agreement. However, nothing in the agreements, or any related agreement, is intended to disclaim the representations made in the franchise disclosure document that we provided to you. Only the terms of the agreements are binding (subject to applicable state law). Any representations or promises outside of the franchise disclosure document and the agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	FA Article 20; Purchase Agreement Articles 13 and 14	FA and Purchase Agreement- With limited exceptions, all disputes will be resolved by a mandatory three-step process – good faith negotiation, mediation (if negotiation is unsuccessful to resolve claims) and arbitration (if mediation is unsuccessful to resolve claims). Mediation will be held by JAMS, the Resolution Experts. Mediator to be mutually selected, but if we cannot agreed, then by the then-effective rules of JAMS. Under the FA, mediation will be in New York, New York. If the matter is not resolved within 60 business days, then the matter will be settled by a sole arbitrator in accordance with JAMS Comprehensive Arbitration Rules and Procedures and the Federal Arbitration Act, 9 U.S.C. §§ 1-16. The arbitrator will be mutually selected, but if we cannot agree, then by the rules of JAMS. Under the FA, arbitration will be held in New York, New York. Damages for punitive, exemplary, indirect, special, consequential or incidental damages, or any other damages may not be in excess of actual direct damages or any limit set out in the Franchise Agreement, whichever is lower. Prevailing party may be awarded costs and expenses in compelling arbitration. Arbitration may not be brought on a class-wide or multiple plaintiff basis. These requirements are subject to state law, and you should review the state addenda included as an exhibit to this disclosure document.
v. Choice of forum	FA Section 20.2; Purchase Agreement Section 14.4	FA and Purchase Agreement - Subject to applicable law, courts of the State of Ohio or the U.S. District Court for the Southern District of Ohio will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Franchise Agreement. New York, New York is the location for arbitration. These requirements are subject to state law, and you should review the state addenda included as an exhibit to this disclosure document.

Provision	Section in Agreement	Summary
w. Choice of law	FA Section 20.1; Purchase Agreement Section 13.1; Security Agreement Article 5; MBA Section 15; Dynamics Section 9; NDA Paragraph 7	FA, Purchase Agreement, Security Agreement, MBA, Dynamics, and NDA - Ohio law applies. This requirement is subject to state law, and you should review the state addenda included as an exhibit to this disclosure document.

ITEM 18. PUBLIC FIGURES

Doug Kalitta races in the National Hot Rod Series and is sponsored by Mac Tools. He will promote the Mac Tools franchise and for that purpose his race team is paid $10,000. Mr. Kalitta does not manage or own an interest in Mac Tools.

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.

Note that, in the paragraph above, the word "outlet" should be read to mean "Mac Tools Business" and the word "location" should be read to mean "Route".

Written substantiation for the financial performance representations included in this Item 19 will be made available to you upon reasonable request. Mac Tools' substantiation of this information will be performed in a manner that does not require disclosure of the identity of a specific franchisee or require the release of franchisee-specific data without the consent of the franchisee.

Historical Performance of Franchised Routes

A Mac Tools franchisee conducts its Mac Tools Business by operating a truck, equipped with displays of tools and other products that the franchisee is permitted by Mac Tools to sell to the franchisee's customers, on a Route of stops assigned to the franchisee by Mac Tools (a "Route").

Some franchisees operate more than one Route. Because Mac Tools franchisees may operate more than one Route, the gross sales amounts provided in the table below are presented on a per Route basis and not on a per franchisee basis.

The gross sales amounts included in the table below were achieved during our 2022 fiscal year, which began on January 2, 2022 and ended on December 31, 2022 (the "2022 fiscal year").

As of the 2022 fiscal year end, there were 772 Mac Tools franchisees who operated a total of 951 Routes. During the 2022 fiscal year, there were 111 Routes that were terminated, cancelled, non-renewed, reacquired by Mac Tools, or that otherwise ceased operating, and as such, these 111 Routes were excluded

from the total number of Routes operated by franchisees at the end of the 2022 fiscal year end. Of the Routes no longer operating at the end of the 2022 fiscal year end, 12 of those Routes were in operation less than one (1) year.

Regarding the 951 Routes that were in operation as of the end of the 2022 fiscal year end:

(1) Only 807 Routes were operated for the entire 2022 fiscal year. The gross sales from these 807 Routes are included in the table below.

(2) One Route was operated by a franchisee that did not report its gross sales to Mac Tools. As a result, the gross sales from this Route are not included in the table below.

(3) One hundred thirty eight Routes were not operated for the entire 2022 fiscal year, but rather, franchisees started operating the Routes during fiscal year 2022. The gross sales from these Routes are not included in the table below because the Routes were not operated for the entire 2022 fiscal year.

(4) Some franchisees operate more than one Route. While franchisees that operate more than one Route are required to submit their gross sales to Mac Tools on a per Route basis, two multi-Route franchisees reported gross sales from all of their Routes in the aggregate (one such franchisee reported gross sales for three Routes in an aggregate amount of $519,039.46 and one such franchisee reported gross sales for two Routes in an aggregate amount of $569,100.92). As a result, the gross sales from the five Routes described in this paragraph and operated by multi-Route franchisees who reported gross sales to Mac Tools in the aggregate, instead of on a per Route basis, are not included in the table below.

The sales amounts in the table below are derived from the actual historical performance of Routes operated by Mac Tools franchisees. Sales information for Route(s) operated by Mac Tools' employee(s) during all of the 2022 fiscal year is not included in the table below. All sales information is reported to Mac Tools by its franchisees.

Total Gross Sales	Average Gross Sales Within This Range	Median Gross Sales Within This Range	Number of Routes with Gross Sales Within This Range	Percentage of all Routes in this Range	Lowest Amount of Gross Sales Within This Range	Highest Amount of Gross Sales Within This Range
$0 to $50,000.00	$0	$0	0	0.00%	$0	$0
$50,000.00 to $74,999.99	$58,881	$0	1	0.12%	$58,881	$58,881
$75,000.00 to $99,999.99	$92,901	$92,901	2	0.25%	$88,857	$96,944
$100,000.00 to $124,999.99	$112,688	$111,827	4	0.50%	$102,871	$124,229
$125,000.00 to $149,999.99	$143,314	$143,369	3	0.37%	$138,473	$148,101
$150,000.00 to $174,999.99	$157,219	$154,123	7	0.87%	$150,502	$174,723
$175,000.00 to $199,999.99	$185,477	$183,427	9	1.12%	$176,419	$199,344
$200,000.00 to $224,999.99	$214,878	$212,880	18	2.23%	$202,061	$224,921
$225,000.00 to $249,999.99	$239,716	$241,505	29	3.59%	$225,626	$249,454
$250,000.00 to 2$74,999.99	$262,732	$261,661	24	2.97%	$250,563	$273,791
$275,000.00 to $299,999.99	$291,762	$292,691	36	4.46%	$275,078	$299,863

Total Gross Sales	Average Gross Sales Within This Range	Median Gross Sales Within This Range	Number of Routes with Gross Sales Within This Range	Percentage of all Routes in this Range	Lowest Amount of Gross Sales Within This Range	Highest Amount of Gross Sales Within This Range
$300,000.00 to $324,999.99	$311,601	$310,556	47	5.82%	$300,825	$324,351
$325,000.00 to $349,999.99	$336,068	$335,899	33	4.09%	$325,664	$349,740
$350,000.00 to $374,999.99	$362,690	$360,614	49	6.07%	$351,147	$374,409
$375,000.00 to $399,999.99	$387,537	$387,302	41	5.08%	$377,182	$398,331
$400,000.00 to $424,999.99	$412,621	$414,444	43	5.33%	$400,728	$424,931
$425,000.00 to $449,999.99	$437,165	$435,988	50	6.20%	$425,101	$449,855
$450,000.00 to $474,999.99	$462,355	$461,041	37	4.58%	$450,035	$474,964
$475,000.00 to $499,999.99	$487,029	$487,160	29	3.59%	$475,403	$499,215
$500,000.00 to $524,999.99	$511,697	$510,577	40	4.96%	$500,687	$524,968
$525,000.00 to $549,999.99	$538,122	$537,551	36	4.46%	$525,239	$549,531
$550,000.00 to $574,999.99	$562,464	$563,931	35	4.34%	$550,211	$573,964
$575,000.00 to $599,999.99	$587,694	$587,128	27	3.35%	$575,703	$599,447
$600,000.00 to $649,999.99	$626,085	$624,030	50	6.20%	$601,976	$649,835
$650,000.00 to $699,999.99	$671,219	$667,489	34	4.21%	$650,850	$697,981
$700,000.00 to $749,999.99	$727,137	$725,061	30	3.72%	$701,721	$748,803
$750,000.00 to $799,999.99	$775,536	$777,916	16	1.98%	$750,960	$796,236
$800,000.00 to $849,999.99	$822,860	$819,426	19	2.35%	$800,831	$847,639
$850,000.00 to $899,999.99	$873,979	$872,563	14	1.73%	$851,590	$896,746
$900,000.00 to $949,999.99	$923,039	$917,701	13	1.61%	$900,156	$946,560
$950,000.00 to $999,999.99	$966,046	$964,137	11	1.36%	$955,247	$984,352
$1,000,000.00 and Greater	$1,244,865	$1,157,503	20	2.48%	$1,004,016	$1,869,665
Total			807	100.00%		

As used in Item 19, gross sales means the total revenue derived from the sale of tools and other products which Mac Tools allows a franchisee to sell on its Route, less sales tax, discounts, allowances, and returns. These tools and products include the Products, the SBD Products, items that are traded-in by a franchisee's customer, and other products and merchandise that Mac Tools allows franchisees to sell to their customers when a franchisee is unable to obtain the tools and/or products from Mac Tools within the time period required by the customer.

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

Other than the preceding financial performance representations, Mac Tools does not make any financial performance representations**.** We also do not authorize our employees or representatives to make any financial representations either orally or in writing. If you are purchasing an existing Mac Tools Business, however, we (or the franchisee or distributor for that Mac Tools Business) may provide you with the actual records of that Mac Tools Business. If you receive any other financial performance information or projections of your future income for your Mac Tools Businesses other than the actual records of an

existing Mac Tools Business as described above, you should report it to our management by contacting Mac Tools, Attn: Jon Murrell, Compliance Manager, 5195 Blazer Parkway, Dublin, Ohio 43017, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

A list of franchisees and their addresses and business telephone numbers is attached as Exhibit S to this disclosure document.

Following is information on franchised and company-owned Mac Tools Businesses as of the end of our 2020, 2021 and 2022 fiscal years:

ITEM 20 TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS 2020/2021/2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	687	703	+16
	2021	703	751	+48
	2022	751	772	+21
Company-owned	2020	1	1	0
	2021	1	0	-1
	2022	0	0	+0
Total Outlets	2020	688	704	+16
	2021	704	751	+47
	2022	751	772	+21

Following is information on transfers of franchised Mac Tools Businesses to new owners (other than to Mac Tools) as of the end of our 2020, 2021 and 2022 fiscal years:

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ITEM 20 TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS[1]
(OTHER THAN THE FRANCHISOR OR AN AFFILIATE)
FOR FISCAL YEARS 2020/2021/2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2020	0
	2021	1
	2022	0
Illinois	2020	0
	2021	0
	2022	1
Michigan	2020	0
	2021	0
	2022	1
New Jersey	2020	1
	2021	0
	2022	0
New York	2020	1
	2021	0
	2022	2
North Carolina	2020	0
	2021	1
	2022	2
South Dakota	2020	1
	2021	0
	2022	0
Washington	2020	0
	2021	1
	2022	0
Wisconsin	2020	0
	2021	0
	2022	1
Total	2020	3
	2021	3
	2022	7

[1] From time to time, Mac Tools may allow a Mac Tools distributor or franchisee operating more than one Route to stop operating a Route and transfer the Route, including accounts receivable and/or inventory associated with the Route, to an existing Mac Tools franchisee or a franchisee who is new to the Mac Tools system. In such instances, Mac Tools has the right to change the stops on the Route. These sales are not a sale of the franchisee's or distributor's Mac Tools Business, but rather, a sale of assets associated with a particular Route. During the prior fiscal year, there were 11 such sales.

Following is information on franchised Mac Tools Businesses as of the end of our 2020, 2021 and 2022 fiscal years:

ITEM 20 TABLE NO. 3
STATUS OF FRANCHISED OUTLETS[2]
FOR FISCAL YEARS 2020/2021/2022

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Term-inations	Col. 6 Non-Renew-als	Col. 7 Re-acquired by Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets at end of the Year*
Alabama	2020	10	3	2	0	0	0	11
	2021	11	3	2	0	0	0	12
	2022	12	3	1	0	0	0	14
Alaska	2020	2	1	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Arizona	2020	15	0	2	0	0	0	13
	2021	13	4	0	0	0	0	17
	2022	17	2	1	0	0	0	18
Arkansas	2020	3	0	0	0	0	0	3
	2021	3	1	1	0	0	0	3
	2022	3	3	0	0	0	0	6
California[3]	2020	72	14	11	0	0	0	75
	2021	75	8	6	0	0	1	76
	2022	76	17	5	0	0	0	89
Colorado	2020	12	1	3	0	0	0	10
	2021	10	6	3	0	0	0	13
	2022	13	2	4	0	0	0	11
Connecticut	2020	10	3	1	0	0	0	12
	2021	12	0	2	0	0	0	10
	2022	10	1	1	0	0	0	10

[2] For purposes of Item 20 and Exhibit S (List of Mac Tools Franchisees), a franchisee is assigned a state in accordance with the location of the majority of Stops on the franchisee's Route(s) (determined at the time a franchisee signs the Franchise Agreement), not in accordance with the state in which the principal business office of the franchisee is located.

[3] In 2021, we allowed one franchisee facing personal difficulties to cease operating temporarily without terminating the franchise relationship. In 2021, this franchisee was included as a "ceased operation" in Table 3. In 2022, we terminated this franchisee. The column titled, "Terminations", in Table 3 includes the termination of this franchisee. The total number of outlets at the end of the 2022 fiscal year reflects that the franchisee had already been classified as a "ceased operations" in 2021.

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Term-inations	Col. 6 Non-Renew-als	Col. 7 Re-acquired by Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets at end of the Year*
Delaware	2020	8	0	1	0	0	0	7
	2021	7	1	0	0	0	0	8
	2022	8	0	0	0	0	0	8
Florida	2020	29	4	10	0	0	0	23
	2021	23	10	3	0	0	0	30
	2022	30	5	6	0	0	0	29
Georgia	2020	14	8	2	0	0	0	20
	2021	20	2	6	0	0	0	16
	2022	16	4	2	0	0	0	18
Hawaii	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Idaho	2020	3	2	0	0	0	0	5
	2021	5	2	1	0	0	0	6
	2022	6	2	3	0	0	0	5
Illinois	2020	26	2	3	0	0	0	25
	2021	25	1	3	0	0	0	23
	2022	23	0	2	0	0	0	21
Indiana	2020	15	2	1	0	0	0	16
	2021	16	3	0	0	0	0	19
	2022	19	1	2	0	0	0	18
Iowa	2020	21	2	3	0	0	0	20
	2021	20	2	1	0	0	0	21
	2022	21	2	2	0	0	0	21
Kansas	2020	6	1	1	0	0	0	6
	2021	6	1	2	0	0	0	5
	2022	5	1	0	0	0	0	6
Kentucky	2020	15	1	2	0	0	0	14
	2021	14	1	1	0	0	0	14
	2022	14	3	0	0	0	0	17
Louisiana	2020	5	1	1	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	1	2	0	0	0	5
Maine	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Maryland	2020	10	1	0	0	0	0	11
	2021	11	2	1	0	0	0	12
	2022	12	1	2	0	0	0	11

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Term-inations	Col. 6 Non-Renew-als	Col. 7 Re-acquired by Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets at end of the Year*
Massachusetts	2020	11	1	2	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	1	2	0	0	0	9
Michigan	2020	17	3	0	0	0	0	20
	2021	20	0	2	0	0	0	18
	2022	18	2	0	0	0	0	20
Minnesota	2020	15	1	3	0	0	0	13
	2021	13	2	0	0	0	0	15
	2022	15	1	1	0	0	0	15
Mississippi	2020	3	1	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Missouri	2020	13	2	2	0	0	0	13
	2021	13	0	0	0	0	0	13
	2022	13	3	2	0	0	0	14
Montana	2020	5	2	0	0	0	0	7
	2021	7	1	1	0	0	0	7
	2022	7	0	0	0	0	0	7
Nebraska	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Nevada	2020	6	0	0	0	0	0	6
	2021	6	1	1	0	0	0	6
	2022	6	3	0	0	0	0	9
New Hampshire	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	0	1	0	0	0	5
New Jersey	2020	6	0	1	0	0	0	5
	2021	5	0	1	0	0	0	4
	2022	4	1	0	0	0	0	5
New Mexico	2020	5	1	0	0	0	0	6
	2021	6	2	1	0	0	0	7
	2022	7	1	1	0	0	0	7
New York	2020	40	1	6	0	0	0	35
	2021	35	5	2	0	0	0	38
	2022	38	4	3	0	0	0	39

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Term-inations	Col. 6 Non-Renew-als	Col. 7 Re-acquired by Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets at end of the Year*
North Carolina[4]	2020	31	7	2	0	0	0	36
	2021	36	4	3	0	0	0	37
	2022	37	4	6	0	0	0	36
North Dakota	2020	5	0	2	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Ohio	2020	22	5	1	0	0	0	26
	2021	26	5	1	0	0	0	30
	2022	30	7	7	0	0	0	30
Oklahoma	2020	12	2	3	0	0	0	11
	2021	11	3	3	0	0	0	11
	2022	11	1	3	0	0	0	9
Oregon	2020	12	2	0	0	0	0	14
	2021	14	2	1	0	0	0	15
	2022	15	2	2	0	0	0	15
Pennsylvania	2020	35	2	3	0	0	0	34
	2021	34	5	3	0	0	0	36
	2022	36	3	9	0	0	0	30
Rhode Island	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
South Carolina[5]	2020	13	1	0	0	0	0	14
	2021	14	0	0	0	0	0	14
	2022	14	2	2	0	0	0	13

[4] In 2022, a South Carolina franchisee transferred its Mac Tools Business to a new Mac Tools franchisee. This transfer is included as a 2022 South Carolina transfer in Table 2 of Item 20. At the time of transfer, the location of the majority of Stops on the new franchisee's Route changed from South Carolina to North Carolina. The number of South Carolina franchisees at the end of 2022 reflects the reduction in the number of South Carolina franchisees that occurred in connection with the transfer. The number of North Carolina franchisees at the end of 2022 reflects the increase in the number of North Carolina franchisees that occurred in connection with the transfer.

[5] In 2022, a South Carolina franchisee transferred its Mac Tools Business to a new Mac Tools franchisee. This transfer is included as a 2022 South Carolina transfer in Table 2 of Item 20. At the time of transfer, the location of the majority of Stops on the new franchisee's Route changed from South Carolina to North Carolina. The number of South Carolina franchisees at the end of 2022 reflects the reduction in the number of South Carolina franchisees that occurred in connection with the transfer. The number of North Carolina franchisees at the end of 2022 reflects the increase in the number of North Carolina franchisees that occurred in connection with the transfer.

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Term-inations	Col. 6 Non-Renew-als	Col. 7 Re-acquired by Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets at end of the Year*
South Dakota	2020	5	0	0	0	0	0	5
	2021	5	0	1	0	0	0	4
	2022	4	1	0	0	0	0	5
Tennessee	2020	11	2	1	0	0	0	12
	2021	12	7	1	0	0	0	18
	2022	18	4	5	0	0	0	17
Texas	2020	61	13	8	0	0	0	66
	2021	66	7	3	0	0	0	70
	2022	70	12	7	0	0	0	75
Utah	2020	8	1	1	0	0	0	8
	2021	8	2	1	0	0	0	9
	2022	9	2	0	0	0	0	11
Vermont	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Virginia	2020	12	1	1	0	0	0	12
	2021	12	2	2	0	0	0	12
	2022	12	2	1	0	0	0	13
Washington	2020	12	2	1	0	0	0	13
	2021	13	3	0	0	0	0	16
	2022	16	4	6	0	0	0	14
West Virginia	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	1	3	0	0	0	4
Wisconsin	2020	19	3	3	0	0	0	19
	2021	19	3	0	0	0	0	22
	2022	22	4	1	0	0	0	25
Wyoming	2020	2	1	2	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	1	2	0	0	0	2
Puerto Rico	2020	10	0	0	0	0	0	10
	2021	10	1	1	0	0	0	10
	2022	10	0	0	0	0	0	10
Total[6]	2020	687	102	86	0	0	0	703
	2021	703	109	60	0	0	1	751
	2022	751	117	97	0	0	0	772

[6] In 2021, we allowed one franchisee facing personal difficulties to cease operating temporarily without terminating the franchise relationship. In 2021, this franchisee was included as a "ceased operation" in Table 3. In 2022, we terminated this franchisee. The column titled, "Terminations", in Table 3 includes the termination of this franchisee. The total number of outlets at the end of the 2022 fiscal year reflects that the franchisee had already been classified as a "ceased operations" in 2021.

Company-Owned Mac Tools Businesses

Following is information on company-owned Mac Tools Businesses as of the end of our 2020, 2021 and 2022 fiscal years:

ITEM 20 TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR FISCAL YEARS 2020/2021/2022

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Re-acquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Florida	2020	1	0	0	0	0	1
	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
Totals	2020	1	0	0	0	0	1
	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0

Following is information on our projection for the sale of Mac Tools franchises and the opening of company-owned Mac Tools Businesses (routes operated by Mac Tools employees) during our 2022 fiscal year:

ITEM 20 TABLE NO. 5
PROJECTED OPENINGS AS OF FEBRUARY 23, 2023

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
AK	0	1	0
AL	0	3	0
AR	0	3	0
AZ	0	3	0
CA	0	17	0
CO	0	3	0
CT	0	2	0
DC	0	0	0
DE	0	1	0
FL	0	7	0
GA	0	5	0
HI	0	1	0
IA	0	3	0
ID	0	2	0

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
IL	0	7	0
IN	0	4	0
KS	0	2	0
KY	0	4	0
LA	0	2	0
MA	0	2	0
MD	0	2	0
ME	0	1	0
MI	0	5	0
MN	0	4	0
MO	0	4	0
MS	0	1	0
MT	0	1	0
NC	0	6	0
ND	0	1	0
NE	0	1	0
NH	0	1	0
NJ	0	2	0
NM	0	2	0
NV	0	3	0
NY	0	9	0
OH	0	8	0
OK	0	2	0
OR	0	2	0
PA	0	5	0
RI	0	1	0
SC	0	3	0
SD	0	2	0
TN	0	4	0
TX	0	18	0
UT	0	2	0
VA	0	3	0
VT	0	1	0
WA	0	4	0
WI	0	5	0
WV	0	1	0
WY	0	1	0
Total	**0**	**177**	**0**

Exhibit S of this disclosure document includes a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks before the original issuance date of this disclosure document. This list includes ninety-six (96) franchisees.

Exhibit S of this disclosure document includes a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement from the date of our most recently completed fiscal year end until the original issuance date of this disclosure document. This list includes seven (7) franchisees.

Exhibit S of this disclosure document includes the names, cities and states, and the current business telephone numbers (or, if unknown, the last known home telephone numbers) of seven (7) franchisees who transferred their Mac Tools Businesses during our prior fiscal year to another individual or business entity (other than Mac Tools), as well as the names, addresses, cities and states, and current business telephone numbers of the individual or business entity that acquired the franchised Mac Tools Business.

Exhibit S of this disclosure document includes the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone numbers) of one (1) franchisee who transferred its Mac Tools Businesses from the date of our most recently completed fiscal year end until the original issuance date of this disclosure document, as well as the name, address, city and state, and current business telephone number of the individual or business entity that acquired the franchised Mac Tools Business. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Following is a list of the names, cities and states and current business telephone numbers of franchisees that signed a Franchise Agreement during our most recently completed fiscal year, but have not yet opened a franchised outlet: None.

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

As of the date of this disclosure document, there is no trademark-specific franchisee organization associated with the Mac Tools' franchise system that must be disclosed in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Stanley Black & Decker, Inc. is the indirect parent company of Stanley Industrial & Automotive, LLC, and Mac Tools is a division of Stanley Industrial & Automotive, LLC. The audited financial statements of Stanley Black & Decker, Inc. for the fiscal years ending on December 31, 2022, January 1, 2022, and January 2, 2021 are included in this disclosure document as Exhibit A. Our fiscal year is the same as that of Stanley Black & Decker, Inc. Stanley Black & Decker, Inc. has absolutely and unconditionally guaranteed to assume the duties and obligations of Stanley Industrial & Automotive, LLC under the Franchise Agreements, and a copy of the Guarantee of Performance is included as part of Exhibit A to this disclosure document.

ITEM 22. CONTRACTS

Attached to this disclosure document are copies of the following agreements and forms relating to the Mac Tools franchise:

Exhibit A Financial Statements and Guarantee of Performance
Exhibit B Franchise Agreement
Exhibit C Confidentiality Agreements
1. Confidentiality Agreement (Candidate)
2. Confidentiality Agreement (Individual Accompanying Candidate)

Exhibit D Addenda to Franchise Agreement
1. Mac Tools Distributor Conversion Addendum
2. Franchisee, Distributor or Employee Conversion Addendum
3. Veterans Addendum
4. Renewal Addendum
5. Small Business Administration Addendum

Exhibit E Purchase Agreement
Exhibit F Security Agreement
Exhibit G Business Entity Worksheet
Exhibit H Certificates of Resolutions
1. Corporation
2. Limited Liability Company

Exhibit I Guaranty of Payment and Performance
Exhibit J Guaranty of Indebtedness
Exhibit K Insurance Loss Payee Forms
Exhibit L Software License Agreements
1. Mobile Business Assistant Agreement
2. Microsoft Dynamics Agreement

Exhibit M Ownership Acknowledgment
Exhibit N Direct Debit Authorization
Exhibit O Extended Terms Program Agreement and ETP Direct Debit Authorization
Exhibit P Large Ticket Account Program Agreement and LTA Direct Debit Authorization
Exhibit Q Customer Credit Program Rider
Exhibit R Investor Acknowledgment
Exhibit S List of Franchisees
Exhibit T List of State Administrators
Exhibit U List of Agents for Service of Process
Exhibit V FTC Consent Order Acknowledgment
Exhibit W State Addenda to Franchise Disclosure Document and Franchise Agreement
Exhibit X Wells Fargo Equipment Finance, Inc. Documentation
1. Combination Loan and Security Agreement
2. Pay Proceeds
3. Insurance
4. Continuing Guaranty
5. Power of Attorney
6. Authorization for Automatic Payment Plan

Exhibit Y Mac Tools Loan Documentation
1. Loan and Security Agreement
2. Payment Proceeds
3. Property Insurance Authorization
4. Physical Damage Insurance Authorization

5. Guaranty
6. Power of Attorney
7. Automatic Payments Authorization

Exhibit Z Non-disclosure, Customer Non-solicitation and Non-competition Agreements

1. Employee
2. Officer, Director, Member, Manager, Partner, Shareholder

Exhibit AA General Release of All Claims

Exhibit BB Franchise or Route Assignment Agreement

1. Franchise Sale Assignment Agreement
2. Route Assignment Agreement

Exhibit CC Time Payment Growth Documentation

Exhibit DD Receipts

ITEM 23. RECEIPTS

The last pages of this disclosure document are two copies of a detachable document acknowledging your receipt of this disclosure document. Please detach from this disclosure document and sign one of the two copies of this Receipt and return it directly to us at our offices at the address listed below. If these pages or any other pages or exhibits are missing from your copy, please contact Stanley Industrial & Automotive, LLC through its Mac Tools Division at this address or phone number:

Stanley Industrial & Automotive, LLC
Mac Tools Division
5195 Blazer Parkway
Dublin, Ohio 43017
(614) 755-7000

EXHIBIT A

FINANCIAL STATEMENTS
AND
GUARANTEE OF PERFORMANCE

Schedule II — Valuation and Qualifying Accounts
Stanley Black & Decker, Inc. and Subsidiaries
Fiscal years ended December 31, 2022, January 1, 2022, and January 2, 2021
(Millions of Dollars)

	Beginning Balance	ADDITIONS: Charged To Costs And Expenses	ADDITIONS: Charged To Other Accounts (b)	(a) Deductions	Ending Balance
Allowance for Credit Losses:					
Year Ended 2022	$ 95.9	$ 14.3	$ 16.9	$ (20.5)	$ 106.6
Year Ended 2021	$ 106.2	$ —	$ 3.8	$ (14.1)	$ 95.9
Year Ended 2020	$ 91.5	$ 24.6	$ 7.4	$ (17.3)	$ 106.2
Tax Valuation Allowance:					
Year Ended 2022 (c)	$ 1,067.2	$ 21.2	$ (5.9)	$ (50.0)	$ 1,032.5
Year Ended 2021	$ 1,001.9	$ 190.7	$ 61.1	$ (186.5)	$ 1,067.2
Year Ended 2020	$ 1,006.4	$ 296.9	$ (18.2)	$ (283.2)	$ 1,001.9

(a) With respect to the allowance for credit losses, deductions represent amounts charged-off less recoveries of accounts previously charged-off.
(b) Amounts represent the impact of foreign currency translation, acquisitions, divestitures and net transfers to/from other accounts.
(c) Refer to *Note Q, Income Taxes*, of the *Notes to Consolidated Financial Statements* in *Item 8* for further discussion.

The prior year amounts in the table above have been recast to exclude the amounts relating to businesses classified as discontinued operations. Refer to *Note T, Divestitures*, of the *Notes to Consolidated Financial Statements* in *Item 8* for further discussion.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Stanley Black & Decker, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of Stanley Black & Decker, Inc.'s internal control over financial reporting as of December 31, 2022. In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in Internal Control — Integrated Framework (2013 Framework). Management concluded that based on its assessment, Stanley Black & Decker, Inc.'s internal control over financial reporting was effective as of December 31, 2022. Ernst & Young LLP, Registered Public Accounting Firm included in this annual report, has issued an attestation report on the registrant's internal control over financial reporting, a copy of which appears on page 62.

/s/ Donald Allan, Jr.

Donald Allan, Jr., President and Chief Executive Officer

/s/ Corbin B. Walburger

Corbin B. Walburger, Interim Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareowners and Board of Directors of Stanley Black & Decker, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Stanley Black & Decker, Inc. (the Company) as of December 31, 2022 and January 1, 2022, the related consolidated statements of operations, comprehensive income, shareowners' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and January 1, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Uncertain Tax Positions

Description of the Matter

As described in Notes A and Q, the Company conducts business globally and, as a result, files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course, the Company is subject to examinations by taxing authorities throughout the world. Uncertainty in a tax position may arise as tax laws are subject to interpretation. At December 31, 2022, the Company has recorded approximately $503 million relating to uncertain tax positions.

The Company records uncertain tax positions in accordance with ASC 740, which requires a two-step process. First, management determines whether it is more likely than not that a tax position will be sustained based on the technical merits of the position and second, for those tax positions that meet the more likely than not threshold, management recognizes the largest amount of the tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related taxing authority. The Company then evaluates uncertain tax positions in subsequent periods for recognition, de-recognition or re-measurement if changes have occurred, or when effective settlement or expiration of the statute of limitations occurs. Auditing the uncertain tax positions is complex because of the judgmental nature of the tax accruals and various other tax return positions that might not be sustained upon review by taxing authorities. The Company files tax returns in multiple jurisdictions and is subject to examination by taxing authorities throughout the world due to its complex global footprint.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls related to the recognition, measurement and the evaluation of changes in uncertain tax positions. This included testing controls over management's review of the tax positions, their evaluation of whether they met the measurement threshold and then recalculating the amounts recognized in the consolidated financial statements.

Our audit procedures to test the Company's uncertain tax positions included, among others, involvement of our tax professionals, including transfer pricing professionals. This included evaluating tax opinions and third-party transfer pricing studies obtained by the Company and assessing the Company's correspondence with the relevant tax authorities. We analyzed the Company's assumptions and data used to determine the amount of tax benefit to recognize and tested the accuracy of the calculations. Our testing also included the evaluation of the ongoing positions and consideration of changes, the recording of penalties and interest and the ultimate settlement and payment of certain tax matters.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1932.
Hartford, Connecticut
February 23, 2023

Report of Independent Registered Public Accounting Firm

To the Shareowners and the Board of Directors of Stanley Black & Decker, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Stanley Black & Decker, Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control —Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Stanley Black & Decker (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and January 1, 2022, the related consolidated statements of operations, comprehensive income, shareowners' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and schedule listed in the Index at Item 15(a) and our report dated February 23, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Hartford, Connecticut
February 23, 2023

Consolidated Statements of Operations
Fiscal years ended December 31, 2022, January 1, 2022, and January 2, 2021
(Millions of Dollars, Except Per Share Amounts)

	2022	2021	2020
Net Sales	**$ 16,947.4**	$ 15,281.3	$ 12,750.0
Costs and Expenses			
Cost of sales	**$ 12,663.3**	$ 10,189.1	$ 8,431.9
Selling, general and administrative	**3,355.7**	3,193.1	2,554.7
Provision for credit losses	**14.3**	—	24.6
Other, net	**274.8**	189.5	215.7
Loss on sales of businesses	**8.4**	0.6	13.5
Restructuring charges	**140.8**	14.5	73.8
Gain on equity method investment	**—**	(68.0)	—
Asset impairment charge	**168.4**	—	—
Loss on debt extinguishment	**—**	—	46.9
Interest income	**(54.7)**	(9.8)	(17.5)
Interest expense	**338.5**	185.4	222.7
	$ 16,909.5	$ 13,694.4	$ 11,566.3
Earnings from continuing operations before income taxes and equity interest	**37.9**	1,586.9	1,183.7
Income taxes on continuing operations	**(132.4)**	55.1	38.0
Net earnings from continuing operations before equity interest	**170.3**	1,531.8	1,145.7
Share of net earnings of equity method investment	**—**	19.0	9.1
Net earnings from continuing operations	**170.3**	1,550.8	1,154.8
Less: Net earnings (losses) attributable to non-controlling interests	**0.2**	(1.7)	0.9
Net earnings from continuing operations attributable to Stanley Black & Decker, Inc.	**$ 170.1**	$ 1,552.5	$ 1,153.9
Less: Preferred stock dividends and beneficial conversion feature	**5.8**	14.2	24.1
Net Earnings from Continuing Operations Attributable to Common Shareowners	**$ 164.3**	$ 1,538.3	$ 1,129.8
Add: Contract adjustment payments accretion	**1.2**	1.3	1.7
Net Earnings from Continuing Operations Attributable to Common Shareowners - Diluted	**$ 165.5**	$ 1,539.6	$ 1,131.5
Earnings from discontinued operations before income taxes (including 2022 pre-tax gain on Security sale of $1,197.4 million)	**1,210.9**	124.3	83.3
Income taxes on discontinued operations (including 2022 income taxes for gain on Security sale of $312.5 million)	**318.5**	(12.4)	3.4
Net earnings from discontinued operations	**$ 892.4**	$ 136.7	$ 79.9
Net Earnings Attributable to Common Shareowners - Diluted	**$ 1,057.9**	$ 1,676.3	$ 1,211.4
Net Earnings Attributable to Stanley Black & Decker, Inc.	**$ 1,062.5**	$ 1,689.2	$ 1,233.8
Basic earnings per share of common stock:			
Continuing operations	**$ 1.11**	$ 9.69	$ 7.33
Discontinued operations	**$ 6.02**	$ 0.86	$ 0.52
Total basic earnings per share of common stock	**$ 7.13**	$ 10.55	$ 7.85
Diluted earnings per share of common stock:			
Continuing operations	**$ 1.06**	$ 9.33	$ 6.97
Discontinued operations	**$ 5.70**	$ 0.83	$ 0.49
Total diluted earnings per share of common stock	**$ 6.76**	$ 10.16	$ 7.46

See Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income
Fiscal years ended December 31, 2022, January 1, 2022, and January 2, 2021
(Millions of Dollars)

	2022	2021	2020
Net Earnings from Continuing Operations Attributable to Common Shareowners	**$ 164.3**	$ 1,538.3	$ 1,129.8
Net earnings from discontinued operations	**892.4**	136.7	79.9
	$ 1,056.7	$ 1,675.0	$ 1,209.7
Other comprehensive (loss) income:			
Currency translation adjustment and other	**(364.4)**	(307.7)	281.9
Gains (losses) on cash flow hedges, net of tax	**5.3**	53.2	(48.8)
Gains (losses) on net investment hedges, net of tax	**2.0**	(1.0)	(24.5)
Pension gains (losses), net of tax	**83.2**	123.6	(37.7)
Other comprehensive (loss) income	**$ (273.9)**	$ (131.9)	$ 170.9
Comprehensive income attributable to common shareowners	**$ 782.8**	$ 1,543.1	$ 1,380.6

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets
December 31, 2022 and January 1, 2022
(Millions of Dollars, Except Share and Per Share Amounts)

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 395.6**	$ 142.1
Accounts and notes receivable, net	**1,231.0**	1,481.7
Inventories, net	**5,861.1**	5,419.9
Current assets held for sale	**—**	869.6
Prepaid expenses	**441.4**	507.0
Other current assets	**45.6**	106.1
Total Current Assets	**7,974.7**	8,526.4
Property, Plant and Equipment, net	**2,353.1**	2,336.8
Goodwill	**8,502.7**	8,590.7
Customer Relationships, net	**1,821.3**	2,000.0
Trade Names, net	**2,645.7**	2,681.8
Other Intangible Assets, net	**7.8**	13.2
Long-term assets held for sale	**—**	2,635.8
Other Assets	**1,658.0**	1,395.3
Total Assets	**$ 24,963.3**	$ 28,180.0
LIABILITIES AND SHAREOWNERS' EQUITY		
Current Liabilities		
Short-term borrowings	**$ 2,102.9**	$ 2,241.1
Current maturities of long-term debt	**1.2**	1.3
Accounts payable	**2,344.4**	3,423.6
Accrued expenses	**2,120.7**	2,641.0
Liabilities held for sale	**—**	460.4
Total Current Liabilities	**6,569.2**	8,767.4
Long-Term Debt	**5,352.9**	4,353.6
Deferred Taxes	**709.2**	711.2
Post-Retirement Benefits	**353.9**	474.1
Long-term liabilities held for sale	**—**	137.4
Other Liabilities	**2,263.9**	2,143.9
Commitments and Contingencies *(Notes R and S)*		
Shareowners' Equity		
Stanley Black & Decker, Inc. Shareowners' Equity		
Preferred stock, without par value: Authorized 10,000,000 shares in 2022 and 2021 Issued and outstanding 750,000 shares in 2021	**—**	620.3
Common stock, par value $2.50 per share: Authorized 300,000,000 shares in 2022 and 2021 Issued 176,902,738 shares in 2022 and 2021	**442.3**	442.3
Retained earnings	**9,333.3**	8,742.4
Additional paid in capital	**5,055.6**	4,999.2
Accumulated other comprehensive loss	**(2,119.5)**	(1,845.6)
	12,711.7	12,958.6
Less: cost of common stock in treasury (23,919,208 shares in 2022 and 13,573,962 shares in 2021)	**(2,999.6)**	(1,368.1)
Stanley Black & Decker, Inc. Shareowners' Equity	**9,712.1**	11,590.5
Non-controlling interests	**2.1**	1.9
Total Shareowners' Equity	**9,714.2**	11,592.4
Total Liabilities and Shareowners' Equity	**$ 24,963.3**	$ 28,180.0

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows
Fiscal years ended December 31, 2022, January 1, 2022, and January 2, 2021
(Millions of Dollars)

	2022	2021	2020
Operating Activities:			
Net earnings from continuing operations	**$ 170.3**	$ 1,550.8	$ 1,154.8
Net earnings from discontinued operations	**892.4**	136.7	79.9
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:			
Depreciation and amortization of property, plant and equipment	**369.7**	374.0	376.5
Amortization of intangibles	**202.5**	203.1	201.6
Inventory step-up amortization	**80.3**	20.7	29.0
Loss on sales of businesses	**8.4**	0.6	13.5
Gain on equity method investment	**—**	(68.0)	—
Loss on debt extinguishment	**—**	—	46.9
Gain on sale of discontinued operations	**(1,197.4)**	—	—
Asset impairment charge	**168.4**	—	—
Craftsman contingent consideration remeasurement from MTD acquisition	**—**	101.1	—
Stock-based compensation expense	**90.7**	118.3	109.1
Provision for credit losses	**30.0**	18.7	41.1
Share of net earnings of equity method investment	**—**	(19.0)	(9.1)
Deferred tax benefit	**(271.7)**	(386.9)	(241.7)
Other non-cash items	**72.1**	27.7	44.7
Changes in operating assets and liabilities:			
Accounts receivable	**109.0**	(280.6)	(39.6)
Inventories	**(792.4)**	(1,970.4)	(401.5)
Accounts payable	**(991.4)**	758.3	310.4
Deferred revenue	**(29.9)**	1.9	(0.3)
Other current assets	**15.6**	(166.8)	(100.2)
Other long-term assets	**(351.3)**	(438.8)	(14.0)
Accrued expenses	**(176.3)**	444.0	381.7
Defined benefit liabilities	**(31.9)**	(40.0)	(40.2)
Other long-term liabilities	**173.4**	277.7	79.5
Net cash (used in) provided by operating activities	**(1,459.5)**	663.1	2,022.1
Investing Activities:			
Capital and software expenditures	**(530.4)**	(519.1)	(348.1)
Sales of assets	**41.7**	8.4	19.9
Business acquisitions, net of cash acquired	**(71.9)**	(2,043.8)	(1,324.4)
Sales of businesses, net of cash sold	**4,147.1**	5.3	59.1
Net investment hedge settlements	**10.6**	(55.1)	41.0
Other	**(24.5)**	(19.5)	(24.6)
Net cash provided by (used in) investing activities	**3,572.6**	(2,623.8)	(1,577.1)
Financing Activities:			
Payments on long-term debt	**—**	(1.5)	(1,154.3)
Proceeds from debt issuances, net of fees	**992.6**	—	2,222.5
Net short-term commercial paper (repayments) borrowings	**(138.1)**	2,224.6	(342.6)
Stock purchase contract fees	**(39.4)**	(39.4)	(59.8)
Credit facility borrowings	**2,500.0**	—	**—**
Credit facility repayments	**(2,500.0)**	—	**—**
Purchases of common stock for treasury	**(2,323.0)**	(34.3)	(26.2)
Proceeds from issuance of remarketed preferred stock	**750.0**	—	750.0
Redemption and conversion of preferred stock	**(750.0)**	(750.0)	—
Premium paid on debt extinguishment	**—**	—	(48.7)
Proceeds from issuances of common stock	**38.7**	131.4	147.0
Craftsman deferred purchase price	**—**	—	(250.0)
Craftsman contingent consideration	**(41.3)**	(29.3)	(45.9)

CAM contingent consideration	—	—	(94.4)
Termination of interest rate swaps	**22.7**	(75.3)	(20.5)
Cash dividends on common stock	**(465.8)**	(474.8)	(431.8)
Cash dividends on preferred stock	**(5.8)**	(18.9)	(18.8)
Other	**(11.7)**	(13.8)	(10.6)
Net cash (used in) provided by financing activities	**(1,971.1)**	918.7	615.9
Effect of exchange rate changes on cash and cash equivalents	**(31.9)**	(61.5)	22.8
Change in cash, cash equivalents and restricted cash	**110.1**	(1,103.5)	1,083.7
Cash, cash equivalents and restricted cash, beginning of year	**294.8**	1,398.3	314.6
Cash, cash equivalents and restricted cash, end of year	**$ 404.9**	$ 294.8	$ 1,398.3

The following table provides a reconciliation of the cash, cash equivalents and restricted cash balances as of December 31, 2022 and January 1, 2022, as shown above:

	December 31, 2022	January 1, 2022
Cash and cash equivalents	**$ 395.6**	$ 142.1
Restricted cash included in Other current assets	**9.3**	7.6
Cash and cash equivalents included in Current assets held for sale	**—**	145.1
Cash, cash equivalents and restricted cash	**$ 404.9**	$ 294.8

See Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Shareowners' Equity
Fiscal years ended December 31, 2022, January 1, 2022, and January 2, 2021
(Millions of Dollars, Except Share and Per Share Amounts)

	Preferred Stock	Common Stock	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	ESOP	Treasury Stock	Non-Controlling Interests	Shareowners' Equity
Balance December 28, 2019	**$ 1,230.0**	**$ 442.3**	**$ 4,767.6**	**$ 6,768.1**	**$ (1,884.6)**	**$ (2.3)**	**$ (2,184.8)**	**$ 5.9**	**$ 9,142.2**
Net earnings				1,233.8				0.9	1,234.7
Other comprehensive income					170.9				170.9
Cash dividends declared — $2.78 per common share				(431.8)					(431.8)
Cash dividends declared — $50.00 per annum per preferred share				(23.4)					(23.4)
Issuance of common stock (2,010,644 shares)			(32.1)				179.1		147.0
Repurchase of common stock (228,541 shares)			10.0				(36.2)		(26.2)
Conversion of original Series C Preferred Stock (5,463,750 shares)	(610.4)		113.2				492.6		(4.6)
Issuance of remarketed Series C Preferred Stock	750.0								750.0
Stock-based compensation related			109.1						109.1
ESOP						2.3			2.3
Adoption of ASU 2016-13				(3.8)					(3.8)
Beneficial conversion feature	0.7			(0.7)					—
Balance January 2, 2021	**$ 1,370.3**	**$ 442.3**	**$ 4,967.8**	**$ 7,542.2**	**$ (1,713.7)**	**$ —**	**$ (1,549.3)**	**$ 6.8**	**$ 11,066.4**
Net earnings				1,689.2				(1.7)	1,687.5
Other comprehensive loss					(131.9)				(131.9)
Cash dividends declared — $2.98 per common share				(474.8)					(474.8)
Cash dividends declared — $50.00 per annum per preferred share				(14.2)					(14.2)
Issuance of common stock (1,636,532 shares)			(19.0)				150.4		131.4
Repurchase of common stock (529,073 shares)			72.2				(106.5)		(34.3)
Redemption and conversion of preferred stock (1,469,055 shares)	(750.0)		(137.3)				137.3		(750.0)
Non-controlling interest buyout			(2.8)					(3.2)	(6.0)
Stock-based compensation related			118.3						118.3
Balance January 1, 2022	**$ 620.3**	**$ 442.3**	**$ 4,999.2**	**$ 8,742.4**	**$ (1,845.6)**	**$ —**	**$ (1,368.1)**	**$ 1.9**	**$ 11,592.4**
Net earnings				1,062.5				0.2	1,062.7
Other comprehensive loss					(273.9)				(273.9)
Cash dividends declared — $3.18 per common share				(465.8)					(465.8)
Cash dividends declared — $75.00 per annum per preferred share				(5.8)					(5.8)
Issuance of common stock (988,474 shares)			(76.9)				115.6		38.7
Repurchase of common stock (16,057,220 shares)							(2,323.0)		(2,323.0)
Conversion of original Series D Preferred Stock (4,723,500 shares)	(620.3)		42.6				575.9		(1.8)
Issuance of remarketed Series D Preferred Stock (750,000 shares)	750.0								750.0
Redemption of remarketed Series D Preferred Stock (750,000 shares)	(750.0)								(750.0)
Stock-based compensation related			90.7						90.7
Balance December 31, 2022	**$ —**	**$ 442.3**	**$ 5,055.6**	**$ 9,333.3**	**$ (2,119.5)**	**$ —**	**$ (2,999.6)**	**$ 2.1**	**$ 9,714.2**

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

A. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION — The Consolidated Financial Statements include the accounts of Stanley Black & Decker, Inc. and its majority-owned subsidiaries (collectively the "Company") which require consolidation, after the elimination of intercompany accounts and transactions. The Company's fiscal year ends on the Saturday nearest to December 31. There were 52 weeks in fiscal years 2022 and 2021, and 53 weeks in the fiscal year 2020.

On August 19, 2022, the Company completed the sale of its Oil & Gas business. This divestiture does not qualify for discontinued operations, and therefore, the results of the Oil & Gas business are included in the Company's continuing operations for all periods presented through the date of sale. There were no assets or liabilities held for sale relating to the Oil & Gas business as of January 1, 2022.

On July 22, 2022, the Company completed the previously announced sale of its Convergent Security Solutions ("CSS") business comprised of the commercial electronic security and healthcare businesses. On July 5, 2022, the Company completed the previously announced sale of its Mechanical Access Solutions ("MAS") business, the automatic doors business. The assets and liabilities related to CSS and MAS are classified as held for sale on the Company's Consolidated Balance Sheets as of January 1, 2022.

The CSS and MAS divestitures represent a single plan to exit the Security segment and are considered a strategic shift that will have a major effect on the Company's operations and financial results. The operating results of CSS and MAS have been reported as discontinued operations in the Consolidated Financial Statements. Amounts previously reported have been reclassified to conform to this presentation in accordance with Accounting Standards Codification ("ASC") 205, *Presentation of Financial Statements* ("ASC 205"), to allow for meaningful comparison of continuing operations.

In November 2020, the Company sold its commercial electronic security businesses in five countries in Europe and emerging markets within the Security segment. In October 2020, the Company sold a product line in Oil & Gas within the Industrial segment. The operating results of these businesses have been reported in the Consolidated Financial Statements through their respective dates of sale in 2020.

The divestitures above are part of the Company's strategic commitment to simplify and streamline its portfolio to focus on the core Tools & Outdoor and Industrial businesses. Refer to *Note T, Divestitures*, for further discussion on these transactions.

In December 2021, the Company acquired the remaining 80 percent ownership stake in MTD Holdings Inc. ("MTD"), a privately held global manufacturer of outdoor power equipment. The Company previously acquired a 20 percent interest in MTD in January 2019. Prior to closing on the remaining 80 percent ownership stake, the Company applied the equity method of accounting to the 20% investment in MTD. In November 2021, the Company acquired Excel Industries ("Excel"), a leading designer and manufacturer of premium commercial and residential turf-care equipment. These acquisitions were accounted for as business combinations using the acquisition method of accounting and the results subsequent to the dates of acquisition are included in the Company's Tools & Outdoor segment.

In February 2020, the Company acquired Consolidated Aerospace Manufacturing, LLC ("CAM"). This acquisition was accounted for as a business combination using the acquisition method of accounting and the results subsequent to the date of acquisition are included in the Company's Industrial segment.

Refer to *Note E, Acquisitions and Investments*, for further discussion on these transactions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. While management believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results could differ from these estimates. Certain amounts reported in previous years have been reclassified to conform to the 2022 presentation.

FOREIGN CURRENCY — For foreign operations with functional currencies other than the U.S. dollar, asset and liability accounts are translated at current exchange rates, while income and expenses are translated using average exchange rates. Translation adjustments are reported in a separate component of shareowners' equity and exchange gains and losses on transactions are included in earnings.

CASH EQUIVALENTS — Highly liquid investments with original maturities of three months or less are considered cash equivalents.

ACCOUNTS AND FINANCING RECEIVABLE — Trade receivables are stated at gross invoice amounts less discounts, other allowances and provisions for credit losses. Financing receivables are initially recorded at fair value, less impairments or provisions for credit losses. Interest income earned from financing receivables that are not delinquent is recorded on the effective interest method. The Company considers any financing receivable that has not been collected within 90 days of original billing date as past-due or delinquent. The Company's payment terms are generally consistent with the industries in which its businesses operate and typically range from 30-90 days globally. Additionally, the Company considers the credit quality of all past-due or delinquent financing receivables as nonperforming. The Company does not adjust the promised amount of consideration for the effects of a significant financing component when the period between transfer of the product and receipt of payment is less than one year. Any significant financing components for contracts greater than one year are included in revenue over time.

ALLOWANCE FOR CREDIT LOSSES — The Company maintains an allowance for credit losses, which represents an estimate of expected losses over the remaining contractual life of its receivables. The allowance is determined using two methods. The amounts calculated from each of these methods are combined to determine the total amount reserved. First, a specific reserve is established for individual accounts where information indicates the customers may have an inability to meet financial obligations. Second, a reserve is determined for all customers based on a range of percentages applied to aging categories. These percentages are based on historical collection rates, write-off experience, and forecasts of future economic conditions. Actual write-offs are charged against the allowance when collection efforts have been unsuccessful.

INVENTORIES — U.S. inventories are primarily valued at the lower of Last-In, First-Out (“LIFO”) cost or market because the Company believes it results in better matching of costs and revenues. Other inventories are primarily valued at the lower of First-In, First-Out (“FIFO”) cost and net realizable value because LIFO is not permitted for statutory reporting outside the U.S. Refer to *Note C, Inventories*, *Net*, for a quantification of the LIFO impact on inventory valuation.

PROPERTY, PLANT AND EQUIPMENT — The Company generally values property, plant and equipment (“PP&E”), including capitalized software, at historical cost less accumulated depreciation and amortization. Costs related to maintenance and repairs which do not prolong the asset's useful life are expensed as incurred. Depreciation and amortization are provided using straight-line methods over the estimated useful lives of the assets as follows:

	Useful Life (Years)
Land improvements	10 — 20
Buildings	40
Machinery and equipment	3 — 15
Computer software	3 — 7

Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease.

The Company reports depreciation and amortization of property, plant and equipment in cost of sales and selling, general and administrative expenses based on the nature of the underlying assets. Depreciation and amortization related to the production of inventory and delivery of services are recorded in cost of sales. Depreciation and amortization related to distribution center activities, selling and support functions are reported in selling, general and administrative expenses.

The Company assesses its long-lived assets for impairment when indicators that the carrying amounts may not be recoverable are present. In assessing long-lived assets for impairment, the Company groups its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are generated (“asset group”) and estimates the undiscounted future cash flows that are directly associated with, and expected to be generated from, the use of and eventual disposition of the asset group. If the carrying value is greater than the undiscounted cash flows, an impairment loss must be determined and the asset group is written down to fair value. The impairment loss is quantified by comparing the carrying amount of the asset group to the estimated fair value, which is generally determined using weighted-average discounted cash flows that consider various possible outcomes for the disposition of the asset group.

GOODWILL AND INTANGIBLE ASSETS — Goodwill represents costs in excess of values assigned to the underlying net assets of acquired businesses. Intangible assets acquired are recorded at estimated fair value. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are tested for impairment annually during the third quarter, and at any time when events suggest an impairment more likely than not has occurred.

To assess goodwill for impairment, the Company, depending on relevant facts and circumstances, performs either a qualitative assessment or a quantitative analysis utilizing a discounted cash flow valuation model. In performing a qualitative assessment, the Company first assesses relevant factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. The Company identifies and considers the significance of relevant key factors, events, and circumstances that could affect the fair value of each reporting unit. These factors include external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as actual and planned financial performance. The Company also considers changes in each reporting unit's fair value and carrying amount since the most recent date a fair value measurement was performed. In performing a quantitative analysis, the Company determines the fair value of a reporting unit using management’s assumptions about future cash flows based on long-range strategic plans. This approach incorporates many assumptions including discount rates, future growth rates and expected profitability. In the event the carrying amount of a reporting unit exceeded its fair value, an impairment loss would be recognized.

Indefinite-lived intangible assets are tested for impairment utilizing either a qualitative assessment or a quantitative analysis. For a qualitative assessment, the Company identifies and considers relevant key factors, events, and circumstances to determine whether it is necessary to perform a quantitative impairment test. The key factors considered include macroeconomic, industry, and market conditions, as well as the asset's actual and forecasted results. For the quantitative impairment tests, the Company compares the carrying amounts to the current fair market values, usually determined by the estimated royalty savings attributable to owning the intangible assets.

Intangible assets with definite lives are amortized over their estimated useful lives to reflect the pattern over which the economic benefits of the intangible assets are consumed. Definite-lived intangible assets are also evaluated for impairment when impairment indicators are present. If the carrying amount exceeds the total undiscounted future cash flows, a discounted cash flow analysis is performed to determine the fair value of the asset. If the carrying amount of the asset was to exceed the fair value, it would be written down to fair value.

No significant goodwill or other intangible asset impairments were recorded during 2022, 2021 or 2020 as part of the Company's annual impairment testing. Goodwill totaling $39.0 million was allocated to the Oil & Gas business based on the relative fair value of the business disposed, resulting in a reduction of goodwill which was included in the impairment loss relating to the Oil & Gas business in the second quarter of 2022. Refer to *Note T, Divestitures*, for further discussion.

FINANCIAL INSTRUMENTS — Derivative financial instruments are employed to manage risks, including foreign currency, interest rate exposures and commodity prices and are not used for trading or speculative purposes. As part of the Company’s risk management program, a variety of financial instruments such as interest rate swaps, currency swaps, purchased currency options, foreign exchange contracts and commodity contracts, may be used to mitigate interest rate exposure, foreign currency exposure and commodity price exposure. The Company recognizes all derivative instruments on the balance sheet at fair value.

Changes in the fair value of derivatives are recognized periodically either in earnings or in shareowners’ equity as a component of other comprehensive income (loss) ("OCI"), depending on whether the derivative financial instrument is undesignated or qualifies for hedge accounting, and if so, whether it represents a fair value, cash flow, or net investment hedge. Changes in the fair value of derivatives accounted for as fair value hedges are recorded in earnings in the same caption as the changes in the fair value of the hedged items. Gains and losses on derivatives designated as cash flow hedges, to the extent they are included in the assessment of effectiveness, are recorded in OCI and subsequently reclassified to earnings to offset the impact of the hedged items when they occur. In the event it becomes probable the forecasted transaction to which a cash flow hedge relates will not occur, the derivative would be terminated and the amount in accumulated other comprehensive income (loss) would be recognized in earnings. Changes in the fair value of derivatives that are designated and qualify as a hedge of the net investment in foreign operations, to the extent they are included in the assessment of effectiveness, are reported in OCI and are deferred until disposal of the underlying assets. Gains and losses representing components excluded from the assessment of effectiveness for cash flow and fair value hedges are recognized in earnings on a straight-line basis in the same caption as the hedged item over the term of the hedge. Gains and losses representing components excluded from the assessment of effectiveness for net investment hedges are recognized in earnings on a straight-line basis in Other, net over the term of the hedge.

The net interest paid or received on interest rate swaps is recognized as interest expense. Gains and losses resulting from the early termination of interest rate swap agreements are deferred and amortized as adjustments to interest expense over the remaining period of the debt originally covered by the terminated swap.

Changes in the fair value of derivatives not designated as hedges are reported in Other, net in the Consolidated Statements of Operations. Refer to *Note I, Financial Instruments*, for further discussion.

REVENUE RECOGNITION — The Company's revenues result from the sale of goods or services and reflect the consideration to which the Company expects to be entitled. The Company records revenue based on a five-step model in accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). For its contracts with customers, the Company identifies the performance obligations (goods or services), determines the transaction price, allocates the contract transaction price to the performance obligations, and recognizes the revenue when (or as) the performance obligation is transferred to the customer. A good or service is transferred when (or as) the customer obtains control of that good or service. The majority of the Company's revenues are recorded at a point in time from the sale of tangible products.

A portion of the Company's revenues within the Oil & Gas business, disposed in the third quarter of 2022, were generated from equipment leased to customers. Customer arrangements are identified as leases if they include transfer of a tangible asset which is provided to the customer in exchange for payments typically at fixed rates payable monthly, quarterly or annually. Customer leases may include terms to allow for extension of leases for a short period of time, but typically do not provide for customer termination prior to the initial term. Some customer leases include terms to allow the customer to purchase the underlying asset, which occurs occasionally, and virtually no customer leases include residual value guarantee clauses. For Oil & Gas leases, underlying assets were assessed for functionality at termination of the lease and, if necessary, an impairment to the leased asset value was recorded.

Provisions for customer volume rebates, product returns, discounts and allowances are variable consideration and are recorded as a reduction of revenue in the same period the related sales are recorded. Such provisions are calculated using historical averages adjusted for any expected changes due to current business conditions. Consideration given to customers for cooperative advertising is recognized as a reduction of revenue except to the extent that there is a distinct good or service and evidence of the fair value of the advertising, in which case the expense is classified as selling, general, and administrative expense.

The Company's revenues can be generated from contracts with multiple performance obligations. When a contract involves multiple performance obligations, each obligation is separately identified and the transaction price is allocated based on the amount of consideration the Company expects to be entitled to in exchange for transferring the promised good or service to the customer.

For performance obligations that the Company satisfies over time, revenue is recognized by consistently applying a method of measuring progress toward complete satisfaction of that performance obligation. The Company utilizes the method that most accurately depicts the progress toward completion of the performance obligation.

The Company utilized the output method for contract sales in the Oil & Gas business. The output method recognizes revenue based on direct measurements of the customer value of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The output method includes methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed, and units produced or units delivered. The Company sold the Oil & Gas business in the third quarter of 2022. Refer to *Note T, Divestitures*, for further discussion

Contract assets or liabilities result from transactions with revenue recorded over time. If the measure of remaining rights exceeds the measure of the remaining performance obligations, the Company records a contract asset. Conversely, if the measure of the remaining performance obligations exceeds the measure of the remaining rights, the Company records a contract liability.

Incremental costs of obtaining or fulfilling a contract with a customer that are expected to be recovered are recognized and classified in Other current assets or Other assets in the Consolidated Balance Sheets and are typically amortized over the contract period. The Company recognizes the incremental costs of obtaining or fulfilling a contract as expense when incurred if the amortization period of the asset is one year or less.

Customer billings for services not yet rendered are deferred and recognized as revenue as the services are rendered. The associated deferred revenue is included in Accrued expenses or Other liabilities, as appropriate, in the Consolidated Balance Sheets.

Refer to *Note B, Accounts and Notes Receivable, Net,* for further discussion.

COST OF SALES AND SELLING, GENERAL & ADMINISTRATIVE — Cost of sales includes the cost of products and services provided, reflecting costs of manufacturing and preparing the product for sale. These costs include expenses to acquire and manufacture products to the point that they are allocable to be sold to customers and costs to perform services pertaining to service revenues. Cost of sales is primarily comprised of freight, direct materials, direct labor as well as overhead which

includes indirect labor and facility and equipment costs. Cost of sales also includes quality control, procurement and material receiving costs as well as internal transfer costs. Selling, general & administrative costs ("SG&A") include the cost of selling products as well as administrative function costs. These expenses generally represent the cost of selling and distributing the products once they are available for sale and primarily include salaries and commissions of the Company's sales force, distribution costs, notably salaries and facility costs, as well as administrative expenses for certain support functions and related overhead.

ADVERTISING COSTS — Television advertising is expensed the first time the advertisement airs, whereas other advertising is expensed as incurred. Advertising costs are classified in SG&A and amounted to $118.9 million in 2022, $98.6 million in 2021 and $76.6 million in 2020. Expense pertaining to cooperative advertising with customers reported as a reduction of Net Sales was $358.1 million in 2022, $374.1 million in 2021 and $351.0 million in 2020. Cooperative advertising with customers classified as SG&A expense amounted to $31.8 million in 2022, $19.5 million in 2021 and $15.8 million in 2020.

SALES TAXES — Sales and value added taxes collected from customers and remitted to governmental authorities are excluded from Net Sales reported in the Consolidated Statements of Operations.

SHIPPING AND HANDLING COSTS — The Company generally does not bill customers for freight. Shipping and handling costs associated with inbound and outbound freight are reported in Cost of sales. Other distribution costs, primarily relating to salary and facility costs, are classified in SG&A and amounted to $498.7 million, $416.1 million and $346.9 million in 2022, 2021 and 2020, respectively.

STOCK-BASED COMPENSATION — Compensation cost relating to stock-based compensation grants is recognized on a straight-line basis over the vesting period, which is generally three or four years. The expense for stock options and restricted stock units awarded to retirement-eligible employees (those aged 55 and over, and with 10 or more years of service) is recognized on the grant date, or (if later) by the date they become retirement-eligible.

POSTRETIREMENT DEFINED BENEFIT PLAN — The Company uses the corridor approach to determine expense recognition for each defined benefit pension and other postretirement plan. The corridor approach defers actuarial gains and losses resulting from variances between actual and expected results (based on economic estimates or actuarial assumptions) and amortizes them over future periods. For pension plans, these unrecognized gains and losses are amortized when the net gains and losses exceed 10% of the greater of the market-related value of plan assets or the projected benefit obligation at the beginning of the year. For other postretirement benefits, amortization occurs when the net gains and losses exceed 10% of the accumulated postretirement benefit obligation at the beginning of the year. For ongoing, active plans, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining service period for active plan participants. For plans with primarily inactive participants, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining life expectancy of inactive plan participants.

INCOME TAXES — The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, *Income Taxes*, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. Any changes in tax rates on deferred tax assets and liabilities are recognized in earnings in the period that includes the enactment date. The Company recognizes the tax on global intangible low-taxed income as a period expense in the period the tax is incurred.

The Company records net deferred tax assets to the extent that it is more likely than not that these assets will be realized. In making this determination, management considers all available positive and negative evidence, including future reversals of existing temporary differences, estimates of future taxable income, tax-planning strategies, and the realizability of net operating loss carryforwards. In the event that it is determined that an asset is not more likely that not to be realized, a valuation allowance is recorded against the asset. Valuation allowances related to deferred tax assets can be impacted by changes to tax laws, changes to statutory tax rates and future taxable income levels. In the event the Company were to determine that it would not be able to realize all or a portion of its deferred tax assets in the future, the unrealizable amount would be charged to earnings in the period in which that determination is made. Conversely, if the Company were to determine that it would be able to realize deferred tax assets in the future in excess of the net carrying amounts, it would decrease the recorded valuation allowance through a favorable adjustment to earnings in the period that the determination was made. The Company records uncertain tax positions in accordance with ASC 740, which requires a two-step process. First, management determines whether it is more likely than not that a tax position will be sustained based on the technical merits of the position and second, for those tax positions that meet the more likely than not threshold, management recognizes the largest amount of the tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related taxing authority. The Company maintains

an accounting policy of recording interest and penalties on uncertain tax positions as a component of Income taxes in the Consolidated Statements of Operations.

The Company is subject to income tax in a number of locations, including many state and foreign jurisdictions. Significant judgment is required when calculating the worldwide provision for income taxes. Many factors are considered when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments, and which may not accurately anticipate actual outcomes. It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions will significantly increase or decrease within the next twelve months. These changes may be the result of settlements of ongoing audits, litigation, or other proceedings with taxing authorities. The Company periodically assesses its liabilities and contingencies for all tax years still subject to audit based on the most current available information, which involves inherent uncertainty.

Refer to *Note Q, Income Taxes,* for further discussion.

EARNINGS PER SHARE — Basic earnings per share equals net earnings attributable to common shareowners divided by weighted-average shares outstanding during the year. Diluted earnings per share include the impact of common stock equivalents using the treasury stock method or the if-converted method, as applicable, when the effect is dilutive.

NEW ACCOUNTING STANDARDS ADOPTED — In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-08, *Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The new standard improves the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency. The new standard requires an entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The standard should be applied prospectively to business combinations occurring on or after the effective date of the amendments. The Company elected to early adopt this standard in the first quarter of 2022 and it did not have a material impact on its consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, *Earnings per share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging – Contracts in Equity (Subtopic 815-40).* The new standard clarifies and reduces diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company adopted this standard prospectively in the first quarter of 2022 and it did not have a material impact on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06*, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40).* The new standard reduces the number of accounting models for convertible debt instruments and convertible preferred stock, and amends the guidance for the derivatives scope exception for contracts in an entity's own equity. The standard also amends and makes targeted improvements to the related earnings per share guidance. The ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company adopted this standard in the first quarter of 2022, using the modified retrospective method, which has no impact to prior periods. In accordance with the standard, the Company increased weighted-average shares outstanding used to calculate diluted earnings per share for the year ended December 31, 2022 by 3.6 million shares, as required by the use of the if-converted method for convertible instruments that may be settled in cash or shares. See *Note J, Capital Stock*, for further discussion.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* The new standard provides optional expedients and exceptions that companies can apply during a limited time period to account for contracts, hedging relationships, and other transactions affected by reference rate reform, if certain criteria are met. Companies may elect to apply these optional expedients and exceptions beginning March 12, 2020 through December 31, 2022. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848),* to clarify the scope of Topic 848 and provide explicit guidance to help companies applying optional expedients and exceptions. This ASU is effective immediately for all entities that have applied optional expedients and exceptions. The Company applied certain optional expedients and exceptions as needed to comply with regulatory and tax authorities for the transition to alternative reference rates. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date Topic of 848*, effective upon issuance, to defer the sunset date of Topic 848 from December 2022 to December 2024 following the cessation of LIBOR being moved to June 2023. The Company's adoption of these standards did not have a material impact on its consolidated financial statements.

RECENTLY ISSUED ACCOUNTING STANDARDS NOT YET ADOPTED — In September 2022, the FASB issued ASU 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations.* The new standard requires that a buyer in a supplier finance program disclose sufficient information about the key terms of the program, the amount of outstanding confirmed obligations at period end, where the obligations are presented in the balance sheet, and a rollforward of the obligations during the annual period. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The amendments in this update should be applied retrospectively to all periods in which a balance sheet is presented, except for the rollforward requirement, which is applied prospectively. The Company will adopt this disclosure guidance in the first quarter of 2023 related to its supplier finance programs.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The new standard clarifies that a contractual restriction on the sale of an equity security should not be considered in measuring the fair value of the security. The new standard also requires certain disclosures related to equity securities with contractual sale restrictions. The ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The standard should be applied prospectively. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements.

In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method*. The new standard expands and clarifies the use of the portfolio layer method for fair value hedges of interest rate risk. The new standard allows non-prepayable financial assets to also be included in a closed portfolio which is hedged using the portfolio layer method. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The new guidance on hedging multiple layers in a closed portfolio should be applied prospectively and the guidance on the accounting for fair value basis adjustments should be applied on a modified retrospective basis. The Company will adopt this guidance in the first quarter of 2023 and does not expect it to have a material impact on its consolidated financial statements.

B. ACCOUNTS AND NOTES RECEIVABLE, NET

(Millions of Dollars)	December 31, 2022	January 1, 2022
Trade accounts receivable	**$ 1,142.0**	$ 1,398.2
Trade notes receivable	**100.1**	75.3
Other accounts receivable	**95.5**	104.1
Accounts and notes receivable	**1,337.6**	1,577.6
Allowance for credit losses	**(106.6)**	(95.9)
Accounts and notes receivable, net	**$ 1,231.0**	$ 1,481.7

Trade receivables are dispersed among a large number of retailers, distributors and industrial accounts in many countries. Adequate reserves have been established to cover anticipated credit losses.

The changes in the allowance for credit losses for the years ended December 31, 2022 and January 1, 2022 are as follows:

(Millions of Dollars)	2022	2021
Balance beginning of period	**$ 95.9**	$ 106.2
Charged to costs and expenses	**14.3**	—
Other, including recoveries and deductions (a)	**(3.6)**	(10.3)
Balance end of period	**$ 106.6**	$ 95.9

(a) Amounts represent charge-offs less recoveries, the impacts of foreign currency translation, acquisitions, divestitures and net transfers to/from other accounts.

At December 31, 2022 and January 1, 2022, the Industrial segment operating lease receivable was $0.7 million and $21.2 million, respectively, from leasing equipment to customers. Net sales from operating lease revenue were $39.8 million and $62.0 million for the years ended December 31, 2022 and January 1, 2022, respectively. The decrease in operating lease receivable and revenue compared to prior year was primarily due to the sale of the Oil & Gas business.

The Company has an accounts receivable sale program. According to the terms, the Company sells certain of its trade accounts receivables at fair value to a wholly owned, consolidated, bankruptcy-remote special purpose subsidiary (“BRS"). The BRS, in

turn, can sell such receivables to a third-party financial institution ("Purchaser") for cash. The Purchaser's maximum cash investment in the receivables at any time is $110.0 million. The purpose of the program is to provide liquidity to the Company. These transfers qualify as sales under ASC 860, *Transfers and Servicing,* and receivables are derecognized from the Company's Consolidated Balance Sheets when the BRS sells those receivables to the Purchaser. The Company has no retained interests in the transferred receivables, other than collection and administrative responsibilities. At December 31, 2022, the Company did not record a servicing asset or liability related to its retained responsibility based on its assessment of the servicing fee, market values for similar transactions and its cost of servicing the receivables sold.

At December 31, 2022 and January 1, 2022, net receivables of approximately $110.0 million and $100.0 million, respectively, were derecognized. Proceeds from transfers of receivables to the Purchaser totaled $496.4 million and $447.7 million for the years ended December 31, 2022 and January 1, 2022, respectively, and payments to the Purchaser totaled $486.4 million and $434.5 million, respectively. The program resulted in a pre-tax loss of $4.1 million and $2.0 million for the years ended December 31, 2022 and January 1, 2022, respectively, which included service fees of $0.9 million and $0.9 million, respectively. All cash flows under the program are reported as a component of changes in accounts receivable within operating activities in the Consolidated Statements of Cash Flows since all the cash from the Purchaser is received upon the initial sale of the receivable.

As of December 31, 2022 and January 1, 2022, the Company's deferred revenue totaled $122.9 million and $117.1 million, respectively, of which $29.6 million and $35.0 million, respectively, was classified as current. Revenue recognized for the years ended December 31, 2022 and January 1, 2022 that was previously deferred as of January 1, 2022 and January 2, 2021 totaled $22.9 million and $24.0 million, respectively.

C. INVENTORIES, NET

(Millions of Dollars)	December 31, 2022	January 1, 2022
Finished products	**$ 3,460.8**	$ 3,486.2
Work in process	**338.7**	394.8
Raw materials	**2,061.6**	1,538.9
Total	**$ 5,861.1**	$ 5,419.9

Net inventories in the amount of $3.4 billion at December 31, 2022 and $2.6 billion at January 1, 2022 were valued at the lower of LIFO cost or market. If the LIFO method had not been used, inventories would have been higher than reported by $486.9 million at December 31, 2022 and $215.6 million at January 1, 2022.

D. PROPERTY, PLANT AND EQUIPMENT

(Millions of Dollars)	December 31, 2022	January 1, 2022
Land	**$ 137.7**	$ 143.1
Land improvements	**59.7**	60.8
Buildings	**793.0**	738.5
Leasehold improvements	**191.7**	167.2
Machinery and equipment	**3,394.4**	3,394.5
Computer software	**501.4**	470.6
Property, plant & equipment, gross	**$ 5,077.9**	$ 4,974.7
Less: accumulated depreciation and amortization	**(2,724.8)**	(2,637.9)
Property, plant & equipment, net	**$ 2,353.1**	$ 2,336.8

Depreciation and amortization expense associated with property, plant and equipment was as follows:

(Millions of Dollars)	2022	2021	2020
Depreciation	**$ 330.4**	$ 326.3	$ 332.6
Amortization	**39.3**	47.7	43.9
Depreciation and amortization expense	**$ 369.7**	$ 374.0	$ 376.5

The amounts above are inclusive of depreciation and amortization expense for discontinued operations amounting to

$0.4 million in 2022, $23.7 million in 2021, and $23.1 million in 2020.

E. ACQUISITIONS AND INVESTMENTS

2021 ACQUISITIONS

MTD

On December 1, 2021, the Company acquired the remaining 80 percent ownership stake in MTD, a privately held global manufacturer of outdoor power equipment, for $1.5 billion, net of cash acquired. The Company previously acquired a 20 percent interest in MTD in January 2019 for $234 million. The Company's pre-existing 20 percent equity investment in MTD was remeasured at fair value of $295.1 million as of the transaction date based on the purchase price for the remaining 80 percent ownership, which was calculated using an EBITDA-based formula. As a result, the Company recorded a $68.0 million gain on investment during the fourth quarter of 2021.

MTD designs, manufactures and distributes lawn tractors, zero turn ride on mowers, walk behind mowers, snow blowers, residential robotic mowers, hand-held outdoor power equipment and garden tools for both residential and professional consumers under well-known brands like CUB CADET® and TROY-BILT®. This combination created a global leader in the outdoor category, with strong brands and growth opportunities. The results of MTD subsequent to the date of acquisition are included in the Company's Tools & Outdoor segment.

The MTD acquisition was accounted for as a business combination using the acquisition method of accounting, which requires, among other things, certain assets acquired and liabilities assumed to be recognized at their fair values as of the acquisition date. The acquisition accounting for MTD is complete. The measurement period adjustments recorded in 2022, primarily related to working capital accounts and opening balance sheet contingencies, did not have a material impact to the Company's Consolidated Financial Statements. The following table summarizes the acquisition date value of identifiable net assets acquired and liabilities assumed adjusted for measurement period adjustments:

(Millions of Dollars)		
Cash and cash equivalents	$	111.5
Accounts receivable, net		270.5
Inventories, net		855.7
Prepaid expenses and other assets		56.9
Property, plant and equipment		256.9
Trade names		390.0
Customer relationships		460.0
Other assets		38.5
Accounts payable		(394.6)
Accrued expenses		(201.1)
Deferred revenue		(0.9)
Long-term debt		(110.9)
Deferred taxes		(214.3)
Other liabilities		(68.4)
Total identifiable net assets	$	1,449.8
Goodwill		486.9
Total consideration	$	1,936.7

The weighted-average useful life assigned to the definite-lived intangible assets was 15 years.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business and assembled workforce. Goodwill of $0.6 million will be deductible for tax purposes.

Excel

On November 12, 2021, the Company acquired Excel Industries ("Excel") for $373.7 million, net of cash acquired. Excel is a leading designer and manufacturer of premium commercial and residential turf-care equipment under the HUSTLER® brand. Excel was a strategically important bolt-on acquisition as the Company builds an outdoor products leader. The results of Excel subsequent to the date of acquisition are included in the Company's Tools & Outdoor segment.

The Excel acquisition was accounted for as a business combination using the acquisition method of accounting. The acquisition accounting for Excel is complete. The measurement period adjustments recorded in 2022 did not have a material impact to the Company's Consolidated Financial Statements. The acquisition date value of identifiable net assets acquired, which included $31.4 million of working capital, $43.6 million of deferred tax liabilities, and $203.5 million of intangible assets, was $195.5 million. The related goodwill was $178.2 million. The amount allocated to intangible assets included $158.0 million for customer relationships. The weighted-average useful life assigned to the intangible assets was 14 years.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business and assembled workforce. Goodwill is not expected to be deductible for tax purposes.

Other 2021 Acquisitions

During 2021, the Company completed two other acquisitions for a total purchase price of $202.7 million, net of cash acquired. The acquisition date value of the identifiable net assets acquired was $43.9 million and working capital was $30.6 million. The related goodwill was $158.8 million. The acquisition accounting for these acquisitions is complete. The measurement period adjustments recorded in 2022 did not have a material impact to the Company's Consolidated Financial Statements. The results of these acquisitions subsequent to the dates of acquisition are included in the Company's Tools & Outdoor segment.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business and assembled workforce. Goodwill of $47.9 million related to these acquisitions will be deductible for tax purposes.

2020 ACQUISITION

CAM

On February 24, 2020, the Company acquired CAM for a total estimated purchase price of approximately $1.46 billion, net of cash acquired. The purchase price consisted of an initial cash payment of approximately $1.30 billion, net of cash acquired, and future payments up to $200.0 million contingent on The Boeing Company ("Boeing") 737 MAX Airplanes receiving Federal Aviation Administration ("FAA") authorization to return to service and Boeing achieving certain production levels, which were valued at $155.3 million as of the acquisition date.

In November 2020, the FAA rescinded the 737 MAX grounding order and as a result of the subsequent return to revenue service of the 737 MAX in December 2020, the Company paid $100.0 million to the former owners of CAM. The remaining contingent consideration was remeasured at January 2, 2021 and the Company concluded the achievement of certain production levels based on Boeing’s future forecast was remote and released the remaining $55.3 million contingent consideration liability in the fourth quarter of 2020 to the Consolidated Statements of Operations in Other, net. The period for the remaining contingent consideration ended in June 2022 and, consistent with the Company's expectations, Boeing did not meet the required production levels at that time.

CAM is an industry-leading manufacturer of specialty fasteners and components for the aerospace and defense markets. The acquisition further diversified the Company's presence in the industrial markets and expanded its portfolio of specialty fasteners in the aerospace and defense markets. The results of CAM subsequent to the date of acquisition are included in the Company's Industrial segment.

The CAM acquisition was accounted for as a business combination using the acquisition method of accounting. The following table summarizes the acquisition date value of identifiable net assets acquired and liabilities assumed adjusted for measurement period adjustments:

(Millions of Dollars)		
Cash and cash equivalents	$	35.8
Accounts receivable, net		48.3
Inventories, net		124.3
Prepaid expenses and other assets		2.6
Property, plant and equipment		127.9
Trade names		25.0
Customer relationships		565.0
Accounts payable		(25.9)
Accrued expenses		(26.9)
Deferred taxes		(16.3)
Other liabilities		(0.3)
Total identifiable net assets	$	859.5
Goodwill		632.3
Contingent consideration		(155.3)
Total consideration paid	$	1,336.5

The weighted-average useful life assigned to the intangible assets was 20 years.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business and assembled workforce. Goodwill of $569.8 million will be deductible for tax purposes.

ACTUAL AND PRO-FORMA IMPACT FROM ACQUISITIONS

Actual Impact from Acquisitions

The Company did not complete any material acquisitions during 2022. As such, there was no material impact from new acquisitions on the Company's Consolidated Statements of Operations for the year ended December 31, 2022.

Pro-forma Impact from Acquisitions

The following table presents supplemental pro-forma information as if the 2021 acquisitions had occurred on December 29, 2019. The pro-forma consolidated results are not necessarily indicative of what the Company's consolidated net sales and net earnings would have been had the Company completed the acquisitions on the aforementioned date. In addition, the pro-forma consolidated results do not purport to project the future results of the Company.

(Millions of Dollars, except per share amounts)		2022		2021
Net sales	**$**	**16,947.4**	$	17,890.8
Net earnings from continuing operations attributable to common shareowners - Diluted		**318.3**		1,666.0
Diluted earnings per share of common stock - Continuing operations	**$**	**2.03**	$	10.10

2022 Pro-forma Results

The 2022 pro-forma results were calculated by combining the actual results of Stanley Black & Decker, Inc. for the year ended December 31, 2022, inclusive of the results of MTD and Excel, with the following adjustment:

- Because the 2021 acquisitions were assumed to occur on December 29, 2019, there were no acquisition-related costs or inventory step-up charges factored into the 2022 pro-forma period, as such expenses would have occurred in the first year following the assumed acquisition date.

2021 Pro-forma Results

The 2021 pro-forma results were calculated by combining the results of Stanley Black & Decker, Inc. with the stand-alone results of the 2021 acquisitions for their respective pre-acquisition period. Accordingly, the following adjustments were made:

- Elimination of the historical pre-acquisition intangible asset amortization expense and the addition of intangible asset amortization expense related to intangibles valued as part of the acquisition accounting that would have been incurred from January 2, 2021 to the acquisition dates.

- Because the 2021 acquisitions were assumed to occur on December 29, 2019, there were no acquisition-related costs or inventory step-up charges factored into the 2021 pro-forma year, as such expenses would have occurred in the first year following the assumed acquisition date.

- Because the MTD acquisition was assumed to occur on December 29, 2019, the gain on investment and remeasurement of the Craftsman contingent consideration liability due to additional forecasted Craftsman sales resulting from the acquisition of MTD was not factored into the 2021 pro-forma year, as such gain and expense would have occurred in the first year following the assumed acquisition date.

INVESTMENTS

During 2022, 2021 and 2020, the Company made additional immaterial investments in new and emerging start-up companies focused on innovation, breakthrough products and advanced technologies. With the exception of two immaterial investments, these investments, which are included in Other assets in the Consolidated Balance Sheets, do not qualify for equity method accounting as the Company acquired less than 20 percent interest in each investment and does not have the ability to significantly influence the operating or financial decisions of any of the investees.

F. GOODWILL AND INTANGIBLE ASSETS

GOODWILL — The changes in the carrying amount of goodwill by segment are as follows:

(Millions of Dollars)	Tools & Outdoor	Industrial	Total
Balance January 2, 2021	**$ 5,246.6**	**$ 2,646.5**	**$ 7,893.1**
Acquisitions	777.3	(0.5)	776.8
Foreign currency translation and other	(50.2)	(29.0)	(79.2)
Balance January 1, 2022	**$ 5,973.7**	**$ 2,617.0**	**$ 8,590.7**
Acquisitions	90.5	—	90.5
Foreign currency translation and other	(124.5)	(54.0)	(178.5)
Balance December 31, 2022	**$ 5,939.7**	**$ 2,563.0**	**$ 8,502.7**

Goodwill totaling $2,088.0 million and $2,143.9 million from the previously reported Security segment was reclassified to assets held for sale as of January 1, 2022 and January 2, 2021, respectively. In July 2022, the Company completed the sale of its Security segment and $2,001.4 million of goodwill was included in the gain on sale in the third quarter of 2022. In addition, $39.0 million of goodwill was allocated to the Oil & Gas business based on the relative fair value of the business disposed, and was included in the determination of the impairment loss relating to the Oil & Gas business in the second quarter of 2022. Refer to *Note T, Divestitures*, for further discussion.

As required by the Company's policy, goodwill and indefinite-lived trade names were tested for impairment in the third quarter of 2022. The Company assessed the fair values of its three reporting units utilizing a discounted cash flow valuation model. The key assumptions used were discount rates and perpetual growth rates applied to cash flow projections. Also inherent in the discounted cash flow valuations were near-term revenue growth rates over the next six years. These assumptions contemplated business, market and overall economic conditions. Based on the results of the annual impairment testing performed in the third quarter of 2022, the Company determined that the fair values of each of its reporting units exceeded their respective carrying amounts.

INTANGIBLE ASSETS — Intangible assets at December 31, 2022 and January 1, 2022 were as follows:

(Millions of Dollars)	2022 Gross Carrying Amount	2022 Accumulated Amortization	2021 Gross Carrying Amount	2021 Accumulated Amortization
Amortized Intangible Assets — Definite lived				
Patents and copyrights	**$ 25.8**	**$ (25.6)**	$ 27.0	$ (26.6)
Trade names	**247.7**	**(118.0)**	275.9	(118.8)
Customer relationships	**2,881.2**	**(1,059.9)**	3,027.5	(1,027.5)
Other intangible assets	**129.6**	**(122.0)**	147.6	(134.8)
Total	**$ 3,284.3**	**$ (1,325.5)**	$ 3,478.0	$ (1,307.7)

Net intangibles totaling $182.2 million were recognized as assets held for sale as of January 1, 2022.

Indefinite-lived trade names totaled $2.516 billion at December 31, 2022 and $2.525 billion at January 1, 2022. The year-over-year change is primarily due to currency fluctuations.

The fair values of the Company's indefinite-lived trade names were assessed using quantitative analyses, which utilized discounted cash flow valuation models taking into consideration appropriate discount rates, royalty rates and perpetual growth rates applied to projected sales. Based on the results of the annual impairment testing performed in the third quarter of 2022, the Company determined that the fair values of its indefinite-lived trade names exceeded their respective carrying amounts.

Intangible assets amortization expense by segment was as follows:

(Millions of Dollars)	2022	2021	2020
Tools & Outdoor	**$ 108.1**	$ 64.1	$ 61.5
Industrial	**94.4**	99.9	96.6
Discontinued Operations	**—**	39.1	43.5
Consolidated	**$ 202.5**	$ 203.1	$ 201.6

Future amortization expense in each of the next five years amounts to $191.3 million for 2023, $186.1 million for 2024, $172.8 million for 2025, $162.2 million for 2026, $154.1 million for 2027 and $1,092.3 million thereafter.

G. ACCRUED EXPENSES

(Millions of Dollars)	December 31, 2022	January 1, 2022
Payroll and related taxes	**$ 192.0**	$ 346.4
Income and other taxes	**260.7**	306.0
Customer rebates and sales returns	**376.6**	408.5
Insurance and benefits	**95.3**	83.0
Restructuring costs	**62.3**	31.7
Derivative financial instruments	**16.1**	8.7
Warranty costs	**99.8**	103.6
Deferred revenue	**29.6**	35.0
Freight costs	**220.3**	221.9
Environmental costs	**39.4**	46.1
Current lease liability	**114.1**	115.5
Forward stock purchase contract	**—**	330.4
Accrued interest	**49.0**	80.7
Other	**565.5**	523.5
Total	**$ 2,120.7**	$ 2,641.0

H. LONG-TERM DEBT AND FINANCING ARRANGEMENTS

(Millions of Dollars)	Interest Rate	Notional Value	Unamortized Discount	Unamortized Gain (Loss) Terminated Swaps[1]	Purchase Accounting FV Adjustment	Deferred Financing Fees	December 31, 2022 Carrying Value	January 1, 2022 Carrying Value
Notes payable due 2025	2.30%	$ 500.0	$ (0.5)	$ —	$ —	$ (1.8)	**$ 497.7**	$ —
Notes payable due 2026	3.40%	500.0	(0.3)	—	—	(1.4)	**498.3**	497.8
Notes payable due 2026	3.42%	25.0	—	—	1.4	—	**26.4**	24.9
Notes payable due 2026	1.84%	26.7	—	—	1.3	—	**28.0**	28.4
Notes payable due 2028	7.05%	150.0	—	6.0	5.8	—	**161.8**	163.9
Notes payable due 2028	4.25%	500.0	(0.2)	—	—	(2.6)	**497.2**	496.8
Notes payable due 2028	3.52%	50.0	—	—	3.8	(0.1)	**53.7**	49.9
Notes payable due 2030	2.30%	750.0	(1.8)	—	—	(3.7)	**744.5**	743.7
Notes payable due 2032	3.00%	500.0	(0.9)	—	—	(3.2)	**495.9**	—
Notes payable due 2040	5.20%	400.0	(0.2)	(26.1)	—	(2.4)	**371.3**	369.7
Notes payable due 2048	4.85%	500.0	(0.5)	—	—	(4.7)	**494.8**	494.6
Notes payable due 2050	2.75%	750.0	(1.9)	—	—	(7.8)	**740.3**	740.0
Notes payable due 2060 (junior subordinated)	4.00%	750.0	—	—	—	(8.8)	**741.2**	740.9
Other, payable in varying amounts 2024 through 2027	4.10%-4.31%	3.0	—	—	—	—	**3.0**	4.3
Total long-term debt, including current maturities		$ 5,404.7	$ (6.3)	$ (20.1)	$ 12.3	$ (36.5)	**$ 5,354.1**	$ 4,354.9
Less: Current maturities of long-term debt							**(1.2)**	(1.3)
Long-term debt							**$ 5,352.9**	$ 4,353.6

[1] Unamortized gain (loss) associated with interest rate swaps are more fully discussed in *Note I, Financial Instruments.*

As of December 31, 2022, the total aggregate annual principal maturities of long-term debt for the next five years and thereafter are as follows: $1.2 million in 2023, $1.1 million in 2024, $500.5 million in 2025, $551.9 million in 2026, and $4,350.0 million thereafter. There are immaterial principal maturities of long-term debt in 2027. These maturities represent the principal amounts to be paid and accordingly exclude the remaining $12.3 million of unamortized fair value adjustments made in acquisition accounting, which increased the Black & Decker note payable due 2028 and MTD notes payable due 2026 and 2028, as well as a net loss of $26.4 million pertaining to unamortized termination gains and losses on interest rate swaps and unamortized discounts on the notes as described in *Note I, Financial Instruments,* and $36.5 million of unamortized deferred financing fees.

In February 2022, the Company issued $500.0 million of senior unsecured term notes maturing February 24, 2025 ("2025 Term Notes") and $500.0 million of senior unsecured term notes maturing May 15, 2032 (“2032 Term Notes”). The 2025 Term Notes accrue interest at a fixed rate of 2.3% per annum and the 2032 Term Notes at a fixed rate of 3.0% per annum, with interest payable semi-annually in arrears, and rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The Company received total net proceeds from this offering of approximately $992.6 million, net of approximately $7.4 million of underwriting expenses and other fees associated with the transaction. The Company used the net proceeds from the offering for general corporate purposes, including repayment of indebtedness under the commercial paper facilities.

In 2021, the Company assumed $110.9 million and $3.0 million of long-term debt from the acquisitions of MTD and Excel, respectively.

In November 2020, the Company redeemed the 3.4% senior unsecured term notes due 2021 (“2021 Term Notes”) and the 2.9% senior unsecured term notes due 2022 (“2022 Term Notes”) for approximately $1.2 billion representing the outstanding principal amounts, accrued and unpaid interest, and a make-whole premium. The Company recognized a net pre-tax loss of $46.9 million from the extinguishment, which was comprised of the $48.7 million make-whole premium payment and a $1.7 million loss related to the write-off of deferred financing fees, partially offset by a $3.5 million gain relating to the write-off of unamortized fair value swap terminations. The Company also recognized a pre-tax loss of $19.6 million relating to the unamortized loss on cash flow swap terminations related to the 2022 Term Notes. Refer to *Note I, Financial Instruments,* for further discussion.

Commercial Paper and Credit Facilities

The Company has a $3.5 billion commercial paper program which includes Euro denominated borrowings in addition to U.S. Dollars. As of December 31, 2022 and January 1, 2022, the Company had commercial paper borrowings outstanding of $2.1 billion and $2.2 billion, respectively.

The Company has a five-year $2.5 billion committed credit facility (the “5-Year Credit Agreement”). Borrowings under the 5-Year Credit Agreement may be made in U.S. Dollars, Euros or Pounds Sterling. A sub-limit amount of $814.3 million is designated for swing line advances which may be drawn in Euros pursuant to the terms of the 5-Year Credit Agreement. Borrowings bear interest at a floating rate plus an applicable margin dependent upon the denomination of the borrowing and specific terms of the 5-Year Credit Agreement. The Company must repay all advances under the 5-Year Credit Agreement by the earlier of September 8, 2026 or upon termination. The 5-Year Credit Agreement is designated to be a liquidity back-stop for the Company's $3.5 billion U.S. Dollar and Euro commercial paper program. As of December 31, 2022, and January 1, 2022, the Company had not drawn on its five-year committed credit facility.

In September 2022, the Company terminated its 364-Day $1.0 billion committed credit facility (the "364-Day Credit Agreement"), dated September 2021. There were no outstanding borrowings under the 364-Day Credit Agreement upon termination and as of January 1, 2022. Contemporaneously, the Company entered into a $1.5 billion syndicated 364-Day Credit Agreement (the “Syndicated 364-Day Credit Agreement”) which is a revolving credit loan. Borrowings under the Syndicated 364-Day Credit Agreement may be made in U.S. Dollars or Euros and bear interest at a floating rate plus an applicable margin dependent upon the denomination of the borrowing and pursuant to the terms of the Syndicated 364-Day Credit Agreement. The Company must repay all advances under the Syndicated 364-Day Credit Agreement by the earlier of September 6, 2023 or upon termination. The Company may, however, convert all advances outstanding upon termination into a term loan that shall be repaid in full no later than the first anniversary of the termination date provided that the Company, among other things, pays a fee to the administrative agent for the account of each lender. The Syndicated 364-Day Credit Agreement serves as part of the liquidity back-stop for the Company’s $3.5 billion U.S. Dollar and Euro commercial paper program. As of December 31, 2022, the Company had not drawn on its Syndicated 364-Day Credit Agreement.

In September 2022, the Company terminated its second 364-Day $1.0 billion committed credit facility (the "Second 364-Day Credit Agreement"), dated November 2021, and replaced it with a $0.5 billion revolving credit loan (the "Club 364-Day Credit Agreement"). There were no outstanding borrowings under the Second 364-Day Credit Agreement upon termination and as of January 1, 2022. Borrowings under the Club 364-Day Credit Agreement may be made in U.S. Dollars and Euros and bear interest at a floating rate plus an applicable margin dependent upon the denomination of the borrowing and pursuant to the terms of the Club 364-Day Credit Agreement. The Company must repay all advances under the Club 364-Day Credit Agreement by the earlier of September 6, 2023 or upon termination. The Company may, however, convert all advances outstanding upon termination into a term loan that shall be repaid in full no later than the first anniversary of the termination date provided that the Company, among other things, pays a fee to the administrative agent for the account of each lender. As of December 31, 2022, the Company had not drawn on its Club 364-Day Credit Agreement.

In August 2022, the Company paid $2.5 billion to settle the outstanding amount of its third 364-Day committed credit facility (the "Third 364-Day Credit Agreement"), dated January 2022, using proceeds from the sales of the Security and Oil & Gas businesses and subsequently terminated the agreement. There were no outstanding borrowings under the Third 364-Day Credit Agreement upon termination. The Company did not incur any termination penalties in connection with the termination.

In addition, the Company has other short-term lines of credit that are primarily uncommitted, with numerous banks, aggregating to $281.8 million, of which $191.8 million was available at December 31, 2022. The $90 million of the short-term credit lines was utilized primarily pertaining to outstanding letters of credit for which there are no required or reported debt balances. Short-term arrangements are reviewed annually for renewal.

At December 31, 2022, the aggregate amount of short-term and long-term committed and uncommitted lines of credit was approximately $4.8 billion. In addition, at December 31, 2022, $2.1 billion was recorded as short-term commercial paper borrowings. The weighted-average interest rates on U.S. dollar denominated short-term borrowings for the years ended December 31, 2022 and January 1, 2022 were 2.3% and 0.1%, respectively. The weighted-average interest rate on Euro denominated short-term borrowings for the year ended January 1, 2022 was negative 0.5%. For the year ended December 31, 2022, the Company had not drawn on its Euro denominated short-term borrowings.

Interest paid relating to the Company's indebtedness, including long-term debt and commercial paper borrowings, during 2022, 2021 and 2020 amounted to $320.8 million, $177.1 million and $191.6 million, respectively.

The Company has an interest coverage covenant that must be maintained to permit continued access to its committed credit facilities described above. The interest coverage ratio tested for covenant compliance compares adjusted Earnings Before Interest, Taxes, Depreciation and Amortization to adjusted Interest Expense ("Adjusted EBITDA"/"Adjusted Interest Expense"). In February 2023, the Company entered into amendments to its 5-Year Credit Agreement, Syndicated 364-Day Credit Agreement, and Club 364-Day Credit Agreement to: (a) amend the definition of Adjusted EBITDA to allow for additional adjustment addbacks, not to exceed $500 million in the aggregate, for amounts incurred during each four fiscal quarter period beginning with the period ending in the third quarter of 2023 through the period ending in the second quarter of 2024, and (b) amend the minimum interest coverage ratio from 3.5 times to not less than 1.5 to 1.0 times computed quarterly, on a rolling twelve months (last twelve months) basis, for the period from and including the third quarter of 2023 through the second quarter of 2024. The minimum interest coverage ratio will revert back to 3.5 times for periods after the second quarter of 2024.

I. FINANCIAL INSTRUMENTS

The Company is exposed to market risk from changes in foreign currency exchange rates, interest rates, stock prices and commodity prices. As part of the Company's risk management program, a variety of financial instruments such as interest rate swaps, currency swaps, purchased currency options, foreign exchange contracts and commodity contracts, may be used to mitigate interest rate exposure, foreign currency exposure and commodity price exposure.

If the Company elects to do so and if the instrument meets the criteria specified in ASC 815, management designates its derivative instruments as cash flow hedges, fair value hedges or net investment hedges. Generally, commodity price exposures are not hedged with derivative financial instruments and instead are actively managed through customer pricing initiatives, procurement-driven cost reduction initiatives and other productivity improvement projects. Financial instruments are not utilized for speculative purposes.

A summary of the fair values of the Company's derivatives recorded in the Consolidated Balance Sheets at December 31, 2022 and January 1, 2022 follows:

(Millions of Dollars)	**Balance Sheet Classification**	**2022**	**2021**	**Balance Sheet Classification**	**2022**	**2021**
Derivatives designated as hedging instruments:						
Interest Rate Contracts Cash Flow	Other current assets	**$ —**	$ 1.2	Accrued expenses	**$ —**	$ 1.9
Foreign Exchange Contracts Cash Flow	Other current assets	**4.5**	18.3	Accrued expenses	**4.2**	0.8
Net Investment Hedge	Other current assets	**—**	2.5	Accrued expenses	**—**	—
	LT other assets	**—**	3.3	LT other liabilities	**—**	—
Total Designated as hedging instruments		**$ 4.5**	$ 25.3		**$ 4.2**	$ 2.7
Derivatives not designated as hedging instruments:						
Foreign Exchange Contracts	Other current assets	**$ 7.7**	$ 7.8	Accrued expenses	**$ 11.9**	$ 6.0
Total		**$ 12.2**	$ 33.1		**$ 16.1**	$ 8.7

The counterparties to all of the above mentioned financial instruments are major international financial institutions. The Company is exposed to credit risk for net exchanges under these agreements, but not for the notional amounts. The credit risk is limited to the asset amounts noted above. The Company limits its exposure and concentration of risk by contracting with diverse financial institutions and does not anticipate non-performance by any of its counterparties. Further, as more fully discussed in *Note M, Fair Value Measurements*, the Company considers non-performance risk of its counterparties at each reporting period and adjusts the carrying value of these assets accordingly. The risk of default is considered remote. As of December 31, 2022 and January 1, 2022, there were no assets that had been posted as collateral related to the above mentioned financial instruments.

Cash flows related to derivatives, including those that are separately discussed below, resulted in net cash received of $86.2 million in 2022, net cash paid of $166.8 million in 2021, and net cash received of $33.4 million in 2020.

CASH FLOW HEDGES — There were after-tax mark-to-market losses of $44.5 million and $49.8 million as of December 31, 2022 and January 1, 2022, respectively, reported for cash flow hedge effectiveness in Accumulated other

comprehensive loss. An after-tax loss of $2.9 million is expected to be reclassified to earnings as the hedged transactions occur or as amounts are amortized within the next twelve months. The ultimate amount recognized will vary based on fluctuations of the hedged currencies and interest rates through the maturity dates.

The tables below detail pre-tax amounts of derivatives designated as cash flow hedges in Accumulated other comprehensive loss during the periods in which the underlying hedged transactions affected earnings for 2022, 2021 and 2020:

2022 ***(Millions of Dollars)***	**Gain (Loss) Recorded in OCI**	**Classification of Gain (Loss) Reclassified from OCI to Income**	**Gain (Loss) Reclassified from OCI to Income**	**Gain (Loss) Recognized in Income on Amounts Excluded from Effectiveness Testing**
Interest Rate Contracts	**$ 23.4**	Interest expense	**$ (5.8)**	**$ —**
Foreign Exchange Contracts	**$ 30.6**	Cost of sales	**$ 53.3**	**$ —**

2021 ***(Millions of Dollars)***	**Gain (Loss) Recorded in OCI**	**Classification of Gain (Loss) Reclassified from OCI to Income**	**Gain (Loss) Reclassified from OCI to Income**	**Gain (Loss) Recognized in Income on Amounts Excluded from Effectiveness Testing**
Interest Rate Contracts	$ 14.9	Interest expense	$ (3.9)	$ —
Foreign Exchange Contracts	$ 24.1	Cost of sales	$ (26.1)	$ —

2020 ***(Millions of Dollars)***	**Gain (Loss) Recorded in OCI**	**Classification of Gain (Loss) Reclassified from OCI to Income**	**Gain (Loss) Reclassified from OCI to Income (Effective Portion)**	**Gain (Loss) Recognized in Income (Ineffective Portion)**
Interest Rate Contracts	$ (70.9)	Interest expense	$ (16.3)	$ —
Foreign Exchange Contracts	$ (16.1)	Cost of sales	$ 12.4	$ —

A summary of the pre-tax effect of cash flow hedge accounting on the Consolidated Statements of Operations for 2022, 2021 and 2020 is as follows:

	2022		**2021**		**2020**	
(Millions of dollars)	**Cost of Sales**	**Interest Expense**	**Cost of Sales**	**Interest Expense**	**Cost of Sales**	**Interest Expense**
Total amount in the Consolidated Statements of Operations in which the effects of the cash flow hedges are recorded	**$ 12,663.3**	**$ 338.5**	$ 10,189.1	$ 185.4	$ 8,431.9	$ 222.7
Gain (loss) on cash flow hedging relationships:						
Foreign Exchange Contracts:						
Hedged Items	**$ (53.3)**	**$ —**	$ 26.1	$ —	$ (12.4)	$ —
Gain (loss) reclassified from OCI into Income	**$ 53.3**	**$ —**	$ (26.1)	$ —	$ 12.4	$ —
Interest Rate Swap Agreements:						
Gain (loss) reclassified from OCI into Income [1]	**$ —**	**$ (5.8)**	$ —	$ (3.9)	$ —	$ (16.3)

[1] Inclusive of the gain/loss amortization on terminated derivative financial instruments.

For 2022, after-tax gains of $26.4 million were reclassified from Accumulated other comprehensive loss into earnings (inclusive of the gain/loss amortization on terminated derivative financial instruments) during the periods in which the underlying hedged transactions affected earnings. For 2021 and 2020, after-tax losses of $17.0 million and $15.4 million, respectively, were reclassified.

Interest Rate Contracts: The Company enters into interest rate swap agreements in order to obtain the lowest cost source of funds within a targeted range of variable to fixed-rate debt proportions. The cash flows stemming from the maturity and termination of such interest rate swaps designated as cash flow hedges discussed below are presented within financing activities in the Consolidated Statements of Cash Flows.

The Company has no outstanding forward starting swaps as of December 31, 2022, and had $400.0 million of forward starting swaps outstanding as of January 1, 2022.

During 2021, the Company entered into forward starting interest rate swaps totaling $400.0 million to offset expected variability on future interest rate payments associated with debt instruments expected to be issued in the future. During 2022, these swaps were terminated resulting in a gain of $22.7 million which was recorded in Accumulated other comprehensive loss and is being amortized to interest expense over future periods.

In addition, during 2021, swaps entered into in 2019 totaling $400.0 million matured resulting in a loss of $75.3 million, which was recorded in Accumulated other comprehensive loss and is being amortized to interest expense over future periods.

During 2020, the Company entered into forward starting interest rate swaps totaling $1.0 billion to offset expected variability on future interest rate payments associated with debt instruments expected to be issued in the future. The Company terminated these swaps in 2020 resulting in a loss of $20.5 million, which was recorded in Accumulated other comprehensive loss and is being amortized to interest expense over future periods.

In December 2020, the Company redeemed all of the outstanding 2021 Term Notes and 2022 Term Notes, as further discussed in *Note H, Long-Term Debt and Financing Arrangements.* As a result, the Company recorded a pre-tax loss of $19.6 million relating to the remaining unamortized loss on cash flow swap terminations related to the 2022 Term Notes.

Foreign Currency Contracts

Forward Contracts: Through its global businesses, the Company enters into transactions and makes investments denominated in multiple currencies that give rise to foreign currency risk. The Company and its subsidiaries regularly purchase inventory from subsidiaries with functional currencies different than their own, which creates currency-related volatility in the Company's results of operations. The Company utilizes forward contracts to hedge these forecasted purchases and sales of inventory. Gains and losses reclassified from Accumulated other comprehensive loss are recorded in Cost of sales as the hedged item affects earnings. There are no components excluded from the assessment of effectiveness for these contracts. At December 31, 2022, and January 1, 2022, the notional values of the forward currency contracts outstanding were $281.7 million, maturing in 2023, and $512.1 million, maturing in 2022, respectively.

FAIR VALUE HEDGES

Interest Rate Risk: In an effort to optimize the mix of fixed versus floating rate debt in the Company's capital structure, the Company enters into interest rate swaps. In prior years, the Company entered into interest rate swaps related to certain of its notes payable which were subsequently terminated. Amortization of the gain/loss on previously terminated swaps is reported as a reduction of interest expense. Prior to termination, the changes in fair value of the swaps and the offsetting changes in fair value related to the underlying notes were recognized in earnings. The Company did not have any active fair value interest rate swaps at December 31, 2022 or January 1, 2022.

A summary of the pre-tax effect of fair value hedge accounting on the Consolidated Statements of Operations for 2022, 2021 and 2020 is as follows:

	2022	2021	2020
(Millions of dollars)	**Interest Expense**	**Interest Expense**	**Interest Expense**
Total amount in the Consolidated Statements of Operations in which the effects of the fair value hedges are recorded	**$ 338.5**	$ 185.4	$ 222.7
Amortization of gain on terminated swaps	**$ (0.4)**	$ (0.4)	$ (3.0)

In December 2020, the Company redeemed all of the outstanding 2021 Term Notes and 2022 Term Notes, as further discussed in *Note H, Long-Term Debt and Financing Arrangements.* As a result, the Company recorded a pre-tax gain of $3.5 million relating to the remaining unamortized gain on fair value swap terminations related to the 2021 Term Notes.

A summary of the amounts recorded in the Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges as of December 31, 2022 and January 1, 2022 is as follows:

(Millions of dollars)	**2022 Carrying Amount of Hedged Liability[1]**		**2022 Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liability**		
Current maturities of long-term debt	**$**	**1.2**	Terminated Swaps	**$**	**—**
Long-Term Debt	**$**	**533.1**	Terminated Swaps	**$**	**(20.1)**

[1]Represents hedged items no longer designated in qualifying fair value hedging relationships.

(Millions of dollars)	**2021 Carrying Amount of Hedged Liability[1]**		**2021 Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liability**		
Current maturities of long-term debt	$	1.3	Terminated Swaps	$	—
Long-Term Debt	$	533.6	Terminated Swaps	$	(20.4)

[1]Represents hedged items no longer designated in qualifying fair value hedging relationships.

NET INVESTMENT HEDGES

Foreign Exchange Contracts: The Company utilizes net investment hedges to offset the translation adjustment arising from re-measurement of its investment in the assets and liabilities of its foreign subsidiaries. The total after-tax amounts in Accumulated other comprehensive loss were gains of $73.8 million and $71.8 million at December 31, 2022 and January 1, 2022, respectively.

As of December 31, 2022, the Company has no outstanding foreign exchange contracts.

As of January 1, 2022, the Company had a foreign exchange contract with a notional value of $75.0 million maturing in 2022 hedging a portion of its Taiwan dollar denominated net investments and a cross currency swap with a notional value of $100.0 million maturing in 2023 hedging a portion of its Japanese yen denominated net investments. During 2022, this swap was terminated resulting in a gain of $4.0 million.

Maturing foreign exchange contracts resulted in net cash received of $10.6 million in 2022, net cash paid of $55.1 million during 2021 and net cash received of $41.0 million during 2020.

Gains and losses on net investment hedges remain in Accumulated other comprehensive loss until disposal of the underlying assets. Gains and losses representing components excluded from the assessment of effectiveness are recognized in earnings in Other, net on a straight-line basis over the term of the hedge. Gains and losses after a hedge has been de-designated are recorded directly to the Consolidated Statements of Operations in Other, net.

The pre-tax gains and losses from fair value changes during 2022, 2021 and 2020 were as follows:

	2022				
(Millions of Dollars)	**Total Gain (Loss) Recorded in OCI**	**Excluded Component Recorded in OCI**	**Income Statement Classification**	**Total Gain (Loss) Reclassified from OCI to Income**	**Excluded Component Amortized from OCI to Income**
Forward Contracts	**$ 6.1**	**$ 0.6**	Other, net	**$ 0.7**	**$ 0.7**
Cross Currency Swap	**$ (1.2)**	**$ 2.5**	Other, net	**$ 1.5**	**$ 1.5**
Non-derivative designated as Net Investment Hedge	**$ (0.1)**	**$ —**	Other, net	**$ —**	**$ —**

(Millions of Dollars)	2021 Total Gain (Loss) Recorded in OCI	2021 Excluded Component Recorded in OCI	2021 Income Statement Classification	2021 Total Gain (Loss) Reclassified from OCI to Income	2021 Excluded Component Amortized from OCI to Income
Forward Contracts	$ (1.2)	$ 1.6	Other, net	$ 1.5	$ 1.5
Cross Currency Swap	$ 11.7	$ 24.6	Other, net	$ 3.7	$ 3.7
Non-derivative designated as Net Investment Hedge	$ (6.7)	$ —	Other, net	$ —	$ —

(Millions of Dollars)	2020 Total Gain (Loss) Recorded in OCI	2020 Excluded Component Recorded in OCI	2020 Income Statement Classification	2020 Total Gain (Loss) Reclassified from OCI to Income	2020 Excluded Component Amortized from OCI to Income
Forward Contracts	$ 0.8	$ —	Other, net	$ —	$ —
Cross Currency Swap	$ (5.4)	$ 60.7	Other, net	$ 18.2	$ 18.2
Non-derivative designated as Net Investment Hedge	$ (8.5)	$ —	Other, net	$ —	$ —

UNDESIGNATED HEDGES

Foreign Exchange Contracts: Currency swaps and foreign exchange forward contracts are used to reduce risks arising from the change in fair value of certain foreign currency denominated assets and liabilities (such as affiliate loans, payables and receivables). The objective of these practices is to minimize the impact of foreign currency fluctuations on operating results. The total notional amount of the forward contracts outstanding at December 31, 2022 was $1.1 billion maturing on various dates through 2023. The total notional amount of the forward contracts outstanding at January 1, 2022 was $1.2 billion maturing on various dates through 2022. The gain (loss) recorded in the Consolidated Statements of Operations from changes in the fair value related to derivatives not designated as hedging instruments under ASC 815 for 2022, 2021 and 2020 are as follows:

(Millions of Dollars)	Income Statement Classification	2022	2021	2020
Foreign Exchange Contracts	Other-net	**$ 5.0**	$ (10.8)	$ (15.7)

J. CAPITAL STOCK

EARNINGS PER SHARE — The following table reconciles net earnings attributable to common shareowners and the weighted-average shares outstanding used to calculate basic and diluted earnings per share for the fiscal years ended December 31, 2022, January 1, 2022, and January 2, 2021.

	2022	2021	2020
Numerator (in millions):			
Net Earnings from Continuing Operations Attributable to Common Shareowners	**$ 164.3**	$ 1,538.3	$ 1,129.8
Add: Contract adjustment payments accretion	**1.2**	1.3	1.7
Net Earnings from Continuing Operations Attributable to Common Shareowners - Diluted	**165.5**	1,539.6	1,131.5
Net earnings from discontinued operations	**892.4**	136.7	79.9
Net Earnings Attributable to Common Shareowners - Diluted	**$ 1,057.9**	$ 1,676.3	$ 1,211.4

	2022	2021	2020
Denominator (in thousands):			
Basic weighted-average shares outstanding	**148,170**	158,760	154,176
Dilutive effect of stock contracts and awards	**8,383**	6,264	8,251
Diluted weighted-average shares outstanding	**156,553**	165,024	162,427
Earnings per share of common stock:			
Basic earnings per share of common stock:			
Continuing operations	**$ 1.11**	$ 9.69	$ 7.33
Discontinued operations	**$ 6.02**	$ 0.86	$ 0.52
Total basic earnings per share of common stock	**$ 7.13**	$ 10.55	$ 7.85
Diluted earnings per share of common stock:			
Continuing operations	**$ 1.06**	$ 9.33	$ 6.97
Discontinued operations	**$ 5.70**	$ 0.83	$ 0.49
Total dilutive earnings per share of common stock	**$ 6.76**	$ 10.16	$ 7.46

The following weighted-average stock options were not included in the computation of weighted-average diluted shares outstanding because the effect would be anti-dilutive (in thousands):

	2022	2021	2020
Number of stock options	**4,019**	1,039	2,376

In November 2019, the Company issued 7,500,000 Equity Units with a total notional value of $750.0 million (“2019 Equity Units”). Each unit had a stated amount of $100 and initially consisted of a three-year forward stock purchase contract (“2022 Purchase Contracts”) for the purchase of a variable number of shares of common stock, on November 15, 2022, for a price of $100 and a 10% beneficial ownership interest in one share of 0% Series D Cumulative Perpetual Convertible Preferred Stock, without par, with a liquidation preference of $1,000 per share (“Series D Preferred Stock”). The shares associated with the forward stock purchase contracts component of the 2019 Equity Units have been reflected in diluted earnings per share using the if-converted method.

In November 2022, the Company generated cash proceeds of $750 million from the successful remarketing of the Series D Preferred Stock (the "Remarketed Series D Preferred Stock"). Upon completion of the remarketing, the holders of the 2019 Equity Units received 4,723,500 common shares and the Company issued 750,000 shares of Remarketed Series D Preferred Stock. Holders of the Remarketed Series D Preferred Stock were entitled to receive cumulative dividends, if declared by the Board of Directors, at an initial fixed rate equal to 7.5% per annum of the $1,000 per share liquidation preference (equivalent to $75.00 per annum per share). On November 15, 2022, the Company informed holders that it would redeem all outstanding shares of the Remarketed Series D Preferred Stock on December 22, 2022 at $1,007.71 per share in cash, which was equal to 100% of the liquidation preference of a share of Remarketed Series D Preferred Stock, plus accumulated and unpaid dividends to, but excluding December 22, 2022. In December 2022, the Company redeemed the Remarketed Series D Preferred Stock, paying $750 million in cash.

Upon the adoption of ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)*, beginning in the first quarter of 2022, the common shares that would be required to settle the applicable conversion value of the Series D Preferred Stock were included in the denominator of diluted earnings per share using the if-converted method. In accordance with the standard, the Company increased weighted-average shares outstanding used to calculate diluted earnings per share for the year ended December 31, 2022 by 3.6 million shares.

In May 2017, the Company issued 7,500,000 Equity Units with a total notional value of $750.0 million (“2017 Equity Units”). Each unit had a stated amount of $100 and initially consisted of a three-year forward stock purchase contract (“2020 Purchase Contracts”) for the purchase of a variable number of shares of common stock, on May 15, 2020, for a price of $100, and a 10% beneficial ownership interest in one share of 0% Series C Cumulative Perpetual Convertible Preferred Stock, without par, with a liquidation preference of $1,000 per share (“Series C Preferred Stock”). The shares associated with the forward stock

purchase contracts component of the 2017 Equity Units have been reflected in diluted earnings per share using the if-converted method.

In May 2020, the Company successfully remarketed the Series C Preferred Stock (the “Remarketed Series C Preferred Stock”) resulting in cash proceeds of $750.0 million. Upon completion of the remarketing, the holders of the 2017 Equity Units received 5,463,750 common shares and the Company issued 750,000 shares of Remarketed Series C Preferred Stock, without par, with a liquidation preference of $1,000 per share. Holders of the Remarketed Series C Preferred Stock were entitled to receive cumulative dividends, if declared by the Board of Directors, at an initial fixed rate equal to 5.0% per annum of the $1,000 per share liquidation preference (equivalent to $50.00 per annum per share). Beginning on May 15, 2020, the holders had the option to convert the Remarketed Series C Preferred Stock into common stock. At the election of the Company, upon conversion, the Company could deliver cash, common stock, or a combination thereof. In connection with the remarketing, the conversion rate was reset to 6.7352 shares of the Company's common stock per one share of Remarketed Series C Preferred Stock, which was equivalent to a conversion price of approximately $148.47 per share of common stock.

On April 28, 2021, the Company informed holders that it would redeem all outstanding shares of the Remarketed Series C Preferred Stock on June 3, 2021 at $1,002.50 per share in cash, which was equal to 100% of the liquidation preference of a share of Remarketed Series C Preferred Stock, plus accumulated and unpaid dividends to, but excluding June 3, 2021. If a holder elected to convert its shares of Remarketed Series C Preferred Stock prior to June 3, 2021, the Company elected a combination settlement with a specified cash amount of $1,000 per share. In June 2021, the Company redeemed the Remarketed Series C Preferred Stock and settled all conversions, paying $750 million in cash and issuing 1,469,055 common shares. The conversion rate used was 6.7548 (equivalent to a conversion price set at $148.04 per common share). Prior to the Series C redemption date, the Remarketed Series C Preferred Stock was excluded from the denominator of the diluted earnings per share calculation on the basis that the Remarketed Series C Preferred Stock would be settled in cash except to the extent that the conversion value exceeded its liquidation preference. Therefore, before any redemption or conversion, the common shares that would be required to settle the applicable conversion value in excess of the liquidation preference were included in the denominator of diluted earnings per share in periods in which they were dilutive.

See “Other Equity Arrangements” below for further details of the above transactions.

COMMON STOCK ACTIVITY — Common stock activity for 2022, 2021 and 2020 was as follows:

	2022	2021	2020
Outstanding, beginning of year	**163,328,776**	160,752,262	153,506,409
Issued from treasury	**5,711,974**	3,105,587	7,474,394
Returned to treasury	**(16,057,220)**	(529,073)	(228,541)
Outstanding, end of year	**152,983,530**	163,328,776	160,752,262
Shares subject to the forward share purchase contract	**(3,645,510)**	(3,645,510)	(3,645,510)
Outstanding, less shares subject to the forward share purchase contract	**149,338,020**	159,683,266	157,106,752

In March 2022, the Company executed accelerated share repurchase ("ASR") agreements with a notional amount of $2.0 billion, which was funded through borrowings under one of its existing 364-Day committed credit facilities. The ASR terms provided for an initial delivery of 85% of the total notional share equivalent at execution or 10,756,770 shares of common stock. In May 2022, the Company received an additional 3,211,317 shares in aggregate, determined by the volume-weighted average price of the Company’s common stock during the term of the transaction. The final shares delivered reflect a blended settlement price of $143.18 per share for the entire transaction. In February 2022, the Company also executed open market share repurchases for a total of 1,888,601 shares of common stock for $300.0 million.

Upon completion of the remarketing of the Series D Preferred Stock in November 2022, the holders of the 2019 Equity Units received 4,723,500 common shares and the Company issued 750,000 shares of Remarketed Series D Preferred Stock.

Upon completion of the remarketing of the Series C Preferred Stock in May 2020, the holders of the 2017 Equity Units received 5,463,750 shares of common stock and the Company issued 750,000 shares of Remarketed Series C Preferred Stock.

In June 2021, the Company redeemed the Remarketed Series C Preferred Stock and settled all conversions, paying $750 million in cash and issuing 1,469,055 common shares.

In March 2015, the Company entered into a forward share purchase contract with a financial institution counterparty for 3,645,510 shares of common stock. The contract obligates the Company to pay $350.0 million, plus an additional amount

related to the forward component of the contract. In November 2022, the Company amended the forward share purchase contract and updated the final settlement date to November 2024, or earlier at the Company's option. The reduction of common shares outstanding was recorded at the inception of the forward share purchase contract in March 2015 and factored into the calculation of weighted-average shares outstanding at that time.

COMMON STOCK RESERVED — Common stock shares reserved for issuance under various employee and director stock plans at December 31, 2022 and January 1, 2022 are as follows:

	2022	2021
Employee stock purchase plan	**1,251,699**	1,388,655
Other stock-based compensation plans	**8,403,765**	5,260,005
Total shares reserved	**9,655,464**	6,648,660

STOCK-BASED COMPENSATION PLANS — The Company has stock-based compensation plans for salaried employees and non-employee members of the Board of Directors. The plans provide for discretionary grants of stock options, restricted stock units and other stock-based awards.

On February 16, 2022, the Board of Directors adopted the 2022 Omnibus Award Plan (the “2022 Plan”) and authorized the issuance of 9,800,000 shares of the Company’s common stock in connection with awards pursuant to the 2022 Plan and no further awards will be issued under the Company’s 2018 Omnibus Award Plan (the “2018 Plan”). As discussed further below, the Company has granted stock options, restricted share units and awards, performance stock units, and long-term performance awards, under the 2022 Plan and 2018 Plan to senior management employees and non-employee members of the Board of Directors.

The plans are generally administered by the Compensation and Talent Development Committee of the Board of Directors, consisting of non-employee directors.

Stock Option Valuation Assumptions:

Stock options are granted at the fair market value of the Company’s common stock on the date of grant and have a maximum 10-year term. Generally, stock option grants vest ratably over three or four years from the date of grant.

The following describes how certain assumptions affecting the estimated fair value of stock options are determined: the expected volatility is based on an average of the market implied volatility and historical volatility for the expected life; the dividend yield is computed as the annualized dividend rate at the date of the grant divided by the strike price of the stock option; the risk-free interest rate is based on U.S. Treasury securities with maturities equal to the expected life of the option; and a forfeiture rate of seven to nine percent is assumed. The Company uses historical data in order to estimate forfeitures and holding period behavior for valuation purposes.

The fair value of stock option grants is estimated on the date of grant using the Black-Scholes option pricing model. The following weighted-average assumptions were used to value grants made in 2022, 2021 and 2020:

	2022	2021	2020
Average expected volatility	**38.6 %**	34.0 %	35.0 %
Dividend yield	**3.7 %**	1.6 %	1.6 %
Risk-free interest rate	**3.2 %**	1.3 %	0.4 %
Expected life	**4.2 years**	5.3 years	5.3 years
Fair value per option	**$ 20.00**	$ 52.39	$ 48.36
Weighted-average vesting period	**1.7 years**	2.9 years	2.8 years

Stock Options:

The number of stock options and weighted-average exercise prices as of December 31, 2022 are as follows:

	Options	Price
Outstanding, beginning of year	5,573,672	$ 151.46
Granted	868,139	78.83
Exercised	(295,451)	86.30
Forfeited	(864,647)	169.79
Outstanding, end of year	5,281,713	$ 140.22
Exercisable, end of year	3,591,149	$ 145.59

At December 31, 2022, the range of exercise prices on outstanding stock options was $77.83 to $193.97 per share. Stock option expense was $27.1 million, $36.4 million and $31.6 million for the years ended December 31, 2022, January 1, 2022 and January 2, 2021, respectively. At December 31, 2022, the Company had $40.5 million of unrecognized pre-tax compensation expense for stock options. This expense will be recognized over the remaining vesting periods which are 2.3 years on a weighted-average basis.

During 2022, the Company received $25.5 million in cash from the exercise of stock options. The related cash tax benefit from the exercise of these options was $1.2 million. During 2022, 2021 and 2020, the total intrinsic value of options exercised was $4.6 million, $85.3 million and $104.3 million, respectively. When options are exercised, the related shares are issued from treasury stock.

An excess tax benefit is generated on the extent to which the actual gain, or spread, an optionee receives upon exercise of an option exceeds the fair value determined at the grant date; that excess spread over the fair value of the option times the applicable tax rate represents the excess tax benefit. During 2022, the shortfall recognized was $0.1 million. During 2021 and 2020, the excess tax benefit arising from tax deductions in excess of recognized compensation cost totaled $14.1 million and $17.6 million, respectively, and was recorded in income tax expense.

Outstanding and exercisable stock option information at December 31, 2022 follows:

	Outstanding Stock Options			Exercisable Stock Options		
Exercise Price Ranges	Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price
$100.00 and below	1,045,223	8.29	$ 80.46	207,890	1.69	$ 91.05
100.01 — 165.00	2,257,043	5.24	132.05	2,078,188	5.05	131.04
165.01 — higher	1,979,447	7.10	181.09	1,305,071	6.37	177.45
	5,281,713	6.54	$ 140.22	3,591,149	5.34	$ 145.59

Compensation cost for new grants is recognized on a straight-line basis over the vesting period. The expense for retirement eligible employees (those aged 55 and over and with 10 or more years of service) is recognized by the date they become retirement eligible, as such employees may retain their options for the 10-year contractual term in the event they retire prior to the end of the vesting period stipulated in the grant.

As of December 31, 2022, both the aggregate intrinsic value of stock options outstanding and stock options exercisable was zero.

Employee Stock Purchase Plan:

The Employee Stock Purchase Plan (“ESPP”) enables eligible employees in the United States, Canada and Israel to purchase shares of the Company's common stock at the lower of 85.0% of the fair market value of the shares on the grant date ($151.46 per share for fiscal year 2022 purchases) or 85.0% of the fair market value of the shares on the last business day of each month. A maximum of 1,600,000 shares are authorized for subscription. During 2022, 2021 and 2020, 136,956 shares, 92,307 shares and 119,038 shares, respectively, were issued under the plan at average prices of $96.09, $150.21, and $110.97 per share, respectively, and the intrinsic value of the ESPP purchases was $2.3 million, $3.9 million and $3.3 million, respectively. For 2022, the Company received $13.2 million in cash from ESPP purchases, and there was no related tax benefit. The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. ESPP compensation cost is recognized ratably over

the one-year term based on actual employee stock purchases under the plan. The fair value of the employees' purchase rights under the ESPP was estimated using the following assumptions for 2022, 2021 and 2020, respectively: dividend yield of 1.7%, 1.6% and 1.7%; expected volatility of 25.0%, 55.0% and 28.0%; risk-free interest rates of 0.2%, 0.1%, and 1.6%; and expected lives of one year. The weighted-average fair value of those purchase rights granted in 2022, 2021 and 2020 was $38.51, $45.46 and $41.02, respectively. Total compensation expense recognized for ESPP was $3.3 million in 2022, $4.4 million in 2021 and $3.9 million in 2020.

Restricted Share Units and Awards:

Compensation cost for restricted share units and awards, including restricted shares granted to French employees in lieu of RSUs, (collectively "RSUs") granted to employees is recognized ratably over the vesting term, which varies but is generally three or four years. RSU grants totaled 870,848 shares, 463,084 shares and 325,448 shares in 2022, 2021 and 2020, respectively. The weighted-average grant date fair value of RSUs granted in 2022, 2021 and 2020 was $85.05, $193.66 and $165.44 per share, respectively.

Total compensation expense recognized for RSUs amounted to $50.6 million, $47.3 million and $35.6 million in 2022, 2021 and 2020, respectively. The actual tax benefit received related to the shares that were delivered in 2022 was $6.2 million. The shortfall recognized in 2022 was $3.6 million. The excess tax benefit recognized in 2021 and 2020 was $2.5 million and $2.3 million, respectively. As of December 31, 2022, unrecognized compensation expense for RSUs amounted to $94.1 million and will be recognized over a weighted-average period of 1.9 years.

A summary of non-vested restricted share units and award activity as of December 31, 2022, and changes during the year then ended is as follows:

	Restricted Share Units & Awards	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2022	978,351	$ 173.06
Granted	870,848	85.05
Vested	(308,783)	163.11
Forfeited	(273,954)	171.08
Non-vested at December 31, 2022	1,266,462	$ 115.02

The total fair value of vested RSUs (market value on the date vested) during 2022, 2021 and 2020 was $38.9 million, $53.3 million and $58.5 million, respectively.

Prior to 2020, non-employee members of the Board of Directors received annual restricted share-based grants which must be cash settled and accordingly mark-to-market accounting is applied. In 2022, the Company recognized $9.8 million of income for these awards. In 2021 and 2020, the Company recognized $1.1 million and $1.6 million of expense for these awards, respectively. Beginning in 2020, the annual grant issued to non-employee members of the Board of Directors is stock settled. The expense related to the annual grant in 2022, 2021, and 2020 was $1.8 million, $2.0 million, and $1.4 million respectively. Additionally, members of the Board of Directors were granted restricted share units for which compensation expense of $1.2 million, $1.4 million, and $1.0 million was recognized for 2022, 2021 and 2020, respectively.

Management Incentive Compensation Plan Performance Stock Units:

In 2020 and 2019, the Company granted Performance Stock Units (collectively "MICP-PSUs") under the Management Incentive Compensation Plan ("MICP") to participating employees. Awards are payable in shares of common stock and generally no award is made if the employee terminates employment prior to the settlement dates. The delivery of the shares related to the 2020 and 2019 MICP-PSU grant will occur ratably in 2021, 2022, and 2023 for the 2020 MICP and in 2020, 2021, and 2022 for the 2019 MICP. The total shares to be delivered are based on actual 2020 and 2019 performance in relation to the established goals.

A summary of the activity pertaining to the maximum number of shares that may be issued is as follows:

	MICP PSUs	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2022	249,730	$ 100.73
Granted	—	—
Vested	(144,923)	104.32
Forfeited	(37,109)	99.75
Non-vested at December 31, 2022	67,698	$ 93.58

Compensation cost for these performance awards is recognized ratably over the vesting term of three years. Total expense recognized in 2022, 2021 and 2020 related to these MICP-PSUs approximated $9.1 million, $15.7 million and $18.5 million, respectively. The actual tax benefit received related to the shares that were delivered in 2022 and 2021 was $3.6 million and $5.6 million, respectively.

Long-Term Performance Awards:

The Company has granted Long-Term Performance Awards ("LTIP") under its 2022 Omnibus Award Plan and 2018 Omnibus Award Plan to senior management employees for achieving Company performance measures. Awards are payable in shares of common stock, which may be restricted if the employee has not achieved certain stock ownership levels, and generally no award is made if the employee terminates employment prior to the settlement date. LTIP grants were made in 2020, 2021 and 2022. Each grant has two separate annual performance goals for each year within the respective three-year performance period and one market-based metric measured over the three-year performance period. Earnings per share and cash flow return on investment represent 75% of the grant value. The market-based metric, representing 25% of the total grant value measures the Company's common stock return relative to peers over the three-year performance period. The ultimate delivery of shares will occur in 2023, 2024, and 2025 for the 2020, 2021 and 2022 grants, respectively. Share settlements are based on actual performance in relation to these goals.

In 2022, income of $2.4 million was recognized related to these performance awards. Expense recognized for these performance awards amounted to $11.1 million in 2021 and $17.1 million in 2020. With the exception of the market-based metric comprising 25% of the award, in the event performance goals are not met, compensation cost is not recognized and any previously recognized compensation cost is reversed. The actual tax benefit received related to the shares that were delivered in 2022 and 2021 was $1.3 million and $0.8 million, respectively. The shortfall recognized in 2022 was less than $0.1 million. The excess tax benefit recognized was $0.1 million and $0.7 million in 2021 and 2020, respectively.

A summary of the activity pertaining to the maximum number of shares that may be issued is as follows:

	LTIP Units	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2022	649,806	$ 145.90
Granted	250,518	157.05
Vested	(92,589)	123.56
Forfeited	(273,149)	139.67
Non-vested at December 31, 2022	534,586	$ 158.18

OTHER EQUITY ARRANGEMENTS

2019 Equity Units and Capped Call Transactions

In November 2019, in conjunction with the issuance of the 2019 Equity Units, as further discussed above, the Company received approximately $734.5 million in cash proceeds, net of offering expenses and underwriting costs and commissions. The proceeds were attributed to the issuance of 750,000 shares of Series D Preferred Stock for $620.3 million and $114.2 million for the present value of the quarterly payments to holders of the 2022 Purchase Contracts ("Contract Adjustment Payments"), as discussed further below. The proceeds were used, together with cash on hand, to redeem long-term debt. The Company also used $19.2 million of the proceeds to enter into capped call transactions utilized to hedge potential economic dilution as described in more detail below.

The 2019 Equity Units were accounted for as one unit of account based on the economic linkage between the 2022 Purchase Contracts and Series D Preferred Stock, as well as the combination criteria outlined in ASC 815. The 2019 Equity Units represented mandatorily convertible preferred stock.

In November 2019, the Company issued 750,000 shares of Series D Preferred Stock, without par, with a liquidation preference of $1,000 per share. The convertible preferred stock initially did not bear any dividends and the liquidation preference of the convertible preferred stock did not accrete. The convertible preferred stock had no maturity date and remained outstanding unless converted by holders or redeemed by the Company. Holders of shares of the convertible preferred stock generally had no voting rights. The Series D Preferred Stock was pledged as collateral to support holders' purchase obligations under the 2022 Purchase Contracts.

In November 2022, upon completion of the remarketing, the holders of the 2019 Equity Units converted their Series D Preferred Stock, valued at $620.3 million, and received 4,723,500 common shares using a reference price of $131.32 per common share. The Company generated cash proceeds of $750.0 million from the successful remarketing and issued 750,000 shares of Remarketed Series D Preferred Stock.

The Company paid Contract Adjustment Payments to holders of the 2022 Purchase Contracts at a rate of 5.25% per annum, payable quarterly in arrears on February 15, May 15, August 15 and November 15, which commenced on February 15, 2020. The $114.2 million present value of the Contract Adjustment Payments reduced the Series D Preferred Stock at inception. As each quarterly Contract Adjustment Payment was made, the related liability was reduced and the difference between the cash payment and the present value accreted to interest expense, approximately $1.3 million per year over the three-year term. On November 15, 2022, the Company paid the final contract adjustment payment related to the 2022 Purchase Contracts.

Capped Call Transactions

In order to offset the potential economic dilution associated with the common shares issuable upon conversion of the Series D Preferred Stock, to the extent that the conversion value of the convertible preferred stock exceeds its liquidation preference, the Company entered into capped call transactions with three major financial institutions. The Company paid $19.2 million, or an average of $4.90 per option, to enter into capped call transactions on 3.9 million shares of common stock. The $19.2 million premium paid was recorded as a reduction of Shareowners' Equity.

The capped call transactions had a term of approximately three years and were intended to cover the number of shares issuable upon conversion of the Series D Preferred Stock. Subject to customary anti-dilution adjustments, the capped call had an initial lower strike price of $191.34, which corresponded to the minimum 5.2263 settlement rate of the Series D Preferred Stock, and an upper strike price of $207.29, which was approximately 30% higher than the closing price of the Company's common stock on November 7, 2019. In November 2022, the capped call options expired out of the money.

2017 Equity Units and Capped Call Transactions

In conjunction with the issuance of the 2017 Equity Units in May 2017, as further discussed above, the Company received approximately $727.5 million in cash proceeds, net of offering expenses and underwriting costs and commissions. The proceeds were attributed to the issuance of 750,000 shares of Series C Preferred Stock for $605.0 million, $117.1 million for the present value of the Contract Adjustment Payments, and a beneficial conversion feature of $5.4 million. The proceeds were used for general corporate purposes, including repayment of short-term borrowings. The Company also used $25.1 million of the proceeds to enter into capped call transactions utilized to hedge potential economic dilution as described in more detail below.

The 2017 Equity Units were accounted for as one unit of account based on the economic linkage between the 2020 Purchase Contracts and the Series C Preferred Stock, as well as the combination criteria outlined in ASC 815. The 2017 Equity Units represented mandatorily convertible preferred stock.

In May 2017, the Company issued 750,000 shares of Series C Preferred Stock, without par, with a liquidation preference of $1,000 per share. The convertible preferred stock initially did not bear any dividends and the liquidation preference of the convertible preferred stock did not accrete. The convertible preferred stock had no maturity date and remained outstanding unless converted by holders or redeemed by the Company. Holders of shares of the convertible preferred stock generally had no voting rights. The Series C Preferred Stock was pledged as collateral to support holders' purchase obligations under the 2020 Purchase Contracts.

As discussed further above, the Company successfully remarketed the Series C Preferred Stock in May 2020. Subsequent to the remarketing, holders of the Remarketed Series C Preferred Stock were entitled to receive, if declared by the Board of Directors, cumulative dividends (i) from, and including May 15, 2020 to, but excluding, May 15, 2023 (the "dividend step-up date") at a fixed rate equal to 5.0% per annum of the $1,000 per share liquidation preference (equivalent to $50.00 per annum per share) and (ii) from, and including, the dividend step-up date at a fixed rate equal to 10.0% per annum of the $1,000 per share liquidation preference (equivalent to $100.00 per annum per share). Dividends were cumulative on the $1,000 liquidation preference per share and were payable, as declared by the Board of Directors, quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning on August 15, 2020. Dividends accrued on the Remarketed Series C Preferred Stock reduced net earnings for purposes of calculating earnings per share.

In May 2020, the Company generated cash proceeds of $750.0 million from the successful remarketing of the Series C Preferred Stock. Upon completion of the remarketing in May 2020, the holders of the 2017 Equity Units received 5,463,750 common shares using the maximum settlement rate of 0.7285 (equivalent to a reference price of $137.26 per common share), and the Company issued 750,000 shares of Remarketed Series C Preferred Stock.

The Company paid Contract Adjustment Payments to the holders of the 2020 Purchase Contracts at a rate of 5.375% per annum, payable quarterly in arrears on February 15, May 15, August 15 and November 15, which commenced August 15, 2017. The $117.1 million initial present value of these Contract Adjustment Payments reduced the Series C Preferred Stock at inception. As each quarterly Contract Adjustment Payment was made, the related liability was reduced and the difference between the cash payments and the present value accreted to interest expense, approximately $1.3 million per year over the three-year term. On May 15, 2020, the Company paid the final contract adjustment payment related to the 2020 Purchase Contracts.

Capped Call Transactions

In May 2017, the Company entered into capped call transactions with three major financial institutions (the “counterparties”) in order to offset the potential economic dilution associated with the common shares issuable upon conversion of the Series C Preferred Stock, to the extent that the conversion value of the convertible preferred stock exceeds its liquidation preference. The Company paid $25.1 million, or an average of $5.43 per option, to enter into capped call transactions on 4.6 million shares of common stock. The $25.1 million premium paid was recorded as a reduction of Shareowners' Equity.

The capped call transactions had a term of approximately three years and were intended to cover the number of shares issuable upon conversion of the Series C Preferred Stock. Subject to customary anti-dilution adjustments, the capped call had an initial lower strike price of $162.27, which corresponded to the minimum 6.1627 settlement rate of the Series C Preferred Stock at inception, and an upper strike price of $179.53, which was approximately 30% higher than the closing price of the Company’s common stock on May 11, 2017. In June 2020, the capped call options expired out of the money.

2018 Capped Call Transactions

In March 2018, the Company purchased from a financial institution “at-the money” capped call options with an approximate term of three years, on 3.2 million shares of its common stock (subject to customary anti-dilution adjustments) for an aggregate premium of $57.3 million, or an average of $17.96 per share. The premium paid was recorded as a reduction of Shareowners’
Equity. The purpose of the capped call options was to hedge the risk of stock price appreciation between the lower and upper strike prices of the capped call options for a future share repurchase.

In February 2020, the Company net-share settled 0.6 million of the 3.2 million capped call options on its common stock and received 61,767 shares using an average reference price of $162.26 per common share.

On June 9, 2020, the Company amended the 2018 capped call options to align with and offset the potential economic dilution associated with the common shares issuable upon conversion of the Remarketed Series C Preferred Stock, as further discussed above. Subsequent to the amendment, the capped call options, subject to anti-dilution, had an initial lower strike price of $148.34 and an upper strike price of $165.00, which was approximately 30% higher than the closing price of the Company’s common stock on June 9, 2020.

During the second quarter of 2021, the Company net-share settled the remaining capped call options on its common stock and received 344,004 shares using an average reference price of $209.80 per common share.

K. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the changes in the accumulated balances for each component of Accumulated other

comprehensive loss:

(Millions of Dollars)	Currency translation adjustment and other	(Losses) gains on cash flow hedges, net of tax	Gains (losses) on net investment hedges, net of tax	Pension (losses) gains, net of tax	Total
Balance - January 2, 2021	$ (1,235.3)	$ (103.0)	$ 72.8	$ (448.2)	$ (1,713.7)
Other comprehensive (loss) income before reclassifications	(307.7)	36.2	2.9	107.0	(161.6)
Reclassification adjustments to earnings	—	17.0	(3.9)	16.6	29.7
Net other comprehensive (loss) income	(307.7)	53.2	(1.0)	123.6	(131.9)
Balance - January 1, 2022	**$ (1,543.0)**	**$ (49.8)**	**$ 71.8**	**$ (324.6)**	**$ (1,845.6)**
Other comprehensive (loss) income before reclassifications	(328.3)	31.7	3.7	73.4	(219.5)
Adjustments related to sales of businesses	(36.1)	—	—	—	(36.1)
Reclassification adjustments to earnings	—	(26.4)	(1.7)	9.8	(18.3)
Net other comprehensive (loss) income	(364.4)	5.3	2.0	83.2	(273.9)
Balance - December 31, 2022	**$ (1,907.4)**	**$ (44.5)**	**$ 73.8**	**$ (241.4)**	**$ (2,119.5)**

The Company uses the portfolio method for releasing the stranded tax effects from Accumulated other comprehensive loss. The reclassifications out of Accumulated other comprehensive loss for the years ended December 31, 2022 and January 1, 2022 were as follows:

(Millions of Dollars)	2022	2021	
Components of Accumulated other comprehensive loss	**Reclassification adjustments**	**Reclassification adjustments**	**Affected line item in Consolidated Statements of Operations**
Realized gains (losses) on cash flow hedges	**$ 53.3**	$ (26.1)	Cost of sales
Realized losses on cash flow hedges	**(5.8)**	(3.9)	Interest expense
Total before taxes	**$ 47.5**	$ (30.0)	
Tax effect	**(21.1)**	13.0	Income taxes
Realized gains (losses) on cash flow hedges, net of tax	**$ 26.4**	$ (17.0)	
Realized gains on net investment hedges	**$ 2.2**	$ 5.2	Other, net
Tax effect	**(0.5)**	(1.3)	Income taxes
Realized gains on net investment hedges, net of tax	**$ 1.7**	$ 3.9	
Actuarial losses and prior service costs / credits	**(13.3)**	(21.0)	Other, net
Settlement losses	**—**	(1.1)	Other, net
Total before taxes	**(13.3)**	(22.1)	
Tax effect	**3.5**	5.5	Income taxes
Amortization of defined benefit pension items, net of tax	**$ (9.8)**	$ (16.6)	

L. EMPLOYEE BENEFIT PLANS

EMPLOYEE STOCK OWNERSHIP PLAN ("ESOP") — Most U.S. employees may make contributions that do not exceed 25% of their eligible compensation to a tax-deferred 401(k) savings plan, subject to restrictions under tax laws. Employees generally direct the investment of their own contributions into various investment funds. An employer match benefit is provided under the plan equal to one-half of each employee's tax-deferred contribution up to the first 7% of their compensation. Participants direct the entire employer match benefit such that no participant is required to hold the Company's common stock in their 401(k) account. The employer match benefit totaled $32.2 million, $28.0 million and $9.2 million in 2022, 2021 and 2020, respectively. In 2020, the employer match benefit was suspended from the second quarter to the end of the year.

In addition, approximately 9,370 U.S. salaried and non-union hourly employees are eligible to receive a non-contributory benefit under the Core benefit plan. Core benefit allocations range from 2% to 6% of eligible employee compensation based on age. Allocations for benefits earned under the Core plan were $28.9 million, $31.1 million, and $5.4 million in 2022, 2021 and 2020, respectively. In 2020, the Core allocations were also suspended from the second quarter to the end of the year. Assets held in participant Core accounts are invested in target date retirement funds which have an age-based allocation of investments.

Prior to 2021, shares of the Company's common stock that were purchased with the proceeds of borrowings from the Company in 1991 ("1991 internal loan") were held by the ESOP. Shareowners' equity reflected a reduction equal to the cost basis of unallocated shares purchased with the internal borrowings. Unallocated shares were released from the trust based on current period debt principal and interest payments as a percentage of total future debt principal and interest payments. Dividends on both allocated and unallocated shares were used for debt service and to credit participant accounts for dividends earned on allocated shares. Dividends paid on the shares acquired with the 1991 internal loan were used solely to pay internal loan debt service in all periods. There were no unallocated shares remaining as of December 31, 2022, as all shares in the ESOP trust holding account were released as of the first quarter of 2020.

The Company’s net ESOP activity resulted in expense of $61.1 million, $59.1 million, and $4.4 million in 2022, 2021, and 2020 respectively. Net ESOP activity recognized for 2022 and 2021 is comprised of the aforementioned Core and 401(k) match defined contribution benefits. Net ESOP activity for 2020 is comprised of the cost basis of shares released, the cost of the aforementioned Core and 401(k) match defined contribution benefits, less the fair value of shares released and dividends on unallocated ESOP shares and was affected by the market value of the Company’s common stock on the monthly dates when shares were released. The weighted-average market value of shares released was $146.08 per share in 2020.

The Company made cash contributions totaling $67.8 million in 2022, $35.7 million in 2021 and $9.2 million in 2020, excluding additional contributions of $7.2 million in 2020, which was used by the ESOP to make additional payments on the 1991 internal loan. These payments triggered the release of 226,212 shares of unallocated stock in 2020. Dividends on ESOP shares, which were charged to shareowners’ equity as declared, were $1.3 million in 2020, net of the tax benefit which was recorded in earnings. Interest costs incurred by the ESOP on the 1991 internal loan, which had no earnings impact, were $0.1 million for 2020. Both allocated and unallocated ESOP shares were treated as outstanding for purposes of computing earnings per share.

PENSION AND OTHER BENEFIT PLANS — The Company sponsors pension plans covering most domestic hourly and certain executive employees, and approximately 14,300 foreign employees. Benefits are generally based on salary and years of service, except for U.S. collective bargaining employees whose benefits are based on a stated amount for each year of service.

The Company contributes to a number of multi-employer plans for certain collective bargaining U.S. employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

a. Assets contributed to the multi-employer plan by one employer may be used to provide benefit to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be inherited by the remaining participating employers.

c. If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

In addition, the Company also contributes to a number of multi-employer plans outside of the U.S. The foreign plans are insured, therefore, the Company’s obligation is limited to the payment of insurance premiums.

The Company has assessed and determined that none of the multi-employer plans to which it contributes are individually significant to the Company’s Consolidated Financial Statements. The Company does not expect to incur a withdrawal liability or expect to significantly increase its contributions over the remainder of the contract period.

In addition to the multi-employer plans, various other defined contribution plans are sponsored worldwide. As of December 31, 2022 and January 2, 2021, the Company had $95.6 million and $135.8 million, respectively, of liabilities pertaining to an unfunded supplemental defined contribution plan for certain U.S. employees.

The expense (benefit) for defined contribution plans, aside from the earlier discussed ESOP plans, are as follows:

(Millions of Dollars)	2022	2021	2020
Multi-employer plan expense	**$ 6.0**	$ 7.1	$ 7.8
Other defined contribution plan (benefit) expense	**$ (2.4)**	$ 28.6	$ 24.9

The components of net periodic pension (benefit) expense are as follows:

	U.S. Plans			Non-U.S. Plans		
(Millions of Dollars)	2022	2021	2020	2022	2021	2020
Service cost	**$ 6.2**	$ 6.5	$ 6.8	**$ 15.1**	$ 17.6	$ 16.1
Interest cost	**33.6**	23.0	35.3	**22.9**	16.7	22.5
Expected return on plan assets	**(60.9)**	(54.9)	(58.7)	**(37.7)**	(39.9)	(41.2)
Amortization of prior service cost (credit)	**0.9**	1.1	1.0	**(0.7)**	(0.8)	(0.7)
Actuarial loss amortization	**5.9**	9.2	8.5	**7.9**	12.2	11.7
Special termination benefit	**—**	—	—	**—**	—	0.2
Settlement / curtailment loss	**0.2**	0.4	—	**0.2**	0.7	0.6
Net periodic pension (benefit) expense	**$ (14.1)**	$ (14.7)	$ (7.1)	**$ 7.7**	$ 6.5	$ 9.2

The Company provides medical and dental benefits for certain retired employees in the United States, Brazil, and Canada. Approximately 20,800 participants are covered under these plans. Net periodic post-retirement benefit expense was comprised of the following:

	Other Benefit Plans		
(Millions of Dollars)	2022	2021	2020
Service cost	**$ 0.3**	$ 0.4	$ 0.6
Interest cost	**1.5**	0.9	1.5
Amortization of prior service credit	**—**	(0.7)	(1.3)
Actuarial (gain) loss amortization	**(0.7)**	—	0.3
Settlement / curtailment gain	**(0.4)**	**—**	**—**
Special termination benefit	**6.9**	—	16.1
Net periodic post-retirement expense	**$ 7.6**	$ 0.6	$ 17.2

The components of net periodic post-retirement benefit expense other than the service cost component are included in Other, net in the Consolidated Statements of Operations.

Changes in plan assets and benefit obligations recognized in Accumulated other comprehensive loss in 2022 are as follows:

(Millions of Dollars)	2022
Current year actuarial gain	**$ (75.1)**
Amortization of actuarial loss	**(13.3)**
Prior service cost from plan amendments	**1.2**
Settlement / curtailment loss	**—**
Currency / other	**(24.5)**
Total gain recognized in Accumulated other comprehensive loss (pre-tax)	**$ (111.7)**

The changes in the pension and other post-retirement benefit obligations, fair value of plan assets, as well as amounts recognized in the Consolidated Balance Sheets, are shown below.

(Millions of Dollars)	U.S. Plans 2022	U.S. Plans 2021	Non-U.S. Plans 2022	Non-U.S. Plans 2021	Other Benefits 2022	Other Benefits 2021
Change in benefit obligation						
Benefit obligation at end of prior year	**$ 1,458.2**	$ 1,404.3	**$ 1,490.4**	$ 1,622.3	**$ 50.3**	$ 61.2
Service cost	**6.2**	6.5	**15.1**	17.6	**0.3**	0.4
Interest cost	**33.6**	23.0	**22.9**	16.7	**1.5**	0.9
Special termination benefit	**—**	—	**—**	—	**6.9**	—
Settlements/curtailments	**(10.7)**	(0.8)	**(4.4)**	(15.3)	**(0.4)**	—
Actuarial gain	**(314.7)**	(47.2)	**(409.5)**	(92.4)	**(9.5)**	(6.6)
Plan amendments	**0.7**	0.8	**0.1**	0.1	**0.4**	—
Foreign currency exchange rate changes	**—**	—	**(133.1)**	(37.7)	**(0.2)**	(0.2)
Participant contributions	**—**	—	**0.2**	0.2	**—**	—
Acquisitions, divestitures, and other	**(4.5)**	152.4	**2.2**	28.9	**—**	—
Benefits paid	**(85.3)**	(80.8)	**(52.9)**	(50.0)	**(6.5)**	(5.4)
Benefit obligation at end of year	**$ 1,083.5**	$ 1,458.2	**$ 931.0**	$ 1,490.4	**$ 42.8**	$ 50.3
Change in plan assets						
Fair value of plan assets at end of prior year	**$ 1,340.1**	$ 1,191.5	**$ 1,226.6**	$ 1,229.6	$ —	$ —
Actual return on plan assets	**(279.0)**	63.4	**(281.3)**	17.9	**—**	—
Participant contributions	**—**	—	**0.2**	0.2	**—**	—
Employer contributions	**7.0**	13.8	**18.4**	20.8	**6.5**	5.4
Settlements	**(11.0)**	(0.8)	**(4.4)**	(13.7)	**—**	—
Foreign currency exchange rate changes	**—**	—	**(121.0)**	(15.6)	**—**	—
Acquisitions, divestitures, and other	**(4.5)**	153.0	**(2.2)**	37.4	**—**	—
Benefits paid	**(85.3)**	(80.8)	**(52.9)**	(50.0)	**(6.5)**	(5.4)
Fair value of plan assets at end of plan year	**$ 967.3**	$ 1,340.1	**$ 783.4**	$ 1,226.6	**$ —**	$ —
Funded status — assets less than benefit obligation	**$ (116.2)**	$ (118.1)	**$ (147.6)**	$ (263.8)	**$ (42.8)**	$ (50.3)
Unrecognized prior service cost (credit)	**2.9**	3.5	**(13.8)**	(16.4)	**0.4**	0.1
Unrecognized net actuarial loss (gain)	**233.2**	213.4	**143.1**	268.3	**(18.3)**	(9.7)
Net amount recognized	**$ 119.9**	$ 98.8	**$ (18.3)**	$ (11.9)	**$ (60.7)**	$ (59.9)

(Millions of Dollars)	U.S. Plans 2022	U.S. Plans 2021	Non-U.S. Plans 2022	Non-U.S. Plans 2021	Other Benefits 2022	Other Benefits 2021
Amounts recognized in the Consolidated Balance Sheets						
Prepaid benefit cost (non-current)	**$ 4.1**	$ 0.6	**$ 67.7**	$ 62.4	**$ —**	$ —
Current benefit liability	**(6.1)**	(6.0)	**(9.5)**	(10.3)	**(8.9)**	(7.5)
Non-current benefit liability	**(114.2)**	(112.7)	**(205.8)**	(315.9)	**(33.9)**	(42.8)
Net liability recognized	**$ (116.2)**	$ (118.1)	**$ (147.6)**	$ (263.8)	**$ (42.8)**	$ (50.3)
Accumulated other comprehensive loss (pre-tax):						
Prior service cost (credit)	**$ 2.9**	$ 3.5	**$ (13.8)**	$ (16.4)	**$ 0.4**	$ 0.1
Actuarial loss (gain)	**233.2**	213.4	**143.1**	268.3	**(18.3)**	(9.7)
	236.1	216.9	**129.3**	251.9	**(17.9)**	(9.6)
Net amount recognized	**$ 119.9**	$ 98.8	**$ (18.3)**	$ (11.9)	**$ (60.7)**	$ (59.9)

Actuarial losses and gains reflected in the table above are driven by changes in demographic experience, changes in assumptions, and differences in actual returns on investments compared to estimated returns from the prior year. For the year ended December 31, 2022, the overall funded position improved and the benefit obligation decreased primarily driven by the improvement in the single equivalent discount rate used to measure these obligations. However, the actual return on plan assets during the year was less than assumed which partially offsets and decreases the funded position.

The accumulated benefit obligation for all benefit plans was $2.023 billion at December 31, 2022 and $2.943 billion at January 1, 2022. The following table provides information regarding pension plans in which accumulated benefit obligations exceed plan assets as of December 31, 2022 and January 1, 2022:

	U.S. Plans		Non-U.S. Plans	
(Millions of Dollars)	2022	2021	2022	2021
Accumulated benefit obligation	**$ 982.3**	$ 1,299.8	**$ 208.7**	$ 326.1
Fair value of plan assets	**$ 862.0**	$ 1,184.6	**$ 25.7**	$ 50.3

The following table provides information regarding pension plans in which projected benefit obligations (inclusive of anticipated future compensation increases) exceed plan assets as of December 31, 2022 and January 1, 2022:

	U.S. Plans		Non-U.S. Plans	
(Millions of Dollars)	2022	2021	2022	2021
Projected benefit obligation	**$ 982.3**	$ 1,303.3	**$ 266.7**	$ 399.1
Fair value of plan assets	**$ 862.0**	$ 1,184.6	**$ 51.3**	$ 72.9

The major assumptions used in valuing pension and post-retirement plan obligations and net costs were as follows:

	Pension Benefits								
	U.S. Plans			Non-U.S. Plans			Other Benefits		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Weighted-average assumptions used to determine benefit obligations at year end:									
Discount rate	**5.36 %**	2.80 %	2.39 %	**4.70 %**	1.78 %	1.31 %	**5.47 %**	2.84 %	2.19 %
Rate of compensation increase	**—**	3.00 %	3.56 %	**3.64 %**	3.56 %	3.29 %	**—**	**—**	3.50 %
Weighted-average assumptions used to determine net periodic benefit cost:									
Discount rate - service cost	**3.14 %**	2.95 %	3.58 %	**2.67 %**	1.41 %	1.57 %	**4.41 %**	4.42 %	5.62 %
Discount rate - interest cost	**2.28 %**	1.68 %	2.75 %	**1.69 %**	1.06 %	1.61 %	**2.25 %**	1.60 %	3.36 %
Rate of compensation increase	**3.00 %**	3.00 %	3.00 %	**3.57 %**	3.27 %	3.30 %	—	—	3.50 %
Expected return on plan assets	**4.69 %**	4.75 %	5.25 %	**3.41 %**	3.25 %	3.90 %	**—**	—	—

The expected rate of return on plan assets is determined considering the returns projected for the various asset classes and the relative weighting for each asset class. The Company will use a 6.03% weighted-average expected rate of return assumption to determine the 2023 net periodic benefit cost.

PENSION PLAN ASSETS — Plan assets are invested in equity securities, government and corporate bonds and other fixed income securities, money market instruments and insurance contracts. The Company's worldwide asset allocations at December 31, 2022 and January 1, 2022 by asset category and the level of the valuation inputs within the fair value hierarchy established by ASC 820, *Fair Value Measurement*, were as follows:

Asset Category *(Millions of Dollars)*	2022	Level 1	Level 2
Cash and cash equivalents	**$ 42.3**	**$ 28.2**	**$ 14.1**
Equity securities			
U.S. equity securities	**181.9**	**66.2**	**115.7**
Foreign equity securities	**123.3**	**33.0**	**90.3**
Fixed income securities			
Government securities	**619.3**	**236.7**	**382.6**
Corporate securities	**702.5**	**—**	**702.5**
Insurance contracts	**36.7**	**—**	**36.7**
Other	**44.7**	**—**	**44.7**
Total	**$ 1,750.7**	**$ 364.1**	**$ 1,386.6**

Asset Category *(Millions of Dollars)*	2021	Level 1	Level 2
Cash and cash equivalents	$ 74.2	$ 55.7	$ 18.5
Equity securities			
U.S. equity securities	323.3	92.5	230.8
Foreign equity securities	205.9	44.8	161.1
Fixed income securities			
Government securities	871.1	340.7	530.4
Corporate securities	996.3	—	996.3
Insurance contracts	49.6	—	49.6
Other	46.3	—	46.3
Total	$ 2,566.7	$ 533.7	$ 2,033.0

U.S. and foreign equity securities primarily consist of companies with large market capitalization and to a lesser extent mid and small capitalization securities. Government securities primarily consist of U.S. Treasury securities and foreign government securities with de minimus default risk. Corporate fixed income securities include publicly traded U.S. and foreign investment grade and to a small extent high yield securities. Assets held in insurance contracts are invested in the general asset pools of the various insurers, mainly debt and equity securities with guaranteed returns. Other investments include diversified private equity holdings. The level 2 investments are primarily comprised of institutional mutual funds that are not publicly traded; the investments held in these mutual funds are generally level 1 publicly traded securities.

The Company's investment strategy for pension assets focuses on a liability-matching approach with gradual de-risking taking place over a period of many years. The Company utilizes the current funded status to transition the portfolio toward investments that better match the duration and cash flow attributes of the underlying liabilities. Assets approximating 50% of the Company's current pension liabilities have been invested in fixed income securities, using a liability / asset matching duration strategy, with the primary goal of mitigating exposure to interest rate movements and preserving the overall funded status of the underlying plans. Plan assets are broadly diversified and are invested to ensure adequate liquidity for immediate- and medium-term benefit payments. The Company’s target asset allocations include approximately 10%-30% in equity securities, approximately 60%-80% in fixed income securities and approximately 10% in other securities. The funded status percentage (total plan assets divided by total projected benefit obligation) of all global pension plans was 87% in both 2022 and 2021 and 80% in 2020.

CONTRIBUTIONS — The Company’s funding policy for its defined benefit plans is to contribute amounts determined annually on an actuarial basis to provide for current and future benefits in accordance with federal law and other regulations. The Company expects to contribute approximately $37 million to its pension and other post-retirement benefit plans in 2023.

EXPECTED FUTURE BENEFIT PAYMENTS — Benefit payments, inclusive of amounts attributable to estimated future employee service, are expected to be paid over the next 10 years as follows:

(Millions of Dollars)	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10
Future payments	$ 1,451.7	$ 151.6	$ 149.0	$ 146.6	$ 144.6	$ 143.5	$ 716.4

These benefit payments will be funded through a combination of existing plan assets, the returns on those assets, and amounts to be contributed in the future by the Company.

HEALTH CARE COST TRENDS — The weighted-average annual assumed rate of increase in the per-capita cost of covered benefits (i.e., health care cost trend rate) is assumed to be 6.7% for 2022, reducing gradually to 4.6% by 2031 and remaining at that level thereafter.

M. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurement*, defines, establishes a consistent framework for measuring, and expands disclosure requirements about fair value. ASC 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs and significant value drivers are observable.

Level 3 — Instruments that are valued using unobservable inputs.

The Company is exposed to market risk from changes in foreign currency exchange rates, interest rates, stock prices and commodity prices. The Company holds various financial instruments to manage these risks. These financial instruments are carried at fair value and are included within the scope of ASC 820. The Company determines the fair value of these financial instruments through the use of matrix or model pricing, which utilizes observable inputs such as market interest and currency rates. When determining fair value for which Level 1 evidence does not exist, the Company considers various factors including the following: exchange or market price quotations of similar instruments, time value and volatility factors, the Company's own credit rating and the credit rating of the counterparty.

The following table presents the Company's financial assets and liabilities that are measured at fair value on a recurring basis for each of the hierarchy levels:

(Millions of Dollars)	Total Carrying Value	Level 1	Level 2	Level 3
December 31, 2022				
Money market fund	**$ 9.4**	**$ 9.4**	**$ —**	**$ —**
Equity security	**$ 3.2**	**$ 3.2**	**$ —**	**$ —**
Deferred compensation plan investments	**$ 19.0**	**$ 19.0**	**$ —**	**$ —**
Derivative assets	**$ 12.2**	**$ —**	**$ 12.2**	**$ —**
Derivative liabilities	**$ 16.1**	**$ —**	**$ 16.1**	**$ —**
Contingent consideration liability	**$ 268.7**	**$ —**	**$ —**	**$ 268.7**
January 1, 2022				
Money market fund	$ 11.0	$ 11.0	$ —	$ —
Equity security	$ 13.8	$ 13.8	$ —	$ —
Deferred compensation plan investments	$ 26.2	$ 26.2	$ —	$ —
Derivative assets	$ 33.1	$ —	$ 33.1	$ —
Derivative liabilities	$ 8.7	$ —	$ 8.7	$ —
Contingent consideration liability	$ 288.6	$ —	$ —	$ 288.6

The following table provides information about the Company's financial assets and liabilities not carried at fair value:

	December 31, 2022		January 1, 2022	
(Millions of Dollars)	Carrying Value	Fair Value	Carrying Value	Fair Value
Other investments	**$ 9.3**	**$ 9.3**	$ 11.2	$ 11.6
Long-term debt, including current portion	**$ 5,354.1**	**$ 4,662.9**	$ 4,354.9	$ 4,850.2

The money market fund and other investments related to the West Coast Loading Corporation ("WCLC") trust are considered Level 1 instruments within the fair value hierarchy. The equity security is considered a Level 1 instrument and is recorded at its quoted market price. The deferred compensation plan investments are considered Level 1 instruments and are recorded at their

quoted market price. The long-term debt instruments are considered Level 2 instruments and are measured using a discounted cash flow analysis based on the Company's marginal borrowing rates. The differences between the carrying values and fair values of long-term debt are attributable to the stated interest rates differing from the Company's marginal borrowing rates. The fair values of the Company's variable rate short-term borrowings approximate their carrying values at December 31, 2022 and January 1, 2022. The fair values of derivative financial instruments in the table above are based on current settlement values.

As part of the Craftsman® brand acquisition in March 2017, the Company recorded a contingent consideration liability representing the Company's obligation to make future payments to Transform Holdco, LLC, which operates Sears and Kmart retail locations, of between 2.5% and 3.5% on sales of Craftsman products in new Stanley Black & Decker, Inc. channels through March 2032. During the year ended December 31, 2022, the Company paid $41.3 million for royalties owed. The Company will continue making future payments quarterly through the second quarter of 2032. The estimated fair value of the contingent consideration liability is determined using a discounted cash flow analysis taking into consideration future sales projections, forecasted payments to Transform Holdco, LLC, based on contractual royalty rates, and the related tax impacts. The estimated fair value of the contingent consideration liability was $268.7 million and $288.6 million as of December 31, 2022 and January 1, 2022, respectively. Adjustments to the contingent consideration liability, with the exception of cash payments, are recorded in SG&A in the Consolidated Statements of Operations. A 100-basis point reduction in the discount rate would result in an increase to the liability of approximately $8.6 million as of December 31, 2022.

A single estimate of fair value results from a complex series of judgments about future events and uncertainties and relies heavily on estimates and assumptions. The Company's judgments used to determine the estimated contingent consideration liability discussed above, including estimated future sales projections, can materially impact the Company's results of operations.

The Company had no significant non-recurring fair value measurements, nor any other financial assets or liabilities measured using Level 3 inputs, during 2022 or 2021.

Refer to *Note I, Financial Instruments*, for more details regarding derivative financial instruments, *Note S, Contingencies,* for more details regarding the other investments related to the WCLC trust, and *Note H, Long-Term Debt and Financing Arrangements*, for more information regarding the carrying values of the Company's long-term debt.

N. OTHER COSTS AND EXPENSES

Other, net is primarily comprised of intangible asset amortization expense (see *Note F, Goodwill and Intangible Assets*), currency-related gains or losses, environmental remediation expense, deal costs and related consulting costs, and certain pension gains or losses. Deal costs and related consulting costs of $9.8 million, $24.2 million, and $27.4 million were included in Other, net for the years ended December 31, 2022, January 1, 2022, and January 2, 2021, respectively. In 2022, Other, net also included a $7.1 million special termination benefit charge associated with a voluntary retirement program. In 2020, Other, net included a $19.6 million loss relating to the unamortized loss on cash flow swap terminations, a $14.1 million special termination benefit charge associated with a voluntary retirement program, and a $55.3 million release of a contingent consideration liability relating to the CAM acquisition. Refer to *Note E, Acquisitions and Investments,* for further discussion of the CAM contingent consideration. The year-over-year increase in 2022 in Other, net was primarily driven by higher intangible asset amortization expense and appreciation of investments in 2021. The year-over-year decrease in 2021 in Other, net was primarily due to appreciation of investments.

During 2020, the Company recognized pre-tax charges of approximately $185.0 million related to the comprehensive cost reduction and efficiency program in response to the impact of the COVID-19 pandemic. The charges were primarily related to costs associated with a voluntary retirement program as well as restructuring costs related to headcount actions.

Research and development costs, which are classified in SG&A, were $357.4 million, $276.3 million and $200.0 million for fiscal years 2022, 2021 and 2020, respectively.

O. RESTRUCTURING CHARGES

A summary of the restructuring reserve activity from January 1, 2022 to December 31, 2022 is as follows:

(Millions of Dollars)	January 1, 2022	Net Additions	Usage	Currency	December 31, 2022
Severance and related costs	$ 28.2	$ 125.9	$ (98.7)	$ 1.6	**$ 57.0**
Facility closures and asset impairments	3.5	14.9	(13.2)	0.1	**5.3**
Total	$ 31.7	$ 140.8	$ (111.9)	$ 1.7	**$ 62.3**

During 2022, the Company recognized net restructuring charges of $140.8 million, primarily related to severance and related costs.

The majority of the $62.3 million of reserves remaining as of December 31, 2022 is expected to be utilized within the next 12 months.

Segments: The $140.8 million of net restructuring charges for the year ended December 31, 2022 includes: $80.7 million pertaining to the Tools & Outdoor segment; $25.9 million pertaining to the Industrial segment; and $34.2 million pertaining to Corporate.

P. BUSINESS SEGMENTS AND GEOGRAPHIC AREAS

The Company's operations are classified into two reportable business segments: Tools & Outdoor and Industrial.

The Tools & Outdoor segment is comprised of the Power Tools Group ("PTG"), Hand Tools, Accessories & Storage ("HTAS") and Outdoor Power Equipment ("Outdoor") businesses. The PTG business includes both professional and consumer products. Professional products include professional grade corded and cordless electric power tools and equipment including drills, impact wrenches and drivers, grinders, saws, routers and sanders, as well as pneumatic tools and fasteners including nail guns, nails, staplers and staples, and concrete and masonry anchors. Consumer products include corded and cordless electric power tools sold primarily under the BLACK+DECKER® brand, and home products such as hand-held vacuums, paint tools and cleaning appliances. The HTAS business sells hand tools, power tool accessories and storage products. Hand tools include measuring, leveling and layout tools, planes, hammers, demolition tools, clamps, vises, knives, saws, chisels and industrial and automotive tools. Power tool accessories include drill bits, screwdriver bits, router bits, abrasives, saw blades and threading products. Storage products include tool boxes, sawhorses, medical cabinets and engineered storage solution products. The Outdoor business primarily sells corded and cordless electric lawn and garden products, including hedge trimmers, string trimmers, lawn mowers, pressure washers and related accessories, and gas powered lawn and garden products, including lawn tractors, zero turn ride on mowers, walk behind mowers, snow blowers, residential robotic mowers, utility terrain vehicles (UTVs), hand-held outdoor power equipment, garden tools, and parts and accessories to professionals and consumers under the DEWALT®, CUB CADET®, BLACK+DECKER®, CRAFTSMAN®, TROY-BILT®, and HUSTLER® brand names.

The Industrial segment is comprised of the Engineered Fastening and Infrastructure businesses. The Engineered Fastening business primarily sells highly engineered components such as fasteners, fittings and various engineered products, which are designed for specific application across multiple verticals. The product lines include externally threaded fasteners, blind rivets and tools, blind inserts and tools, drawn arc weld studs and systems, engineered plastic and mechanical fasteners, self-piercing riveting systems, precision nut running systems, micro fasteners, high-strength structural fasteners, axel swage, latches, heat shields, pins, and couplings. The Infrastructure business sells hydraulic tools and high quality, performance-driven heavy equipment attachment tools for off-highway applications.

The Company utilizes segment profit, which is defined as net sales minus cost of sales and SG&A inclusive of the provision for credit losses (aside from corporate overhead expense), and segment profit as a percentage of net sales to assess the profitability of each segment. Transactions between segments are not material. Segment assets primarily include cash, accounts receivable, inventory, other current assets, property, plant and equipment, right-of-use lease assets and intangible assets. Net sales and long-lived assets are attributed to the geographic regions based on the geographic locations of the end customer and the Company subsidiary, respectively.

BUSINESS SEGMENTS

(Millions of Dollars)	2022	2021	2020
Net Sales			
Tools & Outdoor	**$ 14,423.7**	$ 12,817.4	$ 10,329.7
Industrial	**2,523.4**	2,463.1	2,352.7
Corporate Overhead & Other	**0.3**	0.8	67.6
Consolidated	**$ 16,947.4**	$ 15,281.3	$ 12,750.0
Segment Profit			
Tools & Outdoor	**$ 971.9**	$ 1,985.4	$ 1,820.3
Industrial	**236.2**	256.6	220.6
Segment Profit	**1,208.1**	2,242.0	2,040.9
Corporate Overhead & Other	**(294.0)**	(342.9)	(302.1)
Other, net	**(274.8)**	(189.5)	(215.7)
Loss on sales of businesses	**(8.4)**	(0.6)	(13.5)
Restructuring charges	**(140.8)**	(14.5)	(73.8)
Gain on equity method investment	**—**	68.0	—
Asset impairment charge	**(168.4)**	—	—
Loss on debt extinguishment	**—**	—	(46.9)
Interest income	**54.7**	9.8	17.5
Interest expense	**(338.5)**	(185.4)	(222.7)
Earnings from continuing operations before income taxes and equity interest	**$ 37.9**	$ 1,586.9	$ 1,183.7
Capital and Software Expenditures			
Tools & Outdoor	**$ 438.5**	$ 375.8	$ 228.6
Industrial	**85.6**	123.3	102.2
Corporate Overhead & Other	**—**	—	0.2
Discontinued operations	**6.3**	20.0	17.1
Consolidated	**$ 530.4**	$ 519.1	$ 348.1
Depreciation and Amortization			
Tools & Outdoor	**$ 387.6**	$ 312.9	$ 311.2
Industrial	**184.2**	201.4	200.0
Corporate Overhead & Other	**—**	—	0.3
Discontinued operations	**0.4**	62.8	66.6
Consolidated	**$ 572.2**	$ 577.1	$ 578.1

Segment Assets	2022	2021
Tools & Outdoor	**$ 20,202.0**	$ 19,537.9
Industrial	**5,284.8**	5,627.8
	25,486.8	25,165.7
Assets held for sale	**—**	3,505.4
Corporate assets	**(523.5)**	(491.1)
Consolidated	**$ 24,963.3**	$ 28,180.0

Corporate Overhead & Other includes the results of the commercial electronic security business in five countries in Europe and emerging markets through its disposition in the fourth quarter of 2020, as well as the corporate overhead element of SG&A, which is not allocated to the business segments.

Corporate assets primarily consist of cash, deferred taxes, property, plant and equipment and right-of-use lease assets. Based on the nature of the Company's cash pooling arrangements, at times corporate-related cash accounts will be in a net liability position.

Lowe's accounted for approximately 15%, 15% and 17% of the Company's consolidated net sales in 2022, 2021 and 2020, respectively, while The Home Depot accounted for approximately 13%, 15% and 14% of the Company's consolidated net sales in 2022, 2021 and 2020, respectively.

As described in *Note A, Significant Accounting Policies*, the Company recognizes revenue at a point in time from the sale of tangible products or over time depending on when the performance obligation is satisfied. For the years ended December 31, 2022, January 1, 2022, and January 2, 2021, the majority of the Company's revenue was recognized at the time of sale. The percent of total segment revenue recognized over time for the Industrial segment for the years ended December 31, 2022, January 1, 2022 and January 2, 2021 was 4.6%, 6.6% and 9.2%, respectively.

The following table is a further disaggregation of the Industrial segment revenue for the years ended December 31, 2022, January 1, 2022 and January 2, 2021:

(Millions of Dollars)	2022	2021	2020
Engineered Fastening	**$ 1,874.8**	$ 1,842.1	$ 1,717.8
Infrastructure	**648.6**	621.0	634.9
Industrial	**$ 2,523.4**	$ 2,463.1	$ 2,352.7

GEOGRAPHIC AREAS

(Millions of Dollars)	2022	2021	2020
Net Sales			
United States	**$ 10,733.1**	$ 9,073.1	$ 7,828.3
Canada	**835.7**	696.0	575.0
Other Americas	**839.4**	833.6	587.9
France	**489.8**	488.8	393.0
Other Europe	**2,664.9**	2,847.2	2,288.7
Asia	**1,384.5**	1,342.6	1,077.1
Consolidated	**$ 16,947.4**	$ 15,281.3	$ 12,750.0

	December 31, 2022	January 1, 2022
Property, Plant & Equipment, net		
United States	**$ 1,465.8**	$ 1,433.6
Canada	**7.4**	21.6
Other Americas	**249.8**	178.1
France	**30.7**	36.6
Other Europe	**272.9**	318.9
Asia	**326.5**	348.0
Consolidated	**$ 2,353.1**	$ 2,336.8

Q. INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities from continuing operations at the end of each fiscal year were as follows:

(Millions of Dollars)	2022	2021
Deferred tax liabilities:		
Depreciation	**$ 160.1**	$ 132.2
Intangible assets	**907.5**	917.3
Liability on undistributed foreign earnings	**45.4**	48.2
Lease right-of-use asset	**108.2**	106.5
Inventory	**59.4**	79.6
Other	**46.7**	48.4
Total deferred tax liabilities	**$ 1,327.3**	$ 1,332.2
Deferred tax assets:		
Employee benefit plans	**$ 130.9**	$ 204.2
Basis differences in liabilities	**104.0**	100.4
Operating loss, capital loss and tax credit carryforwards	**817.4**	830.7
Lease liability	**110.4**	109.7
Intangible assets	**556.8**	417.7
Basis difference in debt obligations	**268.0**	205.1
Capitalized research and development costs	**134.7**	86.0
Other	**204.3**	206.6
Total deferred tax assets	**$ 2,326.5**	$ 2,160.4
Net Deferred Tax Asset before Valuation Allowance	**$ 999.2**	$ 828.2
Valuation Allowance	**$ (1,032.5)**	$ (1,067.2)
Net Deferred Tax Liability after Valuation Allowance	**$ (33.3)**	$ (239.0)

The increase in intangible deferred tax assets relates to the intra-entity asset transfer of certain intangible assets between two of the Company's foreign subsidiaries. The recognized deferred tax benefit represents the difference between the basis of the intellectual property for financial statement purposes and the basis of the intellectual property for tax purposes.

A valuation allowance is recorded on certain deferred tax assets if it has been determined it is more likely than not that all or a portion of these assets will not be realized. The Company recorded a valuation allowance of $1,032.5 million and $1,067.2 million on deferred tax assets existing as of December 31, 2022 and January 1, 2022, respectively. The valuation allowances in 2022 and 2021 are primarily attributable to foreign and state net operating loss carryforwards, intangible assets, foreign capital loss carryforwards, and state tax credits.

As of December 31, 2022, the Company has approximately $5.2 billion of unremitted foreign earnings and profits. Of the total amount, the Company has provided for deferred taxes of $45.4 million on approximately $1.5 billion, which is not indefinitely reinvested primarily due to the changes brought about by the Tax Cuts and Jobs Act. The Company otherwise continues to consider the remaining undistributed earnings of its foreign subsidiaries to be permanently reinvested based on its current plans for use outside of the U.S. and accordingly no taxes have been provided on such earnings. The cash held by the Company's non-U.S. subsidiaries for indefinite reinvestment is generally used to finance foreign operations and investments, including acquisitions. The income taxes applicable to such earnings and other outside basis differences are not readily determinable or practicable to calculate.

Net operating loss carryforwards of $3.0 billion as of December 31, 2022 are available to reduce future tax obligations of certain U.S. and foreign companies. The net operating loss carryforwards have various expiration dates beginning in 2023 with certain jurisdictions having indefinite carryforward periods. The foreign capital loss carryforwards of $56.5 million as of December 31, 2022 have indefinite carryforward periods.

U.S. foreign tax credit carryforward balance as of December 31, 2022 totaled $22.5 million with various expiration dates beginning in 2029. U.S. foreign tax credit carryforward of $12.9 million is included in unrecognized tax benefits and subject to an annual limitation, which constitutes a change of ownership as defined under the Internal Revenue Code Section 382. State tax credit carryforward balance as of December 31, 2022 totaled $23.2 million. The carryforward balance is made up of various credit types spanning multiple state taxing jurisdictions and various expiration dates beginning in 2023.

On August 9, 2022, the U.S. government enacted the Creating Helpful Incentives to Produce Semiconductors ("CHIPS Act"), which includes an advanced manufacturing investment tax credit and tax incentives related to semiconductor manufacturing, among other provisions. On August 16, 2022, the U.S. government enacted the Inflation Reduction Act ("IRA"), which imposes a new corporate alternative minimum tax ("CAMT"), an excise tax on stock buybacks, and significant tax incentives for energy and climate initiatives, among other provisions. The CAMT is effective for tax years beginning after December 31, 2022, while the excise tax applies to repurchases of stock after December 31, 2022. The effective dates of the energy related incentives vary. In response to a technical inquiry, the FASB provided guidance permitting a company to make an accounting policy election to either consider the effect of CAMT when evaluating the need for, and the amount of, a valuation allowance or account for the effects on deferred tax assets in the period they arise. The Company has elected to account for the effects of CAMT on deferred tax assets in the period they arise. The Company evaluated the impacts of the CHIPS Act and the IRA and concluded that they do not have a material impact on the Company's consolidated financial statements.

The components of earnings from continuing operations before income taxes and equity interest consisted of the following:

(Millions of Dollars)	**2022**	**2021**	**2020**
United States	**$ (1,233.8)**	$ (77.7)	$ 144.5
Foreign	**1,271.7**	1,664.6	1,039.2
Earnings before income taxes and equity interest	**$ 37.9**	$ 1,586.9	$ 1,183.7

Income taxes on continuing operations consisted of the following:

(Millions of Dollars)	**2022**	**2021**	**2020**
Current:			
Federal	**$ (79.0)**	$ 0.3	$ 55.4
Foreign	**248.6**	388.0	183.2
State	**(16.7)**	31.8	19.8
Total current	**$ 152.9**	$ 420.1	$ 258.4
Deferred:			
Federal	**$ (61.2)**	$ (124.7)	$ (25.1)
Foreign	**(222.5)**	(210.1)	(192.1)
State	**(1.6)**	(30.2)	(3.2)
Total deferred	**(285.3)**	(365.0)	(220.4)
Income taxes	**$ (132.4)**	$ 55.1	$ 38.0

Net income taxes paid for continuing operations during 2022, 2021 and 2020 were $482.6 million, $441.8 million and $241.6 million, respectively. The 2022, 2021 and 2020 amounts include refunds of $41.8 million, $50.1 million and $43.8 million, respectively, primarily related to prior year overpayments and settlement of tax audits.

The reconciliation of the U.S. federal statutory income tax provision to Income taxes on continuing operations in the Consolidated Statements of Operations is as follows:

(Millions of Dollars)	2022	2021	2020
Tax at statutory rate	**$ 8.0**	$ 333.2	$ 248.6
State income taxes, net of federal benefits	**(19.3)**	1.4	12.0
Foreign tax rate differential	**(28.8)**	(63.5)	(58.6)
Uncertain tax benefits	**26.3**	49.6	17.7
Change in valuation allowance	**(25.1)**	(11.9)	(12.7)
Change in deferred tax liabilities on undistributed foreign earnings	**12.8**	23.1	(118.8)
Stock-based compensation	**7.3**	(6.3)	(9.2)
Change in tax rates	**(5.5)**	(31.1)	(0.3)
Tax credits	**(8.8)**	(6.7)	(6.0)
Capital loss	**—**	—	(40.4)
U.S. federal tax expense (benefit) on foreign earnings	**55.7**	(118.1)	2.0
Intra-entity asset transfer of intellectual property	**(153.3)**	(114.2)	(27.7)
Other	**(1.7)**	(0.4)	31.4
Income taxes	**$ (132.4)**	$ 55.1	$ 38.0

The Company conducts business globally and, as a result, files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course, the Company is subject to examinations by taxing authorities throughout the world. The Internal Revenue Service is currently examining the Company's consolidated U.S. income tax returns for the 2017 through 2019 tax years. With few exceptions, as of December 31, 2022, the Company is no longer subject to U.S. federal, state, local, or foreign examinations by tax authorities for years before 2012.

The Company’s liabilities for unrecognized tax benefits relate to U.S. and various foreign jurisdictions. The following table summarizes the activity related to the unrecognized tax benefits from continuing operations:

(Millions of Dollars)	2022	2021	2020
Balance at beginning of year	**$ 487.7**	$ 428.3	$ 392.0
Additions based on tax positions related to current year	**27.2**	33.6	27.8
Additions based on tax positions related to prior years	**41.1**	53.5	34.4
Reductions based on tax positions related to prior years	**(37.8)**	(17.2)	(19.0)
Settlements	**(7.0)**	(1.3)	(0.5)
Statute of limitations expirations	**(8.5)**	(9.2)	(6.4)
Balance at end of year	**$ 502.7**	$ 487.7	$ 428.3

The gross unrecognized tax benefits from continuing operations at December 31, 2022 and January 1, 2022 include $496.0 million and $478.4 million, respectively, of tax benefits that, if recognized, would impact the effective tax rate. The liability for potential penalties and interest related to unrecognized tax benefits from continuing operations decreased by $11.2 million in 2022, increased by $9.6 million in 2021 and decreased by $3.4 million in 2020. The liability for potential penalties and interest totaled $48.8 million as of December 31, 2022, $60.0 million as of January 1, 2022, and $49.2 million as of January 2, 2021. The Company classifies all tax-related interest and penalties as income tax expense.

The Company considers many factors when evaluating and estimating its tax positions and the impact on income tax expense, which may require periodic adjustments, and which may not accurately anticipate actual outcomes. It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions will significantly increase or decrease within the next twelve months. However, based on the uncertainties associated with finalizing audits with the relevant tax authorities including formal legal proceedings, it is not possible to reasonably estimate the impact of any such change.

R. COMMITMENTS AND GUARANTEES

COMMITMENTS — The Company has numerous assets, predominantly real estate, vehicles and equipment, under various lease arrangements. At inception of arrangements with vendors, the Company determines whether the contract is or contains a

lease based on each party's rights and obligations under the arrangement. If the lease arrangement also contains non-lease components, the lease and non-lease elements are separately accounted for in accordance with the appropriate accounting guidance for each item. From time to time, lease arrangements allow for, and the Company executes, the purchase of the underlying leased asset. Lease arrangements may also contain renewal options or early termination options. As part of its lease liability and right-of-use asset calculation, consideration is given to the likelihood of exercising any extension or termination options. Leases with expected durations of less than twelve months from inception (i.e. short-term leases) are excluded from the Company's calculation of lease liabilities and right-of-use assets, as permitted by ASC 842, *Leases*. The following is a summary of the Company's right-of-use-assets and lease liabilities:

(Millions of Dollars)	December 31, 2022	January 1, 2022
Right-of-use assets	**$ 431.5**	$ 426.0
Lease liabilities	**$ 440.5**	$ 439.1
Weighted-average incremental borrowing rate	**3.6 %**	3.5 %
Weighted-average remaining term	**6 years**	6 years

Right-of-use assets are included within Other assets in the Consolidated Balance Sheets, while lease liabilities are included within Accrued expenses and Other liabilities, as appropriate. The Company determines its incremental borrowing rate based on interest rates from its debt issuances, taking into consideration adjustments for collateral, lease terms and foreign currency.

As a result of acquiring right-of-use assets from new leases entered into during the years ended December 31, 2022 and January 1, 2022, the Company's lease liabilities increased approximately $115.8 million and $84.1 million, respectively. The Company has variable rate leases for certain manufacturing facilities, distribution centers and office buildings in which the periodic rental payments vary based on benchmark interest rates.

The following is a summary of the Company's total lease cost for the years ended December 31, 2022, January 1, 2022, and January 2, 2021:

(Millions of Dollars)	2022	2021	2020
Operating lease cost	**$ 147.1**	$ 126.3	$ 116.7
Short-term lease cost	**27.6**	25.5	21.0
Variable lease cost	**5.9**	5.9	7.0
Sublease income	**(2.5)**	(1.3)	(0.3)
Total lease cost	**$ 178.1**	$ 156.4	$ 144.4

During 2022, 2021, and 2020, the Company paid $124.1 million, $110.8 million, and $111.2 million respectively, relating to leases included in the measurement of its lease liability and right-of-use asset.

The following is a summary of the Company's future lease obligations on an undiscounted basis at December 31, 2022:

(Millions of Dollars)	Total	2023	2024	2025	2026	2027	Thereafter
Lease obligations	$ 490.4	$ 116.2	$ 94.4	$ 70.8	$ 61.0	$ 46.4	$ 101.6

The following is a summary of the Company's future marketing commitments at December 31, 2022:

(Millions of Dollars)	Total	2023	2024	2025	2026	2027	Thereafter
Marketing commitments	$ 81.6	$ 45.1	$ 22.1	$ 7.2	$ 7.2	$ —	$ —

As of December 31, 2022, the Company had unrecognized commitments that require the future purchase of goods or services (unconditional purchase obligations) to provide it with access to products and services at competitive prices. These obligations consist of supplier agreements with long-term minimum material purchase requirements and freight forwarding arrangements with minimum quantity commitments. The following is a summary of the Company's unconditional purchase obligations related to these agreements at December 31, 2022:

(Millions of Dollars)	Total	2023	2024	2025	2026	2027	Thereafter
Supplier agreements	$ 339.0	$ 142.2	$ 130.8	$ 56.0	$ 10.0	$ —	$ —

GUARANTEES — The Company's financial guarantees at December 31, 2022 are as follows:

(Millions of Dollars)	Term	Maximum Potential Payment	Carrying Amount of Liability
Guarantees on the residual values of leased properties	One to nine years	**$ 156.6**	**$ —**
Standby letters of credit	Up to three years	**174.0**	—
Commercial customer financing arrangements	Up to six years	**79.7**	**12.7**
Total		**$ 410.3**	**$ 12.7**

The Company has guaranteed a portion of the residual values associated with the variable rate leases mentioned previously. The lease guarantees are for an amount up to $156.6 million while the fair value of the underlying assets is estimated at $189.5 million. The related assets would be available to satisfy the guarantee obligations and therefore it is unlikely the Company will incur any future loss associated with these guarantees.

The Company has issued $174.0 million in standby letters of credit that guarantee future payments which may be required under certain insurance programs and in relation to certain environmental remediation activities described more fully in *Note S, Contingencies*.

The Company provides various limited and full recourse guarantees to financial institutions that provide financing to U.S. and Canadian Mac Tool distributors and franchisees for their initial purchase of the inventory and trucks necessary to function as a distributor and franchisee. In addition, the Company provides limited and full recourse guarantees to financial institutions that extend credit to certain end retail customers of its U.S. Mac Tool distributors and franchisees. The gross amount guaranteed in these arrangements is $79.7 million and the $12.7 million carrying value of the guarantees issued is recorded in Other liabilities in the Consolidated Balance Sheets.

The Company provides warranties on certain products across its businesses. The types of product warranties offered generally range from one year to limited lifetime. There are also certain products with no warranty. Further, the Company sometimes incurs discretionary costs to service its products in connection with product performance issues. Historical warranty and service claim experience forms the basis for warranty obligations recognized. Adjustments are recorded to the warranty liability as new information becomes available.

The changes in the carrying amount of product warranties for the years ended December 31, 2022, January 1, 2022, and January 2, 2021 are as follows:

(Millions of Dollars)	2022	2021	2020
Balance beginning of period	**$ 134.5**	$ 107.9	$ 94.4
Warranties and guarantees issued	**155.3**	150.1	126.9
Warranties assumed in acquisitions	**—**	33.4	—
Warranty payments and currency	**(163.2)**	(156.9)	(113.4)
Balance end of period	**$ 126.6**	$ 134.5	$ 107.9

S. CONTINGENCIES

The Company is involved in various legal proceedings relating to environmental issues, employment, product liability, workers' compensation claims and other matters. The Company periodically reviews the status of these proceedings with both inside and outside counsel, as well as an actuary for risk insurance. Management believes that the ultimate disposition of these matters will not have a material adverse effect on operations or financial condition taken as a whole.

In the normal course of business, the Company is a party to administrative proceedings and litigation, before federal and state regulatory agencies, relating to environmental remediation with respect to claims involving the discharge of hazardous substances into the environment, generally at current and former manufacturing facilities. In addition, some of these claims assert that the Company is responsible for damages and liability, for remedial investigation and clean-up costs, with respect to sites that have never been owned or operated by the Company, but the Company has been identified as a potentially responsible party ("PRP").

In connection with the 2010 merger with Black & Decker, the Company assumed certain commitments and contingent liabilities. Black & Decker is a party to litigation and administrative proceedings with respect to claims involving the discharge of hazardous substances into the environment at current and former manufacturing facilities and has also been named as a PRP in certain administrative proceedings.

The Company, along with many other companies, has been named as a PRP in numerous administrative proceedings for the remediation of various waste sites, including 26 active Superfund sites. Current laws potentially impose joint and several liabilities upon each PRP. In assessing its potential liability at these sites, the Company has considered the following: whether responsibility is being disputed, the terms of existing agreements, experience at similar sites, and the Company's volumetric contribution at these sites.

The Company's policy is to accrue environmental investigatory and remediation costs for identified sites when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. If no amount in the range of probable loss is considered most likely, the minimum loss in the range is accrued. The amount of liability recorded is based on an evaluation of currently available facts with respect to each individual site and includes such factors as existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. The liabilities recorded do not take into account any claims for recoveries from insurance or third parties. As assessments and remediation progress at individual sites, the amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. As of December 31, 2022 and January 1, 2022, the Company had reserves of $129.3 million and $159.1 million, respectively, for remediation activities associated with Company-owned properties, as well as for Superfund sites, for losses that are probable and estimable. Of the December 31, 2022 amount, $39.4 million is classified as current and $89.9 million as long-term which is expected to be paid over the estimated remediation period. As of December 31, 2022, the range of environmental remediation costs that is reasonably possible is $58.5 million to $220.1 million which is subject to change in the near term. The Company may be liable for environmental remediation of sites it no longer owns. Liabilities have been recorded on those sites in accordance with the Company's policy.

As of December 31, 2022, the Company has recorded $16.4 million in other assets related to funding received by the Environmental Protection Agency ("EPA") and placed in a trust in accordance with the final settlement with the EPA, embodied in a Consent Decree approved by the United States District Court for the Central District of California on July 3, 2013. Per the Consent Decree, Emhart Industries, Inc. (a dissolved and liquidated former indirectly wholly-owned subsidiary of The Black & Decker Corporation) ("Emhart") has agreed to be responsible for an interim remedy at a site located in Rialto, California and formerly operated by West Coast Loading Corporation ("WCLC"), a defunct company for which Emhart was alleged to be liable as a successor. The remedy will be funded by (i) the amounts received from the EPA as gathered from multiple parties, and, to the extent necessary, (ii) Emhart's affiliate. The interim remedy requires the construction of a water treatment facility and the filtering of ground water at or around the site for a period of approximately 30 years or more. As of December 31, 2022, the Company's net cash obligation associated with remediation activities, including WCLC assets, is $112.9 million.

The EPA also asserted claims in federal court in Rhode Island against Black & Decker and Emhart related to environmental contamination found at the Centredale Manor Restoration Project Superfund Site ("Centredale"), located in North Providence, Rhode Island. The EPA discovered a variety of contaminants at the site, including but not limited to, dioxins, polychlorinated biphenyls, and pesticides. The EPA alleged that Black & Decker and Emhart are liable for site clean-up costs under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") as successors to the liability of Metro-Atlantic, Inc., a former operator at the site, and demanded reimbursement of the EPA's costs related to this site. Black & Decker and Emhart then vigorously litigated the issue of their liability for environmental conditions at the Centredale site, including completing trial on Phase 1 of the proceedings in late July 2015 and completing trial on Phase 2 of the proceedings in April 2017. On July 9, 2018, a Consent Decree was lodged with the United States District Court documenting the terms of a settlement between the Company and the United States for reimbursement of EPA's past costs and remediation of environmental contamination found at the Centredale site. The terms of the Consent Decree were subject to public comment and Court approval. After a full hearing on March 19, 2019, the Court approved and entered the Consent Decree on April 8, 2019. The settlement resolves outstanding issues relating to Phase 1 and 2 of the litigation with the United States. The Company is complying with the terms of the settlement. The District Court's entry of the Consent Decree was appealed by several PRPs at the site to the United States Court of Appeals for the First Circuit. The District Court's actions were affirmed by the First Circuit on February 17, 2021. Phase 3 of the litigation, is addressing the potential allocation of liability to other PRPs who may have contributed to contamination of the Centredale site with dioxins, polychlorinated biphenyls and other contaminants of concern. As of December 31, 2022, the Company has a remaining reserve of $35.2 million for this site.

The Company and approximately 47 other companies comprise the Lower Passaic Cooperating Parties Group (the "CPG"). The CPG members and other companies are parties to a May 2007 Administrative Settlement Agreement and Order on Consent ("AOC") with the EPA to perform a remedial investigation/feasibility study ("RI/FS") of the lower seventeen miles of the

Lower Passaic River in New Jersey (the “River”). The Company’s potential liability stems from former operations in Newark, New Jersey. As an interim step related to the 2007 AOC, on June 18, 2012, the CPG members voluntarily entered into an AOC with the EPA for remediation actions focused solely at mile 10.9 of the River. The Company’s estimated costs related to the RI/FS and focused remediation action at mile 10.9, based on an interim allocation, are included in its environmental reserves. On April 11, 2014, the EPA issued a Focused Feasibility Study (“FFS”) and proposed plan which addressed various early action remediation alternatives for the lower 8.3 miles of the River. The EPA received public comment on the FFS and proposed plan (including comments from the CPG and other entities asserting that the FFS and proposed plan do not comply with CERCLA) which public comment period ended on August 20, 2014. The CPG submitted to the EPA a draft RI report in February 2015 and draft FS report in April 2015 for the entire lower seventeen miles of the River. On March 4, 2016, the EPA issued a Record of Decision ("ROD") selecting the remedy for the lower 8.3 miles of the River. The cleanup plan adopted by the EPA is now considered a final action for the lower 8.3 miles of the River and will include the removal of 3.5 million cubic yards of sediment, placement of a cap over the entire lower 8.3 miles of the River, and, according to the EPA, will cost approximately $1.4 billion and take 6 years to implement after the remedial design is completed. On September 30, 2016, Occidental Chemical Corporation ("OCC") entered into an agreement with the EPA to perform the remedial design for the cleanup plan for the lower 8.3 miles of the River. The remedial design is expected to be substantially completed in 2023. On June 30, 2018, OCC filed a complaint in the United States District Court for the District of New Jersey against over 100 companies, including the Company, seeking CERCLA cost recovery or contribution for past costs relating to various investigations and cleanups OCC has conducted or is conducting in connection with the River. According to the complaint, OCC has incurred or is incurring costs which include the estimated cost ($165 million) to complete the remedial design for the cleanup plan for the lower 8.3 miles of the River. OCC also seeks a declaratory judgment to hold the defendants liable for their proper shares of future response costs for OCC's ongoing activities in connection with the River. The Company and other defendants have answered the complaint and currently are engaged in discovery with OCC. On February 24, 2021, the Company and other defendants filed a third party complaint against the Passaic Valley Sewerage Commissioners and forty-two municipalities to require those entities to pay their equitable share of response costs. On October 10, 2018, the EPA issued a letter directing the CPG to prepare a streamlined feasibility study for the upper 9 miles of the River based on an iterative approach using adaptive management strategies. The CPG submitted a revised draft Interim Remedy Feasibility Study to the EPA on December 4, 2020, which identifies various targeted dredge and cap alternatives with costs that range from $420 million to $468 million (net present value). The EPA approved the Interim Remedy Feasibility Study on December 11, 2020. The EPA issued the Interim Remedy Proposed Plan on April 14, 2021, selecting an alternative that the EPA estimates will cost $441 million (net present value). The CPG continues to conduct work to complete the RI/FS for the entire 17-mile River. The EPA issued the Interim Remedy ROD on September 28, 2021. The Company and 105 other parties received a letter dated March 31, 2016 from the EPA notifying such parties of potential liability for the costs of the cleanup of the lower 8.3 miles of the River and a letter dated March 30, 2017 stating that the EPA had offered 20 of the parties (not including the Company) an early cash out settlement. In a letter dated May 17, 2017, the EPA stated that these 20 parties did not discharge any of the eight hazardous substances identified as the contaminants of concern in the lower 8.3 mile ROD. In the March 30, 2017 letter, the EPA stated that other parties who did not discharge dioxins, furans or polychlorinated biphenyls (which are considered the contaminants of concern posing the greatest risk to human health or the environment) may also be eligible for cash out settlement, but expects those parties' allocation to be determined through a complex settlement analysis using a third-party allocator. The EPA subsequently clarified this statement to say that such parties would be eligible to be "funding parties" for the lower 8.3 mile remedial action with each party's share of the costs determined by the EPA based on the allocation process and the remaining parties would be "work parties" for the remedial action. The Company asserts that it did not discharge dioxins, furans or polychlorinated biphenyls and should be eligible to be a "funding party" for the lower 8.3 mile remedial action. The Company participated in the allocation process. The allocator selected by the EPA issued a confidential allocation report on December 28, 2020, which was reviewed by the EPA. As a result of the allocation process, on February 11, 2022, the EPA and certain parties (including the Company) reached an agreement in principle for a cash-out settlement for remediation of the entire 17-mile Lower Passaic River. On December 16, 2022, the United States lodged a Consent Decree with the United States District Court for the District of New Jersey in *United States v. Alden Leeds, Inc. et al.* (No. 2:22-cv-07326) that addresses the liability of 85 parties (including the Company) for an aggregate amount of $150 million based on the EPA-sponsored allocation report that found OCC 99.4% responsible for the cleanup costs of the River. The Consent Decree is subject to a 45-day public comment period (which may be extended by the Court) after which the Court will enter or disapprove the Consent Decree. On December 20, 2022, various defendants (including the Company) in the OCC litigation filed an unopposed motion to stay the litigation for six months. The Court has not yet ruled on the motion to stay. At this time, the Company cannot reasonably estimate its liability related to the litigation and remediation efforts, excluding the RI/FS and remediation actions at mile 10.9, as the OCC litigation is pending and the EPA settlement process has not been completed and requires court approval.

Per the terms of a Final Order and Judgment approved by the United States District Court for the Middle District of Florida on January 22, 1991, Emhart is responsible for a percentage of remedial costs arising out of the Kerr McGee Chemical Corporation Superfund Site located in Jacksonville, Florida. On March 15, 2017, the Company received formal notification from the EPA that the EPA had issued a ROD selecting the preferred alternative identified in the Proposed Cleanup Plan. As of December 31, 2022, the Company has reserved $21.1 million for this site.

The environmental liability for certain sites that have cash payments beyond the current year that are fixed or reliably determinable have been discounted using a rate of 3.7% to 4.8%, depending on the expected timing of disbursements. The

discounted and undiscounted amount of the liability relative to these sites is $38.6 million and $48.7 million, respectively. The payments relative to these sites are expected to be $3.2 million in 2023, $3.5 million in 2024, $3.2 million in 2025, $3.1 million in 2026, $2.7 million in 2027, and $33.0 million thereafter.

The amount recorded for identified contingent liabilities is based on estimates. Amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. Actual costs to be incurred in future periods may vary from the estimates, given the inherent uncertainties in evaluating certain exposures. Subject to the imprecision in estimating future contingent liability costs, the Company does not expect that any sum it may have to pay in connection with these matters in excess of the amounts recorded will have a materially adverse effect on its financial position, results of operations or liquidity.

T. DIVESTITURES

2022 DIVESTITURES

Oil & Gas business

On August 19, 2022, the Company completed the previously announced sale of its Oil & Gas business comprised of the pipeline services and equipment businesses to Pipeline Technique Limited and recognized a pre-tax loss of $8.6 million. This divestiture did not qualify for discontinued operations and therefore, its results are included in the Company's continuing operations within the Industrial segment for all periods presented through the date of sale.

Following is the pre-tax (losses) income for this business for the years ended December 31, 2022, January 1, 2022 and January 2, 2021:

(Millions of Dollars)	2022	2021	2020
Pre-tax (losses) income	**$ (2.7)**	$ (16.8)	$ 9.1

In addition, the Company recognized a $168.4 million pre-tax asset impairment charge to adjust the carrying amount of the long-lived assets of the Oil & Gas business to its fair value less the costs to sell during the second quarter of 2022.

Commercial Electronic Security and Healthcare businesses

On July 22, 2022, the Company completed the previously announced sale of its Convergent Security Solutions ("CSS") business comprised of the commercial electronic security and healthcare businesses to Securitas AB for net proceeds of $3.1 billion and a pre-tax gain of $588 million.

As part of the purchase and sale agreement, the Company will perform transition services relating to certain administrative functions for Securitas AB for an initial period of one year or less, pending integration of these functions into their pre-existing business processes. A portion of the $3.1 billion net proceeds received at closing was deferred to reimburse the Company for transition service costs expected to be incurred.

Mechanical Access Solutions business

On July 5, 2022, the Company completed the sale of its Mechanical Access Solutions ("MAS") business comprised of the automatic doors business to Allegion plc for net proceeds of $922.2 million and a pre-tax gain of $609 million.

As part of the purchase and sale agreement, the Company will perform transition services relating to certain administrative functions for Allegion plc for an initial period of two years or less, pending integration of these functions into their pre-existing business processes.

The CSS and MAS divestitures represent a single plan to exit the Security segment and are considered a strategic shift that will have a major effect on the Company’s operations and financial results. As such, the operating results of CSS and MAS are reported as discontinued operations. Amounts previously reported have been reclassified to conform to this presentation to allow for meaningful comparison of continuing operations. These divestitures allow the Company to invest in other areas that fit into its long-term strategy.

Summarized operating results of discontinued operations are presented in the following table for each fiscal year ended:

(Millions of Dollars)	2022	2021	2020
Net Sales	**$ 1,056.3**	$ 1,971.4	$ 1,784.7
Cost of sales	**687.5**	1,258.7	1,134.8
Selling, general, and administrative[1]	**308.0**	529.2	510.4
Gain on sale of discontinued operations	**1,197.4**	—	—
Other, net and restructuring charges	**47.3**	59.2	56.2
Earnings from discontinued operations before income taxes	**$ 1,210.9**	$ 124.3	$ 83.3
Income taxes on discontinued operations	**318.5**	(12.4)	3.4
Net earnings from discontinued operations	**$ 892.4**	$ 136.7	$ 79.9

[1] Includes provision for credit losses.

The following table presents the significant non-cash items and capital expenditures for the discontinued operations with respect to CSS and MAS that are included in the Consolidated Statements of Cash Flows for each fiscal year ended:

(Millions of Dollars)	2022	2021	2020
Depreciation and amortization	**$ 0.4**	$ 62.8	$ 66.6
Capital expenditures	**$ 6.3**	$ 20.0	$ 17.1
Stock-based compensation	**$ 17.5**	$ 7.9	$ 6.1

As of January 1, 2022, the assets and liabilities related to CSS and MAS were classified as held for sale on the Company's Consolidated Balance Sheets. There were no assets or liabilities held for sale relating to the Oil & Gas business as of January 1, 2022. The carrying amounts of the assets and liabilities that were aggregated in assets held for sale and liabilities held for sale as of January 1, 2022 are presented in the following table:

(Millions of Dollars)	January 1, 2022
Cash and cash equivalents	$ 145.1
Accounts and notes receivable, net	513.9
Inventories, net	169.4
Other current assets	41.2
Property, plant and equipment, net	84.3
Goodwill and other intangibles, net	2,270.2
Other assets	281.3
Total assets	$ 3,505.4
Accounts payable and accrued expenses	$ 460.4
Other long-term liabilities	137.4
Total liabilities	$ 597.8

2020 DIVESTITURES

On November 2, 2020, the Company sold its commercial electronic security businesses in five countries in Europe and emerging markets within the Security segment, which resulted in net proceeds of $60.9 million. The Company also sold a product line within Oil & Gas in the Industrial segment during the fourth quarter of 2020. As a result of these sales, the Company recognized a net pre-tax loss of $13.5 million in 2020, consisting of a $17.7 million loss on the sale of a product line within Oil & Gas partially offset by a $4.2 million gain on the sale of the commercial electronic security businesses. During the first quarter of 2021, the Company recognized a pre-tax loss of $1.0 million as a result of the finalization of the purchase price for the commercial electronic security divestiture.

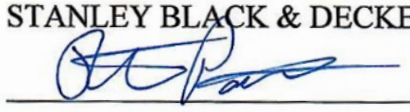
These divestitures allow the Company to invest in other areas that fit into its long-term strategy. These disposals do not qualify as discontinued operations and are included in the Company's Consolidated Statements of Operations for all periods presented through their respective dates of sale in 2020. Pre-tax income for these businesses totaled $4.1 million for the year ended January 2, 2021.

GUARANTEE OF PERFORMANCE

For value received, Stanley Black & Decker, Inc., a Connecticut corporation (the "Guarantor"), located at 1000 Stanley Drive, New Britain, Connecticut 06053, absolutely and unconditionally guarantees to assume the duties and obligations of the "Franchisor", Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division, located at 5195 Blazer Parkway, Dublin, Ohio 43017, under its franchise registration in each state where the franchise is registered, and under its Mac Tools Franchise Agreement identified in its February 23, 2023 Franchise Disclosure Document, as it may be amended, and as that Mac Tools Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at New Britain, Connecticut on the 24th day of February, 2023

STANLEY BLACK & DECKER, INC.



Robert T. Paternostro, Treasurer and Vice President

EXHIBIT B

MAC TOOLS FRANCHISE AGREEMENT

FRANCHISOR:	Stanley Industrial & Automotive, LLC through its Mac Tools Division
FRANCHISEE:	_____
CITY, STATE OF FRANCHISED ROUTE(S):	_____
EFFECTIVE DATE:	_____

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MAC TOOLS FRANCHISE AGREEMENT

The person or persons signing below are referred to as "you" and "your." If the party signing this Mac Tools Franchise Agreement (this "Agreement") is a corporation, limited liability company, or other business entity, "you" and "your" shall refer to such entity and shall also refer to the natural person signing below on behalf of such entity, provided that no natural person (other than the undersigned individual (as defined below)) shall be entitled to any of the rights and benefits under this Agreement. (The natural person signing below is called the "undersigned individual.")

"Mac Tools" refers to Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division, and its successors and assigns. Our principal place of business is located at 5195 Blazer Parkway, Dublin, Ohio 43017, and our distribution center is located at 4380 Old Roberts Road, Columbus, Ohio 43228.

1. Your Appointment as a Franchisee; Fees.

1.1. Appointment. Mac Tools appoints you as an authorized franchisee to operate a Mac Tools mobile tool distribution business (the "Mac Tools Business") and to distribute products and equipment manufactured by Mac Tools or its affiliate(s) for sale under the "MAC Tools®" name and trademarks (the "Manufactured Products") and of products manufactured by others and distributed by Mac Tools (the "Distributed Products"). (The Manufactured Products and the Distributed Products are referred to collectively as the "Products.") During the Term (as defined below in Section 2.1), Mac Tools may periodically provide you the opportunity to purchase and distribute certain products sold under other brands owned by Stanley Industrial & Automotive, LLC and Stanley Black & Decker, Inc. (the "SBD Products"). Mac Tools has developed a business plan and method of business operation for the operation of such a Mac Tools mobile tool distribution business, by utilizing certain standards, specifications, methods, procedures, techniques and management systems, identification schemes and proprietary marks and information (the "Mac Tools System"), all of which may be changed, improved and further developed from time to time by Mac Tools. You will use the Mac Tools System in your operation of the Mac Tools Business. You agree to this appointment. Your operation of the Mac Tools Business under this Agreement includes, among other responsibilities, the operation of at least one assigned Route (as defined below in Section 3.1(a)) and, upon the agreement by you and Mac Tools to the assignment of one or more additional Route(s), to the operation of the Mac Tools Business on those Route(s), as well. Mac Tools reserves its rights, in its sole discretion and on a case by case basis, to decide whether or not to approve your request to add another route to your assigned Route(s) and reserves its rights to consider any factors of its choosing in making these decisions. Your appointment by Mac Tools, and the assignment of your Route(s) and of the Stops (as defined below in Section 3.1), is nonexclusive, except that Mac Tools will not assign any Stop(s) assigned to any of your Route(s) to any other franchisee, distributor or Mac Tools employee distributors. Mac Tools further reserves its rights, in its sole discretion, through the Mac Tools Division or through a parent, subsidiaries, or affiliated or related business entities, to market and sell the Products and the SBD Products to customers in any location through any method of product distribution (including, without limitation, through the Internet, direct mail solicitation, sale of Products at automotive racing venues and through retail automotive products stores) other than the distribution method described in the immediately preceding sentence.

1.2. Initial Franchise Fee. You must pay Mac Tools an initial franchise fee (the "Initial Franchise Fee") in the amount of Eight Thousand Dollars ($8,000). The Initial Franchise Fee shall be fully earned, due and payable upon Mac Tools' execution of this Agreement and is not refundable.

1.3 Annual Fee. You must pay Mac Tools an annual fee (the "Annual Fee") in the amount of One Thousand Two Hundred Dollars ($1,200). The Annual Fee is not refundable.

During the first calendar year of the Term, the Annual Fee is payable by you in the form of a single payment amount equal to One Hundred Dollars ($100) multiplied by the number of whole calendar months in the remainder of the first calendar year of the Term, beginning with the Annual Fee Month (as defined below). Payment shall be in the form of a debit to your trade account (as referenced in Section 5.3 of this Agreement) and shall be paid by you in full within thirty (30) days of the date of invoice by Mac Tools. During each full calendar year during the Term, the Annual Fee is payable by you in a single payment amount of One Thousand Two Hundred Dollars ($1,200), which payment shall be in the form of a debit to your trade account (as referenced in Section 5.3 of this Agreement) for which you will be invoiced on or before the fifteenth (15^{th}) day of January in each such full calendar year. Payment of the Annual Fee during each such full calendar year of the Term shall be due in full within thirty (30) days of said invoice date.

As used in this Section 1.3, the term "Annual Fee Month" means the month following the month of the effective date of this Agreement.

2. Term of Agreement; Renewal.

2.1. Initial Term. This Agreement shall begin on the date Mac Tools signs it in its offices in Ohio and, unless it is terminated earlier in accordance with the termination provisions of this Agreement, it will continue for a period of ten (10) years from that date (the "Initial Term"). If the laws of the state in which you live, or in which the Route is located, require a longer initial term, the Initial Term will be as long as required by the applicable law. The Initial Term and any Renewal Term(s) are collectively referred to in this Agreement as the "Term."

2.2. Renewal. After the Initial Term, you may, at your option, renew this Agreement for one (1) additional successive renewal term (the "Renewal Term") of ten (10) years, provided that at the end of the Initial Term you have met each of the following requirements (unless you and Mac Tools have otherwise agreed in writing to a waiver of a particular requirement):

(a) You have given Mac Tools written notice of your election to renew not more than six (6) months, nor less than thirty (30) days, prior to the end of the Initial Term;

(b) You are not in default under any provision of this Agreement, or any other agreement between Mac Tools and you, and you have been in full compliance with all material terms and conditions of such agreements during their terms;

(c) You execute Mac Tools' then-current form of Mac Tools Franchise Agreement, which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement;

(d) You execute a general release, in a form prescribed by Mac Tools, of any and all claims through the date of renewal against Mac Tools, Stanley Industrial & Automotive, LLC and its corporate affiliates, and their respective officers, directors, members, agents, and employees in their corporate and individual capacities;

(e) You comply with Mac Tools' then-current qualifications and training requirements, including, without limitation, training requirements specifically designed for renewing franchisees;

(f) You agree to upgrade your Truck to conform to Mac Tools' then-current standards as outlined in writing;

(g) You pay to Mac Tools a non-refundable renewal fee in an amount equal to one-half of the then-current initial franchise fee; and

(h) You have not, during the term of this Agreement, as determined by Mac Tools in its reasonable discretion, engaged in any behavior prohibited under Section 3.2 of this Agreement, or, with respect to your communications with Mac Tools, its affiliates or suppliers, any verbally abusive or inappropriate and unprofessional behavior.

3. Your Obligations and Responsibilities as a Franchisee.

3.1. The Business. You agree that you will establish and operate a Mac Tools Business. In your operation of the Mac Tools Business, you will aggressively and actively sell and promote the sale and service of the Products and, as applicable, the SBD Products at Customer (as defined below in Section 3.1(a)) locations (the "Stop" or "Stops"). The Mac Tools Business includes any operations and activities by any of your employee(s) ("Employee" or "Employee(s)") directly or indirectly related to any Route(s) assigned to you.

(a) The Route(s). A Route is a list of Stops assigned by Mac Tools and listed on Attachment A to this Agreement (the "Route" and, if more than one Route is assigned, collectively, the "Route(s)"). Each Route assigned by Mac Tools must be operated by (i) the natural person signing this Agreement, or (ii) upon Mac Tools' consent, by an Employee under the direct supervision and control of the natural person signing this Agreement. No other person may operate your Route(s). You must at all times actively supervise the operation of your Mac Tools Business on each Route, including each Route operated by any Employee. You must at all times actively participate in each Route that has been assigned to you, including each Route operated by any Employee. You must keep Mac Tools informed at all times of the name of the Employee assigned to operate each Route. Failure to operate any Route assigned to you under this Agreement in accordance with the requirements of this Agreement may result in termination of that Route pursuant to Section 10.4. After the initial assigned Route, each Route will have the list of Stops assigned by Mac Tools and listed in Attachment A on an Additional Route Assignment form. You will ensure that any Route(s) assigned under this Agreement will be operated in such a manner as will enhance Mac Tools' and your business reputation and goodwill. (The Route(s), and your obligations regarding them, are more fully explained in Article 4 below.) There may be one or more purchasers or potential purchasers of the Products and, as applicable, the SBD Products (the "Customers") at each Stop. You will not have any ownership interest in any of the Route(s) or the lists of Stops and Customers assigned to the Route(s). You are responsible for keeping each of your Route assignment lists current and for submitting to Mac Tools annually on or before December 1st for each Route a current Route assignment list signed and dated by you and in a format prescribed by Mac Tools. If a location has not been assigned to one of your Routes as described in Article 4 of this Agreement, then it is not considered a part of such Route, even if you provide service to the unassigned location.

(b) The Manual. You will operate the Mac Tools Business in accordance with the terms of this Agreement and the Mac Tools Field Operations Manual (the "Manual"). The Manual includes written rules and procedures which Mac Tools issues to its franchisees from time to time in

written and/or electronic form, at Mac Tools' sole discretion. The Manual is Mac Tools' property, and Mac Tools is loaning it to you for the duration of this Agreement. The Manual will be provided to you when you attend the initial training. As provided in Section 3.20 of this Agreement, the Manual is proprietary and you must keep it confidential and you must ensure that your shareholders, members, managers, officers, directors and Employee(s) keep it confidential, as well. You must return it to Mac Tools (or destroy it) upon termination or expiration of this Agreement. Mac Tools has the right to add to or otherwise modify the Manual from time to time to reflect changes in authorized Products and services, standards or Product quality, and operations of Mac Tools Businesses. In the event of a dispute as to the contents of the Manual, the master copy of the Manual maintained by Mac Tools at its principal place of business shall control. When Mac Tools revises the Manual, the Manual will be re-issued in its entirety to you and other franchisees.

(c) Employee(s). In the event that you request Mac Tools' consent under this Agreement to add one or more Routes, you must submit a written proposal to Mac Tools. In the event that you request Mac Tools' consent under this Agreement to allow one or more of your Routes to be operated by one or more of your Employees, you must submit a written proposal to Mac Tools. Your proposal must contain a written certification to Mac Tools (1) that the Employee(s) you intend to hire: (i) do not have any felony convictions or pleas of nolo contendere relating to a felony, (ii) do not have any convictions or pleas of nolo contendere relating to crimes involving moral turpitude, financial dishonesty, assault or battery, operating a motor vehicle under the influence of alcohol or drugs that are illegal under United States federal law or state law, (iii) has not had his or her driver's license suspended or revoked within the prior five (5) year period, or (iv) will not, while conducting the business, use or be under the influence of alcohol or drugs that are illegal under United States federal law or state law, and (2) the Employee(s) you intend to hire have not been the subject of an allegation which, in Mac Tools' reasonable opinion, is supported by the evidence, that the Employee(s) has committed a crime or engaged in any other behavior that would be prohibited under Section 3.2 of this Agreement that, in Mac Tools' reasonable discretion, may adversely affect its goodwill. You proposal must also include a notice to us if the Employee(s) you intend to hire has previously been employed by Mac Tools or been a signatory to a franchise or distributor agreement with Mac Tools (each a "Former Mac Tools Employee, Franchisee or Distributor"). Mac Tools reserves the right to object to your proposal to allow a Route to be operated by a Former Mac Tools Employee, Franchisee or Distributor if, in Mac Tools' reasonable discretion, the Former Mac Tools Employee, Franchisee or Distributor, during his or her prior employment or business relationship with Mac Tools, or any time thereafter, (A) failed to meet any payment obligations to Mac Tools, (B) demonstrated behavior that was unprofessional and damaging to the MAC Tools® name and its business reputation, or which created or may create an unacceptable risk of claims against Mac Tools, or (C) engaged in any behavior prohibited under Section 3.2 of this Agreement. You shall take all necessary actions to classify your employees as W-2 employees, rather than independent contractors.

Mac Tools reserves the right to object to your proposal to add one or more Routes, and Mac Tools reserves the right to object to your proposal to allow a Route to be operated by an Employee. Within a reasonable time of Mac Tools' receipt of your written proposal to add one or more Routes or to allow a Route to be operated by an Employee, Mac Tools will provide you with written notice of its decision regarding your proposal(s).

It is solely your decision regarding who to hire as your Employee(s), provided, you have Mac Tools' approval of the operation of a Route by an Employee, you are able to make the written certifications to us that are described above, and, in the case of a Former Mac Tools Employee, Franchisee or Distributor, the individual has not engaged in any prohibited act described in subparagraphs (A) through (C) above. You hereby acknowledge that any referral of a potential Employee by us is not and should not be construed as a request that you hire the candidate. Any Employee(s) hired by you under this Agreement will be solely your Employee(s) and under your control

and active direction and such Employee(s) will not be under Mac Tools' control or supervision and will not be its employee(s), agent(s) or legal representative(s) for any purposes. You hereby acknowledge and agree that you are responsible for the additional obligations resulting from your employment of any Employee(s), including, without limitation, (i) performing the employer's obligations respecting payroll, employment-related taxes and withholding, and employee benefits, (ii) performing recordkeeping, reporting, collections and service obligations for all Route(s), providing an approved Mac Tools Truck (as defined below in Section 3.11(a)) in compliance with the Franchise Agreement and the Manual for use on each of the Route(s), (iii) bearing financial responsibility for all business conducted on the Route(s) and (iv) obtaining and maintaining during the Initial Term and any Renewal Term(s) of this Agreement any additional insurance coverage for the additional Truck(s) and inventory of the Products and required pursuant to Section 3.17 of this Agreement. We reserve the right to require you to provide us with a background check and driving record for any Employee who will be operating a Truck owned by us.

(d) Sale of Products. You agree that you will sell the Products and, as applicable, the SBD Products only at Stops on the Route(s) to Customers who are users of the Products and, as applicable, the SBD Products in the automotive after-market, service stations, independent garages, car and truck dealerships, non-automotive accounts such as cycle shops, lawn mower shops, airports, marinas, machine shops, factories, farm implement dealers or repairers, commercial agricultural use, and other commercial users of tools and shop equipment. For each and every Route you are assigned, you are responsible for the sale of the Products and, as applicable, the SBD Products to professional mechanics and others whom you reasonably believe will use them in their trade or business. You agree that you and your Employee(s) will not knowingly sell the Products and, as applicable, the SBD Products (a) to any person(s) who is/are, or regarding whom there is reason to believe is/are, in the business of reselling tools and equipment or (b) (except for certain SBD Products directed to the consumer market) to individuals who are going to use them primarily for personal, family, household or other consumer purposes. You agree not to use the Internet to offer the Products, or the SBD Products, for sale.

(e) Uniforms. You agree that you will maintain a professional image and comply with the requirements in the Manual regarding attire while operating the Route(s).

3.2 Best Efforts and Behavior. You will dedicate your full working time and your resources, and you will apply your best efforts, to the conduct of the Mac Tools Business. While conducting the Mac Tools Business, you will not engage in behavior damaging to the MAC Tools® name and its business reputation, including, without limitation, fighting, drinking alcoholic beverages, using racial slurs or epithets, taking, or involvement in any manner with, drugs that are illegal under United States federal law or state law, operating the Mac Tools Business while under the influence of alcoholic beverages or drugs that are illegal under United States federal law or state law, and immoral or illegal behavior. You will ensure that your Employee(s) do not engage in any behavior that would similarly be damaging to the Mac Tools® name and its business reputation. You will not, and will ensure your Employee(s) will not, drive or operate the Mac Tools Truck, or operate or service the Route(s), or interact with Customers at Stops on the Route(s) while under the influence of, or appearing to be under the influence of, alcoholic beverages or drugs. You will not, and ensure your Employee(s) will not, engage in fighting or other behavior damaging to the MAC Tools® name and its business reputation with, or in the presence of, any individual who may have come into contact with the Mac Tools Business operated under this Agreement, regardless of when such behavior takes place. You will conduct yourself, and will ensure your Employee(s) will conduct themselves, in a professional manner when communicating with our employees and the public. All individuals assigned to a Route must maintain a valid driver's license and a driving record demonstrating reasonable care in operating the Truck on the Route. An individual who is the subject of a conviction, or a plea agreement, involving a suspension of

the individual's driver's license shall be deemed not to possess a driving record demonstrating reasonable care.

3.3 Training. Unless you have been granted a prior written waiver from Mac Tools, before you start the Mac Tools Business you must successfully complete Mac Tools' initial orientation and training classes to our satisfaction. Mac Tools will pay the cost of the training and teaching materials. You will pay your travel, lodging and personal expenses during any training that takes place at Mac Tools' location in Ohio. You must also complete the follow-up training on your Route with a representative of Mac Tools.

You shall ensure that, prior to communicating with Customers on any Route, each Employee hired by you who will operate a Route is fully trained in Mac Tools' policies and procedures. You may train your own Employee(s) or you may, at your option, send your Employee(s) to training we provide that takes place at Mac Tools' location in Ohio. For each Route that you operate, Mac Tools will train up to two of your Employee(s). For your third or subsequent employee on the same Route, Mac Tools has the right to charge you a tuition fee for each Employee who attends training.

Upon your request, and in the sole discretion of Mac Tools, Mac Tools may provide your Employee(s) with training at the location of your Mac Tools Business and/or on your Route(s). If Mac Tools agrees to provide such on-site training, Mac Tools has the right to charge you a fee for Mac Tools' costs and expenses for the training, including, without limitation, the cost of training materials and the travel, room and board, salary and incidental expenses of Mac Tools' training instructors.

At all times you shall be responsible for the costs of your Employee(s)' travel, lodging and personal expenses associated with attending any training that takes place at Mac Tools' location in Ohio or that requires your Employee(s) to travel out of town.

You shall permit your District Manager or his/her designee to ride on the Truck with each Employee as requested by us from time to time.

Further, you shall ensure that each such Employee fully complies with your duties and obligations under this Agreement as may be applicable to such Employee's duties.

You hereby acknowledge that your failure to comply with your obligations under this Agreement regarding your direction of the activities of Employee(s) shall constitute a default under this Agreement providing Mac Tools with a right to terminate this Agreement, in whole or in part, subject to Article 10 of this Agreement.

Mac Tools may provide optional supplemental training courses, as Mac Tools deems necessary. The location of such training shall be in Mac Tools sole discretion and Mac Tools reserves the right to charge you a tuition fee or attendance fee for such training.

3.4 Minimum Inventory. You will keep at all times at least a minimum level of Product inventory for each of your Routes, unless you are complying with a written business improvement plan approved by Mac Tools. The required minimum inventory level is the lesser of (a) Mac Tools' current level of starter inventory (the "Starter Inventory") for new franchisees, multiplied by the number of Routes assigned to you, or (b) such other level as Mac Tools may determine from time to time.

3.5 Personal Contacts. You will establish a regular schedule for each Route assigned to you, make a good faith effort to maintain Customer goodwill, and provide prompt, efficient, and courteous service with respect to the Products.

3.6 Payments.

(a) You will pay when due all amounts payable to Mac Tools under the terms of this Agreement, including without limitation the provisions of Section 1.2 and 1.3 of this Agreement, and under all other agreements which you execute in favor of or make with Mac Tools or its affiliates, including without limitation agreements for the payment and/or financing of the Products and, as applicable, the SBD Products (collectively, the "Indebtedness").

(b) If any payment, electronic or otherwise, that you owe to Mac Tools under this Agreement or any other agreement which you execute in favor of or make with Mac Tools or its affiliates, is unpaid because of insufficient funds in your bank account or otherwise, then you shall pay Mac Tools the resulting bank fees imposed on Mac Tools, if any, plus a $35 administrative fee for each such occurrence. You authorize Mac Tools to debit from your bank account or to add to your trade account balance the amount of any such bank fees and such administrative fee(s).

3.7 Compliance with This Agreement and Other Agreements. You shall comply with all provisions of this Agreement and other agreements with Mac Tools or its affiliates. You shall also comply with any agreements relating to any financing program that may be offered by third parties that (i) from time to time provide credit to certain of your customers to enable them to purchase Products and SBD Products from you (the "Customer Credit Programs"), or (ii) provide financing to you to acquire a Truck, your initial inventory or general working capital in connection with the start up of your Mac Tools Business (the "Business Start Up Credit Program(s)" and, collectively, with the Customer Credit Programs, the "Third Party Credit Programs"). You acknowledge and agree that Mac Tools or any third parties offering the Third Party Credit Programs may modify, supplement, amend or terminate such programs at any time and from time to time upon delivery of written notice to you. In furtherance of the foregoing, you agree that if, in any instance, (i) you fail to satisfy any of your financial obligations arising under any agreements that are associated with any of the Third Party Credit Programs, and (ii) Mac Tools makes payments or is obligated to make payments in respect of your financial obligations under such agreements, you immediately will reimburse Mac Tools for any such amounts Mac Tools has paid or is otherwise obligated to pay, and you expressly agree that Mac Tools may collect such amounts from you by setting off, against such amounts, any amounts that otherwise would be due and owing from Mac Tools to you, including, without limitation, any amounts credited to your trade account.

3.8 Inspections. You hereby grant Mac Tools and its authorized representatives the right at any time and from time to time during regular business hours to inspect the operations of your Mac Tools Business, including, without limitation, speaking with your Customers, entering and inspecting any Truck(s) (and any physical premises used in your Mac Tools Business), and inventory display(s), conducting an inventory of the Products and the SBD Products and other items on any Truck(s), and accompanying you on any of the Route(s) to ensure compliance with this Agreement and the Manual. You shall cooperate fully with such inspections and immediately take such steps as may be necessary to correct any deficiencies detected during such inspections and to conform your operation of the Mac Tools Business to this Agreement and the Manual.

3.9 Non-competition.

(a) During the Term of this Agreement, you shall not individually or in conjunction with any person, firm, partnership, corporation, limited liability company or other third party as principal, agent, shareholder, director, officer, member, manager, employee, consultant or guarantor or in any other manner whatsoever, directly or indirectly carry on or be engaged in or concerned with or interested in, financially or otherwise, or advise in the establishment or operation of, any business which consists substantially of the supply of products to users in the automotive after-market, service stations,

independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment; provided, however, that this provision shall not apply to your operation of another Mac Tools Business, or to your ownership of less than three percent (3%) of the outstanding stock of any publicly held corporation.

(b) During the Term of this Agreement, you shall ensure that, on each of your Routes, you only sell (a) products manufactured by Mac Tools, (b) products distributed by Mac Tools, (c) other products and merchandise to ensure Customer satisfaction if you are unable to obtain such other products and/or merchandise from Mac Tools within the required time period, and (d) items that are traded-in by your Customers. All products manufactured or distributed by Mac Tools that you sell must have been purchased by you from Mac Tools unless such restrictions are invalid under the laws of the state(s) in which you conduct the Mac Tools Business. You will not compete with Mac Tools, or with any of its other franchisees or distributors or its employee distributors, directly or indirectly, whether individually or as an officer, director, shareholder, member, manager, employee, agent, or affiliate of any competitor of ours or otherwise, without Mac Tools' prior written consent.

(c) You acknowledge and agree that the covenants in this Section 3.9 are fair and reasonable. If the scope of any limitations or restrictions imposed by the covenants in this Section 3.9 are deemed by a court or arbitrator to be too broad to permit enforcement of such limitations or restrictions as written, then you and Mac Tools hereby consent and agree that such scope may be modified by the court or arbitrator accordingly in any proceeding brought to enforce such limitations or restrictions to the maximum extent permitted under applicable law.

3.10 Non-solicitation and Customer Non-competition: Officers, Directors, Holders of Ownership Interests and/or Employees. In the event that the franchisee under this Agreement is a business entity, you must require each officer, director, member, manager, partner, shareholder or holder of any ownership interest in the franchisee business entity (collectively, "Entity Owners") to execute a non-disclosure, customer non-solicitation and non-competition agreement in a form provided by, or satisfactory to, Mac Tools and provide copies of the executed agreements to Mac Tools. In the event that your Employee(s), either during or after their employment with you, compete with, solicit the customers of, or disclose the confidential information of Mac Tools, you shall be deemed to be in breach of this Agreement and Mac Tools will have the discretion to terminate this Agreement. You must require each such Employee, as a condition of commencing employment with you, to execute a non-disclosure, customer non-solicitation and non-competition agreement in a form provided by, or satisfactory to, Mac Tools and provide copies of the executed agreements to Mac Tools.

3.11 The Truck.

(a) Obtaining the Truck(s). You shall obtain a truck or van which is one of the approved models specified by Mac Tools as the same may be modified by Mac Tools from time to time for each of the Route(s) the rights to which you have been assigned (or in the future are assigned) under this Agreement (the "Truck" or the "Trucks"). It is your decision whether to lease or purchase the Truck(s). You may acquire the Truck(s) from any supplier of your choice. You will maintain the Truck(s) in good repair and working order and in a clean condition at all times. You must obtain and maintain all licenses for the Truck required by your state. You may not use with your Truck(s) any federal and/or state transportation department numbers issued to Mac Tools. You must ensure that no later than sixty (60) days after the Effective Date of this Agreement, the appearance of your Truck(s) complies with all standards and specifications for the appearance of Truck(s) in the Manual, including, without limitation, those regarding Truck color, decals and graphics. If you fail to do so, Mac Tools shall have the right to declare you in default of this Agreement.

(b) Operation of the Truck(s). You will comply with any agreement or lease relating to the Truck(s) (or other property in which all or part of your inventory of the Products or any SBD Products may be stored). You will ensure that the Truck(s) are operated only in connection with the Mac Tools Business and shall neither use nor permit others to use the Truck(s) for any other reason. The Truck(s) must at all times be operated in a safe and courteous manner and in compliance with traffic and motor vehicle laws.

(c) MAC Tools® Logo and Truck Appearance. Each of the Truck(s) shall display the Proprietary Marks (as provided by Section 7.1 of this Agreement) and any other references to your affiliation with Mac Tools in such manner and form as Mac Tools may specify in the Manual or elsewhere in writing. Products and, as applicable, any SBD Products, must be displayed on the Truck(s) in an effective and attractive manner in accordance with the Manual. You will not put any other advertising or other logos on the Truck(s) without Mac Tools' prior written permission. The appearance of your Truck(s) must comply with any specifications for the appearance of Truck(s) in the Manual, including, without limitation, those regarding Truck color schemes, decals and graphics. Upon written request from Mac Tools, you must upgrade each of your Truck(s) to conform to Mac Tools' then-current Truck standards and specifications as set forth in the Manual or as otherwise set forth in writing by Mac Tools, provided, however, you shall not be obligated to upgrade your Truck(s) more than once every five (5) years. Notwithstanding the foregoing, at all times Mac Tools shall have the right to require you to upgrade your Truck(s) to conform to Mac Tools' then-current Truck standards and specifications upon the renewal of this Agreement. Any upgrade to your Truck(s) required by Mac Tools pursuant to the terms of this Agreement, including upgrades to your initial Truck and any Truck(s) subsequently purchased or leased by you, must be completed within sixty (60) days after the earlier of (i) your purchase or lease of the Truck(s), and (ii) written notification from Mac Tools setting forth the requirement to upgrade the Truck(s). If you fail to do so, Mac Tools shall have the right to declare you in default of this Agreement.

3.12 Use of Computer System; Software; Recordkeeping. On each of the Route(s) operated in connection with your Mac Tools Business, unless you have obtained Mac Tools' prior written consent to use other software, you must (as applicable) obtain, maintain, and fully utilize all software that Mac Tools from time to time identifies and/or makes available for your access and/or use on your Routes and in your Mac Tools Business, including, but not limited to, any proprietary software of Mac Tools, any third-party software required by Mac Tools, or any other third-party software licensed, sublicensed, or otherwise provided to you through Mac Tools and/or its affiliates (collectively, the "Software"). In such quantity and manner as determined by Mac Tools in its sole discretion, you must obtain and maintain the required quantity of Software licenses or user permissions that Mac Tools determines are needed to meet your obligations under this Agreement with respect to the Software. In its sole discretion, Mac Tools shall have the right to change, modify, update, upgrade and replace the Software that you are required to obtain, maintain, and fully utilize in connection with your Mac Tools Business, and Mac Tools shall have the right to require you, at your sole cost and expense, to update, upgrade, and/or replace the Software so that it complies with Mac Tools' then-current Software specifications and requirements. Unless you have obtained Mac Tools' express written consent for your use of specified alternative software, you must obtain the licenses or user permissions and the necessary computer system components to permit your Employee(s) to access and use the Software and must ensure that they do so in compliance with this Agreement and the Manual. You, and, if applicable, your Employees shall execute any agreements required by Mac Tools or any third-party software and/or associated support providers in connection with your obligations and those of your Employees under this Section 3.12.

Mac Tools shall have the right to charge you a fee for the Software, an initial fee for each license or user permission that you are required to obtain in connection with the Software, and/or initial or

recurring fees for associated support and/or maintenance (such as updates and upgrades, if applicable) and, thereafter, shall have the right to charge you a recurring fee for your access and use and the continued license(s) or right(s) to access and use the Software and receive, if applicable, support and/or maintenance (such as updates and upgrades, if applicable). The amount of such fees and the payment terms thereof shall be determined by Mac Tools in its sole discretion and may increase.

You must purchase a computer system or systems meeting Mac Tools' specifications and must fully utilize the computer system in the operation of the Mac Tools Business. Mac Tools reserves the right to require you to purchase your computer system(s) from Mac Tools or a supplier designated by Mac Tools. Mac Tools reserves the right to change or modify its specifications for such computer system or systems and to require you, at your sole cost and expense, to update and/or upgrade your computer system(s) so that it/they comply(ies) with Mac Tools' then-current specifications for such computer system(s).

You must transmit to Mac Tools the information generated by, maintained on, or stored on your computer system (including any information generated by or maintained in your computer system by the Software). You must transmit this information on a per Route basis for each of the Route(s) operated in connection with your Mac Tools Business on a twice weekly basis, or on such other frequency as determined by Mac Tools in its sole and absolute discretion. At all times, you must allow Mac Tools to access, view, extract, and obtain the information and any data generated by, maintained on, or stored in your database or portion thereof associated with any online Software used in the operation of your Mac Tools Business. You must accept (if applicable) and install (if applicable) any update(s) and/or upgrade(s) to the Software within 7 days of its availability to you.

If Mac Tools decides to discontinue the use of the Software by its franchisees and provides you with written notice of this, then, as applicable, you must return the Software to Mac Tools within 30 days of your receipt of such notice or, within such time frame as required by Mac Tools, take such other action required by Mac Tools or required in accordance with the terms of the license agreement(s) relating to the Software.

For each of the Route(s) under your Mac Tools Business, you shall keep complete records in written and/or electronic format as Mac Tools specifies dealing with the sale of the Products and, as applicable, the SBD Products and any other Mac Tools Business records and any other items sold by you which you obtain from a source other than Mac Tools (including collection of accounts receivable). You will provide reports to Mac Tools, and in the proper format, as Mac Tools may from time to time require.

Records must be maintained, and reports must be provided to Mac Tools, for each Route that you operate. For purposes of providing assistance to you regarding the operation of your Mac Tools Business and/or confirming your compliance with your obligations under this Agreement, or any other agreements between you and Mac Tools or between you and third-party licensors, Mac Tools or its representatives have the right to physically examine and copy the records for your Mac Tools Business and any other records, reports, documents, agreements, and instruments relating to your Mac Tools Business, including but not limited to the operation or financing thereof, in all formats at reasonable times during business hours. Also, Mac Tools or its representatives shall have the right to copy and examine your computer system records and, as applicable, your records and data in your database or portion thereof associated with online Software, including without limitation, all information generated or transmitted by you computer system and/or the Software and such information maintained in your computer system or your database or portion thereof associated with online Software, including information maintained by and in any of the Software. You shall make backup copies of your electronic records in accordance with Mac Tools' directives and, at its request, provide Mac Tools with such copies in a mutually convenient format.

3.13 Email, Internet Connection and Participation in Social Media. You shall utilize such email systems and addresses as required by Mac Tools from time to time and shall bear all costs associated therewith. No separate email addresses may be used by you related to your Mac Tools Business without the express written consent of Mac Tools, which Mac Tools may revoke at any time. You shall maintain an Internet connection that allows you to meet all of your obligations under this Agreement, including your ability to access, maintain and use any Software. You shall fully participate, at your sole cost and expense, in all social media activities and promotions required by Mac Tools from time to time.

3.14 Notification of Litigation and Other Events. You shall notify Mac Tools of any action, suit, proceeding, claim, demand, inquiry, or investigation, and the issuance of any order, writ, injunction, award or decree of any court, agency or governmental instrumentality which relates to the operation of the Mac Tools Business, which relates in any manner to the status of the driver's license held by any individual operating a Route under your Mac Tools Business or which may adversely affect your financial condition or ability to meet its obligations hereunder, within ten (10) days after you first become aware of the same.

3.15 Customer Complaints. You and Mac Tools will fully cooperate with each other in dealing with customer complaints concerning the Products and, as applicable, the SBD Products (except the price thereof) and will take all necessary actions to resolve such complaints. As provided in Section 5.2 of this Agreement, you have the unqualified, unilateral, right to set the prices at which you sell the Products (including any SBD Products) (subject only to applicable federal or state laws).

3.16 Compliance with Law. You shall advertise, promote, and sell the Products and, as applicable, the SBD Products, and otherwise operate the Mac Tools Business, in strict compliance with each and every statute, law, regulation, or order applicable to the Mac Tools Business. For the avoidance of doubt, on a continuous basis during the Term, you shall maintain in effect all licenses and certifications applicable to the Mac Tools Business. You shall pay when due all taxes and license fees imposed with respect to the sale of the Products and, as applicable, the SBD Products and the conduct of the Mac Tools Business by you.

3.17 Insurance. You shall at all times maintain comprehensive general liability insurance coverage, commercial auto liability insurance coverage, and property insurance coverage, covering you, your inventory of the Products and the SBD Products, your Employee(s), and each of the Truck(s) (each as provided below) with at least the amounts of coverage as provided below.

(a) Property Insurance. The property insurance covering your inventory of the Products and the SBD Products must insure against fire, theft and extended coverage, must contain a "lenders loss payable" clause identifying Mac Tools as the "lender," and must be in an amount at least equal to the full replacement cost of your inventory. This policy must also name Mac Tools as the "loss payee."

(b) Liability Insurance. You shall obtain comprehensive general liability insurance coverage and commercial auto liability coverage. The general liability insurance shall insure against a person suffering personal injury (including death) or damage to their property, caused by any product sold by you, or your Employee(s) (including the Products and the SBD Products), or caused by the use of any such product (including the Products and the SBD Products) or caused by the Truck(s) or any motor vehicle being operated by you, or your Employee(s), in your conduct of the Mac Tools Business, or in any other way as a result of or in connection with your operation of the Mac Tools Business. You must maintain at least the following types and amounts of insurance coverage: (i) comprehensive general

liability insurance in an amount of not less than $1,000,000 per occurrence and combined single limit bodily injury and property damage, $1,000,000 in the aggregate for each policy, (ii) commercial automobile liability insurance for each Truck with minimum limits of $1,000,000 per accident for bodily injury and property damage, and minimum limits of $1,000,000 for uninsured and underinsured motorist statutory personal injury protection, and (iii) automobile physical damage insurance, including earthquake and flood coverage, on each Truck with a valuation of the lesser of actual cash value or cost of repair, minus a maximum deductible in the amount set forth in the Manual or such other amount permitted or required by Mac Tools. Mac Tools must be included as an "additional insured" on the comprehensive general liability insurance and as an "additional insured grantor of franchise" and, if applicable, an "additional insured lessor" on the automobile liability insurance. Any coverage provided as additional insured must be primary and non-contributory to any other valid and collectible insurance. You shall provide a waiver of subrogation in favor of Mac Tools and its affiliates indicating that the carrier(s) shall waive all of its rights of recovery, under subrogation or otherwise, against Mac Tools, Stanley Industrial & Automotive, LLC, et al., and all engaged by them.

(c) Workers' Compensation Insurance. You shall secure and maintain workers' compensation coverage for your franchised Mac Tools Business in accordance with the laws of every jurisdiction in which you operate a Route. This means that if your Mac Tools Business has any employees, you must protect them by purchasing and maintaining workers' compensation insurance and, if a jurisdiction has a minimum level of coverage, you must maintain workers' compensation insurance of at least that level. If a jurisdiction requires workers' compensation coverage for a business even if the business has only an owner and no employees, you must secure and maintain workers' compensation insurance for the business.

(d) Additional Insurance. In addition to the minimum insurance coverage described above, you must obtain and maintain such additional insurance coverage as Mac Tools may require from time to time during the Term of this Agreement.

(e) The Insurance Policies. All such property and liability insurance shall not be subject to modification, cancellation or nonrenewal except upon 30 days written notice of cancellation to Mac Tools from the insurer. You must provide Mac Tools with proof of such insurance before you begin to operate the Mac Tools Business, before beginning to operate each additional assigned Route, and on the first business day of each year after that during the Term. You must also provide Mac Tools with proof of insurance at other times when Mac Tools requests it. Mac Tools is under no duty either to ascertain the existence of your insurance coverage, to examine your insurance coverage, or to advise you in the event that your insurance coverage does not comply with the requirements of this Agreement. Mac Tools makes no warranty as to the adequacy for your Mac Tools Business of the minimum insurance coverage requirements provided above.

3.18 Your Indemnification of Mac Tools.

(a) Wrongful Acts by You. You shall, and hereby do, indemnify and hold Mac Tools and its officers, directors, and employees harmless from and against any and all such damages or liability (including attorneys' fees and disbursements and other litigation expenses) arising out of (i) any negligent or wrongful act or omission by you and/or your Employee(s), (ii) any breach by you and/or your Employee(s) under this Agreement, or (iii) any claims made against Mac Tools by any of your Employee(s) or former employees, or (iv) any claims made against Mac Tools by any party alleging that you and/or any of your Employee(s) engaged in any behavior prohibited by Section 3.9 of this Agreement regarding customer non-solicitation.

(b) Third Party Credit Programs. You also shall indemnify and hold Mac Tools and its officers, directors, and employees harmless from and against any and all damages, liability and expenses related to your activities associated with the Third Party Credit Programs, including, without limitation, any (i) credit card application and/or transactional processing activities and/or (ii) debt collection activities associated with the Customer Credit Programs.

3.19 Mac Tools' Indemnification of You for Manufactured Product Liability. Mac Tools will defend, indemnify and hold you harmless from and against any and all costs, loss, liability, claims and suits (including attorneys' fees and disbursements and other litigation expenses) resulting from or related in any way to claims by third parties against you, claiming personal injury or property damage arising out of a manufacturing defect in a Manufactured Product or in the design of a Manufactured Product or strict liability with respect to a Manufactured Product. This provision (in the prior sentence), however, shall not apply to the extent any such claim arises (a) with respect to a Manufactured Product that was improperly used, altered, abused, damaged or repaired by you or others at your direction or request or others employed by you, (b) where the Manufactured Product was not sold by you or your Employee(s) in, or accompanied by, its original packaging, or (c) from improper use, alteration, abuse, damage or repair of a Manufactured Product or a SBD Product manufactured by Stanley Black & Decker, Inc. resulting from your negligent act or omission or the negligent act or omission by others at your direction or request. This indemnification provision shall apply only to Manufactured Products (as well as any SBD Products that are manufactured by Stanley Black & Decker, Inc.) purchased from Mac Tools.

3.20 Field Operations Manual.

(a) Conduct of Mac Tools Business in Accordance with the Manual. To protect Mac Tools' and your reputation and goodwill and to maintain high standards of operations under the Proprietary Marks, as provided in Section 3.1(b) of this Agreement, you will comply with the requirements of the Manual and this Agreement.

(b) Confidentiality – The Manual. You shall at all times treat the Manual (including any amendments from time to time), any other manuals or electronic files created for, approved for, or provided to you for your use in the operation of the Mac Tools Business, and the information contained therein, as confidential. You will use all reasonable efforts to maintain such information as secret and confidential. You shall not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, nor otherwise make them available to any unauthorized person without Mac Tools' prior written consent.

(c) Mac Tools Owns the Manual. The Manual shall at all times remain Mac Tools' sole property. Mac Tools keeps the ownership of the Manual to protect Mac Tools' trade secrets. Mac Tools may from time to time revise or add to the contents of the Manual. As provided in Section 3.1(b) of this Agreement, when Mac Tools revises the Manual, the Manual will be re-issued in its entirety in a format determined by Mac Tools to you and other franchisees.

3.21 Confidential Information. You shall not, during the Term of this Agreement or afterwards, communicate, divulge, disclose, or use for your benefit (other than for the operation of your Mac Tools Business during the Term of this Agreement) or for the benefit of any other person, persons, partnership, association, corporation or other entity any Confidential Information (as defined below), knowledge, or know-how concerning the Mac Tools System or any methods of operation hereunder which may be communicated to you, or of which you may be apprised by virtue of your standing as a Mac Tools franchisee or by virtue of your attendance at or participation in any meeting(s), event(s), conference(s), training session(s) or seminar(s) arranged, or provided, by Mac Tools.

You shall divulge such Confidential Information only to such of your Employee(s) as must have access to it in order to operate your Mac Tools Business as described herein. You shall ensure that your Employee(s) do not violate this Section 3.21.

"Confidential Information" means:

(a) all financial, technical, operational, management and other information which Mac Tools designates as confidential when it is disclosed to you in connection with this Agreement or in connection with the Mac Tools System;

(b) all information provided to you by Mac Tools and/or its subsidiaries or affiliates, if any, which relates to the Mac Tools System, the Products or the SBD Products, including but not limited to:

(i) manuals, bulletins, policies, or procedures Mac Tools may publish from time to time;

(ii) future or proposed products;

(iii) training regarding the Mac Tools System;

(iv) cost information;

(v) Software; and

(vi) plans and information relating to the marketing and sale of the Products and/or the SBD Products, except for any such plans and information which Mac Tools designates may be provided by you to a third party;

(c) documents, know-how, knowledge, and processes regarding the Mac Tools System;

(d) the Manual;

(e) Mac Tools' trade secrets;

(f) your electronic business records and any electronic records which Mac Tools has provided to you; and

(g) all information which is known by you, or should have been known by you, to be confidential to Mac Tools from the nature of the information or the circumstances of its disclosure.

Notwithstanding anything contained herein, Confidential Information shall not include any information:

(a) which, at the date of disclosure to you, is in the public domain or which, after such disclosure, comes within the public domain through no fault of you;

(b) which was known to you prior to such disclosure;

(c) the disclosure of which is required by law or by any competent regulatory authority; or

(d) which at any time comes independently and lawfully into your possession from any third party with the right to disclose such information.

You acknowledge that any failure to comply with the requirements of this Section 3.21 will cause irreparable injury to Mac Tools. You agree to pay all attorneys' fees and disbursements and other litigation expenses incurred by Mac Tools in enforcement of this Section 3.21 or in obtaining specific performance of, or an injunction against violation of the requirements of, this Section 3.21.

In the event that the franchisee under this Agreement is a business entity, you shall require each Entity Owner to execute a non-disclosure, customer non-solicitation and non-competition agreement. You shall also execute a non-disclosure, customer non-solicitation and non-competition agreement with each of your Employee(s). The non-disclosure, customer non-solicitation and non-competition agreement shall be in a form provided by, or satisfactory to, Mac Tools and shall be consistent with the requirements set forth above in this Section 3.21 regarding (a) the Manual and any other confidential or proprietary information that you may share with Entity Owners and/or your Employee(s), or (b) any confidential or proprietary information which may be provided to Entity Owners and/or Employee(s), by Mac Tools, or to which said individuals may be exposed in any meeting(s), event(s), conference(s), training session(s) or seminar(s) arranged, or provided, by Mac Tools. You shall provide Mac Tools with copies of each of such executed Agreements.

3.22 Statements by You. You will not make any oral or written statements or representations which vary in any way whatsoever from the specifications, descriptions, instructions, warranties (if any), or representations (if any) given or made by Mac Tools to you with respect to the Products and, as applicable, the SBD Products.

3.23 Mac Tools' Rights to Use Your Name, Image, Likeness, Persona and/or Voice. You consent to and authorize the copyright, reproduction, use, re-use, distribution, publication, re-publication, transmittal and public or private display and performance, in whole or in part (each a "Use"), of any (a) pictures, photographs and proofs and negatives thereof, and (b) video or audio recordings, and audio-visual works, in any medium, containing your name, image, likeness, persona and/or voice (collectively, the "Works"), without restriction as to changes, by Mac Tools for the Permitted Uses (defined below).

Mac Tools may, in its sole discretion, use any or all of the Works for any purpose including, without limitation: (a) print media; (b) radio; (c) television; (d) point of sale/point of purchase products and media; (e) outdoor and indoor advertising media; (f) promotional and marketing media; (g) public relations uses; (h) Internet uses; (i) editorial content contained within direct marketing materials; (j) mobile marketing media for distribution via mobile phones or other mobile data devices; and (k) any charitable or training uses whatsoever (collectively, the "Permitted Uses").

You hereby assign all rights in and to the Works, which hereinafter belong to Mac Tools in perpetuity and are fully and freely assignable by Mac Tools. Mac Tools has the unrestricted right without payment of compensation to you, now and in the future, to Use the Works, in whole or in part, without limitation as to attribution, edits, alterations, distortions or composites, for the Permitted Uses. You waive any right to inspect or approve any such Works.

You hereby release and discharge, Mac Tools, and its directors, officers, employees, agents and affiliates, or any other person or entity acting on its behalf, from all legal actions, causes of action and claims regarding (a) the Works; (b) the Use of the Works; (c) the Permitted Uses of the Works; and (d) invasion of privacy, violation of right of publicity, defamation, personal injury, property damage, and/or loss of services. You have no right, title or interest in any Works, subsidiary work, or derivative work. You have no right to terminate the rights granted to Mac Tools in this Section 3.23.

Mac Tools may, in its sole discretion and without your prior consent, provide your name and/or contact information, including without limitation, address, business phone number and business email address, to Mac Tools' subsidiaries or affiliated or related business entities, business entities with whom Mac Tools has a contractual or business relationship, and/or any other person or business entity reasonably determined by Mac Tools as necessary and appropriate.

3.24 Mac Tools' Rights as Secured Creditor. As a secured creditor, Mac Tools has the right, after default by you or any Customer(s), if applicable, to repossess any collateral, including without limitation any Products or SBD Products, that are subject to Mac Tools' security interest against you and/or the Customer(s) and to sell or otherwise dispose of such collateral to any person or entity at any location, including any locations on the Route. You hereby agree that Mac Tools and its authorized representatives shall have the right to enter your Truck(s) and other areas under your control to take possession of such Products and, as applicable, the SBD Products. Notwithstanding anything in this Agreement or any other agreement between you and Mac Tools to the contrary, Mac Tools' rights to make sales or other dispositions of such collateral after default by you or any Customer(s) shall supersede any rights given to you in any agreement to sell the Products or SBD Products.

Mac Tools also has the right after your default to repossess any Truck(s) that are subject to Mac Tools' security interest against you and to sell or otherwise dispose of such Truck(s) to any person or entity at any location and you hereby agree that Mac Tools and its authorized representatives shall have the right to take possession of the Truck(s).

3.25 Work Product. You hereby grant to Mac Tools a nonexclusive royalty-free license to use in its Mac Tools Businesses and to sublicense the right to use in its franchised Mac Tools Businesses any and all inventions, enhancements, processes, methods, designs and other creations (hereinafter, "Developments") that, during the term of this Agreement, you may develop, invent, discover, conceive or originate, alone or in conjunction with any other person, which Developments relate in any way to your Mac Tools Business.

4. Route and Customer Calls.

To control distribution of Mac Tools' Products, to ensure service to Customers and to avoid overlap among routes operated by Mac Tools' franchisees, distributors and employee distributors, Mac Tools must have control over the routes of Mac Tools' franchisees and distributors. Because of this, Mac Tools has the right to make the ultimate decisions on routes, including each of your Routes. Mac Tools may conduct such surveys of Customers on the Route(s) as Mac Tools believes necessary or advisable for the purpose of determining the number of Customers on the Route(s), the frequency and quality of the service provided to Customers or for any other business purpose.

4.1 Sale to Assigned Stops Only. Except in circumstances in which you have obtained Mac Tools' written consent to offer and sell Products in other locations, you shall offer and sell the Products and, as applicable, the SBD Products only to Customers at the Stops assigned to you on your Route(s), as your Route(s) appear on Mac Tools' records. Except as provided above in this Section 4.1, you may not sell the Products and, as applicable, the SBD Products to customers who are not working at Stops on your Route(s). If you identify Customers that are located within the general geographic area of your Route(s), and that are not being serviced by an authorized franchisee or distributor of Mac Tools, you should notify Mac Tools as provided in Section 4.6 of this Agreement and follow the procedures described in Section 4.4 of this Agreement.

4.2 Service Level Requirements.

(a) Reassignment of Stop for Failure to Service. You agree that, if Mac Tools determines that you have failed to provide consistent service (including, without limitation, the conduct of consistent sales and/or collection activities) to the Customers at a Stop on any Route under this Agreement during any period of 30 consecutive days, Mac Tools will have the right to reassign the Stop.

(b) Weekly Customer Calls; Minimum Service Level Requirements. Regular weekly visits to Stops and Customers are critical to a successful Mac Tools Business and to the distribution of Mac Tools' Products. During each calendar month during the Term of this Agreement, you (or your Employee(s)) will personally visit (i) a weekly average of at least 80% of the Customers within each Stop on each of the Route(s) and (ii) all of the Customers on each of the Route(s) at least once per calendar month (collectively, the "Minimum Service Level Requirements"). You agree that, if Mac Tools determines that you have failed to meet the Minimum Service Level Requirements respecting a Stop, Mac Tools will have the right to remove the Stop from your Route and to reassign it. The obligations of this Section 4.2(b) shall apply separately to each of your Route(s).

(c) Service to National Accounts. You shall provide service to Customers which Mac Tools designates to you in writing as national account customers in compliance with the requirements of the provisions of Mac Tools' agreements with such national account customers as Mac Tools communicates such requirements to you.

4.3 Adjustment of the Route(s).

(a) Proposed Adjustment. The size of each of your Route(s) is determined by Mac Tools according to the numbers of Stops and Customers that Mac Tools believes can be consistently and effectively serviced. If (i) the number of Stops and/or the number of Customers at Stops on any Route is such that Mac Tools reasonably believes that your Customers have not received consistent service pursuant to Section 4.2, or that the number of minimum personal contacts required under Section 4.2 have not been made, or (ii) a Customer requests that you not service that Customer's Stop any longer, then Mac Tools will have the right to adjust the number of Stops on the Route and/or designate different Stops as part of the Route. Mac Tools will give you at least 30 days written notice of any proposed change in a Route ("30-day period").

(b) Objections. If you do not object to the proposed change by giving written notice to Mac Tools within that 30-day period, then the change shall become effective at the end of the 30-day period. If you give Mac Tools written notice of your objection within the 30-day period, Mac Tools will work with you to try to find an alternate Route change acceptable to you and Mac Tools. However, if you and Mac Tools fail to agree on a mutually acceptable change within 60 days after receipt of your objection, the Route change originally proposed by Mac Tools will take effect at the end of such 60-day period.

4.4 Revisions to Your Routes. At any time, you may make a request to Mac Tools, in writing, to add one or more new Stops to any of your Route(s) or to delete one or more Stops from any of your Route(s). Mac Tools will advise you in writing within 30 days after Mac Tools receives your request whether or not Mac Tools approves it. Failure by Mac Tools to respond will be the same as disapproval of your request. Any additions or deletions to any of your Route(s) must be approved by Mac Tools in a writing to you and must be entered by Mac Tools on Mac Tools' computer database prior to your implementation of such changes. Any approval will be subject to further adjustments in the future as set forth in Section 4.3 above and Section 4.5 below. Mac Tools may approve or disapprove your request in Mac Tools' reasonable judgment.

4.5 Other Changes in the Routes. Mac Tools reserves the right to make other additions, deletions and/or other changes in any of the Route(s) of whatever nature, as are necessary and equitable under the circumstances (in the reasonable exercise of Mac Tools' business judgment) (a) to insure an adequate Customer base, (b) to insure the proper level of Customer service, and (c) to balance conflicting considerations for local, regional and national accounts.

4.6 Problems Related to Your Routes. If you identify any problem(s) with any of your Route(s), you should bring these problem(s) to the attention of (a) your District Manager, and (b) the Route Management Department at Mac Tools.

5. Purchase and Sale of Products.

You agree to purchase the Products (including any SBD Products) from Mac Tools, and Mac Tools agrees to sell the Products (including any SBD Products) to you, in accordance with the terms and procedures set forth in this Agreement and in the Manual.

5.1 Price and Terms. Mac Tools shall sell the Products (including any SBD Products) to you at Mac Tools' published prices in effect from time to time. Mac Tools shall determine the terms of the sale of the Products (including any SBD Products) to you. The terms will be set forth in the Manual from time to time. Mac Tools shall have the right to change Mac Tools' prices, discounts, or terms of sale at any time. Such changes will become effective upon Mac Tools' giving notice to you. All orders for the sale of the Products (including any SBD Products) to you shall be subject to acceptance by Mac Tools at its offices in Ohio. Mac Tools reserves the right not to ship your orders of the Products (including any SBD Products) if you have failed to pay any outstanding amounts due to Mac Tools by the applicable payment due date(s).

5.2 You Set the Retail Prices. Any "suggested retail prices" published by Mac Tools with respect to the Products are guidelines only. There is no requirement that you sell the Products (including any SBD Products) at that price. You have the unqualified, unilateral, right to set the prices at which you sell the Products (including any SBD Products) (subject only to applicable federal or state laws). Your prices can be greater than, less than or the same as the suggested retail prices. Nothing in this Agreement is intended to limit or restrict your exercise of that right.

5.3 Credit Policy. Mac Tools does not have an obligation to extend any credit to you. Mac Tools may, however, permit you to purchase the Products (including any SBD Products) from Mac Tools and pay the purchase price over time, in accordance with the terms of any separate purchase agreement between you and Mac Tools. In connection with any extension by Mac Tools of credit to you for Product and SBD Product purchases, Mac Tools will establish for you a franchisee trade account which trade account shall reflect (i) the amounts of any such credit that Mac Tools extends to you, (ii) any offsetting amounts that Mac Tools credits to you pursuant to this Agreement, any other agreements between you and Mac Tools, and/or the Manual, (iii) the amounts of any payments you make to Mac Tools with respect to credit Mac Tools has extended to you or with respect to any other amounts you owe Mac Tools under the terms of this Agreement, any other agreements between you and Mac Tools, and/or the Manual, and (iv) the amount of fees owed by you pursuant to Section 3.6(b) of this Agreement. To the extent that any third party that provides financing to your customers under any of the Customer Credit Programs remits to Mac Tools, on your behalf, any amounts that, from time to time, are owing to you from that third party under agreements relating to one of the Customer Credit Programs (any such remitted amounts, the "Program Remittances"), you agree that, before crediting them to your trade account, Mac Tools may hold and/or apply all such Program Remittances (i) to satisfy any and all of your outstanding obligations to Mac Tools, including without limitation, your obligations with respect to

credit Mac Tools extends to you and your reimbursement obligations under Section 3.7 above, and (ii) to cover the amounts of any open orders or new orders that you have placed with Mac Tools.

5.4 Right of Setoff. Any amount which you at any time may owe to Mac Tools for any reason whether related to this Agreement or not may be set off and applied against any amount which Mac Tools owes to you at that time.

5.5 Deliveries. Mac Tools will not incur any liability to you (a) if Mac Tools fails to accept any purchase order of yours; or (b) if Mac Tools does not fill any accepted order due to the lack of available production facilities or capacity or due to the shortage of raw materials, components or supplies, the demands of other customers of ours, labor disputes, accidents, lack of available transportation, acts of God, governmental regulations or orders, or conditions beyond Mac Tools' control whether similar or dissimilar to those described. In the event that Mac Tools has insufficient Products to fill your and other franchisees' and distributors' orders and orders from Mac Tools' direct customers, Mac Tools may allocate the available supply among franchisees, distributors and Mac Tools' direct customers as it chooses.

5.6 Returns. Mac Tools will accept the return of any Manufactured Products or SBD Products to Mac Tools in accordance with the terms of Mac Tools' then-current return policy as set forth in the Manual, or as otherwise agreed to by Mac Tools in writing. Mac Tools does not otherwise accept returns of the Products or SBD Products.

5.7 Changes to Product Line. You agree that Mac Tools can at any time add items to, or delete items from, the line of Products or SBD Products Mac Tools offers, or change the design of any Product, without liability or prior notice to you.

5.8 Minimum Product Purchase Requirements. Unless you are currently complying with a written business improvement plan approved by Mac Tools, at all times during the term of this Agreement, you must purchase a quantity of the Products (the "Minimum Product Purchase Requirement") having a total dollar value (calculated based upon the prices that you pay Mac Tools for the Products and net of the dollar value of your returns of Products accepted by Mac Tools) greater than or equal to at least eighty percent (80%) of the National Franchisee Average, and multiplied by the number of Routes assigned to you. The "National Franchisee Average" is the amount of purchases determined at least annually by Mac Tools by dividing the total number of Routes operated by Mac Tools franchisees and distributors into the total dollar amount of the Products purchased by franchisees and distributors during the applicable period of time used to determine the National Franchisee Average. Routes operated by Mac Tools franchisees and distributors for less than the applicable time period are for purposes of determining the National Franchisee Average included in the total number of Routes during the applicable period on a prorata basis based on the number of days operated during such period. You will be advised in writing or electronically of the National Franchisee Average (per Route and in the aggregate) each time that it is determined by Mac Tools.

6. Limited Warranty.

6.1 Limited Warranty. Mac Tools warrants its Manufactured Products for the published warranty period of the particular Manufactured Product against deficiency in material or workmanship. This Limited Warranty is subject to the disclaimers and limitations on liability described below. This Limited Warranty gives you specific legal rights, and you may also have other rights which vary from State to State. Some States do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you.

6.2 Disclaimers and Limitations. This LIMITED WARRANTY does not extend to any Manufactured Product that, in Mac Tools' judgment, was improperly used, altered, abused or repaired by others.

- Distributed Products (which are those that are not manufactured by Mac Tools) are not warranted by Mac Tools. The exclusive warranties on Distributed Products are those provided by the manufacturer or a supplier (other than Mac Tools), as the case may be.

- The exclusive warranties on the SBD Products shall be those provided by Stanley Industrial & Automotive, LLC for those particular Products.

- **THERE IS NO WARRANTY WHICH EXTENDS BEYOND THOSE DESCRIBED IN THIS AGREEMENT. MAC TOOLS MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY OTHER KIND, EXPRESS OR IMPLIED, REGARDING PRODUCTS MANUFACTURED OR DISTRIBUTED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER.**

- It is further understood that the prices at which Mac Tools sells the Products are in consideration of limiting Mac Tools' liability for the Products manufactured or distributed. The prices Mac Tools charges for its Products are established, in part, in reliance on the validity and enforceability of the limitations on, and exclusions of, certain potential liabilities set forth in this Agreement.

- You understand that Mac Tools' warranties to you are set forth in this Agreement and that any warranty set forth in any Product catalog, Product packaging or otherwise provided by Mac Tools is for the benefit of the Customer and not you.

- Employees or agents of ours have no authority to make representations of any sort beyond those contained in this Agreement, including any amendments hereto.

6.3 Exclusive Remedy and Claim Procedure. The exclusive remedy for a Manufactured Product that fails to perform as warranted is repair, replacement or the issuance of a credit at Mac Tools' option as provided in the Manual. There will be no charge if the Product is returned to one of Mac Tools' representatives or warehouses, postage or freight prepaid.

6.4 Incidental or Consequential Damages. Mac Tools is not liable for incidental or consequential damages, costs or losses incurred by the Product purchaser or user. Some States do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

7. Proprietary Marks.

7.1 Grant of Rights; Your Use of the Proprietary Marks. Mac Tools hereby grants to you the limited, nonexclusive rights to use any and all of Mac Tools' trademarks and trade names associated with the Manufactured Products (including all marks, legends, decals, and other insignia indicating that you are a seller of the Manufactured Products, "MAC®," "MAC Tools®," "Mac Quality Tools®," the MAC Tools logo design®, and the color scheme and stripe design of the Truck, collectively, the "Proprietary Marks") solely in connection with the advertising, promotion, and sale of the Manufactured Products and solely during the Term of this Agreement. You have not been granted the right to use "MAC®," "MAC Tools®," the MAC Tools logo design® or any of the other Proprietary

Marks as or in the name of your business entity or to grant any sublicenses to the rights granted to you. Your rights to use the Proprietary Marks are further limited to their use in connection with the business operations of the Mac Tools Business as described herein and in a manner and means consistent with the Manual and as is prescribed in writing by Mac Tools from time to time. You agree that any Products sold or services performed by you bearing one or more of the Proprietary Marks shall be of a quality which is acceptable to Mac Tools and in compliance with standards, methods, procedures and specifications from time to time furnished by Mac Tools or its authorized representatives. Where such standards, methods, procedures and specifications have not been specified by Mac Tools, the Manufactured Products sold or services performed under the Proprietary Marks shall not be of a standard or quality less than that of the Products sold or services performed by Mac Tools under the Proprietary Marks.

7.2 Property of Mac Tools. You hereby acknowledge the validity of and Mac Tools' right, title and interest in and to the Proprietary Marks, along with the identification schemes, trade dress, logos, colors, standards, specifications, operating procedures, and other concepts embodied in the Mac Tools System. Except as expressly provided by this Agreement, you will acquire no right, title or interest therein, and, as between you and Mac Tools, any and all goodwill associated with the Mac Tools System and the Proprietary Marks will inure exclusively to Mac Tools' benefit. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Mac Tools System or the Proprietary Marks.

You shall when using the Proprietary Marks licensed hereunder give notice of the fact that such use is a licensed use and of the identity of the trademark owner, in a form substantially similar to the following (or other form communicated to you by Mac Tools): "The MAC Tools® trademarks are owned by Stanley Black & Decker, Inc. or its affiliates and are used under license." You shall not use any language or display the Proprietary Marks in such a way as to create the impression that the Proprietary Marks belong to you. You hereby waive all claims to any rights in your use, advertising or display of the Proprietary Marks beyond the limited permission to use the Proprietary Marks granted in this Agreement.

7.3. Prohibited Uses. You shall not, and you will ensure that your Employee(s) do not, use the Proprietary Marks as part of your company's name or in other legal names, nor in registering the Truck(s). You will not use the Proprietary Marks on your bank accounts, letterheads, business cards, or literature except to describe the Products or to identify you as a seller of the Products. You shall not, and shall ensure that your Employee(s) do not do any act or thing that will disparage or otherwise impair the value of, or Mac Tools' rights in and to, the Proprietary Marks. You shall not use or register the Proprietary Marks in any manner or material(s) that Mac Tools, in its sole discretion, deems defamatory, scandalous, harmful or otherwise objectionable. You shall not use the Proprietary Marks in connection with any products other than the Products.

7.4 Infringement by Franchisee. You acknowledge that the use of the Proprietary Marks outside of the scope of this Agreement without the prior written consent of Mac Tools is an infringement of the right, title and interest of Mac Tools in and to the Proprietary Marks. You expressly covenant that, during the Term of this Agreement and after the expiration or termination hereof, you shall not, directly or indirectly, commit any act of infringement or contest, or aid in contesting, the validity or ownership of the Proprietary Marks or take any other action in derogation thereof.

7.5 Use by Others. You shall not permit any third party to imprint the Proprietary Marks on any products, materials, documents and supplies utilized by you in connection with the operation of your Mac Tools Business without first obtaining the prior written consent of Mac Tools and causing such third party to execute a license agreement in a form acceptable to Mac Tools.

7.6 Infringement by Others. If you become aware of any use of the Proprietary Marks by any person, persons, partnership, association, corporation, or other entity ("Person") other than Mac Tools, Stanley Industrial & Automotive, LLC or its affiliates or any of its representatives and agents or other franchisees, you will promptly notify Mac Tools of such infringement and will cooperate with Mac Tools in any legal action brought by Mac Tools or Stanley Industrial & Automotive, LLC, either in Mac Tools' name or in the name of Stanley Industrial & Automotive, LLC to enjoin such infringement. You further agree to notify Mac Tools promptly of any litigation involving the Proprietary Marks instituted by any Person against Mac Tools or you. In the event Mac Tools, in its sole discretion, undertakes the defense, prosecution, or settlement of any litigation relating to the Proprietary Marks, you agree to execute any and all documents and to render such assistance as may, in the opinion of Mac Tools, be reasonably necessary to carry out such defense, prosecution, or settlement.

7.7 Advertising. You shall send copies of any and all advertising and other promotional materials that you plan to use to Mac Tools' Marketing Department for review, and you shall not use them until Mac Tools approves them in writing. If Mac Tools has not responded within 10 business days, approval is deemed to have been withheld. Once Mac Tools has approved them, you may not change them unless Mac Tools approves the changes.

7.8 Use of Proprietary Marks on Internet Sites and Social Media Policy. Mac Tools retains the sole right to create an Internet website or Internet websites using the Proprietary Marks and any and all derivations thereof, and to register or use other domain names related or similar to any of the Proprietary Marks. As used in this Agreement, "website" shall be deemed to include one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, without limitation, the Internet, the World Wide Web, social networking sites, blogs and similar sites, and other applications. You shall not register or use any domain name that includes any of the Proprietary Marks, in whole or in part. You shall not set up any website or web page related in any manner to your Mac Tools Business without the prior written consent of Mac Tools, which consent may be withheld for any reason. As a condition to granting any such consent, Mac Tools shall have the right to establish such requirements as it deems appropriate, including but not limited to the requirement that your only presence on the Internet be through a web page established by us on our website(s). Within five (5) days of any written request by Mac Tools, you shall (a) dismantle any links between any web pages related in any manner to your Mac Tools Business and all other websites; and/or (b) remove any references on any websites other than those controlled by Mac Tools to your Mac Tools Business or to the Proprietary Marks. Any website shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Mac Tools' approval under Section 7.7 of this Agreement. You shall comply with Mac Tools' policies and guidelines, as published from time to time to the Mac Tools franchise system, regarding the use by Mac Tools franchisees of websites related to franchisees' Mac Tools Businesses. You shall comply at all times with Mac Tools' social media policies as are communicated to Mac Tools franchisees from time to time and shall immediately take all steps to discontinue any social media activities upon written notification by Mac Tools. Mac Tools retains the right to modify its policies as it determines to be appropriate, including as available technologies and advertising methods change. Upon termination or expiration of this Agreement, you shall turn over all such accounts and passwords to Mac Tools related to any websites or social media used in connection with, or associated in any manner with, your Mac Tools Business, which websites, accounts and passwords shall become the exclusive property of Mac Tools.

7.9 Nonexclusive Use. You expressly acknowledge and agree that this license to use the Proprietary Marks is nonexclusive and that Mac Tools has and retains the rights, among others:

(a) To grant other licenses for the use of the Proprietary Marks, in addition to those already granted to existing Mac Tools franchisees and distributors and to you; and

(b) To develop and establish other systems and programs for products and services utilizing the Proprietary Marks or similar trademarks, and to grant franchises therein without providing you any rights therein.

8. Independent Contractor.

8.1 No Agent or Representative. You shall not, and you must ensure that your Employee(s) do not, hold yourselves out as an agent or legal representative of Mac Tools or any of its affiliates. You shall operate the Mac Tools Business under this Agreement and all other agreements between you and Mac Tools as an independent contractor. The party signing this Agreement on behalf of the franchisee shall be organized as a corporation or a limited liability company at the time of execution of this Agreement and at all times throughout the Term, unless you have obtained the prior written consent of Mac Tools to do otherwise. This Agreement shall grant no rights other than those expressly granted in this Agreement (see Article 19 and Attachment B below). Nothing in this Agreement is intended to make either party or any of their respective employees (including your Employees) an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

8.2 No Fiduciary Relationship. It is understood and agreed by the parties hereto that this Agreement does not and is not intended to create a fiduciary relationship between Mac Tools and you.

9. Transferability of Interest.

9.1 Mac Tools' Limited Right to Assign. Mac Tools shall have the right to transfer or assign all or any part of Mac Tools' rights and/or obligations under this Agreement to any individual or business entity which assumes Mac Tools' obligations under this Agreement, without your prior consent. Mac Tools may also assign to any person without your consent all or any portion of the Indebtedness and the right to receive payment thereof and all rights of whatever kind and nature under this Agreement, and any other agreement between you and Mac Tools, related thereto. You agree to execute any documents that Mac Tools may reasonably request to effectuate any transfer or assignment by Mac Tools.

9.2 Transfer by Franchisee.

(a) You understand and acknowledge that the rights and duties set forth in this Agreement are personal to the undersigned individual (either in his or her individual capacity or as an Entity Owner), and that Mac Tools has granted this Mac Tools franchise to the franchisee (whether an individual or a business entity) in reliance on the business skills, financial capacity and personal character of the undersigned individual. Accordingly, you may not assign this Agreement or any right, responsibility or interest granted to you by this Agreement without Mac Tools' prior written consent. Except as specifically provided under Sections 1 and 3.1(a) of this Agreement, you also may not delegate your duties under this Agreement, transfer all or substantially all of your assets, transfer your Mac Tools Business to a business entity (if you are not already conducting the Mac Tools Business through a business entity), or participate in any merger, consolidation, reorganization, or other action involving any change in the undersigned individual's ownership or control, direct or indirect, of the Mac Tools Business, without Mac Tools' prior written consent. No Entity Owner may sell, assign, transfer, pledge

or encumber, by operation of law or otherwise, this Agreement or the franchise or the rights granted hereunder, or any ownership interest in franchisee, if the Mac Tools Business is operated by a business entity, without the prior written consent of Mac Tools. Such transfer, sale, assignment, pledge or encumbrance not having Mac Tools' written consent shall be null and void and shall constitute a material breach of this Agreement, for which Mac Tools may then terminate this Agreement. Mac Tools' consent may be withheld for any bona fide business reason or may be made subject to such conditions as Mac Tools may determine are necessary and appropriate.

(b) Mac Tools will not unreasonably withhold its consent to a transfer of any interest in this Agreement, the Mac Tools Business, the franchisee business entity or in the Mac Tools franchise granted under this Agreement, provided, however, that, prior to the time of transfer, Mac Tools may, in its sole discretion, require that:

(1) All of your accrued monetary obligations to Mac Tools and all other outstanding obligations related to the Mac Tools Business shall have been satisfied;

(2) Your right to receive compensation, pursuant to any agreement or agreements for the purchase of any interest in the franchisee business entity or in the Mac Tools Business, shall be subordinate and secondary to Mac Tools' rights to receive any outstanding monetary obligation or other outstanding obligations due from you pursuant to this Agreement, whether arising before or after the transfer;

(3) You shall have executed a general release in a form satisfactory to Mac Tools, effective as of the date of transfer, of any and all claims against Mac Tools, Stanley Industrial & Automotive, LLC and its corporate affiliates, and the officers, members, directors, shareholders, and employees of each of them in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

(4) The transferee franchisee shall enter into a written assumption, in a form satisfactory to Mac Tools, assuming and agreeing to discharge all of your obligations under this Agreement prior to the completion of the sale or transfer and to fully repair, refurbish and update any equipment and Truck(s) used in the Mac Tools Business and therewith, in accordance with Mac Tools' most current specifications;

(5) The transferee franchisee shall demonstrate to Mac Tools' satisfaction that he or she, if an individual, its general partners, if it is a partnership, its members, if it is a limited liability company, and its officers, directors and principal shareholders or other owners, if it is a corporation or other business entity, meets Mac Tools' educational, managerial and professional standards; possesses a good moral character, professional reputation, and credit rating; has the aptitude and ability to conduct the Mac Tools Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Mac Tools Business;

(6) The transferee franchisee shall execute the then-current standard form of Mac Tools Franchise Agreement (the "Transferee Franchise Agreement") and other ancillary agreements as Mac Tools may require for the Mac Tools Business.

The term of the Transferee Franchise Agreement shall be (a) mutually agreed by you and transferee franchisee to be either (i) a term ending on the expiration date of this Agreement, or (ii) the term set out in Mac Tools' standard form of Franchise Agreement then in effect at the time of the proposed transfer, or (b) the term permitted or required pursuant to the terms and conditions of the Business Start Up Credit Program(s), if any, if the transferee franchisee is participating in a Business

Start Up Credit Program(s). Notwithstanding the foregoing, you and the transferee franchisee shall obtain Mac Tools prior written consent to the term of the Transferee Franchise Agreement, which consent shall not be unreasonably withheld, conditioned or delayed;

(7) At transferee franchisee's expense, and upon such other terms and conditions as Mac Tools may reasonably require, the transferee franchisee shall complete the training course then in effect for new franchisees to Mac Tools' satisfaction; and

(8) Should the term of the Transferee Franchise Agreement be equal to the Term remaining under this Agreement, Franchisee shall pay to Mac Tools a transfer fee in an amount equal to one-half of the then-current initial franchise fee. Should the term of the Transferee Franchise Agreement be a term other than the Term remaining under this Agreement: (i) no transfer fee shall be owed to Mac Tools, and (ii) the transferee franchisee shall pay Mac Tools the then-current initial franchise fee. A transfer fee shall not be required in case of a transfer by you of your Mac Tools Business, including the assignment of this Agreement, to a corporation or other business entity formed by you solely for the convenience of ownership pursuant to Section 9.3 hereof.

(c) If you are a corporation, partnership, limited liability company, or similar entity, the terms of this Section 9.2 shall apply to any sale, resale, pledge, assignment, transfer or encumbrance of any voting stock of, or other ownership interest in your business entity.

9.3 Transfer to Franchisee's Corporation or Other Business Entity. In the event that you are not already conducting the Mac Tools Business through a business entity, and you propose to transfer all of your interest in the Mac Tools franchise granted pursuant to this Agreement to a corporation or other business entity formed by you solely for the convenience of ownership, the provisions of Section 9.2(b) shall not apply; provided that Mac Tools' consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

(a) The transferee corporation (or other business entity) shall be newly organized, its Articles of Incorporation and/or Bylaws (or other governing documents) shall provide that its activities are confined exclusively to operate the Mac Tools Business and activities related thereto and its legal name(s) and trade names shall comply with Sections 7.1 and 7.3 of this Agreement;

(b) You shall own all of the stock (or other ownership interest) in the transferee business entity, except as may be required by law, and shall act as its principal executive and operating officer;

(c) You shall enter into an agreement, in a form satisfactory to Mac Tools, unconditionally guaranteeing the full payment and performance of the transferee business entity's obligations to Mac Tools;

(d) Each stock (or other ownership) certificate of the transferee business entity shall have conspicuously endorsed upon its face the following legend:

> "The transfer for this stock [or other ownership] certificate is subject to the terms and conditions of a certain Mac Tools Franchise Agreement or agreements executed with Stanley Industrial & Automotive, LLC through its Mac Tools Division. Reference is made to the provisions of such agreements and to the articles and bylaws [or other governing documents] of this corporation [or other entity].";

(e) Copies of transferee corporation's (or other business entity's) Articles of Incorporation, Bylaws and other governing documents, including the resolutions of the Board of Directors (or other governing body) authorizing entry into this Agreement, shall be furnished to Mac Tools for its approval prior to the transfer; and

(f) The name of the transferee corporation (or other business entity) shall not, without Mac Tools' prior written approval, consist of or contain the Proprietary Marks or any colorable variation thereof or any other mark in which Mac Tools has or claims a proprietary interest.

9.4 Mac Tools' Right of First Refusal. If you or your owners at any time decide to sell, transfer or assign any right or interest under this Agreement and/or the Mac Tools franchise granted pursuant hereto, or any ownership interest in the business entity if you are a corporation, partnership or other entity, you or your owners shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser. You must submit an exact copy of such offer from the third party purchaser to Mac Tools. For a period of 10 business days from the date of delivery of such offer, Mac Tools will have the right, exercisable by providing written notice to you or your owners, to purchase such rights or interests that the third party purchaser offered to purchase for the price and on the terms and conditions contained in such offer, provided that Mac Tools may substitute equivalent cash for any other form of payment proposed in such offer. If Mac Tools does not wish to exercise its right to purchase, it shall provide you with prompt notice that it does not wish to exercise its option. Any purchase by Mac Tools must be completed within 60 days of Mac Tools' delivery to you of written notice of its intent to exercise its right to purchase. If Mac Tools does not exercise its right of first refusal and if Mac Tools approves of the purchaser, you or your owners may complete the sale of such interest to the third party purchaser, provided, however, that if the sale to such purchaser is not completed within 120 days after your initial delivery of a copy of the offer to Mac Tools, Mac Tools shall again have the right of first refusal provided in this Section 9.4.

10. Termination.

10.1 Immediate Termination by Mac Tools. Mac Tools may terminate this Agreement, in whole or in part, with no prior written notice, or upon such notice as applicable state law requires, and you shall have no right to cure, in the event of:

(a) Bankruptcy. Any filing by or against you of any proceeding under the Federal Bankruptcy Act or any similar law, or a decision by a court that you are bankrupt or insolvent or any appointment of a receiver or trustee for you or any of your assets (to the extent permitted by applicable law).

(b) Insolvency. Your insolvency or any transfer of assets in an attempt to avoid creditors (which would constitute a so-called "fraudulent conveyance" under Ohio law) or any assignment for the benefit of creditors.

(c) Fraud, Criminal Acts or Assaults. Any (i) fraudulent act or misrepresentation by you in connection with any of your applications provided to Mac Tools or agreements with Mac Tools, or in the operation of your Mac Tools Business, (ii) conviction or any pleas of nolo contendere of you or any of your Employee(s) of any felony or any crime involving moral turpitude, financial dishonesty, assault or battery, operating a motor vehicle under the influence of alcohol or drugs that are illegal under United States federal law or state law, (iii) use of alcohol or drugs that are illegal under United States federal law or state law by you or your Employee while conducting the Mac Tools Business, (iv) suspension or revocation of your or your Employee(s) driver's license, (v) allegation which, in Mac Tools' reasonable opinion, is supported by the evidence, that you or any of your

Employee(s) has committed a crime that, in Mac Tools' reasonable discretion, may adversely affect its goodwill, or (vi) assault or battery by you, or any of your Employee(s), on a Customer or other individual that you have come into contact with while conducting the Mac Tools Business (regardless of when or where such assault or battery takes place).

(d) Engagement in Behavior Damaging to Mac Tools' Name and Business Reputation. Either of (i) Mac Tools' receipt of five or more complaints about your behavior, and/or the behavior of any of your Employee(s), while conducting operations of the Mac Tools Business, and/or communicating with our employees and/or the public in an unprofessional manner, that Mac Tools determines is a breach of Section 3.2 of this Agreement and is damaging to the MAC Tools® name and its business reputation, or (ii) its receipt of any single complaint about your behavior, or the behavior of any of your Employee(s), while conducting operations of the Mac Tools Business that Mac Tools determines is a breach of Section 3.2 of this Agreement and that Mac Tools believes is of such a serious nature that your continued operation of the Mac Tools Business would be damaging to the MAC Tools® name and its business reputation and/or presents an unacceptable risk of claims against Mac Tools.

(e) Failure to Complete Training. Any failure by you or any of your Employee(s) operating a Route to comply with the requirements regarding training under Section 3.3 of this Agreement.

(f) Failure to Comply with the Prohibition Against Competitive Products. Sale by you of any products other than (i) products manufactured by Mac Tools, (ii) products distributed by Mac Tools, (iii) other products and merchandise to ensure Customer satisfaction if you are unable to obtain such other products and/or merchandise from Mac Tools within the required time period, and (iv) items that are traded-in by your Customers; your failure to purchase from Mac Tools all products that you sell which are manufactured or distributed by Mac Tools; your competition with Mac Tools without its consent; or your involvement in competitive businesses; each in breach of Section 3.9 of this Agreement.

(g) Failure to Comply with Computer System Requirements. Your failure to fully utilize in your Mac Tools Business the computer system and/or the Software required by Mac Tools as provided in Section 3.12, your failure to transmit to Mac Tools in such frequency as required by Mac Tools from time to time the information required in Section 3.12, or your failure to permit Mac Tools to examine the records of your Mac Tools Business as provided by Section 3.12.

(h) Disclosure of Confidential Information. Any disclosure by you of Confidential Information, including the contents of the Manual, as provided in Sections 3.20 and 3.21.

(i) Failure to Comply with Service Requirements. Mac Tools' determination of your failure, without Mac Tools' prior written consent, to meet one or more of the Minimum Service Requirements as provided in Section 4.2(b) of this Agreement or of the other customer service requirements set forth in Section 4.2 of this Agreement.

(j) Abandonment. Voluntary abandonment of the Mac Tools Business by you, including without limitation any failure by you (i) to comply with Section 4.2(b) above for any period of 30 consecutive days without Mac Tools' written consent, or (ii) to service any of your Route(s) for more than two consecutive weeks without prior notice to the Customers and to your District Manager.

(k) Sale of Products to Customers Not Assigned to You. Your failure to comply with Section 4.1 of this Agreement by offering to sell or selling any Products or any SBD Products,

without the prior written authorization of your District Manager, to customer(s) not assigned to you as a Customer on any of the Route(s).

(l) Failure to Pay Obligations by Applicable Due Dates. Your failure, more than twice within a 30 day period, to pay outstanding invoices by the applicable payment due dates, as provided in Section 3.6 of this Agreement, or otherwise to meet any payment obligations to Mac Tools, its affiliates or any applicable payment obligations pursuant to any Business Start Up Credit Program(s) (including without limitation any obligation to make a payment or payments in connection with any loan or other financing provided to you).

(m) Failure to Meet Minimum Product Purchase Requirement. Your failure, respecting one or more of the Route(s), to meet the Minimum Product Purchase Requirement as described in Section 5.8 of this Agreement.

(n) Repeated Default. Any default by you under this Agreement or any other agreement between you and an affiliate of ours which occurs within 6 months after written notice of another default by you for the same reason was provided to you under Section 10.2 below.

(o) Multiple Defaults. Any default by you under this Agreement which occurs at any time after Mac Tools has provided written notices to you under Section 10.2 below of at least 3 other defaults, for any reasons.

(p) Third Party Credit Programs. Your failure to comply with any agreements or any written rules and procedures relating to any of the Third Party Credit Programs, to the extent that such failure (i) results in the termination or expiration of any agreement relating to any of the Third Party Credit Programs, regardless of whether Mac Tools is a party to such agreement, or (ii) involves the commission of fraud on your part.

(q) Your Disability. The disability of the undersigned individual to the extent you cannot perform your obligations hereunder for a period of 60 consecutive calendar days, or for any 60 calendar days within a period of 180 consecutive calendar days (if you have not complied with the provisions of this Agreement in hiring an Employee to perform each of such obligations). Notwithstanding any other provision of this Agreement to the contrary, during any period of disability, Mac Tools shall retain the rights, which may be exercised in Mac Tools' sole discretion (but not the obligation), to operate the Mac Tools Business and each of the Route(s) associated with the Mac Tools Business for the benefit of the disabled franchisee using employees of Mac Tools.

(r) Your Death. The death of the undersigned individual (regardless of whether or not a business entity has been formed to operate the Mac Tools Business and to act as franchisee under this Agreement), subject to the provisions of Mac Tools' then-effective policy regarding franchisee survivorship.

(s) Uncured Default Under Financing Agreement(s) with Mac Tools. Any default by you, that remains uncured as of the end of the applicable cure period, under any agreement(s) between you and Mac Tools if Mac Tools is providing you with financing.

(t) Failure to Permit Inspections. Your failure to comply with Section 3.8 of this Agreement, including if you fail to permit, prevent or interfere with Mac Tools' right to enter and inspect any Truck(s) operated by your Mac Tools Business.

(u) **Seizure of Assets.** Any of the property of your business is seized or taken in execution or in attachment by a creditor, or a writ of execution is issued against such property, or if you grant a security interest in such property other than in the normal course of business, such that the foregoing materially impairs your business operations or any security interest of Mac Tools or its affiliates.

10.2 Termination by Mac Tools after Your Right to Cure. Except as provided in Section 10.1, if you are in default under any provision of this Agreement or of any other agreement between you and Mac Tools, Mac Tools may terminate, in whole or in part, this Agreement upon 30 days prior written notice to you of such default, or such longer period as applicable state law requires. You shall have the right to cure such default within such 30-day period. If you have not cured such default to Mac Tools' reasonable satisfaction within such period, then this Agreement shall be terminated (in whole or in part, as set forth in the notice) as of the effective date set forth in the notice without any further action on Mac Tools' part.

10.3 Termination by You. If Mac Tools is in default under any provision of this Agreement, you may terminate this Agreement upon 60 days prior written notice to Mac Tools of such default, or such longer period as applicable state law requires. Mac Tools shall have the right to cure such default within such 60-day period. If Mac Tools has not cured such default to your reasonable satisfaction within such period, then this Agreement shall be terminated as of the effective date set forth in the notice without any further action on your part. You do not have any other rights under this Agreement to terminate this Agreement, and any termination of this Agreement by you except as provided under this Section 10.3 shall be a breach by you of this Agreement.

In order to facilitate the transition of the Route(s) and to avoid harm to customer relationships, you agree that any termination of this Agreement by you which termination is not related to a default by Mac Tools under this Agreement must be preceded by your provision to Mac Tools of at least 30 days prior written notice of such termination.

10.4 Termination of a Route.

(a) It is understood and agreed that, in the event of termination or expiration of this Franchise Agreement, all of your rights respecting each assigned Route or Routes shall automatically be terminated.

(b) Notwithstanding any other provision of this Agreement to the contrary, in the event of the occurrence of a breach as described in either of Sections 10.1 or 10.2 of this Agreement relating to any particular Route, Mac Tools will have the right, in Mac Tools' sole discretion, to terminate the Agreement pursuant to Sections 10.1 or 10.2, as applicable, or, without regard to whether Section 10.1 or Section 10.2 is applicable to the breach, to terminate your rights to such Route (and leaving this Agreement and your rights to any other assigned Route(s) in effect) immediately upon providing you with notice of such termination. In the event that you fail to service any one or more of your Route(s) for a cumulative time period of more than 30 days, Mac Tools will have the right to terminate your rights to one or more of the assigned Route(s) with such termination taking effect immediately upon Mac Tools' providing you with notice of such termination.

(c) Upon Mac Tools' termination of your rights to any particular Route, you shall, solely with respect to such Route, comply with the obligations of Sections 3.9, 11.2 and 11.3 of this Agreement.

10.5 Mac Tools' Transition Rights. Mac Tools shall have the right to commence recruitment of one or more franchisee candidates to operate a Route assigned to you under this Agreement as soon as (a) Mac Tools determines that any of the events listed under Section 10.1(a) of this Agreement has occurred, (b) Mac Tools sends notice of termination to you pursuant to Section 10.2 or Section 10.4 of this Agreement (with respect to the Route for which recruitment of candidates is at issue), or (c) you have sent Mac Tools a notice of termination of this Agreement or have otherwise notified Mac Tools of your desire to terminate this Agreement

11. Procedure Upon Termination or Expiration.

11.1 Payment of Amounts Due. Upon termination or expiration of this Agreement, you shall promptly pay to Mac Tools all Indebtedness due as of the date of termination. In the event of termination for any default by you, the Indebtedness shall include all damages, costs, and expenses, including reasonable attorneys' fees and disbursements incurred by Mac Tools as a result of the default.

11.2 Cessation of Business. Upon termination or expiration of this Agreement:

(a) You Will Stop the Business. All rights granted to you under this Agreement and any credit or borrowing privileges under any associated agreements with Mac Tools or its affiliates shall immediately terminate, you shall immediately cease to operate the Mac Tools Business and shall not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ours, and you shall immediately return to Mac Tools all copies of the Manual, the current backup copies of your electronic records, and if applicable (after removing all copies of the Software from your computer system(s)) the Software in accordance with the terms of the license agreement(s) relating thereto. Also as applicable, you shall cease all access to and use of the Software. You will immediately assign to Mac Tools all of your email addresses, social media profiles, and classified listings and advertisements used in the operation of, or associated with, your Mac Tools Business.

(b) You Will Not Use the Name MAC Tools®. You shall immediately and permanently cease to use in any manner whatsoever, the name "MAC Tools®" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with Mac Tools. In particular, you shall cease to use, without limitation, all signs, advertising materials, paper goods, displays, stationery, forms, and any other articles which display any of the Proprietary Marks.

(c) You Will Alter the Truck. If you own the Truck(s), you shall make such modifications or alterations to the Truck(s) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Truck(s) from that of other trucks used by other franchisees of ours, including removal of all Proprietary Marks, logos, and the color scheme and shall make such specific additional changes thereto as Mac Tools may reasonably request for that purpose, including but not limited to repainting the Truck(s). If you are leasing the Truck(s), you will take all reasonable steps to either return the Truck(s) or cause the above changes to be made, in a manner consistent with the terms of the lease.

(d) If You Start Up Again in Another Business. You agree that if you subsequently begin to operate any other business, you will not use any reproduction, counterfeit, copy, or imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Mac Tools' rights in and to the Proprietary Marks. You further agree not to use any designation of origin, description, or representation which suggests or represents a past or present association or connection with Mac Tools.

(e) Mac Tools' Purchase Option. Within 15 days following the expiration or termination of this Agreement (i) by you without your provision to Mac Tools of written notice of a default by Mac Tools under this Agreement, or (ii) by Mac Tools with its provision to you of written notice of a default under this Agreement which has not been cured, Mac Tools shall have the option (but not the obligation unless otherwise required by state law) to purchase all or any portion of your inventory of the Products and/or the SBD Products for the following purchase prices: for truck-worn inventory, in an amount equal to fifty percent (50%) of the most recent franchisee net price(s) for such inventory, and, for new inventory in restockable condition, in an amount equal to ninety percent (90%) of the most recent franchisee net price(s) for such inventory. Discontinued inventory shall not be returned to Mac Tools, no credit shall be issued for discontinued inventory, and Mac Tools shall have the right to dispose of any discontinued inventory that is returned to Mac Tools. Mac Tools' determination of the condition of the inventory for purposes of this Section 11.2(e) shall be final and binding, with no recourse.

(f) Your Liability for the Assets of the Business. You are liable for insuring and maintaining the value of any assets of the Mac Tools Business in which Mac Tools has any legal interest until the earlier of your delivery of possession of such asset to Mac Tools in full compliance with its policies or its legal interest in such asset has expired or been concluded.

11.3 Covenant Not to Compete. For a period of one year following the effective date of the termination or expiration of this Agreement for any reason, the undersigned individual shall not, directly or indirectly, either as a principal, agent, employee, officer or director of any corporation or as a member of any limited liability company or as a partner or sole proprietor, or in any other manner, at any location or locations within three (3) miles of any Stop on any Route assigned to the franchisee under this Agreement, (i) engage in any business involving the sale of products manufactured and/or sold by Snap-on Incorporated, Matco Tools Corporation, or The Cornwell Quality Tools Company, or Apex Tool Group, or any parent company, successor, subsidiary or corporate affiliate of any of them or (ii) carry on or be engaged in or concerned with or interested in, financially or otherwise, or advise in the establishment or operation of, any business which consists substantially of the supply of products to users in the automotive after-market, service stations, independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment; provided, however, that this provision shall not apply to your operation of another Mac Tools Business, or to your ownership of less than three percent (3%) of the outstanding stock of any publicly held corporation.

You acknowledge and agree that Mac Tools has a proprietary interest in the goodwill established by your contact and accounts with your Customers. Therefore, you specifically agree that for a period of one (1) year following the termination or expiration of this Agreement, you shall not directly or indirectly, on your behalf or on behalf of any competing organization or business, as to competing products or services, solicit any of your former Customers to whom you provided services or whom you solicited while a Mac Tools franchisee.

You acknowledge and agree that the covenants in this Section 11.3 are fair and reasonable. If the scope of any limitations or restrictions imposed by the covenants in this Section 11.3 are deemed by a court or arbitrator to be too broad to permit enforcement of such limitations or restrictions as written, then such limitations or restrictions shall be enforced to the maximum extent permitted by applicable law, and you and Mac Tools hereby consent and agree that such scope may be modified by the court or arbitrator accordingly in any proceeding brought to enforce such limitations or restrictions. As set forth in Section 3.10 of this Agreement, officers, directors, shareholders, members, managers, or holders of an ownership interest in the franchisee under this Agreement, if said franchisee is a business entity, as well as any Employee(s) of the franchisee under this Agreement, must execute a non-disclosure, customer

non-solicitation and non-competition agreement, in a form provided by, or satisfactory to, Mac Tools, copies of which must be provided to Mac Tools.

11.4 Subsequent Transactions. If either party has any business transactions with the other party after the termination of this Agreement, such transactions shall not constitute a renewal of this Agreement or a waiver of the termination or expiration of this Agreement.

11.5 No Liability for Termination or Expiration. You acknowledge that termination and expiration as provided for in Articles 10 and 11 of this Agreement shall not be the basis of any claim by you for damages or any other cause of action.

11.6 Survival of Certain Provisions. In the event of termination of this Agreement, the provisions of Sections 3.6, 3.7, 3.9, 3.10, 3.12, 3.18, 3.20(b) and (c), 3.21, 3.23, 3.24, 3.25, 5.3, 5.4 and 5.6, and Articles 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22 and 23 shall survive and shall continue in full force and effect.

12. Notices.

12.1 Method of Giving Notice. Any notices required or permitted under this Agreement shall be made in writing and shall be deemed to have been given when personally delivered, or delivered by certified mail (return receipt requested, proper postage prepaid) or by registered mail (proper postage prepaid), or Federal Express or other similar private overnight express delivery service ("Private Carrier") addressed to Mac Tools or you, as the case may be, at the respective addresses provided at the end of this Agreement following the respective signatures of the parties. The parties can agree to expand the permitted methods of giving notice under this Section 12.1.

12.2 Refusal of Notice. If any notice sent by certified or registered mail or Private Carrier is refused or unclaimed, it shall be deemed given and received on the date the U.S. Postal Service or the Private Carrier, as the case may be, indicates on the return receipt or other evidence of attempted delivery that delivery was refused or unclaimed, provided that the sending party sends a duplicate copy of the notice by regular U.S. mail. Either party may change its address for notice purposes by giving the other party written notice of its new address.

13. Waiver.

No consent or waiver by either party shall be effective unless made in writing signed by that party. No consent or waiver, express or implied, by either party as to any default by the other party under this Agreement shall be deemed a consent to or waiver of any other breach or default. The failure of either party to declare the other party in default under this Agreement, regardless of how long such failure continues, shall not constitute a waiver of the non-defaulting party's rights under this Agreement.

14. Credit Investigation and Disclosures.

You authorize Mac Tools (a) to make credit checks on you by, among other means, obtaining consumer reports from consumer reporting agencies, and by making direct inquiries of businesses where you have accounts and where you worked, and other sources, and (b) to report concerning your performance with Mac Tools to consumer reporting agencies and others who may properly receive such information. You agree that the provisions of this Section 14 constitute, and shall be deemed to be, your "written instructions" pursuant to Section 604(a)(2) of the Fair Credit Reporting Act. In addition, you agree that the provision of this Section 14 shall continuously remain in full force and effect so long as you have any application pending with or obligation owing to Mac Tools.

In the event that Mac Tools and/or its affiliates assign your account with Mac Tools to a third party, you consent to the disclosure of your personal information to such assignees and to the collection, use and disclosure of your personal information by them as required to service, monitor and collect your account(s) and to give effect to the assignment of the account to them.

If you have authorized Mac Tools to disclose personal information about you, including any consumer reports and other financial information, to one or more financial institutions with which Mac Tools has a business arrangement involving the offering of financing to qualified franchisees, Mac Tools may make such disclosure to such financial institutions.

15. Interpretation.

The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties, and will not in any way affect the meaning or interpretation of this Agreement. In the event of any conflict between this Agreement, the Manual, or any other agreement between Mac Tools and you, this Agreement shall control.

16. Severability.

If any one or more of the provisions in this Agreement are held to be invalid, illegal or unenforceable in any respect for any reason, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and any such provision shall be deemed severed from this Agreement. It is the intention of the parties that if any provision is held to be invalid, illegal, or unenforceable, there shall be added in lieu thereof a valid and enforceable provision as similar in terms to such provision as is possible.

17. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, or other legal representatives. If the signatories to this Agreement consist of more than one person, their liability under this Agreement shall be deemed to be joint and several.

18. Electronic Images; Signature Pages by PDF or Electronic Means; Electronic Signatures.

(a) Franchise Documents and Franchise Documents Parties. As used in this Article 18

(i) the term "Franchise Document" or "Franchise Documents" shall mean, individually and collectively, this Agreement; any document or agreement related to, or arising from, this Agreement or your Mac Tools Business; and any other document required to be delivered pursuant to any of the foregoing documents or agreements.

(ii) the term "Franchise Document Party" or "Franchise Document Parties" shall mean, individually and collectively, you, any party or signatory to a Franchise Document, any natural person signing on behalf of any legal or business entity which is a party to a Franchise Document, any owner of an interest in any legal or business entity franchisee (if franchisee is a legal or business entity).

(b) Electronic Signature Pages. If Mac Tools agrees, in its sole discretion, to accept delivery in any electronic form (including deliveries by emailed portable document format ("PDF") or any other electronic means) of an executed signature page or counterpart of a signature page of a Franchise Document, then such delivery will be, for all purposes, as valid and effective as the delivery of an

original, manually executed signature page or counterpart of a signature page of such Franchise Document.

(c) Electronic Signatures Generally. If Mac Tools agrees, in its sole discretion, to accept and/or provide any electronic signatures (i.e., an electronic sound, symbol, or process attached to, or associated with, an agreement, contract, or other record and adopted by a person with the intent to sign, authenticate, or accept such agreement, contract, or other record) as a manner of execution of any Franchise Document, then such electronic signatures shall have the same legal force and effect, admissibility, validity, and enforceability as manually executed signatures, to the extent and as provided for in any applicable law, including, the Uniform Electronic Transactions Act as then enacted in the State of Ohio (or, if necessary and as may be applicable, as then enacted in such other state), the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable state laws based on, or similar in effect to, such acts or laws.

(d) Reliance and Confirmation of Electronic Signatures. Mac Tools may rely on any and each such electronic signature described in this Article 18 without further inquiry. Mac Tools may require that a Franchise Document Party send an email or other written communication to Mac Tools, in such form and content as instructed by Mac Tools, confirming the execution of such Franchise Document by electronic signature. Mac Tools may also require that any such Franchise Documents and signatures thereto be confirmed by a separate manually signed original thereof delivered to Mac Tools as instructed by Mac Tools; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any PDF or other electronically delivered signature page or image thereof.

(e) Agreement Regarding Electronic Signatures**. MAC TOOLS AND YOU AGREE THAT THIS AGREEMENT AND ANY AND ALL OTHER FRANCHISE DOCUMENTS THAT MAC TOOLS OR ITS REPRESENTATIVES OR AGENTS PROVIDE TO YOU FOR THE PURPOSE OF ELECTRONIC SIGNATURE MAY BE ELECTRONICALLY SIGNED BY ANY AND ALL PARTIES THERETO.** Notwithstanding the foregoing, if requested by Mac Tools, the Franchise Document Parties shall re-execute, using a manual signature, any Franchise Documents previously executed by the Franchise Document Parties by or through the use of electronic signatures.

(f) Waiver Regarding Electronic Signatures and Electronic Records. Without limiting the foregoing provisions of this Article 18, by providing an electronic signature or by providing the confirmation or documentation described in Section 18(d) above), you and any owner, officer, director or manager of any legal or business entity of franchisee (if franchisee is a legal or business entity) waive (i) any argument, defense, or right to contest the legal effect, admissibility, validity, or enforceability of this Agreement or any other Franchise Document based on the lack of paper originals or paper copies of this Agreement or such other Franchise Document, respectively, including with respect to any signature pages or counterpart signature pages thereto, and (ii) any claim against Mac Tools or its affiliates (and their respective successors and assigns), and/or the respective officers, directors, shareholders, employees, representatives, agents, affiliates, and successors and assigns of Mac Tools and its affiliates, for any losses, claims, damages, penalties, incremental taxes, liabilities, and related expenses arising from Mac Tools' reliance on or use of electronic signatures, electronic images, electronic records, emailed PDF, or any other electronic means that reproduces an image of an executed signature page or counterpart signature page, and/or use of any electronic signature service provider that facilitates electronic signatures (e.g., DocuSign), including any losses, claims, damages, penalties, incremental taxes, liabilities, and related expenses arising as a result of the failure of a Franchise Document Party to use any available security procedures and measures in connection with the execution, delivery, or transmission of any electronic signature or electronic record.

19. Entire Agreement; Termination of Prior Franchise Agreement.

It is important that you understand that you should not rely on verbal statements made to you by Mac Tools' employees or agents. You can only rely on what is written in this Agreement, including the attachments, and the most recent version of Mac Tools' Franchise Disclosure Document provided to you (the "Franchise Disclosure Document"). Mac Tools has set forth a procedure in Attachment B for documenting representations, if any, which you believe Mac Tools, or anyone acting on its behalf, have made. If you are relying on any such representations in your decision to sign this Agreement, you must describe them in the space provided on Attachment B. This Agreement (including the attachments), as well as the Franchise Disclosure Document, the other agreements between you and Mac Tools executed in connection with this Agreement and the Manual, constitutes the entire agreement of you and Mac Tools with respect to you becoming a franchisee authorized to distribute the Products and **supersedes all prior oral or written agreements and understandings between you and Mac Tools with respect to your Mac Tools Business.** Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document. Except for revisions to the Manual which Mac Tools may make from time to time in its discretion, no modification or amendment of this Agreement shall be effective unless it is in writing and signed by both parties.

In the event that you and Mac Tools are parties to a Mac Tools Franchise Agreement or a Mac Tools Distributor Agreement at the time that this Agreement is fully executed, upon the full execution of this Agreement, such prior Mac Tools Franchise Agreement or Mac Tools Distributor Agreement shall automatically be terminated and superseded in its entirety by this Agreement.

20. Governing Law: Three Step Resolution Process.

20.1 Governing Law. This Agreement takes effect upon its acceptance and execution by Mac Tools in Ohio, and shall be interpreted and construed under the laws of the State of Ohio. Ohio laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Ohio choice of law rules) except: (a) to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to such Sections in which, and to the extent that, this Agreement has specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by the United States District Court for the Southern District of Ohio.

20.2 Resolution of Disputes. Except with respect to the enforcement of the parties' rights and remedies under (i) any promissory note executed by you in Mac Tools' favor and/or under any security agreement between the parties, or (ii) any promissory note executed by you in favor of a third party and/or under any security agreement between you and a third party, either of which promissory note and/or security agreement is assigned to Mac Tools by such third party, as to which the procedures specified in this Section 20.2 shall not apply, the procedures specified in this Section 20.2 are the only procedures for the resolution of any and all controversies, disputes or claims of any nature whatsoever arising out of or related to this Agreement or any other agreement between you and Mac Tools, including the breach, termination or validity of any such agreement, or the relationship between you and Mac Tools and/or the operation of the Mac Tools Business and including any and all controversies, disputes or claims of any nature against Mac Tools by anyone claiming through you. However, before or during the time that you and Mac Tools follow these procedures, either you or Mac Tools can go to the appropriate court to get a preliminary injunction or other preliminary judicial relief if you or Mac Tools reasonably believes that such a step is necessary to avoid irreparable damage or harm. Even if either you or Mac Tools takes such action, you and Mac Tools will continue to participate in good faith in the procedures

specified in this Article 20. Notwithstanding anything in Article 20 to the contrary, without obligation to pursue the negotiation, mediation or arbitration described herein, Mac Tools shall at all times have the right to seek from an appropriate court replevin or similar orders, as Mac Tools reasonably believes such order(s) are necessary.

(a) Negotiations. You and Mac Tools will both attempt in good faith to resolve promptly any controversy or claim arising out of or relating to this Agreement and any other agreement between you and Mac Tools, the relationship between you and Mac Tools or your operation of the Mac Tools Business or any claims of any nature against Mac Tools by anyone claiming through you, by negotiations between representatives of the parties who have authority to settle the controversy (and, where applicable, who do not have direct responsibility for administration of this Agreement or any other agreement between you and Mac Tools).

(b) Notice and Response. The disputing party will give the other party written notice of the dispute. Within 30 business days after receipt of this notice, the receiving party shall submit to the other a written response. The notice and response shall include (a) a statement of each party's position and a summary of the facts and arguments supporting its position, and (b) the name and title of the person who will represent that party. The persons shall meet and/or otherwise communicate at a mutually acceptable time and place within 30 business days of the date of the responding party's written response and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

(c) Mediation. If the matter has not been resolved within sixty (60) business days of the disputing party's notice, or if the responding party will not meet and/or otherwise communicate within thirty (30) business days of the written response, either party may initiate mediation of the controversy or claim with JAMS, The Resolution Experts, which is a private alternative dispute resolution provider having its New York City office located at 620 Eighth Avenue, New York, New York 10018 (telephone 212-751-2700), or its successor. Unless the parties agree otherwise in writing, the location of the mediation shall be at the JAMS Resolution Center in New York, New York. Any mediator shall be mutually selected by you and Mac Tools or, if you and Mac Tools cannot agree, by JAMS, The Resolution Experts in accordance with its then-effective rules and procedures applicable to selection of mediators.

(d) Arbitration. If the matter has not been resolved pursuant to mediation within 60 business days of the initiation of such procedure, or if either party will not participate in a mediation, the controversy shall be settled by arbitration by a sole arbitrator in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. Any arbitrator shall be mutually selected by you and Mac Tools or, if you and Mac Tools cannot agree, by JAMS, The Resolution Experts in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. The arbitrator is not empowered to and shall not, award punitive, exemplary, indirect, special, consequential or incidental damages or any other damages in excess of actual direct damages or in excess of any limit on direct damages set forth in this Agreement, whichever is lower. Unless the parties agree otherwise in writing, the place of arbitration shall be at the JAMS Resolution Center in New York, New York. Jurisdiction and arbitrability disputes, including disputes over the formation, validity, interpretation or scope of this Agreement shall be submitted to and ruled on by the arbitrator. The arbitrator has the authority to determine jurisdiction and arbitrability issues as a preliminary matter. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Courts of the State of Ohio or the United States District Court for the Southern District of Ohio will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Agreement. Judgment upon the award rendered by the arbitrator may be entered by any state or federal court in Ohio having jurisdiction thereof. If either

party is required to compel arbitration, that party shall be reimbursed for the costs and expenses incurred in connection therewith.

(e) Extension of Deadlines. All deadlines specified in this Section 20.2 may be extended by mutual agreement.

(f) Claims Must Be Brought in One Year. Except with respect to the enforcement of the parties' rights and remedies under (i) any promissory note executed by you in Mac Tools' favor and/or under any security agreement between the parties, or (ii) any promissory note executed by you in favor of a third party and/or under any security agreement between you and a third party, as to which the limitation provided by this Section 20.2(f) shall not apply, any and all claims, controversies and other disputes arising out of or relating to this Agreement, the relationship between you and Mac Tools or your operation of the Mac Tools Business, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or dispute, or such claim or dispute shall be barred.

(g) Class Arbitration Waiver. Any arbitration will be conducted and resolved on an individual basis and not a class-wide, multiple plaintiff, or similar basis. Any arbitration will not be consolidated with any other arbitration proceeding involving any other person, except controversies, disputes or claims of any nature against Mac Tools by anyone claiming through you, as provided in Section 20.2 above.

20.3 Waiver of Trial by Jury. YOU AND MAC TOOLS EACH WAIVE THE RIGHT TO HAVE A CLAIM OR DISPUTE UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND MAC TOOLS DECIDED BY A JURY.

21. Waiver of Damages.

21.1 Waiver. You and Mac Tools hereby waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, indirect, special, consequential or incidental damages against the other.

21.2 Limitation to Actual Damages. You and Mac Tools agree that, in the event of a dispute or claim with or against the other, each party shall be limited to the recovery of any actual direct damages sustained by it, subject to any limit on direct damages set forth in this Agreement.

21.3 No Attempt to Collect. Neither you nor Mac Tools will accept or attempt to collect through the courts or otherwise any punitive, exemplary, indirect, consequential or incidental damages from the other even if such damages are entered, ordered or awarded by the arbitrator despite the agreement between you and Mac Tools to the contrary.

22. Limitation of Liability.

TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER MAC TOOLS NOR YOU SHALL BE LIABLE TO THE OTHER FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES ARISING OUT OF OR RELATED IN ANY WAY TO THE SALE OF THE PRODUCTS OR THE SBD PRODUCTS OR THE PERFORMANCE OF ANY OBLIGATION UNDER THIS AGREEMENT OR UNDER ANY OTHER AGREEMENT BETWEEN YOU AND MAC TOOLS, WHETHER RESULTING FROM TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, BREACH OF CONTRACT OR WARRANTY OR OTHERWISE, AND ANY LIABILITY MAC TOOLS MAY HAVE TO YOU ARISING IN ANY

MANNER AS A RESULT OF SALES OF THE PRODUCTS OR THE SBD PRODUCTS TO YOU SHALL NOT EXCEED THE PRICE PAID TO MAC TOOLS BY YOU FOR THE PRODUCT OR THE SBD PRODUCT GIVING RISE TO SUCH LIABILITY.

23. <u>Acknowledgments and Representations; Agreement Regarding Same</u>.

(a) YOU ACKNOWLEDGE AND REPRESENT TO MAC TOOLS THAT:

i. YOU HAVE RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 CALENDAR DAYS PRIOR TO THE DATE YOU SIGNED THIS AGREEMENT AND YOU HAVE RECEIVED COPIES OF THIS AGREEMENT AND ALL OTHER RELATED AGREEMENTS BETWEEN YOU AND MAC TOOLS AT LEAST 7 CALENDAR DAYS PRIOR TO THE DATE YOU SIGNED THIS AGREEMENT.

ii. YOU HAVE READ AND UNDERSTAND THEM.

iii. YOU HAVE HAD THE OPPORTUNITY TO ASK QUESTIONS ABOUT THEM AND TO CONSULT WITH LEGAL OR OTHER ADVISORS.

iv. YOU ARE SIGNING THIS AGREEMENT VOLUNTARILY, FOR YOUR OWN COMMERCIAL PURPOSES AND AS YOUR FREE ACT AND DEED.

(b) YOU FURTHER ACKNOWLEDGE AND REPRESENT TO MAC TOOLS THAT:

i. YOU HAVE DONE AN INDEPENDENT INVESTIGATION OF THE MAC TOOLS BUSINESS.

ii. YOU RECOGNIZE THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT YOUR SUCCESS MAY BE AFFECTED BY DIFFICULT ECONOMIC CONDITIONS.

iii. YOU UNDERSTAND THAT THE SUCCESS OF YOUR MAC TOOLS BUSINESS WILL BE LARGELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON, AND THAT YOUR ABILITY TO COMPETE WITH OTHER SELLERS OF SIMILAR MERCHANDISE IS DEPENDENT UPON, AMONG OTHER THINGS, YOUR EXPENSES, THE SERVICE YOU RENDER TO CUSTOMERS AND THE EFFORT YOU PUT INTO YOUR MAC TOOLS BUSINESS.

iv. YOU UNDERSTAND THAT YOUR APPOINTMENT AS A MAC TOOLS FRANCHISEE IS MADE BY MAC TOOLS ON A <u>NON-EXCLUSIVE</u> BASIS AND THAT MAC TOOLS MAY USE OTHER MEANS, INCLUDING WITHOUT LIMITATION DIRECT MAIL AND INTERNET SALES, TO SELL THE PRODUCTS, THE SBD PRODUCTS, OR ANY THIRD PARTY PRODUCTS TO CUSTOMERS, INCLUDING CUSTOMERS ON YOUR ROUTE(S).

v. YOU UNDERSTAND THAT MAC TOOLS MAY PERIODICALLY MODIFY ITS PRODUCT DISTRIBUTION SYSTEM, INCLUDING THE MANUAL, AS PROVIDED IN SECTION 3.20 OF THIS AGREEMENT, AND THAT YOU WILL

BE REQUIRED TO MAKE SUCH EXPENDITURES AS SUCH MODIFICATIONS MAY REQUIRE.

vi. MAC TOOLS MAY FROM TIME TO TIME ENGAGE IN NATIONAL, REGIONAL OR LOCAL ADVERTISING AND/OR PROMOTIONS. MAC TOOLS MAY IDENTIFY SUGGESTED RETAIL PRICES IN SUCH MATERIALS AND MAY OFFER DIRECT REBATES OR OTHER BENEFITS FROM MAC TOOLS TO CUSTOMERS, INCLUDING CUSTOMERS ON YOUR ROUTE. YOU SHALL HAVE THE SOLE RIGHT TO DETERMINE THE PRICES AT WHICH YOU SELL PRODUCTS AND YOU SHALL NOT SUFFER IN YOUR BUSINESS RELATIONS WITH MAC TOOLS OR ANY OTHER PERSON OVER WHOM MAC TOOLS OR ITS AFFILIATES MAY HAVE CONTROL IF MAC TOOLS' PRICE SUGGESTION IS NOT FOLLOWED.

vii. YOU UNDERSTAND THAT THE MAC TOOLS BUSINESS MODEL IS BASED UPON YOUR PURCHASE FROM MAC TOOLS OF THE MANUFACTURED PRODUCTS, THE DISTRIBUTED PRODUCTS AND THE SBD PRODUCTS AT MAC TOOLS' DISTRIBUTOR PRICES AND YOUR RE-SALE OF SUCH PRODUCTS TO YOUR CUSTOMERS AT MARKED-UP PRICES DETERMINED BY YOU THAT MAY PROVIDE YOU WITH A PROFIT, AND YOU UNDERSTAND THAT YOU ARE NOT A PERSON PROVIDING LABOR OR SERVICES TO MAC TOOLS AND THAT NO REMUNERATION IS TO BE PAID TO YOU BY MAC TOOLS.

viii. YOU UNDERSTAND THAT YOU MAY SELL THE PRODUCTS AND THE SBD PRODUCTS ONLY AT THOSE STOPS AND TO THOSE CUSTOMERS IDENTIFIED ON THE ROUTE(S), AS MODIFIED FROM TIME TO TIME, AND YOU MAY NOT SELL PRODUCTS AT LOCATIONS NOT LISTED ON THE ROUTE(S).

ix. YOUR APPOINTMENT AS A MAC TOOLS FRANCHISEE IS BASED ON MAC TOOLS' ASSESSMENT OF INDIVIDUAL(S) SIGNING THIS AGREEMENT, EVEN IF SIGNING ON BEHALF OF A CORPORATION OR OTHER LEGAL ENTITY, AND MAC TOOLS' UNDERSTANDING THAT SUCH INDIVIDUAL(S) WILL BE THE INDIVIDUAL(S) OVERSEEING OPERATION OF THE MAC TOOLS BUSINESS. MAC TOOLS WILL HAVE THE RIGHT TO TERMINATE THIS AGREEMENT IN THE EVENT SUCH INDIVIDUAL(S) CEASE TO OVERSEE OPERATION OF THE MAC TOOLS BUSINESS.

(c) YOU FURTHER ACKNOWLEDGE AND REPRESENT TO MAC TOOLS THAT:

i. YOU HAVE NOT RECEIVED ANY PROMISE, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, EARNINGS, INCOME, EXPENSES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT EXCEPT SUCH INFORMATION – WHICH IS NOT INTENDED AS, AND SHALL NOT CONSTITUTE, A PROMISE, WARRANTY OR GUARANTEE – AS MAY BE SPECIFICALLY SET FORTH IN ITEM 19 OF THE FRANCHISE DISCLOSURE DOCUMENT.

ii. YOU HAVE <u>NOT</u> RELIED ON ANY ORAL REPRESENTATIONS BY MAC TOOLS, ITS EMPLOYEES OR AGENTS (INCLUDING WITHOUT

LIMITATION, OTHER MAC TOOLS FRANCHISEES, MAC TOOLS' DISTRICT MANAGERS, ITS REGIONAL MANAGERS OR ITS REGIONAL RECRUITING MANAGERS) EXCEPT AS SPECIFICALLY ALLOWED IN ATTACHMENT B, ALL SUCH REPRESENTATIONS BEING SUPERSEDED BY THIS AGREEMENT AND THE ATTACHMENTS.

iii. YOU HAVE SPOKEN WITH EACH OF THE INDIVIDUALS, IF ANY, WHO WILL BE CONTRIBUTING MONEY OR OTHER RESOURCES TO THE BUSINESS, HAVE PROVIDED EACH OF THEM WITH THE FRANCHISE DISCLOSURE DOCUMENT AND HAVE ADVISED EACH OF THEM THAT THIS IS THE ONLY INFORMATION THAT THEY SHOULD RELY ON WITH RESPECT TO THE BUSINESS.

iv. YOU HEREBY ACKNOWLEDGE YOUR UNDERSTANDING THAT MAC TOOLS, IN ENTERING INTO THIS AGREEMENT WITH YOU, HAS REASONABLY RELIED, AND WAS ENTITLED TO RELY, ON THE TRUTH, ACCURACY AND COMPLETENESS OF YOUR ACKNOWLEDGEMENTS AND REPRESENTATIONS THAT ARE SET FORTH ABOVE IN THIS ARTICLE 23. YOU HEREBY AGREE THAT IF IN ANY ARBITRATION OR LITIGATION PROCEEDING YOU EVER ASSERT THAT ANY OF YOUR ACKNOWLEDGEMENTS AND REPRESENTATIONS SET FORTH ABOVE WERE NOT, IN FACT, TRUE OR ACCURATE OR COMPLETE AND YOU USE SUCH ASSERTION(S) TO SUPPORT ANY CLAIM(S) AGAINST MAC TOOLS IN SUCH PROCEEDING, YOU WILL PROMPTLY REIMBURSE MAC TOOLS FOR THE FULL AMOUNT OF ITS ATTORNEYS FEES AND DISBURSEMENTS RELATED TO ITS DEFENSE OF YOUR CLAIM(S), AND THIS REIMBURSEMENT OBLIGATION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

[Remainder of page intentionally blank; signature page follows.]

24. <u>Acceptance</u>.

This Agreement will not take effect, and will not be binding on you or Mac Tools, unless and until signed by you and accepted and signed by Mac Tools in Ohio.

*** * IMPORTANT * ***

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Attachments:
Attachment A – Route Assignment
Additional Route Assignment Form
Attachment B – Representations

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ATTACHMENT A

Route Assignment

Survey Date: _____ Page: _____ Of: _____

Route # : _____ DM: _____

Franchisee's Name: _____ Region: _____ District: _____

Address: _____ Start Date: _____ (Internal Use Only)

_____

Shop Name	Address	City	ST	Zip Code	Business Code	# of Cust	Phone

I acknowledge that Mac Tools has provided me with the opportunity to preview the list of customers for this Route. I further acknowledge that Mac Tools has provided me with all of the assistance related to this Route and these customers that I have requested and that Mac Tools has answered all of my questions related to this Route and these customers to my satisfaction.

Potential Customers This Route ____
# of Customers Page ____

_____
Franchisee Signature Date

TYPE OF BUSINESS CODE

A	Airport Shop
BS	Body Shop
CD	Car Dealership
CS	Cycle Shop
FI	Farm Implement
GOV	Government
HE	Heavy Equipment
IG	Independent Garage
IND	Industrial/Manufacturing
M	Marina
MISC	Miscellaneous
RV	Recreational Vehicle
SR	Specialty Repair
SS	Service Station
TD	Truck Dealership
VOT	Student Votech

Additional Route Assignment Form

Survey Date: _____ Page: _____ Of: _____

Route # : _____ DM: _____

Franchisee's Name: _____ Region: _____ District: _____

Address: _____ Start Date: _____ (Internal Use Only)

_____

Shop Name	Address	City	ST	Zip Code	Business Code	# of Cust	Phone

I acknowledge that Mac Tools has provided me with the opportunity to preview the list of customers for this Route. I further acknowledge that Mac Tools has provided me with all of the assistance related to this Route and these customers that I have requested and that Mac Tools has answered all of my questions related to this Route and these customers to my satisfaction.

Potential Customers This Route ____
# of Customers Page ____

_____
Franchisee Signature Date

ATTACHMENT B

Representations

* * * IMPORTANT * * *

IF YOU BELIEVE THAT MAC TOOLS, OR ANY EMPLOYEE OR AGENT OF OURS OR ANY OTHER PARTY ACTING ON MAC TOOLS' BEHALF, HAVE MADE ANY ORAL STATEMENTS OR REPRESENTATIONS THAT DO NOT APPEAR IN WRITING IN THIS AGREEMENT OR IN ANY OTHER RELATED AGREEMENT BETWEEN YOU AND MAC TOOLS, AND IF SUCH STATEMENTS OR REPRESENTATIONS ARE IMPORTANT TO YOU AND YOU HAVE RELIED ON THEM IN MAKING YOUR DECISION TO ENTER INTO THIS AGREEMENT, YOU MUST WRITE WHAT YOU BELIEVE THOSE STATEMENTS OR REPRESENTATIONS TO BE ON THIS ATTACHMENT IN THE SPACE PROVIDED BELOW.

IF THERE ARE NO SUCH STATEMENTS OR REPRESENTATIONS, INDICATE "NONE" AND INITIAL IT.

DO NOT SIGN THE FRANCHISE AGREEMENT IF YOU HAVE WRITTEN ANY CLAIMED STATEMENT OR REPRESENTATION ON THIS ATTACHMENT UNTIL YOU ARE SATISFIED WITH AND AGREE WITH THE RESPONSES MAC TOOLS MAKES IN ACCORDANCE WITH THE FOLLOWING PROCEDURE.

With respect to each statement or representation that you believe was made by Mac Tools or on its behalf and that you have written on Attachment B, an authorized individual of ours will either:

(1) Write "accepted" and will provide his or her initials next to the statement or representation, indicating acceptance of it by Mac Tools;

(2) Write "rejected" and will provide his or her initials next to the statement or representation, indicating that Mac Tools will not be bound by it; or

(3) Revise or amend the statement or representation and initial the revision, indicating Mac Tools' acceptance of the revised or amended statement or representation.

If you sign this Agreement after writing "none" on this Attachment B or after failing to write anything on this Attachment B, you agree that neither Mac Tools nor anyone else on its behalf made any statements or representations to you on which you are relying except those set forth expressly in writing in this Agreement.

If you sign this Agreement after writing something on this Attachment B, and after having received Mac Tools' responses then

(a) you accept Mac Tools' response as part of this Agreement;

(b) you waive the statements and representations Mac Tools did not accept; and

(c) you agree that in deciding to enter into this Agreement you were relying only on the statements and representations Mac Tools accepted (if any) and only in the form in which Mac Tools accepted them, and not on the statements Mac Tools did not accept.

STATEMENT OF FRANCHISEE: I have relied on the following oral statements or representations by Mac Tools, its agents, employees or anyone acting on its behalf. (**If none, write "none" and initial it.**)

_____

_____

_____

_____

_____

_____

_____

_____

_____

[ALTERNATIVE SIGNATURE PAGE]

24. Acceptance.

This Agreement will not take effect, and will not be binding on you or Mac Tools, unless and until signed by you and accepted and signed by Mac Tools in Ohio. Notwithstanding the provisions of the immediately preceding sentence and Article 4 of this Agreement to the contrary, the grant to you of any rights in and to the Route provided under, without limitation, Section 3.1(a), Article 4 and Attachment A of this Agreement shall take effect on _____.

*** * IMPORTANT * ***

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Attachments:
Attachment A – Route Assignment
Additional Route Assignment Form
Attachment B – Representations

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT C

CONFIDENTIALITY AGREEMENT (CANDIDATE)

I am a candidate for a Mac Tools Franchise. I understand that during the time period that I am such a candidate, Mac Tools may allow me to attend certain meetings, events, conferences, training sessions, and/or seminars which are typically attended only by Mac Tools' employees, agents, and/or other representatives, and/or its franchisees or distributors. I further understand that one of the prerequisites to becoming a Mac Tools Franchisee is that I successfully complete initial training requirements for new Franchisees, including, but not limited to, (i) a truck ride lasting approximately five days with an existing Franchisee ("Mentor Ride"),(ii) a classroom training program at Mac Tools' offices in Ohio, and (iii), if required or permitted by Mac Tools, an e-training program (e.g., training videos provided online or by email, cloud-based and online training, etc.). I further understand that, as a matter of practice, (i) Mac Tools will not enter into a written Mac Tools Franchise Agreement with me if I do not successfully complete the classroom training in Ohio and, if required by Mac Tools, the e-training program; and (ii) in order to ensure that I am able to obtain immediate access to the product inventory and commence distribution of products and complete the required field training immediately after completion of the classroom training, Mac Tools may make arrangements to ship product and/or deliver a Mac Tools truck to me prior to my completion of the classroom training and my execution of a Franchise Agreement. I hereby acknowledge and agree that:

1. Anything that I learn, or any information that I am provided or is made available to me (by whatever source or means of communication) during any above described meeting, event, conference, training session and/or or seminar is the confidential and proprietary information of Mac Tools. I will not disclose that information, including, but not limited to, customer information, to any third party, nor will I use that information for any purpose other than (a) deciding whether I wish to become a Mac Tools Franchisee, and (b) if I become a Mac Tools Franchisee, operating my franchise pursuant to the terms and conditions of the Mac Tools Franchise Agreement.

2. Anything I learn during the Mentor Ride, in the e-training program or in the classroom training program is the confidential and proprietary information of Mac Tools. I will not disclose that information, including, but not limited to, customer information, to any third party, nor will I use that information for any purpose other than (i) deciding whether I wish to become a Mac Tools Franchisee, and (ii) if I become a Mac Tools Franchisee, operating my franchise subject to the terms and conditions of the Mac Tools Franchise Agreement.

3. All confidential and/or proprietary information, including any original and/or copy or reproduction thereof, whether paper, electronic or otherwise, shall be returned by me to Mac Tools by the earlier of (a) 5:00 p.m. EST, or EDT, as the case may be, on the day following the date that Mac Tools requests the return of the information, or (b) within five (5) business days following my decision not to become a Mac Tools franchisee.

4. I will have no right, title or interest in (a) any product inventory shipped to me by or on behalf of Mac Tools, or (b) any truck that I purchase or lease directly from Mac Tools or any other party with which Mac Tools has established financing arrangements, until the later of (i) such time as Mac Tools and I have executed a Mac Tools Franchise Agreement and related agreements (including, but not limited to, a Purchase Agreement), or (ii) the expiration of any applicable contractual cancellation period imposed by applicable state law without the Franchise Agreement being cancelled by me. I agree immediately to surrender possession of any such truck and inventory to Mac Tools if, for any reason, I do not execute a Mac Tools Franchise Agreement or, after executing such an Agreement, I cancel the Agreement pursuant to applicable state law.

5. I will have no right to use the Mac Tools name or trademarks in any way until the later of (i) such time as Mac Tools and I have executed a Mac Tools Franchise Agreement, or (ii) the expiration of any applicable contractual cancellation period imposed by applicable state law without the Franchise Agreement being cancelled by me.

6. I understand that all candidates for a Mac Tools franchise may be required to take a profile assessment created for Mac Tools by a third party (the "Assessment Test") to assess my suitability to be a Mac Tools franchisee. I acknowledge that the Assessment Test, if required, including the nature and specifics of each question asked, is confidential and proprietary information of Mac Tools and may not be disclosed to any third party. I further acknowledge that Mac Tools has no obligation to disclose the results of the Assessment Test to me, the skills it is designed to measure, or any other information regarding the Assessment Test to me or any other person.

7. Mac Tools' training requirements include a post-classroom field training component that will be completed, subject to the terms of the Mac Tools Franchise Agreement, after Mac Tools and I have executed a Franchise Agreement.

8. I consent to and authorize the copyright, reproduction, use, re-use, distribution, publication, re-publication, transmittal and public or private display and performance, in whole or in part (each a "Use"), of any (a) pictures, photographs and proofs and negatives thereof, and (b) video or audio recordings, and audio-visual works, in any medium, containing my name, image, likeness, persona and/or voice (collectively, the "Works"), without restriction as to changes, by Mac Tools for the Permitted Uses (defined below).

   Mac Tools may, in its sole discretion, use any or all of the Works for any purpose including, without limitation: (a) print media; (b) radio; (c) television; (d) point of sale/point of purchase products and media; (e) outdoor and indoor advertising media; (f) promotional and marketing media; (g) public relations uses; (h) Internet uses; (i) editorial content contained within direct marketing materials; (j) mobile marketing media for distribution via mobile phones or other mobile data devices; and (k) any charitable or training uses whatsoever (collectively, the "Permitted Uses").

   I hereby assign all rights in and to the Works, which hereinafter belong to Mac Tools in perpetuity and are fully and freely assignable by Mac Tools. Mac Tools has the unrestricted right, now and in the future, to use the Works, in whole or in part, without limitation as to attribution, edits, alterations, distortions or composites, for the Permitted Uses. I waive any right to inspect or approve any such Works.

   I hereby release and discharge, Mac Tools, and its directors, officers, employees, agents and affiliates, or any other person or entity acting on its behalf, from all legal actions, causes of action and claims regarding (a) the Works; (b) the Use of the Works; (c) the Permitted Uses of the Works; and (d) invasion of privacy, violation of right of publicity, defamation, personal injury, property damage, and/or loss of services. I have no right, title or interest in any Works, subsidiary work, or derivative work. I have no right to terminate the rights granted to Mac Tools in this Section 8.

9. As used herein, "me" and "I" refer to the person or persons signing below and, if the party signing this Agreement is a corporation, limited liability company or other business entity, to such entity and <u>also</u> to the natural person signing below on behalf of such entity. If the candidate signing below is a natural person, the terms "me" and "I" shall also mean any corporation, limited liability company or other business entity formed by the candidate to own and operate the candidate's Mac Tools franchise.

10. Nothing in this Confidentiality Agreement shall be construed to create, between Mac Tools and me a partnership, joint venture, employment relationship, distributor or franchise relationship or other business relationship. By entering into this Agreement, I will not be obligated to become a Mac Tools Franchisee, and Mac Tools will not be obligated to enter into a Mac Tools Franchise Agreement with me. This Agreement is the entire agreement between me and Mac Tools with respect to the subject matter hereof, supersedes all prior oral or written agreements and understandings between us regarding the subject matter hereof, and is solely for the benefit of me, Mac Tools, and the Mac Tools Franchisee with whom I go on the Mentor Ride. No modification or amendment of this Agreement shall be effective unless it is in writing and signed by me and by Mac Tools. This Agreement shall terminate upon the later of (a) the execution by Mac Tools and

me of a Mac Tools Franchise Agreement, or (b) the expiration of any applicable contractual cancellation period imposed by applicable state law without the Franchise Agreement being cancelled by me; provided, however, that Sections 1, 2, 3 and 8 of this Agreement shall survive the expiration of this Agreement.

11. Mac Tools may allow me to sign this Agreement electronically, and if so, my electronic signature, and the transmission of this Agreement or signature electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind me.

CANDIDATE FOR FRANCHISE:

Date: _____

Signature of Individual: _____

Signature of Witness: _____

Printed Name: _____

Printed Name: _____

Address of Candidate:

_____

_____

If Candidate is limited liability company or corporation, also sign following:

Printed Entity Name: _____

Date: _____

_____

Signature of Witness: _____

(Signature of Individual Authorized to Sign on behalf of Entity)

Printed Name: _____

Individual's Printed Name: _____

Title: _____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT C

CONFIDENTIALITY AGREEMENT (INDIVIDUAL ACCOMPANYING CANDIDATE)

As a individual accompanying a Mac Tools franchise candidate, Mac Tools, in its sole and absolute discretion, may allow me to attend certain meetings, events, conferences, training sessions, and/or seminars, which are typically attended only by a Mac Tools franchise candidate (the "Candidate"), Mac Tools' employees, agents, and/or other representatives, and/or Mac Tools' franchisees or distributors. In consideration thereof, I hereby acknowledge and agree that:

1. Anything that I learn, or any information that I am provided or is made available to me (by whatever source or means of communication) during any above-described meeting, event, conference, training session and/or or seminar is the confidential and proprietary information of Mac Tools, and I will not use or disclose that information to any third party.

2. All confidential and/or proprietary information, including any original and/or copy or reproduction thereof, whether paper, electronic or otherwise, shall be returned by me to Mac Tools by the earlier of (a) 5:00 p.m. EST, or EDT, as the case may be, on the day following the date that Mac Tools requests the return of the information, or (b) within five (5) business days following the Candidate's decision not to become a Mac Tools franchisee.

3. I consent to and authorize the copyright, reproduction, use, re-use, distribution, publication, re-publication, transmittal and public or private display and performance, in whole or in part (each a "Use"), of any (a) pictures, photographs and proofs and negatives thereof, and (b) video or audio recordings, and audio-visual works, in any medium, containing my name, image, likeness, persona and/or voice (collectively, the "Works"), without restriction as to changes, by Mac Tools for the Permitted Uses (defined below).

   Mac Tools may, in its sole discretion, use any or all of the Works for any purpose including, without limitation: (a) print media; (b) radio; (c) television; (d) point of sale/point of purchase products and media; (e) outdoor and indoor advertising media; (f) promotional and marketing media; (g) public relations uses; (h) Internet uses; (i) editorial content contained within direct marketing materials; (j) mobile marketing media for distribution via mobile phones or other mobile data devices; and (k) any charitable or training uses whatsoever (collectively, the "Permitted Uses").

   I hereby assign all rights in and to the Works, which hereinafter belong to Mac Tools in perpetuity and are fully and freely assignable by Mac Tools. Mac Tools has the unrestricted right, now and in the future, to use the Works, in whole or in part, without limitation as to attribution, edits, alterations, distortions or composites, for the Permitted Uses. I waive any right to inspect or approve any such Works.

   I hereby release and discharge, Mac Tools, and its directors, officers, employees, agents and affiliates, or any other person or entity acting on its behalf, from all legal actions, causes of action and claims regarding (a) the Works; (b) the Use of the Works; (c) the Permitted Uses of the Works; and (d) invasion of privacy, violation of right of publicity, defamation, personal injury, property damage, and/or loss of services. I have no right, title or interest in any Works, subsidiary work, or derivative work. I have no right to terminate the rights granted to Mac Tools in this Paragraph 3.

4. As used herein, "me", "my" and "I" refer to the person or persons signing below.

5. Nothing in this Confidentiality Agreement shall be construed to create, between Mac Tools and me or the Candidate, a partnership, joint venture, employment relationship, distributor or franchise relationship or other business relationship. This Agreement is the entire agreement

between me and Mac Tools with respect to the subject matter hereof, supersedes all prior oral or written agreements and understandings between us regarding the subject matter hereof, and is solely for the benefit of me and Mac Tools. No modification or amendment of this Agreement shall be effective unless it is in writing and signed by me and Mac Tools.

6. Mac Tools may allow me to sign this document electronically, and if so, my electronic signature, and the transmission of this document or signature electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind me.

INDIVIDUAL ACCOMPANYING CANDIDATE:

Date:_____

Print Name: _____

Relationship to Candidate for Franchise: _____

_____

(Sign Here)

Name of Mac Tools franchise Candidate: _____

_____

Agreed and accepted this ___ day of _____, 20___ in Dublin, Ohio.

Date: _____

STANLEY INDUSTRIAL & AUTOMOTIVE, LLC THROUGH ITS MAC TOOLS DIVISION

By: _____

Name Printed: _____

Title: _____

Address: 5195 Blazer Parkway, Dublin, Ohio 43017

EXHIBIT D

ADDENDA TO FRANCHISE AGREEMENT

MAC TOOLS DISTRIBUTOR CONVERSION ADDENDUM

FRANCHISEE, DISTRIBUTOR OR EMPLOYEE CONVERSION ADDENDUM

VETERANS ADDENDUM

RENEWAL ADDENDUM

SMALL BUSINESS ADMINISTRATION ADDENDUM

EXHIBIT D

MAC TOOLS DISTRIBUTOR CONVERSION ADDENDUM

This Mac Tools Distributor Conversion Addendum (this "Addendum"), dated as of the effective date of the Franchise Agreement (as hereinafter defined) is attached to and made a part of the Franchise Agreement (the "Franchise Agreement"), by and between Stanley Industrial & Automotive, LLC., a Delaware limited liability company, through its Mac Tools Division ("Mac Tools"), and the individual or entity signing the Franchise Agreement as the Franchisee (hereinafter, "you" and "yours"), for the purpose of modifying and amending the terms of such Franchise Agreement. For such purpose, Mac Tools and you agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

2. As of the Effective Date of the Franchise Agreement, that certain Mac Tools Distributor Agreement, by and between Mac Tools and Franchisee and dated as of _____, is hereby terminated.

3. In connection with your agreement to become a Mac Tools Franchisee, we agree:

a. _____;

b. _____; and

c. **[Insert any additional items, if any.]**

Mac Tools' obligation to provide each of the items set forth above in this Section 2 is expressly conditioned upon your status as a Mac Tools Franchisee in good standing as of the date that (i) we provide such item, or (ii) you apply to us for such reimbursement of expenses.

4. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT D

FRANCHISEE, DISTRIBUTOR OR EMPLOYEE CONVERSION ADDENDUM

This Franchisee, Distributor or Employee Conversion Addendum (this "Addendum"), dated as of the effective date of the Mac Tools Franchise Agreement (as hereinafter defined) is attached to and made a part of the Mac Tools Franchise Agreement (the "Franchise Agreement"), by and between Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division ("Mac Tools"), and the individual or entity signing the Franchise Agreement as the Franchisee (hereinafter, "you" and "yours"), for the purpose of modifying and amending the terms of such Franchise Agreement. For such purpose, Mac Tools and you agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

2. You hereby warrant and represent to Mac Tools that (a) all of the information that you have provided to Mac Tools regarding your past sales and years of experience as (i) a distributor or franchisee of a third-party tool distribution system, (ii) a former Mac Tools distributor or former Mac Tools franchisee, (iii) an employee of Stanley Industrial & Automotive, LLC, its predecessors, subsidiaries, and/or affiliates, including, without limitation, Mac Tools, or (iv) a distributor or franchisee of a mobile product distribution system (involving products other than those distributed by Mac Tools franchisees), and (b) all of the other information provided to us in the application process to become a Mac Tools Franchisee, is accurate and complete. You acknowledge that we have relied upon such information as provided by you in determining your qualification for the incentive program evidenced by this Addendum.

3. You hereby warrant and represent to Mac Tools that one of the following statements is accurate:

a. You are not bound by any agreement or contract or other obligation to (i) any manufacturer or vendor with whom you had a prior agreement to operate as a sales representative or distributor, (ii) your prior franchisor, or (iii) any other party, which would prevent you from complying with any obligations under the Franchise Agreement or prevent you from performing your duties as a Mac Tools franchisee;

b. You have provided Mac Tools a copy of correspondence executed by (i) an authorized representative of any manufacturer or vendor with whom you had a prior agreement to operate as a sales representative or distributor, or (ii) an authorized representative of your former franchisor, that states that you are being released from any applicable noncompetition covenants.

4. In connection with your agreement to become a Mac Tools Franchisee, we agree:

a. _____;

b. _____; and

c. **[Insert any additional items, if any.]**

Our obligation to provide each of the items set forth above in this Section 4 is expressly conditioned upon your status as a Mac Tools Franchisee in good standing as of the date that (a) we provide such item, or (b) you apply to us for such reimbursement of expenses.

5. [Insert additional terms, if applicable.]

6. You and Mac Tools agree that, during the Term of the Franchise Agreement or afterwards, you shall not communicate or disclose to any third party any information regarding this Addendum. All of the contents of this Addendum are hereby deemed to be confidential information.

7. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT D

VETERANS ADDENDUM

This Veterans Addendum (this "Addendum"), dated as of the effective date of the Franchise Agreement (as hereinafter defined) is attached to and made a part of the Franchise Agreement (the "Franchise Agreement"), by and between Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division ("Mac Tools"), and the individual or entity signing the Franchise Agreement as the Franchisee (hereinafter, "you" and "yours"), for the purpose of modifying and amending the terms of such Franchise Agreement. For such purpose, Mac Tools and you agree as follows:

1. All capitalized terms herein that are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

2. You shall provide Mac Tools with documentation certifying the Honorable Discharge from a branch (Air Force, Army, Coast Guard, Marine Corps or Navy) of the United States Armed Forces (the "U.S. Armed Forces") of (a) you, if the franchisee is an individual, or (b) your spouse, if the franchisee is an individual and your spouse has executed the Guaranty of Indebtedness of a Mac Tools Franchisee, or (c) the owner of a majority ownership interest in you, if the franchisee is a business entity, or (d) the spouse of the owner of a majority interest in you, if the franchisee is a business entity and your spouse has executed the Guaranty of Indebtedness of a Mac Tools Franchisee (the "Veterans Program Candidate").

3. Subject to the provisions of Section 4 of this Addendum, in Mac Tools' discretion, Mac Tools will provide to you, without cost to you, (a) inventory chosen by Mac Tools having a franchisee cost of $25,000, which inventory shall be in addition to your Starter Inventory, or (2) a $25,000 credit to your Mac Tools' trade account which may be used by you for purchases of inventory that are in addition to your required Starter Inventory (in either case, the "Veterans Incentive").

4. You acknowledge that Mac Tools is providing you with the Veterans Incentive in order to assist you with commencing your franchised Mac Tools business, and it is your expectation and Mac Tools' expectation that you will continue in operation of the business. In the event that (a) the Franchise Agreement is terminated prior to the third anniversary of the effective date of the Franchise Agreement, or (b) you cease to operate your franchised Mac Tools business prior to the third anniversary of the effective date of the Franchise Agreement, or (c) Mac Tools learns or becomes aware that the Veterans Program Candidate was not Honorably Discharged from the U.S. Armed Forces, then you shall be required immediately to pay to Mac Tools the full amount of the Veterans Incentive.

5. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT D

RENEWAL ADDENDUM

This Renewal Addendum (this "Renewal Addendum") is attached to and made a part of the Franchise Agreement (the "Renewal Franchise Agreement"), by and between Stanley Industrial & Automotive, LLC., a Delaware limited liability company, through its Mac Tools Division ("Mac Tools"), and the individual or entity signing the Renewal Franchise Agreement as the franchisee (hereinafter, "you" and "yours"), for the purpose of modifying and amending the terms of such Renewal Franchise Agreement. The effective date of this Renewal Addendum shall be the same as the effective date of the Renewal Franchise Agreement (the "Renewal Addendum Effective Date").

Background

(A) Mac Tools and you are parties to that certain Franchise Agreement, dated to be effective as of _____, 20__ (the "Franchise Agreement"). The Initial Term (as defined in Section 2.1 of the Franchise Agreement) of the Franchise Agreement will expire on _____, 20__.

(B) You desire to exercise your option to renew the Franchise Agreement for a Renewal Term (as defined in Section 2.2 of the Franchise Agreement). Mac Tools acknowledges that you have met each of the requirements for renewal under Section 2.2 of the Franchise Agreement, provided that you execute Mac Tools' current form of Franchise Agreement, along with this Renewal Addendum.

Agreement

For such purpose, Mac Tools and you agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Renewal Franchise Agreement. In the event of a conflict between the terms of the Renewal Franchise Agreement and the terms of this Renewal Addendum, the terms of this Renewal Addendum shall control. Except as specifically modified by this Renewal Addendum, all terms of the Renewal Franchise Agreement are in full force and effect.

2. As of the Effective Date of the Renewal Franchise Agreement and of this Renewal Addendum, the Franchise Agreement is hereby superseded and terminated.

3. Section 1.2 of the Renewal Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

   "1.2. Initial Franchise Fee. The initial franchise fee (the "Initial Franchise Fee") has previously been received by Mac Tools."

4. Section 1.3 of the Renewal Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

   1.3 Annual Fee. You must pay Mac Tools an annual fee (the "Annual Fee") in the amount of One Thousand Two Hundred Dollars ($1,200). The Annual Fee is not refundable.

   During the first calendar year of the Renewal Term, the Annual Fee is payable by you in the form of a single payment amount equal to One Hundred Dollars ($100) multiplied by the number of whole calendar months in the remainder of the first calendar year of the

Renewal Term, beginning with the Annual Fee Month (as defined below). Payment shall be in the form of a debit to your trade account (as referenced in Section 5.3 of this Agreement) and shall be paid by you in full within thirty (30) days of the date of invoice by Mac Tools.

During each successive calendar year, after the first year of the Renewal Term, the Annual Fee is payable by you in a single payment amount of One Thousand Two Hundred Dollars ($1,200), which payment shall be in the form of a debit to your trade account (as referenced in Section 5.3 of this Agreement) for which you will be invoiced on or before the fifteenth (15th) day of January in each such calendar year. Payment of the Annual Fee during each such calendar year of the Renewal Term shall be due in full within thirty (30) days of said invoice date.

As used in this Section 1.3, the term "Annual Fee Month" means the month following the month of the effective date of this Agreement.

5. Notwithstanding anything in the Franchise Agreement and the Renewal Franchise Agreement to the contrary, if, as of the Renewal Addendum Effective Date, you have paid Mac Tools the amount of the annual fee due and owing by you in the last year of the initial term of your Franchise Agreement, Mac Tools will apply the amount paid by you as follows: first, to the amount of said annual fee attributed on a "Per Month Basis" to the months of January through and including the month of the Renewal Addendum Effective Date: and (b) then, to the amount of the Annual Fee (as defined in Section 1.3 of the Renewal Franchise Agreement) due and owing by you in the first year of the Renewal Term. As used herein, "Per Month Basis" means the amount of the annual fee paid by you in the last calendar year of the initial term of your Franchise Agreement divided by twelve.

6. Section 2.1 of the Renewal Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"2.1. Initial Term. The five year initial term of this Agreement (the "Initial Term") has now expired. The Initial Term and any Renewal Term(s) are collectively referred to in this Agreement as the 'Term.' "

7. Section 2.2 of the Renewal Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

["2.2. Renewal. After the current five (5) year renewal term ("Renewal Term") has concluded, you may, at your option, renew this Agreement for up to one (1) additional successive renewal term of five (5) years, provided that at the end of the current Renewal Term you have met each of the following requirements (unless you and Mac Tools have otherwise agreed in writing to a waiver of a particular requirement):

(a) You have given Mac Tools written notice of your election to renew not more than six (6) months, nor less than thirty (30) days, prior to the end of the then-current term;

(b) You are not in default under any provision of this Agreement, or any other agreement between Mac Tools and you, and you have been in full compliance with all material terms and conditions of such agreements during their terms;

(c) You execute Mac Tools' then-current form of Franchise Agreement, which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement;

(d) You execute a general release, in a form prescribed by Mac Tools, of any and all claims through the date of renewal against Mac Tools, Stanley Industrial & Automotive, LLC and its corporate affiliates, and their respective officers, directors, members, agents, and employees in their corporate and individual capacities;

(e) You comply with Mac Tools' then-current qualifications and training requirements, including, without limitation, training requirements specifically designed for renewing franchisees;

(f) You agree to upgrade your Truck to conform to Mac Tools' then-current standards as outlined in writing; and

(g) You pay to Mac Tools a non-refundable renewal fee in an amount equal to one half of the then-current initial franchise fee; and"[1]

(h) You have not, during the term of this Agreement, as determined by Mac Tools in its reasonable discretion, engaged in any behavior prohibited under Section 3.2 of this Agreement, or, with respect to your communications with Mac Tools, its affiliates or suppliers, any verbally abusive or inappropriate and unprofessional behavior.][2]

OR

["2.2. Renewal. After the current ten (10) year renewal term ("Renewal Term") has concluded, you shall have no right to further renew this Agreement.][3]

8. The first paragraph of Section 3.3 of the Renewal Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"Unless you have been granted a prior written waiver from Mac Tools, before you start your Renewal Term, you must successfully complete Mac Tools' orientation and training classes for renewing franchisees to our satisfaction. Mac Tools will pay the cost of the training and teaching materials. You will pay your travel, lodging and personal expenses during any training that takes place at Mac Tools' location in Ohio."

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1 The language in boldface in Section 2.2(g) above will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who executed their Franchise Agreements on or after March 1, 2016. The language in boldface will not be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who executed their Franchise Agreements prior to March 1, 2016.

2 This bracketed text will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who signed a Mac Tools Franchise Agreement that provided two (2) renewal terms of five (5) year each.

3 This bracketed text will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who signed a Mac Tools Franchise Agreement that provided one (1) renewal term of ten (10) years.

9. As of the Renewal Addendum Effective Date, references in the Mac Tools Purchase Agreement, the Mac Tools Security Agreement and the Mobile Business Assistant Software License Agreement executed by you and Mac Tools, shall mean the Renewal Franchise Agreement.

10. [As of the Renewal Addendum Effective Date, references in the Market Revitalization Initiative Program Addendum to Franchise Agreement, executed by you and Mac Tools, shall mean the Renewal Franchise Agreement. All other terms and provisions of the Market Revitalization Initiative Program Addendum to Franchise Agreement shall remain in full force and effect.][4]

11. [Pursuant to Paragraph 5 of the Veterans Addendum to Franchise Agreement, executed by you and Mac Tools, if Mac Tools and you agree, you may operate a second route under your Franchise Agreement. As of the Renewal Addendum Effective Date, (a) you shall operate your second route, whether it be a second route in existence as of the Renewal Addendum Effective Date or a second route that commences on or after the Renewal Addendum Effective Date, pursuant to the terms and provisions of the Renewal Franchise Agreement, and (b) references in Paragraph 6 of the Veterans Program Addendum to Mac Tools Franchise Agreement, shall mean the Renewal Franchise Agreement. All other terms and provisions of the Veterans Addendum to Franchise Agreement shall remain in full force and effect.][5]

12. [As of the Renewal Addendum Effective Date, references in the Mac Tools Government Franchise Agreement, executed by you and Mac Tools, shall mean the Renewal Franchise Agreement. All other terms and provisions of the Mac Tools Government Franchise Agreement shall remain in full force and effect.][6]

13. [As of the Renewal Addendum Effective Date, references in the Franchisee New Route Incentive Program Addendum to Franchise Agreement, executed by you and Mac Tools, shall mean the Renewal Franchise Agreement. All other terms and provisions of the Franchisee New Route Incentive Program Addendum to Franchise Agreement shall remain in full force and effect.][7]

14. [As of the Renewal Addendum Effective Date, references in the Rider to Mac ToolsFranchise Agreement (GreenSky) executed by you shall mean the Renewal Franchise Agreement.][8]

15. This Renewal Addendum, together with the Renewal Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

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[4] The bracketed language will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who executed a Market Revitalization Initiative Program Addendum to Mac Tools Franchise Agreement, which Addendum has not yet terminated as of the Renewal Addendum Effective Date.

[5] The bracketed language will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who executed a Veterans Program Addendum to Mac Tools Franchise Agreement, which Addendum has not yet terminated as of the Renewal Addendum Effective Date.

[6] The bracketed language will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who executed a Mac Tools Government Franchise Agreement, which Government Franchise Agreement has not yet terminated as of the Renewal Addendum Effective Date.

[7] The bracketed language will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who executed a Franchisee New Route Incentive Program Addendum to Mac Tools Franchise Agreement, which Addendum has not yet terminated as of the Renewal Addendum Effective Date.

[8] The bracketed language will be included in the Renewal Addendum to Mac Tools Franchise Agreement for franchisees who executed a Rider to Mac Tools Franchise Agreement (GreenSky), which Rider has not yet terminated as of the Renewal Addendum Effective Date.

IN WITNESS WHEREOF, the parties hereto have duly executed this Renewal Addendum to be effective as of the effective date of the Renewal Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT D

ADDENDUM TO FRANCHISE AGREEMENT[1]

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as ''franchise'' relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

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 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title:_____

Authorized Representative of FRANCHISEE:

By: _____

Print Name: _____

Title:_____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

EXHIBIT E

PURCHASE AGREEMENT

The person or persons signing below are referred to as "you" and "yours." If the party signing this Purchase Agreement (this "Agreement") is a corporation, limited liability company, partnership or any other form of business entity ("Entity"), "you" and "yours" shall refer to such Entity and shall also refer to the natural person signing below on behalf of such entity, provided that, no natural person (other than the undersigned individual (as defined below)) shall be entitled to any of the rights and benefits under this Agreement nor may any natural person (other than the undersigned individual) perform any of the obligations or fulfill any of the responsibilities hereunder. (The natural person signing below is called the "undersigned individual.") "We," "us" and "our" refer to Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division, and our successors and assigns. Our principal place of business is located at 5195 Blazer Parkway, Dublin, Ohio 43017, and our distribution center is located at 4380 Old Roberts Road, Columbus, Ohio 43228.

For the purposes of this Agreement, the following words have the following meanings:

- "Franchise Agreement" – The separate agreement between you and us setting forth the terms under which you have been appointed a franchisee of Mac Tools Products.

- "Business" – The business you conduct as a franchisee of Mac Tools Products under the Franchise Agreement.

- "Distributed Products" – The products you purchase from us that we do not manufacture, but which we purchase from others for resale and permit you to distribute pursuant to the Franchise Agreement.

- "Field Operations Manual" – The manual that we lend to you pursuant to the Franchise Agreement containing rules, policies and procedures to be followed by you when conducting your Business.

- "Manufactured Products" – The products you purchase from us which we or our affiliates manufacture and which we permit you to distribute pursuant to the Franchise Agreement.

- "Products" – The Manufactured Products and the Distributed Products, collectively.

- "Security Agreement" – The separate agreement between you and us pursuant to which you grant us a security interest in certain collateral to secure payment of amounts you now owe us or will owe us in the future under this Agreement or otherwise.

- "UCC" or "Uniform Commercial Code" – The Uniform Commercial Code as adopted by, and in effect in, the State of Ohio from time to time.

1. Purchases on Open Account.

We have the right in our discretion to permit you to purchase Products from time to time on credit if you request it (called "Purchases on Open Account"). The purchase price for these Products will be due and payable in the amounts and on the dates shown on each balance forward statement or other transaction document we use. At the time you are entering into this Agreement, the terms for Open Account purchases are: the total price shown, less 2% of that amount, if you pay in full within 10 days of the date of the balance forward statement, or the full price within 30 days of the date of the balance forward statement. We can change these terms of purchase for future Purchases on Open Account in our discretion, and you will be notified of any such change. You will send the payments to the address specified on the invoice. This extension of credit and the continuation of this credit is at our sole discretion. In other words, we can continue or stop permitting you to make Purchases On Open Account at any time at our sole option. If we do stop, we will sell to you on a cash or C.O.D. basis.

2. All Sales of Products to You.

When Products are sold to you, you are accepting them for resale to your commercial customers ("Customers"). The Products will not be accepted by us "for return" without our approval in accordance with the Field Operations Manual. The terms and conditions of sale are set forth in this Agreement, in your Franchise Agreement, and in the Field Operations Manual. These terms and conditions cannot be changed by any oral or written statement unless specifically approved by us in writing.

3. Your Agreement To Pay.

3.1 All Amounts To Be Paid When Due. You promise to pay all of the sales prices of Products purchased by you no later than the due dates shown on each balance forward statement or other transaction document. You understand that we will apply all payments and credits to oldest items first. If such amounts are not paid by the due date, you will be considered delinquent.

3.2 Late Payments Subject to Delinquency Charge. If you do not pay an Open Account invoice in full when due, we have the option to charge you a late charge. This charge will be calculated by applying a percentage rate to the unpaid cash price for the period of time that such purchase is past due.

(i) The percentage rate we will use will equal (A) 1/ 1/2% per month, or (B) the highest rate allowed for such late charges, in the state(s) where you conduct your Business, whichever is lower.

(ii) We may commence applying such percentage rate when your Purchase on Open Account is at least 10 days past due and we may continue to apply it to the unpaid balance until such purchase is paid in full.

(iii) We will and do take active steps to collect late accounts, and we treat them as delinquent. Thus, the late charge is, and should be considered to be, a bona fide delinquency charge and not a finance charge. However, because such charge could be interpreted otherwise, we will not charge you a late charge which exceeds the permissible rate for "finance charge" for commercial accounts in the state(s) where you conduct your Business.

4. Financial Statements.

At our request, you agree to send us financial statements in a form acceptable to us. Such financial statements shall include all of your income from whatever source. Your continued solvency is a pre-condition to all future sales. If you are no longer solvent, you must notify us immediately.

5. Delivery; Costs of Shipping.

We are selling the Products to you, and you are taking delivery, FOB at our distribution center or other points of shipment, freight and insurance prepaid. ("FOB" means "free on board" and it is a commercial way of stating that the title and risk of loss shift to you when the Product is in the possession of the carrier at our distribution center or other point of shipment.) The costs of shipping (which include the costs of insurance, packaging and other matters involving shipping) are included in the purchase price of the Products we are selling to you. Since you take title to and assume risk of loss of such Products upon our delivery of the Products to the FOB point, if you have a problem with the shipment after you receive it, it is up to you to proceed as described in the Field Operations Manual.

6. Field Operations Manual.

The Field Operations Manual, as it may be amended by us from time to time, sets forth additional terms of our business relationship with you. These terms as they relate to sales to you (for example, return tool policy and new tool returns) are part of this Agreement with you as if the Field Operations Manual was printed here in its entirety.

7. Records.

You will keep written or computerized, daily and weekly records of sales of Products and any other items sold by you, inventory on hand, accounts receivable, accounts payable, and cash disbursements, in a form acceptable to us. WE REQUIRE YOU TO PROVIDE US WITH SUMMARIES OF THESE RECORDS ON A WEEKLY BASIS EACH IN THE FORM SPECIFIED IN THE FIELD OPERATIONS MANUAL. We, or our representatives, can inspect your books, records and inventory at reasonable times during business hours. You agree to cooperate in any such inspections. You will promptly make copies for us at your expense of such records and other information as we may reasonably request.

8. Security Interest.

You have given to us, pursuant to the Security Agreement, and do hereby ratify and reaffirm that you are giving to us, a security interest in all of your right, title, and interest in and to all of the following assets which you now have or in the future will acquire in your Business as a Franchisee regardless of where it is located:

(a) All "Accounts," as such term is defined in the UCC in effect on the date of this Agreement;

(b) All "Chattel Paper," as such term is defined in the UCC in effect on the date of this Agreement;

(c) All "Documents," as such term is defined in the UCC in effect on the date of this Agreement, together with all documentation or books and records, written or computerized relating to your Business;

(d) All credit balances and reserves of whatever type or description created or established by us or our designee, in favor of or with respect to you;

(e) All "Equipment," as such term is defined in the UCC in effect on the date of this Agreement, including without limitation, machinery, motor vehicle(s) ("Truck(s)"), data processing equipment, computers, office equipment, furniture, appliances, and tools;

(f) All "General Intangibles," including "Payment Intangibles," as each such term is defined in the UCC in effect on the date of this Agreement;

(g) All "Inventory," as such term is defined in the UCC in effect on the date of this Agreement, including, but not limited to, your MAC Tools® Inventory and any other inventory acquired by you and inventory from any source, and all merchandise sold by you and subsequently returned to you for any reason whatsoever;

(h) All "Instruments," as such term is defined in the UCC in effect on the date of this Agreement;

(i) All insurance policies relating to the inventory or the Equipment;

(j) All "Investment Property," as such term is defined in the UCC in effect on the date of this Agreement;

(k) All "Deposit Accounts," as such term is defined in the UCC in effect on the date of this Agreement;

(l) All "Letter of Credit Rights," as such term is defined in the UCC in effect on the date of this Agreement;

(m) All "Goods," as such term is defined in the UCC in effect on the date of this Agreement;

(n) All "Supporting Obligations," as such term is defined in the UCC in effect on the date of this Agreement;

(o) All "Security Interests," as such term is defined in the UCC in effect on the date of this Agreement, on merchandise purchased by your customer and with respect to which you have an Account; and

(p) All "Proceeds," as such term is defined in the UCC in effect on the date of this Agreement, of any of the foregoing.

You give us this security interest in order to secure any and all amounts which you owe to us of whatever nature now or at any time in the future. You agree to sign and deliver to us the Security Agreement, proper UCC financing statement forms, and any other documents prepared by us that we may reasonably require, to give effect to this security interest. You authorize us to file one or more financing

statements in all appropriate jurisdictions as we deem necessary to evidence and perfect the security interest created by this Agreement.

9. Assignability.

9.1 Assignability of Indebtedness. We may sell and assign this Agreement or all or any part of our rights under this Agreement or under any other agreement or document relating to any aspect of this Agreement or any indebtedness of yours to us under this Agreement, or the security for, or guarantee of, that indebtedness; or any and all present or future agreement or document relating directly or indirectly in any way to the indebtedness or this Agreement, of whatever nature, to one or more parties without your prior consent. We do not have to give you notice of any such assignment if we continue to service this Agreement with you.

9.2 This Agreement is Personal to the Undersigned Individual. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to the undersigned individual. We have relied upon the skills, financial capacity and personal character of the undersigned individual, regardless of whether or not the person signing this Agreement is an Entity. Accordingly, you (including the undersigned individual) may not assign this Agreement or any right, responsibility or interest granted by this Agreement without our written consent. You (including the undersigned individual) also may not delegate the duties under this Agreement, transfer all or substantially all of your assets, incorporate your Business (if you are not already conducting the Business through a corporation) or otherwise organize the Business as any other form of Entity, or participate in any merger, consolidation, reorganization, or other action involving any change in the undersigned individual's ownership or control of your Business, without our prior written consent. Our consent may be withheld for any bona fide business reason or may be made subject to such conditions as we may determine are necessary and appropriate.

9.3 Duties of Joint Signers. If this Agreement is signed on your behalf by more than one person or Entity, or if you and your spouse both execute this Agreement, the obligations hereunder are joint and several, and the release, forbearance or discharge of one person shall not relieve the other person or persons from the performance of his or their obligations hereunder.

10. Default.

If you do not make any payment which you owe to us under this Agreement or otherwise when such payment is due or if you do not follow any of the promises or other provisions of this Agreement, or if you are declared to be in default under the Franchise Agreement, or the Security Agreement, or any other agreement between you and us, we may declare you to be in default under this Agreement. We may do this without notice to you. At such point, all sums under this Agreement will become immediately due and payable. The fact that we have not declared a certain event (such as non-payment) to be a default in the past, does not mean that we cannot declare such an event to be a default in the future.

11. Costs of Collection.

If there has been an event of default, you agree to pay us our costs of collecting what you owe us, including reasonable attorneys' fees and disbursements, costs of collection agencies, and costs of arbitration as may be awarded by the arbitrator and any other costs related to collection as allowed by law.

12. Limited Warranty.

12.1 Limited Warranty. We warrant any of our Manufactured Products for the expected life of the product against deficiency in material or workmanship. This warranty is subject to the disclaimers and limitations on liability described below. This LIMITED WARRANTY gives you specific legal rights, and you may also have other rights which vary by state.

12.2 Disclaimers and Limitations. This LIMITED WARRANTY does not extend to any Manufactured Product that, in our judgment, was improperly used, altered, abused or repaired by others.

- Distributed Products (which are those that are not manufactured by us) are not warranted by us. The exclusive warranties on Distributed Products are those provided by the manufacturer, or a supplier (other than us), as the case may be.

- **THERE IS NO WARRANTY WHICH EXTENDS BEYOND THOSE DESCRIBED IN THIS AGREEMENT. WE MAKE NO WARRANTIES OR REPRESENTATIONS OF ANY OTHER KIND, EXPRESS OR IMPLIED, REGARDING PRODUCTS MANUFACTURED OR DISTRIBUTED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER.**

- It is further understood that the prices at which we sell the Products are in consideration of limiting our liability for Products manufactured or distributed. The prices we charge for our Products are established, in part, in reliance on the validity and enforceability of the limitations, and exclusions of, certain potential liabilities set forth in this Agreement.

- You understand that our warranties to you are set forth in this Agreement and that any warranty set forth in any Product catalog, Product packaging or otherwise provided by us is for the benefit of the Customer and not you.

- Employees or agents of ours have no authority to make representations of any sort beyond those contained in this Agreement, including any amendments hereto.

12.3 Exclusive Remedy and Claim Procedure. The **exclusive** remedy for a Manufactured Product that fails to perform as warranted is **repair** or **replacement** at our option. There will be no charge if the product is returned to one of our representatives or warehouses, postage or freight prepaid.

12.4 Incidental or Consequential Damages. We are not liable for incidental or **consequential** damages, costs or losses incurred by the Product purchaser or user.

13. Governing Law; Three Step Resolution Process.

13.1 Governing Law. This Agreement takes effect upon its acceptance and execution by us in Ohio and shall be interpreted and construed under the laws of the State of Ohio. Ohio law shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Ohio choice of law rules) except: (a) to the extent governed by the U.S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to any such Sections of this Agreement where, and to the extent that, we have specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein, which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by the federal district courts of the Southern District of Ohio.

14. Resolution of Disputes.

Except with respect to the enforcement of our rights and remedies under (i) any promissory note executed by you in our favor and/or under any security agreement between us, or (ii) any promissory note executed by you in favor of a third party and/or under any security agreement between you and a third party, either of which promissory note and/or security agreement is assigned to us by such third party, as to which the procedures specified in this Article 14 shall not apply, the procedures specified in this Article 14 are the only procedures for the resolution of any and all controversies, disputes or claims of any nature whatsoever arising out of or related to this Agreement or any other agreement between you and us, including the breach, termination or validity of any such agreement, or the relationship between you and us and/or the operation of the Business and including any and all controversies, disputes or claims of any nature against Mac Tools by anyone claiming through you. However, before or during the time that you and we follow these procedures, either you or we can go to the appropriate court to get a preliminary injunction or other preliminary judicial relief if you or we reasonably believe that such a step is necessary to avoid irreparable damage or harm. Even if either you or we take such action, you and we will continue to participate in good faith in the procedures specified in this Article 14.

14.1 Negotiations. You and we will both attempt in good faith to resolve promptly any controversy or claim arising out of or relating to this Agreement and any other agreement between you and us, the relationship between you and us or your operation of the Business, by negotiations between representatives of the parties who have authority to settle the controversy (and, where applicable, who do not have direct responsibility for administration of this Agreement or any other agreement between you and us).

14.2 Notice and Response. The disputing party will give the other party written notice of the dispute. Within 30 business days after receipt of this notice, the receiving party shall submit to the other a written response. The notice and response shall include (a) a statement of each party's position and a summary of the facts and arguments supporting its position, and (b) the name and title of the person who will represent that party. The persons shall meet and/or otherwise communicate at a mutually acceptable time and place within 30 days of the date of the responding party's written response and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

14.3 Mediation. If the matter has not been resolved within 60 business days of the disputing party's notice, or if the responding party will not meet and/or otherwise communicate within 30 days of the written response, either party may initiate mediation of the controversy or claim with JAMS, The Resolution Experts ("JAMS"), which is an independent, non-profit, organization the main office of which is at 345 Park Avenue, New York, New York 10154 (telephone 212-751-2700) or its successor.

14.4 Arbitration. If the matter has not been resolved pursuant to mediation within 60 business days of the initiation of such procedure, or if either party will not participate in a mediation, the controversy shall be settled by arbitration by a sole arbitrator in accordance with the JAMS Arbitration Rules and Procedures. Any mediator or arbitrator shall be mutually selected by you and us or, if you and we cannot agree, by JAMS in accordance with the JAMS Arbitration Rules and Procedures. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Courts of the State of Ohio or any U.S. District Court located therein will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Agreement. Judgment upon the award rendered by the arbitrator may be entered by any state or federal court in Ohio having jurisdiction thereof. Unless the parties agree otherwise in writing, the place of arbitration shall be in New York, New York. The arbitrator is not empowered to and shall not, award punitive, exemplary, indirect, special, consequential

or incidental damages or any other damages in excess of actual direct damages or in excess of any limit on direct damages set forth in this Agreement, whichever is lower. If either party is required to compel arbitration, that party shall be reimbursed for the costs and expenses incurred in connection therewith.

14.5 Extension of Deadlines. All deadlines specified in this Article 14 may be extended by mutual agreement.

14.6 Claims Must Be Brought in One Year. Except with respect to the enforcement of our rights and remedies under (i) any promissory note executed by you in our favor and/or under any security agreement between us, or (ii) any promissory note executed by you in favor of a third party and/or under any security agreement between you and a third party, either of which promissory note and/or security agreement is assigned to us by such third party, as to which the limitation provided by this Section 14.6 shall not apply, any and all claims, controversies and other disputes arising out of or relating to this Agreement, the relationship between you and us or your operation of the Business, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or dispute, or such claim or dispute shall be barred.

14.7 Class Arbitration Waiver. Any arbitration will be conducted and resolved on an individual basis and not a class-wide, multiple plaintiff, or similar basis. Any arbitration will not be consolidated with any other arbitration proceeding involving any other person, except controversies, disputes or claims of any nature against Mac Tools by anyone claiming through you, as provided in the first paragraph of Article 14 above.

14.8 Waiver of Trial by Jury. YOU AND WE EACH WAIVE THE RIGHT TO HAVE A CLAIM OR DISPUTE UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US DECIDED BY A JURY.

15. Waiver of Damages.

15.1 Waiver. You and we hereby waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, indirect, special, consequential or incidental damages against the other.

15.2 Limitation to Actual Damages. You and we agree that, in the event of a dispute or claim with or against the other, each party shall be limited to the recovery of any actual direct damages sustained by it, subject to any limit on direct damages set forth in this Agreement.

15.3 No Attempts to Collect. Neither you nor we will accept or attempt to collect through the courts or otherwise any punitive, exemplary, indirect, consequential or incidental damages from the other even if such damages are entered, ordered or awarded by the arbitrator despite the agreement between you and us to the contrary.

16. Limitation of Liability.

NEITHER WE NOR YOU SHALL BE LIABLE TO THE OTHER FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES ARISING OUT OF OR RELATED IN ANY WAY TO THE SALE OF PRODUCTS, OR THE PERFORMANCE OF ANY OBLIGATION UNDER THIS AGREEMENT OR UNDER ANY OTHER AGREEMENT BETWEEN YOU AND US, WHETHER RESULTING FROM TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, BREACH OF CONTRACT OR WARRANTY OR OTHERWISE, AND ANY LIABILITY WE MAY HAVE TO YOU ARISING IN ANY MANNER AS A RESULT OF SALES OF

PRODUCTS TO YOU SHALL NOT EXCEED THE PRICE PAID BY YOU FOR THE PRODUCT GIVING RISE TO SUCH LIABILITY.

17. Credit Investigation.

You authorize us (a) to make credit checks on you by, among other means, obtaining consumer reports from consumer reporting agencies, and by making direct inquiries of businesses where you have accounts and where you worked, and other sources, and (b) to report concerning your performance with us to consumer reporting agencies and others who may properly receive such information. You agree that the provisions of this paragraph constitute, and shall be deemed to be, your "written instructions" pursuant to Section 604(a)(2) of the Fair Credit Reporting Act. In addition, you agree that the provisions of this paragraph shall continuously remain in full force and effect so long as you have any application pending with or obligation owing to us.

18. Survival of Certain Provisions.

In the event of termination of this Agreement, the provisions of Sections 2, 3, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 25 shall survive and shall continue in full force and effect.

19. Notices.

19.1 Method of Giving Notice. Any notices required or permitted under this Agreement shall be made in writing and shall be deemed to have been given when personally delivered, or delivered by certified or registered mail, return receipt requested, proper postage prepaid, or Federal Express or other similar private express delivery service, addressed to us or you, as the case may be, at the respective addresses provided at the end of this Agreement.

19.2 Refusal of Notice. If any notice sent by certified or registered mail is refused or unclaimed, it shall be deemed given and received on the date the U.S. Postal Service indicates on the return receipt that delivery was refused or unclaimed, provided that the sending party sends a duplicate copy of the notice by regular U.S. mail. Either party may change its address for notice purposes by giving the other party written notice of its new address.

20. Waiver.

No consent or waiver by either party shall be effective unless made in a writing signed by that party. No consent or waiver, express or implied, by either party as to any default by the other party under this Agreement shall be deemed a consent to or waiver of any other breach or default. The failure of either party to declare the other party in default under this Agreement, regardless of how long such failure continues, shall not constitute a waiver of the non-defaulting party's rights under this Agreement.

21. Interpretation.

The section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties, and will not in any way affect the meaning of interpretation of this Agreement. In the event of any conflict with regard to sales of Products between this Agreement, the Field Operations Manual, or any other agreement between us and you, this Agreement shall control.

22. Severability.

If any one or more of the provisions in this Agreement is held to be invalid, or unenforceable in any respect for any reason, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and any such provision shall be deemed severed from this Agreement. It is the intention of the parties that if any provision is held to be invalid, illegal, or unenforceable, there shall be added in lieu thereof, a valid and enforceable provision as similar in terms to such provision as is possible.

23. Acknowledgment of Receipt.

You hereby acknowledge receipt of a fully completed copy of the Agreement. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, and all counterparts taken together shall constitute duplicate originals of the same agreement.

24. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, or other legal representatives.

25. Entire Agreement.

It is important that you understand that you cannot rely on verbal statements made to you by our employees or agents. You can only rely on what is written in this Agreement. This Agreement, including the exhibits, together with the other agreements between you and us referenced herein and the Field Operations Manual, as such Manual may be revised by us in our sole discretion from time to time, constitutes the entire agreement of you and us with respect to your purchase of Initial Inventory and other Products on credit and this Agreement supersedes all prior and contemporaneous agreements between you and us with respect to the subject matter hereof. Except for revisions to the Field Operations Manual, no modification or amendment of this Agreement shall be effective unless it is in writing and signed by both parties.

26. Term.

This Agreement shall begin on the date it becomes effective and shall continue in effect until the effective date of termination or expiration of the Franchise Agreement.

27. Acceptance.

This Agreement will not take effect, and will not be binding on you or us, unless and until signed by you and accepted by, and signed by us, in Ohio.

28. Representations.

You represent and warrant to us that this Agreement has been duly authorized, executed and delivered by you and is valid and binding on you, and that it does not violate or conflict with your organizational or governing documents or any agreement, indenture or other instrument by which you are bound.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT F

SECURITY AGREEMENT

The person or persons signing below are referred to as "you" and "yours." If the party signing this Security Agreement (this "Agreement") is a corporation, limited liability company, partnership or any other form of entity ("Entity"), "you" and "yours" shall refer to such Entity and shall also refer to the natural person signing below on behalf of such entity, provided that, no natural person (other than the undersigned individual (as defined below)) shall be entitled to any of the rights and benefits under this Agreement nor may any natural person (other than the undersigned individual) perform any of the obligations or fulfill any of the responsibilities hereunder. (The natural person signing below is called the "undersigned individual.") "We," "us," "our" and "Mac Tools" refers to Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division, and our successors and assigns. Our principal place of business is located at 5195 Blazer Parkway, Dublin, Ohio 43017, and our distribution center is located at 4380 Old Roberts Road, Columbus, Ohio 43228.

For the purposes of this Agreement, the following words shall have the following meanings:

"Business" – The business you conduct as a franchisee of Mac Tools Products pursuant to the Franchise Agreement.

"Distributed Products" – The products you purchase from us that we do not manufacture, but which we purchase from others for resale and permit you to distribute pursuant to the Franchise Agreement.

"Franchise Agreement" – One or more separate agreement between you and us setting forth the terms under which you have been appointed a franchisee of Mac Tools Products.

"MAC Tools® Inventory" – All Products that you acquire from us and hold for sale.

"Manufactured Products" – The products you purchase from us which we or our affiliates manufacture and which we permit you to distribute pursuant to the Franchise Agreement.

"Products" – The Manufactured Products and the Distributed Products, collectively.

"Purchase Agreement" – A separate agreement between you and us setting forth the terms under which you may purchase Products from us and pay for them over time.

"UCC" or "Uniform Commercial Code" – The Uniform Commercial Code as adopted by, and in effect in, the State of Ohio from time to time.

1. Grant of Security Interest.

In order to secure (i) the payment of any and all amounts, of whatever nature, that are now, or at any time in the future, owing from you to us, including without limitation, amounts owing with respect to purchases of MAC Tools® Inventory, and (ii) the performance of all of your obligations under the Franchise Agreement, the Purchase Agreement, this Agreement, and all other agreements now or hereafter existing between you and us, (all of such indebtedness and obligations, being hereinafter called the "Indebtedness"), you hereby grant to us a security interest in and to the following assets, whether now owned or hereafter acquired in connection with your Business as a Franchisee, and regardless of where such assets are located:

(a) All "Accounts," as such term is defined in the UCC in effect on the date of this Agreement;

(b) All "Chattel Paper," as such term is defined in the UCC in effect on the date of this Agreement;

(c) All "Documents," as such term is defined in the UCC in the effect on the date of this Agreement, together with all documentation or books and records, written or computerized relating to your Business;

(d) All credit balances and reserves of whatever type or description created or established by us or our designee, in favor of or with respect to you;

(e) All "Equipment," as such term is defined in the UCC in effect on the date of this Agreement, including without limitation, machinery, motor vehicle(s) ("Truck(s)"), data processing equipment, computers, appliances, and tools;

(f) All "General Intangibles," including "Payment Intangibles," as each such term is defined in the UCC in effect on the date of this Agreement;

(g) All "Inventory," as such term is defined in the UCC in effect on the date of this Agreement, including, but not limited to, your MAC Tools® Inventory and any other inventory acquired by you and inventory from any source, and all merchandise sold by you and subsequently returned to you for any reason whatsoever;

(h) All "Instruments," as such term is defined in the UCC in effect on the date of this Agreement;

(i) All insurance policies relating to the inventory or the Equipment;

(j) All "Investment Property," as such term is defined in the UCC in effect on the date of this Agreement;

(k) All "Deposit Accounts," as such term is defined in the UCC in effect on the date of this Agreement;

(l) All "Letter of Credit Rights," as such term is defined in the UCC in effect on the date of this Agreement;

(m) All "Goods," as such term is defined in the UCC in effect on the date of this Agreement;

(n) All "Supporting Obligations," as such term is defined in the UCC in effect on the date of this Agreement;

(o) All "Security Interests," as such term is defined in the UCC in effect on the date of this Agreement, on merchandise purchased by your customer and with respect to which you have an Account; and

(p) All "Proceeds," as such term is defined in the UCC in effect on the date of this Agreement, of any of the foregoing.

All of the foregoing described in (a) through (p) above are hereinafter individually and collectively referred to as "Collateral." In no event shall Collateral include any residence of yours or of any of your customers, or any fixtures related to such residence, or any mortgage interest, or lien thereon.

2. Your Obligations With Regard to The Collateral.

(a) Other than security interests or other rights which you grant to us, or to other creditors that we expressly approve in writing, you will keep the Collateral free and clear of all claims, liens and legal process, except as follows: (Please note below any lien that exists on any of your property other than your personal residence). Except as specifically set forth herein, you have granted no other security interest in the Collateral. You will keep the Collateral free from all additional liens, security interests and encumbrances and will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein other than an interest shown above. You will not sell or otherwise transfer the Collateral or any interest therein except in the ordinary course of business.

List Other Existing Liens (write "None" if applicable).

(b) You will not change your name (including any d/b/a) or the address of either your residence, or the address of the location where you operate your Business, if different from the address of your residence, without giving us thirty (30) days prior written notice and such notice shall set forth the new name and/or address, as applicable, and the date on which the new name and/or address shall first be used. The address of your residence, and the address of the location where you operate your Business, if different from the address of your residence, are set forth beneath your signature on the last page of this Agreement. You will not change the type of business organization under which you currently operate your Business (for example, if you currently operate your Business as a sole proprietor, you will not form a partnership, corporation or limited liability company to operate your Business) without giving us thirty (30) days prior written notice and such notice shall set forth the type of business organization you are forming, the new name and/or address, as applicable, and the date on which the new business organization, name and/or address shall first be used.

(c) You will, upon demand, furnish to us such further information, and will execute and deliver to us such all instruments or documents, and will do all such acts as we may at any time or from time to time, reasonably request, or as may be necessary or appropriate to carry out the purposes of this Agreement and to establish, maintain and perfect our valid and enforceable security interest in the Collateral. You irrevocably make, constitute and appoint us (and all officers, employees and agents designated by us) as your true and lawful attorney-in-fact (and agent-in-fact) for the purpose of filing financing statements and other documents necessary to carry out the provisions of this subsection (c). You specifically authorize us to complete and file all financing statements which we deem necessary or appropriate to perfect our security interest in the Collateral. You will also assist us and cooperate with us to take any action we deem necessary or appropriate to take control of any Collateral consisting of Deposit Accounts, Investment Property, Letter of Credit Rights or electronic Chattel Paper.

(d) You shall keep the Collateral insured against such risks, by such companies, in such amounts, and with such deductibles, as may be specified in the Franchise Agreement or as we may otherwise require. All insurance policies and renewals shall be in a form reasonably acceptable to us and shall provide for written notice to us at least thirty (30) days prior to any cancellation, modification, or lapse of coverage.

You shall provide us with copies of all policies and renewals. If we require, you shall promptly give us receipts of paid premiums and renewal notices. Such policies of insurance shall contain an endorsement,

in form and substance satisfactory to us, showing loss proceeds payable to us and providing that no act, default, or misrepresentation of yours or any other person shall affect our right to recover under such policies in the case of loss or damage. Such policies must contain a "lenders loss payable" clause identifying us as the lender. You hereby direct all insurers under such policies of insurance to pay all proceeds payable thereunder directly to us.

You irrevocably make, constitute and appoint us (and all officers, employees or agents designated by us) as your true and lawful attorney-in-fact (and agent-in-fact) for the purpose of making, settling and adjusting claims under such policies of insurance (provided that, prior to the occurrence of an Event of Default as described in Section 3 hereunder, we shall consult with you prior to finally making, settling or adjusting claims under such policies of insurance). We, as your attorney and agent-in-fact, may endorse your name on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect to such policies of insurance.

In the event you, at any time or times hereafter, shall fail to obtain or maintain any of the policies of insurance required above or fail to pay any premium in whole or in part relating thereto, then we, without waiving or releasing any obligations or without waiving or releasing any default by you hereunder, may (but shall be under no obligation to do so) at any time or times thereafter obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which we deem advisable. All sums so disbursed by us, including reasonable attorneys' fees and disbursements, court costs, expenses and other charges relating thereto, shall be payable on demand by you to us. Those sums disbursed by us shall be considered additional Indebtedness and shall be secured by the Collateral.

(e) Subject to the right granted to you to sell the MAC Tools® Inventory as set forth below, you shall keep the Collateral in your possession and control, in good condition, and in a safe place.

(f) You will notify us in writing promptly whenever you learn of any event, condition, litigation, administrative proceeding or other circumstance which may materially and adversely affect your operations, financial condition or business or our security interest in the Collateral.

(g) You will keep the Collateral in good order and repair. You will not waste or destroy the Collateral or any part thereof. You will not use the Collateral in violation of any applicable statute, ordinance or policy of insurance thereon. We may examine and inspect the Collateral, your books and records and any documents or instruments relating to the Collateral at any reasonable time or times wherever located.

(h) You shall permit any of our representatives or agents to visit, audit, inspect and examine all of your property, books, accounts, records, reports and other papers and documents, and to discuss your affairs, finances and accounts with your counsel and independent public accountants and any other agent of yours. You hereby authorize said counsel and accountants to discuss your finances and affairs with us. These inspections may be done at such reasonable times and as often as we may reasonably request.

(i) You may sell Inventory to commercial customers in the ordinary course of your Business as a distributor. However, you shall not otherwise sell or transfer any of the Collateral without our prior written consent. You shall not sell or transfer all, or any portion of, the Collateral to any other distributor of Products without our prior written consent. For purposes of this Agreement, a sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

(j) You shall keep accurate and complete records of the Collateral, separate and distinct from those of your other property. You shall also keep accurate and complete records of any disposition and proceeds of the Collateral. You shall file all tax returns on a timely basis. You shall comply with all laws, orders, regulations, rules, and requirements of any governmental authority. You shall permit us to examine and make copies of your books and records at any time and wherever located.

(k) Upon our request, you shall provide us with complete and accurate financial information in such form and covering such periods as we may require.

(l) You shall maintain written or computerized daily and weekly summaries of your sales, inventory on hand, and accounts receivable, accounts payable and cash disbursements in a form acceptable to us. You shall provide us with copies of such summaries weekly. Upon our request, you will provide us with such other information as we may require from time to time. You shall allow us or our authorized representative to inspect the Collateral and take such other actions as may be necessary to verify your records.

3. <u>Events of Default</u>.

The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

(a) Your failure to pay when due, whether by acceleration or otherwise, any part of the Indebtedness owed to us;

(b) Your failure or neglect to perform, keep or observe any other term, provision, condition, covenant, warranty or representation contained in this Agreement or in any other agreement which you at any time enter into for the purpose of providing us with additional security for the payment of any portion of the Indebtedness;

(c) Any warranty, representation or statement, report or certificate made or furnished to us by or on behalf of you is not true and correct in any material respect when made or furnished;

(d) The occurrence of any material uninsured damage to or uninsured loss, theft or destruction of any of the Collateral;

(e) The death of you (if a natural person) or (if you are an Entity) the death of any undersigned individual; the dissolution, termination of existence of business, insolvency, business failure, appointment of a receiver for any part of the property of, or the assignment for the benefit of creditors by you or any guarantor or surety for you;

(f) The commencement of any bankruptcy, receivership, reorganization, insolvency or liquidation proceeding by or against you or a guarantor or surety for you;

(g) We, in good faith, deem ourselves insecure at any time for any commercially sound reason;

(h) You cease to conduct your Business as it is currently being operated or are enjoined, restrained or in any way prevented by court order from conducting all or any material part of your business affairs;

(i) You become insolvent or are generally not paying your debts as they mature or the making of any transfer by you in an attempt to defraud creditors or any assignment by you for the benefit of your creditors;

(j) Any default by you under, or termination of, any lease relating to any motor vehicle from which you sell Products or any other property in which all or any part of the Collateral may be stored; any repossession of any motor vehicle from which you sell Products or any other property in which the Collateral is stored;

(k) Any transfer of all or substantially all of your assets, any incorporation of your Business (or other organization of the Business as any other form of Entity) without our prior written permission, or any merger, consolidation, reorganization, or other action involving any change in the ownership or control of your Business;

(l) The rendering of any judgment against you in the amount of Five Thousand Dollars ($5,000.00) or more, or the initiation of any proceeding or the rendering of any judgment affecting the Collateral which seeks to establish, attach, or foreclose any lien on the Collateral, or on any part thereof, or which we determine may affect our security interest in the Collateral; and

(m) Any default by you in, or termination of, the Franchise Agreement or the Purchase Agreement.

4. <u>Remedies Upon Default</u>.

Upon and after an Event of Default, all of the Indebtedness that you owe to us may, at our option, and without demand, notice or legal process of any kind, be declared, and immediately shall become due and payable.

Upon and after an Event of Default, we shall have the following rights and remedies:

(a) All of the rights and remedies of a secured party under the laws of the State of Ohio. All such rights and remedies shall be cumulative, and non-exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Agreement and any other documents executed in connection herewith.

(b) The right to direct you to immediately surrender the Collateral to us; but if you fail to do so, we may, without notice or demand, repossess the Collateral.

(c) The right to (i) take possession of the Collateral, without resort to legal process and without prior notice to you, and for that purpose, we may, so far as you can give authorization therefor, enter upon any premises on which the Collateral or any part thereof may be situated and remove the Collateral therefrom, or (ii) require you at your sole cost and expense to assemble the Collateral and make it available to us in a reasonably convenient place designated by us in our sole discretion. You, at your sole cost and expense, shall make available to us all premises and facilities necessary for our taking possession of the Collateral or for removing or putting the Collateral in saleable form.

We may also enter upon any premises on which any Truck is located and may take possession of the Truck and remove the Collateral therefrom without being liable to prosecution or any claim for damages therefor. You hereby waive and release us from any and all claims in connection with any such entry and removal. At our request following any Event of Default, you shall mark your books and records relating

to the Collateral in form and manner satisfactory to us, with an appropriate reference to the security interest created by this Agreement, or shall deliver such books and records to us.

(d) The right to sell or otherwise dispose of all or any part of the Collateral in its then condition by public or private sale or sales, in lots or in bulk, for cash or on credit, all as we in our sole discretion may deem advisable. We and our agents and representatives may bid for and purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against Indebtedness you owe us. Our rights after an Event of Default to make such sales or other dispositions of the Collateral at any location to any person or entity supersede any rights given to you in any agreement to sell Products.

We shall have the right to conduct such sales on your premises or elsewhere and shall have the right to use your premises without charge for such sales for such time or times as we may see fit. You hereby grant us a license or other right to use, without charge, your labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in advertising for sale and selling any Collateral and your rights under all licenses and all franchise agreements shall inure to our benefit. We shall have no obligation to clean up or otherwise prepare any of the Collateral for sale. We may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. We shall have the right to disclaim any warranties of title or the like in any disposition of the Collateral.

We will give you at least ten (10) days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition will take place. (Other dispositions as applicable may include, without limitation, the right to notify postal authorities to change the address for delivery, open mail, endorse checks, bring collection suits, and realize upon Collateral securing the Accounts.)

In connection with our right to sell the Collateral, you irrevocably appoint us as your true and lawful attorney-in-fact, with full power of substitution, for you and in your name, or in our name or otherwise, for our use and benefit but at your cost and expense, generally to sell, assign, transfer, pledge, compromise, institute suit for, make any agreement with respect to, or otherwise deal with any of the Collateral, as fully and completely as though we were the absolute owner thereof for all purposes.

The powers conferred upon us by this subsection are solely to protect our own interest and shall not impose any duty upon us to exercise any such powers. Any such public or private sale shall be at our option. You hereby acknowledge that the MAC Tools® Inventory is of a type which is the subject of widely distributed standard price quotations. If we sell any of the Collateral on credit, you will be credited only with the payments actually made by the purchaser which we receive, and if the purchaser fails to pay for the Collateral, we will have the right to resell the Collateral.

(e) We may, as allowed by law, accept the Collateral in satisfaction of all or part of your Indebtedness owed to us in accordance with the provisions of applicable law.

You hereby agree that the price of any MAC Tools® Inventory retained by us shall be equal to the amount of credit you would have received under our then-current tool return policy set forth in the Field Operations Manual upon returning your MAC Tools® Inventory to us at the termination of the Franchise Agreement.

You agree that our expenses in retaking, holding, inventorying, and otherwise handling the Collateral in such event (other than attorneys' fees and disbursements, court costs, and litigation expenses), which expenses are otherwise reimbursable to us, would be extremely difficult and impractical to ascertain. Therefore, as a reasonable estimate of such expenses, a handling charge of ten percent (10%) of such invoice price may be deducted by us in the event we elect to retain the Collateral.

(f) We may notify any purchaser of Products from you who owes you all or part of the purchase price of the Products, or any other person or entity who owes you money under any Account to pay to us directly any amounts otherwise owing to you. We may, at our option and without prior demand or notice to you, collect all monies due you for any Collateral or the proceeds thereof. We may, at any time, enforce your rights against any account debtors or obligors who owes you money under any Account. You hereby irrevocably appoint us as your true and lawful attorney-in-fact, with full power of substitution to take possession of and endorse in your name any instruments or documents received in payment of all, or any part of, your Accounts; to collect, sue for, and give acquittance for monies due on the Accounts; and to withdraw any claims, suits, or proceedings pertinent thereto or arising out of the assignment of the Accounts. We may extend the time for payment of, compromise, or settle for cash, credit, or otherwise and upon any terms and conditions, any of the Accounts and thereby discharge the person or persons liable for the payment thereof without affecting your obligations to us (except to the extent that the Indebtedness secured by this Agreement shall be reduced by the amount of any sums received by us). At our request, all bills and statements sent by you to the persons liable for payment of the Accounts shall state that they have been assigned to, and are solely payable to, us, and you shall direct persons liable for payment of the Accounts to pay directly to us any sums due or to become due on account thereof.

(g) You shall promptly reimburse us upon demand for all costs of collection of the amounts secured by this Agreement or any part thereof, including, without limitation, all expenses incurred in connection with the repossession, sale, or protection of the Collateral and any attorneys' fees and disbursements, court costs, and litigation expenses and other costs and expenses incurred or paid by us in protecting or enforcing its rights in the Collateral. If any such expenses are not so reimbursed, the amount thereof, together with interest thereon from the date of demand at the highest rate permitted by law, shall also be secured by this Agreement.

5. Governing Law.

This Agreement takes effect upon its acceptance and execution by us in Ohio and shall be interpreted and construed under the laws of the State of Ohio. Ohio law shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Ohio choice of law rules) except: (a) to the extent governed by the U.S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); and (b) with regard to such Sections of this Agreement where, and to the extent that, we have specifically provided otherwise.

6. Waiver of Trial by Jury.

YOU AND WE EACH WAIVE THE RIGHT TO HAVE A CLAIM OR DISPUTE UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US DECIDED BY A JURY.

7. Waiver of Damages.

7.1 Waiver. We and you hereby waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, indirect, special, consequential or incidental damages against the other.

7.2 Limitation to Actual Damages. You and we agree that, in the event of a dispute or claim with or against the other each party shall be limited to the recovery of any actual direct damages sustained by it, subject to any limit on direct damages set forth in this Agreement.

7.3 No Attempts to Collect. Neither you nor we will accept or attempt to collect through the court or otherwise any punitive, exemplary, indirect, consequential or incidental damages from the other even if such damages are entered, ordered or awarded by the arbitrator despite the agreement between you and us to the contrary.

8. Limitation on Liability.

NEITHER WE NOR YOU SHALL BE LIABLE TO THE OTHER FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES ARISING OUT OF OR RELATED IN ANY WAY TO THE SALE OF PRODUCTS OR THE PERFORMANCE OF ANY OBLIGATION UNDER THIS AGREEMENT OR UNDER ANY OTHER AGREEMENT BETWEEN YOU AND US, WHETHER RESULTING FROM TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, BREACH OF CONTRACT OR WARRANTY OR OTHERWISE, AND ANY LIABILITY WE MAY HAVE TO YOU ARISING IN ANY MANNER AS A RESULT OF SALES OF PRODUCTS TO YOU SHALL NOT EXCEED THE PRICE PAID BY YOU FOR THE PRODUCT GIVING RISE TO SUCH LIABILITY.

9. Credit Investigation.

You authorize us (a) to make credit checks on you by, among other means, obtaining consumer reports from consumer reporting agencies, and by making direct inquiries of businesses where you have accounts and where you have worked, and other sources, and (b) to report concerning your performance with us to consumer reporting agencies and others who may properly receive such information. You agree that the provisions of this paragraph constitute, and shall be deemed to be, your "written instructions" pursuant to Section 604(a)(2) of the Fair Credit Reporting Act. In addition, you agree that the provisions of this paragraph shall continuously remain in full force and effect so long as you have any application pending with or obligation owing to us.

10. General.

10.1 Waivers. No waiver by us of any default shall be effective unless in writing nor shall it operate as a waiver of any other default or of the same default on a future occasion. Our failure or delay to exercise, or partially exercise any right, power or privilege provided for hereunder shall not in any circumstances preclude the full exercise of such right, power or privilege in the same or similar circumstances in the future or the exercise of any other right or remedy.

10.2 Entire Agreement. This Agreement, and the Purchase Agreement, together with the other agreements between you and us referenced herein and the Field Operations Manual, as such Manual may be revised by us in our sole discretion from time to time, constitutes the entire agreement with respect to the security interest granted by you to us and this Agreement supersedes all prior and contemporaneous agreements between the parties hereto with respect to the subject matter hereof.

Except for revisions to the Field Operations Manual which we may make from time to time in our discretion, no amendment, modification, termination, or waiver of any provision of this Agreement or consent to any departure from you therefrom, shall in any event be effective unless the same shall be in writing and signed by you and us. Any waiver of, or consent to any departure from, any provision of this Agreement shall be effective only in the specific instance of and for the specific purpose for which it is given. Such waiver shall not be deemed to extend to similar situations or to the same situation at a subsequent time. No notice to or demand upon you shall in any case entitle you to any other or further notice or demand in similar or other circumstances.

10.3 Our Rights to Assign. We may sell and assign this Agreement or all or any part of our rights under the Agreement, or any and all present or future agreements or documents relating directly or indirectly to this Agreement or our rights hereunder of whatever nature, to one or more parties without your prior consent and without notice to you.

10.4 Binding Effect. All of our rights hereunder shall inure to the benefit of our successors and assigns, and all of your obligations shall bind your heirs, legal representatives, successors and permitted assigns. This Agreement shall bind all persons who become bound as a debtor to this Agreement.

10.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of the Agreement shall be prohibited by or invalid under applicable law, however, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. It is the intention of the parties that if any provision is held to be invalid, illegal or unenforceable, there shall be added in lieu thereof, a valid and enforceable provision as similar in terms to such provision as is possible.

10.6 Acknowledgment of Receipt of a Copy of this Agreement. You hereby acknowledge receipt of a fully completed copy of this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, and all counterparts taken together shall constitute duplicate originals of one and the same agreement.

10.7 Our Right to Discharge Liens; Reimbursement by You. At our option, but without obligation to do so, we may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral; may place and pay for insurance on the Collateral; may order and pay for the repair, maintenance and preservation of the Collateral; and may pay any fees for filing or recording such instruments or documents as may be necessary or desirable to perfect the security interest granted herein. You agree to reimburse us on demand for any payment made or any expense incurred by us pursuant to the foregoing authorization, and all such payments and expenses shall bear interest at the highest rate permitted by law and shall also be secured by this Agreement. We shall not be liable for any damages resulting to you from any such action, whether caused by negligence or otherwise.

10.8 Acceptance. This Agreement has been delivered at and shall be deemed to have been made at Ohio and shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the State of Ohio, without application of its conflicts of laws principles.

10.9 Rights are Cumulative. The liabilities, rights, and remedies of the parties expressed herein are cumulative of each and every other liability, right, or remedy which the parties might otherwise have at law or in equity. The exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

10.10 Duties of Joint Signers. If this agreement is signed on your behalf by more than one person or Entity, or if you and your spouse both execute this Agreement, the obligations hereunder are joint and several, and the release, forbearance, or discharge of one person shall not relieve the other person or persons from the performance of his or their obligations hereunder.

10.11 Notice.

(a) Method of Giving Notice. Any notices required or permitted to be given hereunder shall be made in writing and shall be deemed to have been given when personally delivered, or delivered by certified or registered mail, return receipt requested, proper postage prepaid, or Federal Express or other similar private express delivery service ("Private Carrier"), addressed to you or us, as the case may be, at the respective addresses provided at the end of this Agreement. Either party may at any time change its address for notification purposes by providing written notice of such change to the other party at the party's then-current address.

(b) Refusal of Notice. If any notice sent by certified or registered mail, or by Private Carrier, is refused or unclaimed by the receiving party, it shall be deemed given and received on the date the U.S. Postal Service, or the Private Carrier, as the case may be, indicates on the return receipt or other evidence of attempted delivery that delivery was refused or unclaimed, provided the sending party sends a duplicate copy by regular U.S. mail.

10.12 Representations. You represent and warrant to us that this Agreement has been duly authorized, executed and delivered by you and is valid and binding on you, and that it does not violate or conflict with your organizational or governing documents or any agreements, indenture or other instrument by which you are bound.

10.13 Termination; Release. When the Indebtedness has been paid and performed in full, this Agreement shall terminate, and at your request and sole expense, we will execute and deliver to you the proper instruments (including UCC termination statements) acknowledging the termination of this Agreement, and we will assign, transfer and deliver to you, without recourse, representation or warranty of any kind whatsoever, all of the Collateral that is in our possession that has not been previously disposed of, applied in payment for the Indebtedness or released to you.

10.14 Continuing Liens. This Agreement is in addition to any existing Security Agreement between you and Mac Tools (each an "Existing Security Agreement") and the liens granted hereunder are in addition to, and a continuation of, the liens granted by you to Mac Tools under any Existing Security Agreement. This Agreement is in no way intended, nor shall it be construed, to impair or extinguish the creation, attachment, perfection or priority of the security interests in, and other liens on, the Collateral (or any part thereof) granted to, or held by, us under any Existing Security Agreement, which existing security interests and other liens: (i) you acknowledge, confirm, regrant and reaffirm to us and (ii) will continue in existence under the terms of this Agreement.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT G

BUSINESS ENTITY WORKSHEET

1. The business address of my Mac Tools franchised business will be:

   (Street Address)_____

   (City/State/Zip Code)_____.

2. The name of my corporation or limited liability company ("Entity") is _____

   _____.
   (exact name, with punctuation, as specified in organizational and governing documents)

3. My Entity is organized under the laws of the State of: _____.

4. My Entity's Federal Tax Identification No.: _____.

5. Other than the state(s) in Number 1 and Number 3 above, the State(s) in which my Mac Tools business will be operated include (if none, indicate as "None"): _____

   _____.

6. The State(s) in which my Entity is authorized to do business include: _____

   _____.

7. All of the equity owners of my Entity, and the percentages of their ownership interests, are:

Equity Owner's Name	Ownership Percentage
Total:	100%

8. The names of all of the members of my Board of Directors (if my Entity is a corporation) and any non-equity owners of my Entity are included below.

   Please identify those whose names might not be familiar to Mac Tools, such as your lawyer, accountant or other third party.

Name:	Indicate: Director and/or Non-Equity Owner

9. The officers (e.g, President, Vice-President, Secretary and/or Treasurer) of my Entity, if applicable, are:

Name	Title(s)

10. The names of all of the managers of my Entity, if my Entity is a limited liability company that is manager-managed are:

11. The names and titles of my officer(s), member(s), or manager(s), as applicable, who are authorized to deal with Mac Tools:*

Name	Title(s)

* This is similar to the question(s) that a bank might ask of the Entity – which officers, members, or managers, as applicable, are authorized to sign checks on behalf of the Entity.

It is Mac Tools' strong preference that the authority to deal with Mac Tools run to title and not to specific named individuals. (For example, you should authorize the President of a corporation to deal with Mac Tools, not Mary Smith who happens at the time to be President.)

It is also Mac Tools' strong preference that any of the authorized officers, members, or managers, as applicable, ***acting alone***, may sign documents or take action on behalf of the Entity. If you require this authority to be set up some other way, such as two signatures being required to sign documents or otherwise take action on behalf of your Entity, please specify. Otherwise, it will deemed that that any of the named officers, members, or managers included above may sign documents and take other action, including any action involving the Mac Tools franchise, on behalf of your Entity.

[remainder of page intentionally blank]

12. If you are ***an existing Mac Tools franchisee*** and you have formed an Entity to operate your Mac Tools franchise ***after the date that you signed your Mac Tools Franchise Agreement***, please complete the following:

    a. The Entity took over the franchised business on or about _____, 20 ____.

    b. The Entity took over the Mac Tools franchise by buying all the assets and assuming all the liabilities under the Franchise Agreement and any other agreements with Mac Tools or third parties: _____ yes _____ no. If no, please describe the transaction.

    _____

    _____

    _____

13. If you are ***an individual buying the shares of a corporation or membership interests in a limited liability company, and the corporation or limited liability company (the "Entity") is an existing Mac Tools franchisee***, ***and you are assuming an equity ownership position*** in the Entity, provide the following:

    a. The anticipated date that you will assume the equity ownership position in the Entity: _____, 20____.

    b. A description of the transaction and describe the change in control or equity ownership of the Entity:

    _____

    _____

    _____

14. Confirm the Mac Tools franchise business is or will be the only activity conducted by the Entity: _____ yes _____ no.

    If no, please describe the other businesses in which the Entity is involved:

    _____

    _____

    _____

    _____

    This section should be completed by ***any and all*** Mac Tools franchisees operating a Mac Tools franchise by and through an Entity.

15. I have attached to this Worksheet accurate and complete copies of the organizational and governing documents of the Entity (such as articles or certificate of incorporation, code of regulations or bylaws, shareholders' agreement, close corporation agreement, buy/sell agreement, voting agreement, articles of organization, certificate of formation, operating agreement, limited liability company agreement, or similar documents).

16. I have attached to this Worksheet a record certificate of good standing (or similar document) issued by the secretary of state (or comparable office) of the state of organization (or other jurisdiction) of the Entity, certifying as to the good standing or existence of the Entity.

EXHIBIT H

CERTIFICATES OF RESOLUTIONS

CORPORATION

LIMITED LIABILITY COMPANY

EXHIBIT H

CERTIFICATE OF RESOLUTIONS OF

_____
NAME OF CORPORATION

I hereby certify that the following is a true copy of resolutions of _____ (name of corporation) incorporated under the laws of _____ (state of incorporation) and were adopted at a meeting of the Board of Directors and Stockholders of this corporation duly called out and (separately) held on _____, 20 ___ (date of meeting), at which a quorum was present and acting throughout, that such resolutions are in conformity with the organizational and governing documents of this corporation and that the same are now in full force and effect:

RESOLVED, that _____ (name), a/the _____ (title) of _____ (name of corporation), be, and he or she hereby is, authorized in the name of the corporation and on behalf of the corporation:

To enter into contracts and to arrange for obtaining credit, and/or to obtain credit from time to time from Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools").

To execute and deliver in connection with the foregoing, instruments of guaranty, agreements and other obligations of this corporation in forms satisfactory to Mac Tools.

To execute and deliver all agreements, and instruments of every kind and nature, whether of obligation or authorization required or requested by Mac Tools, which (s)he, or they, may determine to be necessary or appropriate in connection with or to give effect to any of the foregoing powers and to affix thereto the seal of this corporation.

FURTHER RESOLVED, that all actions taken by any officer of this corporation with respect to any matter referred to in the preceding resolution be, and the same hereby is, ratified, confirmed, approved and adopted.

FURTHER RESOLVED, that all instruments, guarantees and agreements to be signed by a shareholder or officer of the company may be electronically signed, and such signature(s) transmitted electronically to Mac Tools (including as attached files (e.g., .PDF)) may be relied upon by Mac Tools and shall have the same legal status as a handwritten, manual signature(s).

FURTHER RESOLVED, that all resolutions relative to the authority of any officers or other persons to act on behalf of this corporation in any dealings or transactions with Mac Tools, shall remain in full force and effect until notice in writing of the revocation or modification thereof shall be received by Mac Tools, and that Mac Tools may conclusively rely on the signatures of the persons identified from time to time as officers of the corporation by certificate of the Secretary of the corporation as having been duly elected or appointed to, and continuing to hold, such offices.

I further certify that the present officers of this corporation duly elected to hold office until their respective successors are chosen and empowered to act for an on behalf of the corporation in any of its business with Mac Tools, within the authority prescribed in the foregoing resolutions certified by Mac Tools are:

NAME	**TITLE**
_____	_____
_____	_____
_____	_____
_____	_____

I further certify that the present stockholders of the Corporation and the percentage of stock owned by each are:

NAME	**OWNERSHIP PERCENTAGE**
_____	_____
_____	_____
_____	_____
_____	_____

IN WITNESS WHEREOF, I have hereunto set my hand to the foregoing Certificate of Resolutions this _____ day of _____, 20 ____.

Printed Name: _____

Title: Secretary

Signature: _____

This Certificate must be signed by the Secretary of the corporation. If such Secretary is not authorized to act alone by the above resolutions, this Certificate must be confirmed by another officer of the corporation:

Printed Name: _____

Title: _____

Signature: _____

Mac Tools should be furnished a new Certificate at such time(s) as there has been change in the information provided in the Certificate previously furnished to Mac Tools, and particularly if there is a change in the corporation's officers or stockholders.

EXHIBIT H

CERTIFICATE OF MEMBERS OF

_____
NAME OF LIMITED LIABILITY COMPANY

The undersigned certify(ies) as follows:

1. _____ (name), (a/the) _____ (title) of _____ (name of limited liability company), a _____ (state of organization) limited liability company be, and he or she hereby is, authorized in the name of the company and on behalf of the company:

   To enter into contracts and to arrange for obtaining credit, and/or to obtain credit from time to time from, Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools").

   To execute and deliver in connection with the foregoing, instruments of guaranty, agreements and other obligations of this limited liability company in forms satisfactory to Mac Tools.

   To execute and deliver all agreements, and instruments of every kind and nature, whether of obligation or authorization required or requested by Mac Tools, which (s)he, or they, may determine to be necessary or appropriate in connection with or to give effect to any of the foregoing powers.

2. All actions taken by any member/manager of this limited liability company with respect to any matter referred to in the preceding resolution be, and the same hereby is, ratified, confirmed, approved and adopted.

3. All instruments, guarantees and agreements to be signed by a member, manager or officer of the company may be electronically signed, and such signature(s) transmitted electronically to Mac Tools (including as attached files (e.g., .PDF)) may be relied upon by Mac Tools and shall have the same legal status as handwritten, manual signatures.

4. All resolutions relative to the authority of any member/manager or other persons to act on behalf of this limited liability company in any dealings or transactions with Mac Tools, shall remain in full force and effect until notice in writing of the revocation or modification thereof shall be received by Mac Tools, and that Mac Tools may conclusively rely on the signatures of the persons identified from time to time as members/managers of the limited liability company by certificate of the members/managers of the limited liability company as holding such positions.

5 The present members, and if applicable, managers of the company are:

NAME	**TITLE**
_____	_____
_____	_____
_____	_____
_____	_____

6. The present equity owners of the limited liability company and the percentage of ownership owned by each are:

NAME	PERCENTAGE OF OWNERSHIP
_____	_____
_____	_____
_____	_____
_____	_____

IN WITNESS WHEREOF, I [we] have hereunto set my hand [our hands] this _____ day of _____, 20_____.

_____
Member Signature

_____
Member Printed Name

_____
Member Signature

_____
Member Printed Name

_____
Member Signature

_____
Member Printed Name

_____
Member Signature

_____
Member Printed Name

This Certificate must be signed by all members.

Mac Tools should be furnished a new Certificate at such time(s) as there has been change in the information provided in the Certificate previously furnished to Mac Tools, and, particularly, if there is a change in the limited liability company's members/managers.

EXHIBIT I

* * * * * * * * * * * * * * * * * * * *

THIS IS A LEGAL DOCUMENT. YOU SHOULD CONSULT A LAWYER BEFORE SIGNING IT.

* * * * * * * * * * * * * * * * * * * *

GUARANTY OF PAYMENT AND PERFORMANCE

(Franchisee Officer and/or Owner (Shareholder, Member, Manager of Franchisee))

In this Guaranty, the words "you" and "your" refer to each and all who have signed below as "Guarantors," jointly and severally, if more than one. The words "Mac Tools," "we," "us" and "our" mean Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division, our successors and assigns. Our principal place of business is located at 5195 Blazer Parkway, Dublin, Ohio 43017. The word "Franchisee" refers to _____, a _____ [corporation] [limited liability company] having a principal place of business at _____.

1. Basic Guaranty. You wish us to enter into a Mac Tools Franchise Agreement (the "Franchise Agreement"), as well as other agreements which relate to the Franchise Agreement (the "Other Agreements"), with Franchisee. The Franchise Agreement and the Other Agreements, together with any amendments, modifications or restatements of the Franchise Agreement and the Other Agreements, as well as any renewal Mac Tools Franchise Agreement and any renewing addendum related thereto, are collectively referred to in this Guaranty as the "Agreements." If we provide financing related to the Franchisee's MAC Tools® business, Franchisee may be required to sign one or more promissory notes in favor of us ("Instruments") evidencing Franchisee's payment obligations to us related to the financing. You are the president or other principal officer of Franchisee or a shareholder, member, or manager of Franchisee. You acknowledge that it would be of substantial benefit to you if Franchisee entered into the Agreements with us (or signed Instruments, if applicable, in order to receive the financing from us). To induce us to enter into the Agreements (and to accept the Instruments and provide the financing, if applicable), you hereby guarantee the prompt payment, performance and discharge of each and every duty, liability and obligation (collectively the "Obligations") of whatever nature that Franchisee may owe to us under the Agreements (and under the Instruments, if applicable), all in accordance with the applicable terms of the Agreements. Your guarantee covers all Obligations of Franchisee that may arise at any time whether now or in the future.

2. Absolute and Unconditional Guaranty. This Guaranty and your obligations described herein are absolute and unconditional. If Franchisee fails to pay, perform or discharge any of the Obligations, no matter what the reason, you will pay, perform or discharge the Obligations as if you were the Franchisee and you had signed the Agreements (and the Instruments, if applicable) yourself. We do not first have to try to get Franchisee to pay, perform or discharge the Obligations. We may require you to do so before we ask Franchisee to do so. We may use the same methods against you to enforce our rights that can be used against Franchisee, including but not limited to, exercising our right to set off against all of your deposits and other property which may be in our possession or control. You agree to pay reasonable attorney's fees and all other costs and expenses which may be incurred by us in enforcing this Guaranty against you.

If we release any of the collateral we have taken to secure any of the Obligations, this will not release you from your responsibility under this Guaranty. You also will be obligated under this Guaranty even if any security interest we have taken is not properly perfected, or if the collateral is lost, destroyed or declines in value, or if for any reason any such collateral is not available to discharge the Obligations.

You will be released from responsibility under this Guaranty only when all of Franchisee's Obligations under all Agreements with us (and under all Instruments, if applicable) have been completely performed.

3. Anything Affecting Others Will Not Release You. If more than one person signs this Guaranty, the fact that any such person stops being a guarantor will not release the other or others of you from responsibility under this Guaranty. Your guarantee will not be affected because anyone else who is responsible for the Obligations dies or is released from any duty to perform the Obligations for any reason. Your guarantee will not be affected because Franchisee becomes insolvent, files in bankruptcy or reorganizes.

4. No Notice Required/Consent. Except as otherwise expressly required by law, we do not need to notify you if any of the following events occur. In addition, you assent to the actions described in (B) through (H) below.

(A) Franchisee fails to perform the Obligations when required; or

(B) We sell or take other action with respect to any property given as security for Franchisee's debts or acquire additional collateral; or

(C) Franchisee incurs any new Obligations; or

(D) We decide one or more times to renew, revise or extend any of the Agreements; or

(E) We extend the time in which Franchisee has to perform any Obligation; or

(F) We decide not to renew, revise or extend any of the Agreements or the Instruments; or

(G) We fully or partially release Franchisee from liability under any or all of the Agreements or the Instruments; or

(H) We change or terminate any aspect of any Agreement we have with Franchisee or the Instruments, or Franchisee ceases to be an authorized franchisee of ours for whatever reason.

5. Guaranty Binds Estate, Etc. This Guaranty shall be binding upon your estate, executors, administrators, successors and assigns.

6. Refund. If we have to refund any payment we receive from Franchisee, you remain liable to us under this Guaranty.

7. Subrogation. You have no right of "subrogation" or collection against Franchisee until we are paid in full.

8. Franchisee's Admissions in Writing Bind You. Any written admission by Franchisee or Franchisee's agents of any Obligation shall be binding upon you and your estate. Any judgment or award we obtain against Franchisee also shall be binding upon you and your estate.

9. **Governing Law.** This agreement shall be interpreted and construed under the laws of the State of Ohio. Ohio law will prevail in the event of any conflict of law (without regard to, and without giving effect to, the Ohio choice of law rules).

10. **Disputes.** Any disputes between you and us with respect to this Guaranty and your obligations to us will be settled exclusively in the same manner as the Franchise Agreement provides that disputes between Franchisee and us will be settled.

11. **Each Signer Liable.** Each person who signs this Guaranty is bound separately for the performance of the Obligations by Franchisee. Each person is "jointly and severally liable."

I ACKNOWLEDGE THAT I HAVE READ THE FOREGOING GUARANTY, HAVE HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, AND AM SIGNING THIS GUARANTY VOLUNTARILY.

I ALSO ACKNOWLEDGE THAT THE TRANSACTIONS BETWEEN THE FRANCHISEE AND MAC TOOLS WILL BE EMBODIED SOLELY IN THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS SIGNED BETWEEN THEM AND THAT NO VERBAL STATEMENTS MADE BY REPRESENTATIVES OF MAC TOOLS TO THE FRANCHISEE AND/OR TO ME, WHETHER AS A SPOUSE, FAMILY MEMBER OR INVESTOR OF THE FRANCHISEE, WILL CONSTITUTE A REPRESENTATION AS TO THE POTENTIAL VOLUME, EARNINGS, INCOME, EXPENSES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THE FRANCHISE AGREEMENT EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS SIGNED BETWEEN THE FRANCHISEE AND MAC TOOLS.

12. **Electronic Signature.** This Guaranty may be electronically signed, and signature(s) transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind the guarantor(s) under this Guaranty.

[Signature Page Follows]

GUARANTY OF PAYMENT AND PERFORMANCE

(Franchisee Officer and/or Owner (Shareholder, Member, Manager of Franchisee))

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

EXHIBIT J

* *

THIS IS A LEGAL DOCUMENT. YOU SHOULD CONSULT A LAWYER BEFORE SIGNING IT.

* *

GUARANTY OF INDEBTEDNESS

(Spouse, and/or Other Relative, Friend, Business Associate or Third Party)

In this Guaranty, the words "you" and "your" mean each and all who have signed below as "Guarantors." The words "Mac Tools," "we," "us" and "our" mean Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division, and our successors and assigns. Our principal place of business is located at 5195 Blazer Parkway, Dublin, Ohio 43017. The word "Franchisee" refers to the individual who owns the majority interest in the Franchisee. The Franchisee for purposes of this Agreement is _____, a/an _____ (state of formation and type of business entity), with an address of _____.

1. Basic Guaranty. You wish us to give credit from time to time to, and/or enter into leasing arrangements with, the Franchisee for the purpose of enabling the Franchisee to buy inventory from us and for other purposes relating to the start up and ongoing operation of the Franchisee's business. To persuade us to give such credit to, and/or enter into such leasing arrangements with, the Franchisee, you hereby guarantee the full and prompt payment of all amounts, of whatever nature, that the Franchisee owes to us now or at any time in the future pursuant to such credit and lease arrangements.

2. Absolute and Unconditional Guaranty. This Guaranty and your obligations described herein are absolute and unconditional. If the Franchisee fails to pay us what the Franchisee owes us, no matter what the reason, you will pay us, what the Franchisee owes us. We do not have to try to collect from the Franchisee or the Franchisee's property. We may collect from you before we collect from the Franchisee or the Franchisee's property. We may use the same collection methods against you that can be used against the Franchisee, including but not limited to, exercising our right to set off against all of your deposits and other property which may be in our possession or control.

You will be released from responsibility under this Guaranty only when all of the Franchisee's debts to us have been paid in full and we are no longer obligated under applicable agreements, including without limitation, the Mac Tools Franchise Agreement and any addenda thereto, to extend additional credit to the Franchisee.

Notwithstanding anything in this Guaranty to the contrary, we agree that (i) we will first pursue commercially reasonable collection efforts against the Franchisee and the Franchisee's assets, including business property, before we seek to collect from a Guarantor who is the spouse of the Franchisee or the spouse of the Franchisee's majority owner, and (ii) we will not seek to recover against the primary personal residence of a Guarantor who is the spouse of the Franchisee or the spouse of the Franchisee's majority owner.

3. Anything Affecting Others Will Not Release You. If more than one person signs this Guaranty, the fact that any such person stops being a guarantor will not release the other or others of you from responsibility under this Guaranty. Your guaranty will not be affected because anyone else who is responsible for the Franchisee's debts dies or is released from any duty to pay for any reason. Your

guaranty will not be affected because the Franchisee dies, becomes disabled, becomes insolvent, files bankruptcy or reorganizes.

If we release any of the collateral we have taken to secure any of the Franchisee's obligations to us, this will not release you from your responsibility under this Guaranty. You also will be obligated under this guaranty even if any security interest we have taken is not properly perfected, or if the collateral is lost, destroyed, or declines in value, or if for any reason any such collateral is not available to pay the Franchisee's debts.

4. **No Notice Required/Consent.** Except as otherwise expressly required by law, we do not need to notify you if any of the following events occur. In addition, you assent to the actions described in (B) through (H) below.

(A) The Franchisee fails to pay us any amount when due; or

(B) We sell or take other action with respect to any property given as security for the Franchisee's debts or acquire additional collateral; or

(C) The Franchisee incurs any new debts or obligations; or

(D) We decide one or more times to renew, revise or extend any of the Franchisee's debts or contracts; or

(E) We extend the time in which Franchisee has to pay any amount due; or

(F) We decide not to renew, revise or extend any of the Franchisee's debts or contracts; or

(G) We fully or partially release Franchisee from liability; or

(H) We change or terminate any aspect of any agreement we have with the Franchisee, including, without limitation, the Franchise Agreement, or the Franchisee ceases to be an authorized franchisee of ours for whatever reason.

5. **Franchisee's Bankruptcy.** If there is a bankruptcy filing by or against the Franchisee, you agree that, to the extent necessary to satisfy your obligations under this Guaranty, you will pay us any money and give us any property you receive as a result of claims you file against the Franchisee.

6. **Guaranty Binds Estate, Etc.** This Guaranty shall be binding upon your estate, executors, administrators, successors and assigns.

7. **Refund.** If we have to refund any payment we receive from Franchisee, you remain liable to us under this Guaranty.

8. **Subrogation.** You have no right of "subrogation" or collection against the Franchisee until we are paid in full.

9. **Disputes.** Any disputes between you and us regarding this Guaranty and your obligations to us, and any claims brought by you against us arising directly or indirectly from the franchised business that is the subject of the Franchise Agreement, will be settled exclusively in the same manner as the Franchise Agreement provides that disputes between Franchisee and us will be settled.

10. Franchisee's Admissions in Writing Bind You. Any written admission by the Franchisee or the Franchisee's agents of the amount owed to us shall be binding upon you and your estate. Any judgment or award we obtain against the Franchisee also shall be binding upon you and your estate.

11. Governing Law. This agreement shall be governed by Ohio law.

12. Defined Term. As used in herein, the term "Franchise Agreement" shall mean the Mac Tools Franchise Agreement by and between Mac Tools and Franchisee, together with any amendments, modifications or restatements thereof, and any other agreements by and between Mac Tools and Franchisee, including any renewal Mac Tools Franchise Agreement and any renewing addendum related thereto.

13. Each Signer Liable. Each person who signs this Guaranty is bound separately and for the full amount due. Each person is "jointly and severally liable."

I ACKNOWLEDGE THAT I HAVE READ THE FOREGOING GUARANTY, HAVE HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, AND AM SIGNING THIS GUARANTY VOLUNTARILY.

I ALSO ACKNOWLEDGE THAT THE TRANSACTIONS BETWEEN THE FRANCHISEE AND MAC TOOLS WILL BE EMBODIED SOLELY IN THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS SIGNED BETWEEN THEM AND THAT NO VERBAL STATEMENTS MADE BY REPRESENTATIVES OF MAC TOOLS TO THE FRANCHISEE AND/OR TO ME, WHETHER AS A SPOUSE, FAMILY MEMBER OR INVESTOR OF THE FRANCHISEE, WILL CONSTITUTE A REPRESENTATION AS TO THE POTENTIAL VOLUME, EARNINGS, INCOME, EXPENSES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THE FRANCHISE AGREEMENT EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS SIGNED BETWEEN THE FRANCHISEE AND MAC TOOLS.

14. Electronic Signature. This Guaranty may be electronically signed, and signature(s) transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind the guarantor(s) under this Guaranty.

[Signature Page Follows]

SIGNATURE PAGE TO

GUARANTY OF INDEBTEDNESS

(Spouse, and/or Other Relative, Friend, Business Associate or Third Party)

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____
_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

EXHIBIT K

INSURANCE LOSS PAYEE FORM

To: Insurance Carrier

Please be advised that the undersigned Mac Tools Franchisee has entered into agreements under which the Franchisee will purchase and carry certain inventory from Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division ("Mac Tools"), with a principal office in Dublin, Ohio. The Franchisee will be extended certain payment terms by Mac Tools for orders of inventory. In accordance with the agreements separately executed by the Franchisee with Mac Tools, which require in part that such inventory be fully insured, the undersigned Franchisee hereby instructs you:

(1) To list "Stanley Industrial & Automotive, LLC through its Mac Tools Division, 5195 Blazer Parkway, Dublin, Ohio 43017" as a loss payee as its interest may appear on any and all policies of insurance which cover or will cover the undersigned Franchisee's existing and hereafter acquired inventory of products purchased from Mac Tools; and

(2) To institute whatever steps are necessary to insure that Stanley Industrial & Automotive, LLC through its Mac Tools Division, 5195 Blazer Parkway, Dublin, Ohio 43017, receives at least 30 days advance written notice prior to cancellation or amendment of all or a portion of the policies or policy of insurance which covers or will cover the undersigned Franchisee's existing and hereafter acquired inventory of products purchased from Mac Tools; and

(3) To promptly provide, time being of the essence, written evidence of your compliance with the requirements listed above to "Stanley Industrial & Automotive, LLC, Mac Tools Division, 5195 Blazer Parkway, Dublin, Ohio 43017."

Your cooperation is appreciated.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

EXHIBIT K

INSURANCE LOSS PAYEE FORM
(Wells Fargo Financing)

To: Insurance Carrier

Please be advised that the undersigned Franchisee has entered into agreements under which the Franchisee will purchase and carry certain inventory from Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division ("Mac Tools"), with a principal office in Dublin, Ohio. The Franchisee has chosen to finance the purchase of the initial quantity of inventory through Wells Fargo Equipment Finance, Inc., P.O. Box 35702 Billings, Montana 59107, and will be extended certain payment terms by Mac Tools for subsequent orders of such inventory. In accordance with the agreements separately executed by the Franchisee with each of Wells Fargo and Mac Tools, each of which require, in part, that such inventory be fully insured, the undersigned Franchisee hereby instructs you:

(1) To list "Wells Fargo Equipment Finance, Inc., P.O. Box 35702 Billings, Montana 59107, its successors and assigns" and "Stanley Industrial & Automotive, LLC through its Mac Tools Division, 5195 Blazer Parkway, Dublin, Ohio 43017" (in the above-written priority order) as a loss payee as its interest may appear on any and all policies of insurance which cover or will cover the undersigned Franchisee's existing and hereafter acquired inventory of products purchased from Mac Tools; and

(2) To institute whatever steps are necessary to insure that each of (a) Wells Fargo Equipment Finance, Inc., P.O. Box 35702 Billings, Montana 59107, and (b) Stanley Industrial & Automotive, LLC through its Mac Tools Division, 5195 Blazer Parkway, Dublin, Ohio 43017, receives at least 30 days advance written notice prior to cancellation or amendment of all or a portion of the policies or policy of insurance which covers or will cover the undersigned Franchisee's existing and hereafter acquired inventory of products purchased from Mac Tools; and

(3) To promptly provide, time being of the essence, written evidence of your compliance with the requirements listed above to (a) Wells Fargo Equipment Finance, Inc., P.O. Box 35702 Billings, Montana 59107, and (b) Stanley Industrial & Automotive, LLC through its Mac Tools Division, 5195 Blazer Parkway, Dublin, Ohio 43017.

Your cooperation is appreciated.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address: _____
_____

EXHIBIT L

MOBILE BUSINESS ASSISTANT AGREEMENT

READ THE FOLLOWING TERMS AND CONDITIONS CAREFULLY BEFORE SIGNING THIS MOBLIE ASSISTANT AGREEMENT (this "Agreement"). BY SIGNING BELOW, YOU AGREE TO BE BOUND BY THE TERMS AND CONDITIONS SET FORTH HEREIN.

1. License of Software. Stanley Industrial & Automotive, LLC through its Mac Tools Division ("**Mac Tools**") hereby grants to the franchisee signing below (the "**Franchisee**") a nontransferable, nonexclusive license to use the Mobile Business Assistant Software ("MBA Software") in the operation of his or her Mac Tools franchise. Franchisee shall use the MBA Software solely in connection with his/her MAC Tools® franchise business and may make a backup copy only for that purpose.

2. License Term. The term of the license granted hereunder shall commence upon the date of this Agreement and shall continue until the earlier of (i) the effective date of termination of this Agreement, or (ii) for a period consistent with Franchisee's tenure as an authorized Mac Tools Franchisee, except that, in Mac Tools' sole discretion, Mac Tools may extend the term beyond the termination date or expiration date that would otherwise apply, upon Mac Tools informing Franchisee in writing (which may be by email or other electronic communication (such as a bulletin board or platform used by the parties)) of such extension and for the limited purposes and limited period of time as determined by Mac Tools (a "**Post-Term Extension Period**"). As determined by Mac Tools, such limited purposes may include solely for the purposes of inventory returns, submitting any and all reports or records Franchisee is required to submit to Mac Tools through the MBA Software pursuant to the terms of this Agreement or the Franchise Agreement, obtaining or accessing information pertaining to Franchisee's accounts receivables, and for any other purpose determined necessary by Mac Tools in its sole discretion.

   Upon the effective date of termination or expiration of this Agreement, the rights and obligations of Mac Tools and Franchisee under this Agreement shall be of no further effect, except for those that expressly or by their nature survive termination or expiration of this Agreement, including, without limitation, (a) those set forth in in the preceding paragraph with respect to Franchisee's rights and obligations during a Post-Term Extension Period, (b) Mac Tools' rights under Section 4 of this Agreement, and (c) Franchisee's obligations set forth in Section 3, Section 5, Section 8, Section 10 and Section 12 of this Agreement.

3. Replacement Software and Transition Period.

   (a) In the event that Mac Tools determines, in its sole discretion, that replacement of the MBA Software is reasonably necessary or desirable for Mac Tools franchisees to perform their obligations under their respective Mac Tools Franchise Agreements, Mac Tools may elect to require that Franchisee cease to use the MBA Software and instead begin to use one or more new types of replacement software (collectively, the "**Replacement Software**"), to be governed by one or more new Replacement Software agreements to be entered by Franchisee and Mac Tools and/or third-party software and/or associated support providers, as required by Mac Tools and/or such providers (each, a "**Replacement Software Agreement**").

   (b) In such event, Mac Tools shall inform Franchisee in writing (which may be by email or other electronic communication (such as a bulletin board or platform used by the parties)) of such cessation of use of the MBA Software and requirement to begin to use such Replacement Software (the "**Notice of Upcoming Cessation**"). As a part of, or promptly after, providing such Notice of Upcoming Cessation, Mac Tools shall provide Franchisee with a copy(ies) of the form of the

applicable Replacement Software Agreement(s) (the "**Provision Date of New Form of Replacement Software Agreement**"). No later than thirty (30) days after the Provision Date of New Form of Replacement Agreement, Franchisee must execute such Replacement Software Agreement(s) (the "**Execution Date of Replacement Software Agreement**") and promptly provide such executed version(s) to Mac Tools .

(c) Beginning on the Execution Date of Replacement Software Agreement and continuing until the earlier of (i) thirty (30) days thereafter or (ii) such earlier end date as may be mutually agreed by Mac Tools and Franchisee in writing (such period, the "**Transition Period**"), Franchisee shall perform those transition-related efforts (including but not limited to those pertaining to applicable information and data) that are necessary both to discontinue its use of the MBA Software and to install (if applicable) and begin to access and fully use the Replacement Software (as otherwise described in the Replacement Software Agreement(s)). Mac Tools may assist Franchisee with some of those efforts.

(d) This Agreement and the license granted hereunder shall automatically terminate on the earlier of the date that is (i) the last day of the Transition Period, or (ii) sixty (60) days after the date Mac Tools provided the Notice of Upcoming Cessation to Franchisee.

4. Immediate Termination. Franchisee's license to use the MBA Software and this Agreement shall immediately terminate if:

   a. Franchisee shall fail to comply with any of the terms and conditions of this Agreement or any license granted hereunder, which default is not cured within thirty (30) days after Mac Tools shall have given written notice of such default to Franchisee; or

   b. The term of this Agreement or of any license granted hereunder expires or terminates for any reason; or

   c. An event of default occurs under any other agreement between Franchisee and Mac Tools, which default is not cured within any applicable cure period; or

   d. Franchisee ceases to be an authorized Mac Tools Franchisee for any reason.

5. Obligations Upon Termination or Expiration. Upon the later of (a) the effective date of termination or expiration of this Agreement and any license granted hereunder, or (b) the last day of any Post-Term Extension Period (as described in Section 2 above), Franchisee shall promptly return to Mac Tools the original and all copies of the MBA Software and all related documentation, shall erase the MBA Software from Franchisee's computer system and any and all storage media in Franchisee's possession upon which it has been stored, shall return to Mac Tools any computer equipment loaned by Mac Tools in connection with the MBA Software, shall take such other action required in accordance with the terms and conditions herein, and shall certify in writing to Mac Tools that each such action has been taken. If Franchisee is in default of any obligation imposed by this Agreement or of any license granted hereunder, Franchisee shall pay Mac Tools all costs and expenses incurred by Mac Tools in exercising its rights and remedies hereunder, including reasonable attorneys' fees and disbursements.

6. Delivery. As soon as possible after the execution of this Agreement, Mac Tools will deliver to Franchisee one or more copies as determined by Mac Tools of the MBA Software and all documentation, including any videos, relating to Franchisee's use of the MBA Software. These

will remain the exclusive property of Mac Tools. Franchisee shall have no ownership rights in the MBA Software or any such documentation.

7. Installation and Training. Training and installation assistance respecting the MBA Software will be provided by Mac Tools to Franchisees. Any ancillary costs, e.g. travel and lodging expenses, are the responsibility of Franchisee.

8. Maintenance, Updates, Monthly Support and Fees. Franchisee acknowledges that Mac Tools may modify the MBA Software, update provisions thereof, or change security and other procedures relating to the MBA Software from time to time. Mac Tools shall provide maintenance and updates to the MBA Software, and shall license such updates to Franchisee under the terms hereof. Such updates and any related documentation shall be deemed part of the MBA Software and will be automatically included in and covered by this Agreement. Mac Tools reserves the right to charge Franchisee (a) a recurring monthly license fee for the continuing right to use the MBA Software, and/or (b) a fee for MBA Software license updates.

9. Warranty. Mac Tools represents and warrants that any media or magnetic diskette provided by Mac Tools on which the MBA Software is recorded, together with all printed materials relating to the MBA Software, shall be free from defects in material or workmanship in normal use and service for a period of six (6) months from the date of delivery to Franchisee of the MBA Software. If the MBA Software does not conform to this warranty, then Mac Tools, at its option, will either (i) replace the MBA Software, or (ii) provide services to correct or otherwise make the MBA Software conform to this warranty. Such repair or replacement will be Franchisee's exclusive remedy hereunder. Mac Tools has no obligation to provide warranty service for MBA Software that is modified by Franchisee. **EXCEPT AS EXPRESSLY SET FORTH HEREIN, MAC TOOLS MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL MAC TOOLS BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OR SEVERITY OF SUCH DAMAGES.**

10. Confidentiality. Franchisee acknowledges that the MBA Software and all related documentation have been developed by Mac Tools through substantial expense and effort, that the MBA Software and related documentation constitute confidential and proprietary data and trade secrets of Mac Tools and are valuable assets of Mac Tools' business, and that unauthorized disclosure of any information about the MBA Software would cause substantial and irreparable injury to Mac Tools' business. Franchisee therefore, agrees to hold such material and information in strictest confidence, not to make use thereof, other than in the performance of his/her duties as a Mac Tools Franchisee and in accordance with this Agreement and any license granted hereunder, to release it only to authorized employees or agents requiring such information, and not to disclose any information about the same, except as authorized in writing by Mac Tools.

11. Franchisee's Responsibilities. Upon execution of this Agreement, Franchisee shall obtain and install the most recent version of the MBA Software that is then available. Upon Mac Tools informing Franchisee (which may be by email or other electronic communication (such as a bulletin board or platform used by the parties)) of the release of new versions of the MBA Software, Franchisee shall promptly take action to install and use the most recent version of the MBA Software. Franchisee must obtain and maintain, at his own expense, equipment and appropriate telephone service and Internet connection compatible with and adaptable to the MBA Software. Franchisee shall be responsible for the accuracy and adequacy of any data which he/she

transmits to Mac Tools using the MBA Software and for maintaining procedures for reconstruction of lost data.

12. Data Transmission. Franchisee agrees that to achieve maximum benefit of the MBA Software system, he/she must place orders with Mac Tools electronically and provide to Mac Tools, via computer transmission, certain business information maintained in Franchisee's computer system by the MBA Software, as requested by Mac Tools. In return Mac Tools may provide Franchisee with various business trend analyses through its Franchisee Dashboard system. Mac Tools will treat such data as confidential, and will not make such information available to anyone outside Mac Tools, unless such access is the result of due process of the law, or within Mac Tools, except to appropriate persons who need such information in order to provide services to Mac Tools Franchisees and insure adequate service to the Franchisee's customers. Mac Tools does retain the right to include such information in studies and analyses which may be conducted from time to time, in which event there will be no association of an individual Franchisee with the information.

13. Delays. No party to this Agreement shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, strikes, blackouts, riots, acts of war, epidemics, governmental regulations imposed after the execution of this Agreement, fire, communication line failures, power failures, earthquakes, or other disasters.

14. Severability. Each provision of this Agreement is severable from all of the provisions of this Agreement and, if any one or more of the provisions of this Agreement shall be declared invalid, the remaining provisions of this Agreement shall remain in full force and effect.

15. Governing Law. This Agreement will be governed by and construed in accordance with the local laws of the State of Ohio, without application of its conflicts of laws provisions.

16. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective legal representatives, successors, and permitted assigns. Franchisee cannot transfer or assign the MBA Software or any of his/her rights or delegate any of his/her duties under this Agreement without the prior written consent of Mac Tools.

17. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the MBA Software and supersedes all prior or contemporaneous oral or written agreements or understandings between the parties concerning this subject matter. In addition, the Franchisee agrees that this Agreement supersedes, and shall be deemed to terminate, any prior agreements between the Franchisee and Mac Tools relating to MacLink software. This Agreement may be modified only by a written document signed by Franchisee and a duly authorized signatory of Mac Tools.

19. Notices. Any notice to be given pursuant to this Agreement must be in writing and sent by certified or registered mail, return receipt requested, or personally delivered with a written receipt obtained to the address as set forth below.

20. Use of Software. FRANCHISEE ACKNOWLEDGES THAT THE MBA SOFTWARE HAS BEEN DEVELOPED AND INTENDED SOLELY FOR USE FOR BUSINESS MANAGEMENT PURPOSES AND NOT FOR TAX PLANNING PURPOSES. FRANCHISEE IS ADVISED TO CONSULT WITH HIS OR HER ACCOUNTANT AND/OR TAX ADVISOR REGARDING THE USE OF THE INFORMATION MAINTAINED BY THE MBA SOFTWARE FOR TAX PREPARATION AND PLANNING PURPOSES.

21. Electronic Signature. Mac Tools and Franchisee agree that this Agreement may be electronically signed.

Agreed to and accepted as of the date set forth below.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

EXHIBIT L

Mac Tools and Franchisee Software License Agreement

(for Microsoft Dynamics Online Software and Other Software (if any))

"**Mac Tools**"	"**Franchisee**"
STANLEY INDUSTRIAL & AUTOMOTIVE, LLC, through its Mac Tools Division a Delaware limited liability company Postal address: 5195 Blazer Parkway Dublin, OH 43017	_____ a(n) _____ Postal address: _____ _____ Email address: _____

"**MTFSA Effective Date**": _____.

This Mac Tools and Franchisee Software Agreement (for Microsoft Dynamics Online Software and Other Software (if any)) ("**Agreement**" or "**MTFSA**") is entered into by Mac Tools and Franchisee, to be effective on the MTFSA Effective Date. Defined terms in the General Terms and Conditions (below) shall also apply to these initial pages and the attachment(s).

In consideration of the mutual promises contained herein, in reliance on the statements and information provided below in these initial pages (which are included herein as a part of the Agreement), for other good and valuable consideration, and intending to be legally bound, Mac Tools and Franchisee agree as follows:

A. Routes and Users

Franchisee's access to and use of the Software is on a per Route basis, by individuals who are Franchisee's owner and authorized employee users.

"**Route**" means a Franchisee's route, as described in separate written arrangements between Mac Tools and Franchisee.

Franchisee and Mac Tools shall reasonably cooperate to document in writing the quantities and identities of those authorized users (and, as sometimes may be referenced as, "licenses," "user permissions," or "seats") and changes to such quantities and identities (such as adding to or removing such individuals and, as may be applicable, re-allocating licenses, user permissions, and/or seats).

Each Route may have one or more such individual user licenses, user permissions, and/or seats.

B. Software

"**Software**" means, collectively, the Online Software and any Other Software. For clarification, any updates, upgrades, or the like to any then-current Software (sometimes referred to as maintenance) will be deemed a part of the Software.

"**Online Software**" means certain Microsoft Dynamics and any related software that is hosted by or on behalf of Microsoft, which is accessible and usable in a cloud-based, software-as-a-service model, with associated hosting of databases (or portions of one or more databases). For clarification, Online Software is not Other Software.

"**Other Software**" means third-party software or Mac Tools' proprietary software (but not, for clarification, the Prior Software (as defined below)) that may be (i) delivered to Franchisee and/or installed on hardware or other equipment operated by Franchisee, or (ii) hosted by or on behalf of such third party (or Mac Tools), which is accessible and usable in a cloud-based, software-as-a-service model, with associated hosting of databases (or portions of one or more databases). For clarification, Other Software is not Online Software and is not otherwise third-party software that Franchisee obtains through contractual arrangements made solely between Franchisee and a third-party licensor, provider, or reseller of such software.

C. Background and Related Microsoft Arrangements

C.1 Franchisee is a person to whom or company to which Mac Tools has granted a franchise to operate one or more Routes of a Mac Tools mobile tool distribution business (the "**Mac Tools Business**") and has a then-effective franchise agreement with Mac Tools (the "**Mac Tools Franchise Agreement**") that has not been terminated.

C.2 Mac Tools and/or Stanley Black & Decker, Inc. (each, as applicable, a "**Mac Enrolled Entity**") and Microsoft have separate arrangements pertaining to some of the subject matter (including the Online Software) of the Agreement (the "**Mac-Microsoft Arrangements**"), which include a requirement that Franchisee (i) has signed a "**Participation Agreement**" (in the form of the Attachment of Participation Agreement) or (ii) has a signed agreement with Mac Tools in which a Mac Enrolled Entity has flowed down and obligated Franchisee to the terms and conditions in the Participation Agreement (and the foregoing in subsection (ii) may also be effectuated by an attachment to this Agreement).

If Microsoft changes the terms and conditions of the then-current Mac-Microsoft Arrangements (including but not limited to the Participation Agreement) and Mac Tools provides Franchisee with notice regarding such terms and conditions (which may be a reasonable summary of such changes), such changes shall be both deemed to apply to Franchisee and, as necessary to effectuate such changes, deemed an amendment to the signed Participation Agreement or the flowed-down terms and conditions in the Participation Agreement.

D. General Terms and Conditions and Attachments

D.1 The "Agreement" (or "MTSFA") includes the statements and information provided in these initial pages, as well as the following, which are attached hereto and incorporated herein as a part of the Agreement:

- the General Terms and Conditions,
- Attachment of Participation Agreement (including as a signed Participation Agreement or portion of a signed agreement that has flowed down and obligated Franchisee to the terms and conditions in the Participation Agreement), and
- any other attachments.

D.2 In the event of an unavoidable conflict between or among the following, the order in which they shall prevail is:

- the statements and information provided in these initial pages;
- then the General Terms and Conditions; and
- then the attachment(s) in the order in which they are attached; provided, however, that as between Microsoft and Franchisee, the text of the Participation Agreement (or portion of a signed agreement that has flowed down and obligated Franchisee to the terms and conditions in the Participation Agreement) shall have precedence as to matters between Microsoft and Franchisee.

D.3 The Agreement constitutes the final, complete, and exclusive statement of the agreement between Mac Tools and Franchisee in respect of the subject matter hereof and supersedes all prior and contemporaneous agreements between them in respect to the subject matter hereof.

D.4 Franchisee shall not disclose the terms and conditions of the Agreement (including but not limited to those terms and conditions of the Participation Agreement) to any other person or entity.

E. Fees, Invoicing, and Taxes

E.1 Mac Tools reserves the right to charge Franchisee fees for Franchisee's access to and use of some or all of the Software and/or related support assistance or services. No such fees shall apply unless Mac Tools provides Franchisee separate notice of such fees or otherwise informs Franchisee in writing in a reasonable manner or location at least thirty (30) days prior to the institution of such fees; provided, however, for initial fees (one-time and/or an initial month), such fees shall be due and payable in full upon execution of the Agreement.

E.2 If fees apply, then Mac Tools reserves the right to increase or decrease fees; provided, however, no such increase or decrease shall apply unless Mac Tools provides Franchisee separate notice or otherwise informs Franchisee in writing in a reasonable manner or location of such increase or decrease at least thirty (30) days prior to the institution of such increase or decrease.

E.3 Except with respect to initial fees described in Section E.1, if fees apply, then Mac Tools may invoice or otherwise inform Franchisee of the same, and payment shall be due net 30 days posted to Franchisee's applicable trade account(s) associated with Franchisee's Route(s) or by other commercially reasonable means.

E.4 Such fee amounts are exclusive of any taxes, and Franchisee shall pay any applicable value-added, goods and services, sales, or like taxes that are owed with respect to any such fee amounts.

E.5 For clarification, the provisions in this Section E shall take precedence over any inconsistent terms or conditions as to fees or expenses with respect to Software and/or related support assistance or services in any Mac Tools Franchise Agreement executed before the MTFSA Effective Date.

F. Notices

All notices required or permitted under the Agreement shall be in writing addressed to, as applicable, Mac Tools or Franchisee at the address(es) as set forth below, unless another address has been designated in writing. All notices shall be deemed to be given on the date when delivered by hand or by registered or certified mail, postage prepaid and return receipt requested; or on the date delivered by commercial courier, with written verification of receipt; or, additionally as available methods of notice delivered by Mac Tools to Franchisee, on the date delivered by email to Franchisee or on the date Mac Tools posts on or otherwise electronically communicates to Franchisee through any then-operable online or electronic bulletin board, platform, or the like that Mac Tools has established for electronic communications between Mac Tools and Franchisee (the "**Communications Platform**"):

Mac Tools: to the postal address indicated on the above initial page

Franchisee: to the postal address or email address indicated on the above initial page or (as applicable) posted on or communicated through the Communications Platform

G. Duplicate Originals and Electronic Signatures

The Agreement and, as applicable, the attached Participation Agreement may each be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together, shall be deemed to constitute, respectively, a single instrument of the same. Additionally, the Agreement (and the Participation Agreement) may be electronically signed, and

signatures transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind Mac Tools and Franchisee.

H. **<u>This Section H is applicable only to existing Franchisees that were Franchisees prior to the MTFSA Effective Date and previously entered a Prior Software Agreement</u>**:

Prior to the MTFSA Effective Date, Franchisee and Mac Tools entered a "Mobile Business Assistant Software License Agreement," a "Mac Tools and Franchisee Software License Agreement for Mobile Business Assistant," or the like (the "**Prior Software Agreement**") pertaining to Franchisee's use of certain software (the "**Prior Software**").

In addition to performing such those transition-related efforts (including, but not limited to, those pertaining to applicable information and data) that are necessary to discontinue Franchisee's use of the Prior Software, which may be described in such Prior Software Agreement, Franchisee shall perform those transition-related efforts that are necessary for Franchisee to install (if applicable) and begin to access and fully use the Software, as otherwise provided in the Agreement, during the period beginning on the MTFSA Effective Date and ending no later than thirty (30) days thereafter. Mac Tools may assist Franchisee with some of those efforts.

[Remainder of page intentionally blank. Signature page follows.]

Mac Tools and Franchisee agree to be bound by the terms and conditions contained in the Agreement and have caused the Agreement to be executed by their duly authorized representatives, to be effective as of the MTFSA Effective Date.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

General Terms and Conditions
to
Mac Tools and Franchisee Software Agreement

1. Sublicense and License.

(a) Subject to all terms and conditions of the Agreement (including, but not limited to, those terms and conditions in the Participation Agreement), Mac Tools (on behalf of itself and/or Stanley Black & Decker, Inc.) grants Franchisee a limited, non-exclusive, non-transferrable (i) sublicense during the term of the Agreement to access and use the Online Software solely in connection with and in the operation of Franchisee's Mac Tools Business; and (ii) as applicable, sublicense or license during the term of the Agreement to access (if applicable) and use the Other Software solely in connection with and in the operation of Franchisee's Mac Tools Business.

(b) Franchisee may not further sublicense such sublicense, licenses, and/or rights.

(c) If Franchisee has operated (and exercised the foregoing sublicense and/or license with respect to) more than one Route, then, subject to Section 4, such grant shall immediately cease as to any such Route that Franchisee ceases to operate.

(d) Other than the sublicense and license expressly provided in the Agreement, Franchisee does not acquire any other rights or licenses, express or implied, in the Software.

2. Additional Use-Related and Data-Related Terms.

(a) Access to and use of the Software may require user identification(s) and password(s), which Franchisee shall be responsible for setting up. Mac Tools may assist Franchisee with such set-up.

(b) As may be applicable for Other Software, Mac Tools may deliver such Other Software and associated documentation to Franchisee. Franchisee shall be responsible for installation of such Other Software. Mac Tools may assist Franchisee with such installation.

(c) Franchisee shall be responsible for the accuracy and adequacy of any and all information and data that it submits, inputs, uploads, or otherwise provides to the Software.

(d) Franchisee shall only submit, input, upload, or otherwise provide commercial information and data to the Software.

(e) Additionally, Franchisee shall not submit, input, upload, or otherwise provide any sensitive personal information or data to the Software that is not necessary for the operation of Franchisee's Mac Tools Business. Examples of sensitive personal information and data include, but are not limited to, personal information that reveals an individual's government identification, government identification number, financial information, geo-location, race, religion, union membership, personal communications, genetic data, biometrics, health information, or sexual orientation.

(f) Franchisee represents and warrants that, in the performance of the Agreement and in the exercise of rights and licenses granted in the Agreement, it shall comply with all, and not violate any, applicable laws, rules, and regulations (including but not limited to those pertaining to data privacy or personal information).

(g) Franchisee acknowledges that the Software is intended for use for business management purposes and not for tax planning purposes. Franchisee is advised to consult with its accountant and/or tax advisor regarding the use of the information maintained by the Software for tax preparation and planning purposes.

(h) Franchisee shall not, and shall not permit any person to, remove any identification, confidentiality, copyright, attribution, or other notices from the Software.

(i) Franchisee shall not copy, translate, adapt, modify, create a derivative work of, decompile, or reverse assemble the Software or any constituent parts thereof or attempt to do so, nor shall Franchisee analyze or otherwise examine the Software for reverse-engineering purposes.

(j) Franchisee may not re-license, distribute, or lend the Software to any third party or use the Software for commercial time-sharing, service-bureau use, or the like.

3. Updates, Upgrades, and Support.

(a) Updates and/or upgrades to the Online Software may occur from time to time.

Updates and/or upgrades to Other Software may occur from time to time. Updates and upgrades to Other Software may also be provided to Franchisee, and Franchisee shall promptly install such updates and/or upgrades (and Mac Tools may assist Franchisee with such installation).

(b) If Franchisee has support-related questions regarding access to or use of the Online Software, it may access Microsoft support documentation that is available online (if any). If Mac Tools makes certain support-related assistance or services available in connection with Franchisee's support-related questions regarding access to or use of the Online Software, then Franchisee may also contact Mac Tools with such questions.

If Mac Tools makes certain support-related assistance or services available in connection with Franchisee's support-related questions regarding access to or use of Other Software, then Franchisee may contact Mac Tools with such questions.

Mac Tools may separately provide Franchisee with contact information and related terms and conditions pertaining to contacting Mac Tools in connection with any such support-related assistance or services.

4. Term and Termination.

4.1 Subject to Section 4.2, the term of the Agreement shall continue until terminated, as follows:

(a) immediately if Franchisee ceases to have a then-effective Mac Tools Franchise Agreement;

(b) immediately upon termination of the Mac-Microsoft Arrangements;

(c) immediately upon Franchisee's (including any Franchisee owner's or Franchisee user's) violation or breach of the any of the terms or conditions of the Participation Agreement; or

(d) except as provided above in subsection (c), by Mac Tools if Franchisee materially breaches any term or condition in the Agreement and, to the extent capable of cure, Franchisee fails to cure such breach within thirty (30) days after receiving notice of such breach from Mac Tools.

4.2 In its sole discretion, Mac Tools may extend the term beyond the termination date that would otherwise apply pursuant to Section 4.1 above, upon Mac Tools' notice to Franchisee of such extension and for the limited purposes and limited period of time as determined by Mac Tools.

4.3 Upon termination of the Agreement or any of the rights or licenses to access and use any Software, Mac Tools is not responsible for downloading, extracting, or deleting any applicable data or information that Franchisee has previously submitted, inputted, uploaded, or otherwise provided to the Software (or any database associated with such Software).

4.4 As applicable for Other Software, upon termination of the Agreement or the rights or licenses to access and use such Other Software, Franchisee shall promptly remove, delete, and/or return such Other Software to Mac Tools or the third-party licensor, as directed by Mac Tools or such third-party licensor.

5. Disclaimers.

(a) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MAC TOOLS AND ITS AFFILIATES DO NOT MAKE ANY REPRESENTATION OR WARRANTY THAT IS NOT EXPRESSLY SET FORTH IN THE AGREEMENT, AND, ON BEHALF OF ITSELF AND ITS AFFILIATES, MAC TOOLS EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, STATUTORY, IMPLIED, OR OTHERWISE, INCLUDING MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, ARISING FROM ANY COURSE OF DEALING, USAGE, OR TRADE PRACTICE, OR RESPECTING THE ACCURACY OF THE OUTPUT OF THE INFORMATION OR THE RESULTS THAT MAY BE OBTAINED OR DERIVED THROUGH THE USE OF THE SOFTWARE (INCLUDING BUT NOT LIMITED TO OPERATIONS-RELATED INFORMATION). THE SOFTWARE AND ANY RELATED SUPPORT ASSISTANCE, SERVICES, AND MATERIALS ARE PROVIDED "AS IS."

(b) Any statements, whether written or oral, about the Software in any other document between Mac Tools and Franchisee or any communication from Mac Tools to Franchisee do not constitute a representation or warranty. Without limiting the foregoing, Mac Tools does not warrant: (i) that the operation or output of the Software will be uninterrupted, error-free, secure, accurate, reliable, or complete; (ii) that errors will be corrected; or (iii) that any particular support question or request for assistance will be answered, resolved, or satisfied or that any assistance or attempted, partial, or proffered answer or resolution will meet or satisfy Franchisee's question, request, requirement, or expectation.

(c) In no event does Mac Tools make any warranty or other commitment with respect to, or related to, the Online Software provided by Microsoft that is more beneficial to Franchisee than, or otherwise beyond, what Microsoft itself warrants or otherwise commits to. Moreover, to the extent Microsoft disclaims or excludes representations or warranties in the Participation Agreement, such disclaimers and exclusions shall be deemed incorporated into this Section 5 and apply to Mac Tools to the same extent as they apply to Microsoft and, as applicable, be deemed to be in addition to those disclaimers and exclusions otherwise provided in this Section 5.

6. Limitations of Liability.

(a) IN NO EVENT SHALL MAC TOOLS, ITS AFFILIATES, OR THEIR RESPECTIVE LICENSORS, SUPPLIERS, PROVIDERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, INDEPENDENT CONTRACTORS, OR AGENTS BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES WHATSOEVER, AND INCLUDING LOST PROFITS, LOST DATA, OR LOSS OF BUSINESS OR ANY OTHER INFORMATION, WHETHER GROUNDED IN TORT (INCLUDING NEGLIGENCE AND PRODUCT LIABILITY), STRICT LIABILITY, CONTRACT, OR OTHERWISE. THE ABOVE LIMITATIONS OF LIABILITY APPLY EVEN IF MAC TOOLS (OR ANY OTHER OF SUCH ENTITIES) HAS KNOWLEDGE OR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES.

(b) ADDITIONALLY, IN NO EVENT SHALL MAC TOOLS' AGGREGATE LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT EXCEED THE GREATER OF THE AMOUNTS PAID BY FRANCHISEE UNDER THE AGREEMENT WITHIN THE 12 MONTHS PRIOR TO THE OCCURRENCE GIVING RISE TO THE CLAIM OR $1,000.

7. No Liability for Online Software Provided by Microsoft.

Franchisee acknowledges and agrees that: (a) Mac Tools has no liabilities or obligations with regard to the Online Software provided by Microsoft, and (b) Microsoft shall solely be responsible for the performance of such Online Software.

8. Indemnity.

Franchisee agrees to indemnify, defend, and hold harmless Mac Tools and its affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any and all claims, demands, actions, liabilities, losses, damages, and expenses (including reasonable attorneys' fees) arising out of or relating to: (a) Franchisee's alleged breach or breach of the Agreement (including, but not limited to, those terms and conditions in the Participation Agreement); or (b) Franchisee's non-compliance with, or violation of, any applicable law, rule, or regulation (including but not limited to those pertaining to data privacy or personal information).

9. Miscellaneous.

(a) Franchisee may not assign or transfer the Agreement or any of its rights or licenses hereunder. In no event shall Franchisee's rights, licenses, or obligations hereunder be assigned or assignable by operation of law or by any bankruptcy proceedings.

(b) Should any of the provisions of the Agreement be found to be invalid by any court of competent jurisdiction, the remainder of the Agreement shall nonetheless remain in full force and effect.

(c) No modification, addition to, or waiver of any right, obligation, or default shall be effective unless it is in writing and is signed by the party against which the same is sought to be enforced, and no amendment shall be binding unless it is mutually agreed to in writing by the parties; provided, however, the Participation Agreement or the flowed-down terms and conditions in the Participation Agreement may also be amended as otherwise provided in the initial pages to the Agreement.

(d) All rights and obligations in the Agreement that become absolute before termination of the Agreement or that are of a continuing nature shall survive such termination. For clarification, any grants of rights or licenses from Mac Tools to Franchisee pursuant to the Agreement shall not so survive.

(e) The Agreement shall be governed by the laws of the State of Ohio, without regard to its conflict of laws principles. The dispute resolution provisions and any related venue provisions in Franchisee's Mac Tools Franchise Agreement shall be deemed incorporated herein and apply to the Agreement. Notwithstanding the forgoing, Mac Tools may seek injunctive relief against Franchisee from any judicial or administrative authority, pending the resolution of such dispute.

[This is the end of the General Terms and Conditions.]

Attachment of Participation Agreement
to
Mac Tools and Franchisee Software Agreement

PARTICIPATION AGREEMENT

This Participation Agreement is entered into by the party signing below ("**you**" or "**Participant**") for the benefit of the Microsoft affiliate ("**Microsoft**") and shall be enforceable against you by Microsoft in accordance with its terms. You acknowledge that Microsoft and Stanley Black & Decker, Inc. ("**customer**") have entered into Microsoft Enrollment, No. 85514090, as amended (the "**agreement**"), in connection with which you desire to sublicense certain Microsoft Products. Terms used herein but not otherwise defined will have the definition provided in the agreement. As used in this Participation Agreement, the term to "**run**" a Product means to copy, install, use, access, display, run, or otherwise interact with it. You acknowledge that your right to run any version of any Product sublicensed is governed by the applicable product use rights for the Product and version sublicensed as of the date you first run that copy. Such product use rights may be found at http://www.microsoft.com/licensing/contracts. Microsoft does not transfer any ownership rights in any licensed Product, and it reserves all rights not expressly granted.

Intended Beneficiary. The customer and Mac Tools are each intended beneficiaries of this Participation Agreement, with standing to bring an action against you for the enforcement of this Participation Agreement.

Acknowledgment and Agreement. You hereby acknowledge that you have obtained a copy of the product use rights located at http://www.microsoft.com/licensing/contracts applicable to the Products acquired in connection with the above-referenced agreement; you have read and understood the terms and conditions therein as they relate to your obligations; and you agree to be bound by such terms and conditions, as well as to the following provisions:

a. Restrictions on use. You may not:

(i) Separate the components of a Product made up of multiple components by running them on different computers, by upgrading or downgrading them at different times, or by transferring them separately, except as otherwise provided in the product use rights;

(ii) Rent, lease, lend or host Products, except where Microsoft agrees by separate agreement; or

(iii) Reverse engineer, de-compile or disassemble Products or fixes, except to the extent expressly permitted by applicable law despite this limitation.

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

b. Limited Product warranty.

(i) Microsoft warrants that:

1) Online Services will perform in accordance with the applicable Service Level Agreement; and

2) Products other than Online Services will perform substantially as described in the applicable Microsoft user documentation.

(ii) Limited warranty term. The limited warranty for:

1) Online Services is for the duration of your use of the Online Service, subject to the notice requirements in the applicable Service Level Agreement; and

2) Products other than Online Services is one year from the date customer first obtained rights to the Product.

(iii) Limited warranty exclusions. This limited warranty is subject to the following limitations:

1) the limited warranty does not cover problems caused by accident, abuse or use in a manner inconsistent with the agreement or the product use rights, or resulting from events beyond Microsoft's reasonable control;

2) the limited warranty does not apply to components of Products that you are permitted to redistribute;

3) the limited warranty does not apply to free, trial, pre-release, or beta products; and

4) the limited warranty does not apply to problems caused by the failure to meet minimum system requirements.

(iv) Remedies for breach of limited warranty. If Microsoft fails to meet any of the above limited warranties and you notify (or customer or its designee notifies) Microsoft within the warranty term, then Microsoft will:

1) for Online Services, provide the remedies identified in the Service Level Agreement for the affected Online Service; and

2) for Products other than Online Services, at its option, either (a) return to customer the price paid by customer, or (b) repair or replace the Product.

These are your only remedies for breach of the limited warranty other than remedies required to be provided under applicable law.

c. NO OTHER WARRANTIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT DISCLAIMS AND EXCLUDES ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, OTHER THAN THOSE IDENTIFIED EXPRESSLY IN THE AGREEMENT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS AND RELATED MATERIALS. MICROSOFT WILL NOT BE LIABLE FOR ANY PRODUCTS PROVIDED BY THIRD PARTY VENDORS, DEVELOPERS OR CONSULTANTS IDENTIFIED OR REFERRED TO YOU BY MICROSOFT UNLESS SUCH THIRD PARTY PRODUCTS ARE PROVIDED UNDER WRITTEN AGREEMENT BETWEEN YOU AND MICROSOFT, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN SUCH AGREEMENT. ANY WARRANTIES, GUARANTEES, OR CONDITIONS THAT CANNOT BE DISCLAIMED AS A MATTER OF LAW LAST FOR ONE YEAR FROM THE START OF THE LIMITED WARRANTY.

d. Limitation of liability. There may be situations in which you have a right to claim damages or payment from Microsoft. Except as otherwise specifically provided in this paragraph, whatever the legal basis for your claim, Microsoft's liability will be limited, to the maximum extent permitted by applicable law, to direct damages up to the following amounts: (1) for each Product other than Online Services, the amount customer paid for the Product under the agreement, and (2) for Online Services, the amount customer paid for the Online Service during the 12

months before the cause of action arose; provided that in no event will a party's aggregate liability for any Online Service exceed the amount customer paid for that Online Service, as used by you under the agreement.

In the case of Microsoft's responsibilities with respect to third party patent or copyright infringement claims, Microsoft's obligation to defend such claims will not be subject to the preceding limitation, but Microsoft's liability to pay damages awarded in any final adjudication (or settlement to which it consents) will be. In the case of free Product, or code you are authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's total liability to you will not exceed US$5000, or its equivalent in local currency.

e. NO LIABILITY FOR CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER YOU, YOUR AFFILIATES OR SUPPLIERS, NOR MICROSOFT, ITS AFFILIATES OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES, DAMAGES FOR LOSS OF PROFITS OR REVENUES, BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION) ARISING IN CONNECTION WITH ANY AGREEMENT, PRODUCT, OR FIX, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH POSSIBILITY WAS REASONABLY FORESEEABLE. THIS EXCLUSION OF LIABILITY DOES NOT APPLY TO EITHER PARTY'S LIABILITY TO THE OTHER FOR VIOLATION OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS.

f. Your agreement to protect. You must defend Microsoft against any claims made by an unaffiliated third party that:

(i) any Customer Data or non-Microsoft software Microsoft hosts on your behalf infringes the third party's patent, copyright, or trademark or makes unlawful use of its Trade Secret; or

(ii) arise from a violation of the terms of the Acceptable Use Policy, which is described in the product use rights.

You must pay the amount of any resulting adverse final judgment (or settlement to which you consent).

Microsoft will notify you promptly in writing of a claim subject to this section. Microsoft will (1) give you sole control over the defense or settlement of such claim; and (2) provide reasonable assistance in defending the claim. You must reimburse Microsoft for reasonable out-of-pocket expenses that Microsoft incurs in providing assistance.

g. Application. The limitations on and exclusions of liability for damages set forth herein apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.

h. Verifying compliance. You must keep records relating to the Products you use or run. Microsoft has the right to verify compliance with these terms and any applicable product use rights, at its expense. To do so, Microsoft will engage an independent auditor, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 15 days notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. You must promptly provide the independent auditor with any information it reasonably requests in furtherance of the verification, including access to systems running the Products. As an alternative, Microsoft may require you to accurately complete its self-audit questionnaire relating to the Products you use. If verification or self-audit reveals unlicensed use or distribution of Products, you must promptly order sufficient licenses to permit all Product usage disclosed. If unlicensed use is 5% or more, you must reimburse Microsoft for the costs it has incurred in verification and acquire the necessary additional licenses at 125% of the then

current price list and customer's price level within 30 days. The unlicensed use percentage is based on the total number of licenses purchased compared to actual install base. If Microsoft undertakes such verification and does not find material unlicensed use of Products, it will not undertake another such verification for at least one year. Microsoft and its auditors will use the information obtained in compliance verification only to enforce its rights and to determine whether you are in compliance with these terms and the product use rights. By invoking the rights and procedures described above, Microsoft does not waive its rights to enforce these terms or the product use rights, or to protect its intellectual property by any other means permitted by law.

i. **Dispute Resolution; Applicable Law.** This Participation Agreement will be governed and construed in accordance with the laws of the jurisdiction whose law governs the agreement, which is the State of Washington. You consent to the exclusive jurisdiction and venue of the state and federal courts located in such jurisdiction. This choice of jurisdiction does not prevent either party from seeking injunctive relief with respect to a violation of intellectual property rights in any appropriate jurisdiction. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to the agreement or any license entered into with Microsoft or its affiliates under the agreement.

Your violation of the above-referenced terms and conditions shall be deemed to be a breach of this Participation Agreement and shall be grounds for immediate termination of all rights granted hereunder. This Participation Agreement will terminate immediately in the event of termination of your Qualifying Commercial Collaboration Agreement.

[The remainder of this page is intentionally blank, and the signature page follows.]

This Participation Agreement may be electronically signed, and signature(s) transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind the parties.

Participant:

Participant's company name (if any): _____ (if no company name, then may leave blank)

By: _____

Printed name: _____

Title (if any): _____

Signature date: _____

[This is the end of the Attachment of Participation Agreement.]

EXHIBIT M

OWNERSHIP ACKNOWLEDGMENT

You are preparing to enter into a Franchise Agreement with Stanley Industrial & Automotive, LLC, through its Mac Tools division ("Mac Tools"), for the operation of a Mac Tools franchised business that involves the mobile sale of professional automotive tools and similar products manufactured and/or distributed by Mac Tools (the "Franchise"). In connection with your execution of the Franchise Agreement with Mac Tools, you hereby acknowledge and agree:

1. Mac Tools currently has a policy that it will only consider granting the Franchise to a business entity, such as a corporation or a limited liability company and will not grant a franchise to any individual. Your Mac Tools franchised business must be established as a business entity and owned and operated by a business entity, such as a corporation or limited liability company, during the term of the Franchise Agreement.

2. You will be operating an independent Mac Tools branded franchised business, and you will not be an employee of Mac Tools. You will not be providing labor or services to Mac Tools. Because you are operating an independent business, any income will be the profits you may earn from your franchised business. You will not earn or receive any wages (including a minimum wage) or any of the other benefits normally provided by employers to employees. Mac Tools will not reimburse you for any of your expenses. You will set your own prices for the products that you sell to your customers. You will need to collect payment from your customers for your sale of products to your customers.

3. You are solely responsible for ensuring that your Mac Tools franchised business operates in accordance with the laws of the state, county, and municipality in which you establish and operate your business entity and the Route on which you operate your Mac Tools franchised business, including, for example, obtaining a business license, a business tax registration, any required insurance, and any other license or registration that may be required by local law. You have had the opportunity to discuss with an attorney, accountant and/or other professional advisors the legal, economic and business issues, including the potential advantages, and risks associated with forming a business entity and owning and operating a franchised business.

4. If the undersigned is a natural person, the terms "you" and "You" herein shall also mean any corporation, limited liability company or other business entity formed to own and operate the Mac Tools franchise.

Date: _____

Print Name: _____

_____

(Sign here)

Address: _____

_____

If you have formed an entity, complete the following:
Entity name and type (limited liability company or corporation

_____

By: _____

Name Printed: _____

Title: _____

EXHIBIT N

DIRECT DEBIT AUTHORIZATION

FRANCHISEE / COMPANY NAME: _____

MAC TOOLS FRANCHISEE NUMBER: _____

FIRST PAYMENT DUE DATE: _____

FRANCHISEE ACCOUNT NUMBER: _____

WEEKLY/MONTHLY PAYMENT AMOUNT: _____

I (We) hereby authorize Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") to debit my (our) checking account as listed below for all amounts that are hereafter due and owing under any and all of my (our) agreements which I (we) have at any time executed in favor of Mac Tools. I (we) understand that payments will be debited the same day of each week or month, as applicable "First Payment Due Date" stated above, or the following business day in the event the date is a banking holiday or non-business banking day. In the event of an error, I (we) also authorize the initiation of a debit and or credit to my (our) account to correct the error.

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____

BANK NAME: _____

BANK TRANSIT ROUTING / ABA NUMBER: _____

Please attach a voided check to help us verify Bank name, account number, and routing number.

(DEPOSIT SLIPS NOT ACCEPTABLE)

This Agreement will remain in effect until Mac Tools has received and acknowledged written notification from me (or either of us) that all amounts to be collected have been paid in full.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:

_____

_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:

_____

_____

SIGNATURE PAGE TO DIRECT DEBIT AUTHORIZATION

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Designated E-Mail Address (for use by Mac Tools to send e-mails regarding subsequent purchases):

_____

EXHIBIT O

EXTENDED TERMS PROGRAM AGREEMENT

I, the undersigned Mac Tools Franchisee, agree to participate in the voluntary Extended Terms Program ("ETP" or "this Program") offered to me by Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools"). I understand that only those purchases made by me in connection with the [_____] event are eligible purchases under this Program. I understand that my option to purchase products under this Program will continue until such time as this Program is discontinued by Mac Tools or until I no longer meet the qualifications to participate in this Program. I understand that Mac Tools has the sole right and discretion to determine what products are available for purchase by me under this Program and at what price these products are available to me for purchase from Mac Tools. I understand that to participate in this Program, my purchases must total, before tax expenses shipping expenses and administrative or service fees charged by Mac Tools, at least [$_____].

I understand that Mac Tools may, from time to time, in its sole discretion, offer special terms and conditions that will apply to my product purchases under this Program. [**insert any special terms and conditions**].

I understand that in order to participate in this Program, I must agree to weekly direct debit payments from my bank account. I acknowledge that these weekly payments will begin starting on or about [_____, 20__, and continue weekly until [insert end date(s) with available options]. I have reviewed the weekly payment examples provided to me and understand that these examples are based on the number of weeks that I chose.

If I participate in this Program, I understand that Mac Tools will send me an email that specifies the invoices transferred by me under this Program and the amount and due date of my then-applicable weekly payment attributable to the products(s) that I purchased under this Program. I understand that my weekly payment amount will vary based upon when the product(s) that I purchased under this Program are actually shipped to me and based upon the actual amount that I financed for my ETP product(s) purchases. I also understand that, notwithstanding the foregoing, I will have a minimum weekly payment amount of [$_____].

I understand that I am required to sign a Direct Debit Authorization that allows Mac Tools to directly debit my bank account for payments that I owe Mac Tools under this Program, and that if Mac Tools offers me the opportunity to make subsequent purchases under ETP, and I do make such purchases, the Direct Debit Authorization that I signed in connection with my initial ETP product purchase will continue to be effective for those subsequent purchases. For each subsequent purchase, Mac Tools will send me an email that includes the information described in the immediately preceding paragraph with respect to emails to be sent by Mac Tools under this Program.

I understand that any shipments under this Program or my Mac Tools Trade Account are subject to Mac Tools' standard credit criteria. If I miss a direct debit payment, I understand that my Mac Tools Trade Account may be placed on hold and I must work with my Credit Analyst in order to have product orders released. If two or more direct debit payments cannot be made for any reason (other than through the fault of Mac Tools), including insufficient funds in my bank account, I understand that I will become ineligible for this Program and all amounts that I owe under this Program will become immediately due and payable. I understand that for any week during my repayment period, if Mac Tools is unable to debit my weekly payment amount from my bank account due to insufficient funds in my bank account or otherwise, Mac Tools may charge me a $35 fee for each such occurrence. I authorize Mac Tools to debit from my bank account or to add to my trade account balance or my ETP Program account balance the amount of any such fee(s). I also understand that my credit limit for this Program is based on the following criteria:

- Percent of delinquencies during the last year
- My purchases during the last year
- My tenure as a Mac Tools Franchisee

My signature below certifies that I voluntarily agree to participate in this Program. I understand that Mac Tools reserves the right, and may elect in the future, in its sole and absolute discretion, to charge me an administrative or service fee to be added to the cost of the items that I purchase under the Extended Terms Program. If such fee is charged to me by Mac Tools, the amount of the fee will be included in the total amount of my purchases financed under the applicable Extended Terms Program.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Return this form, along with your completed direct debit payment document and a copy of a cancelled check to:

Mail
Mac Tools
Financial Services
5195 Blazer Parkway
Dublin, Ohio 43017

Fax
1-800-622-3295

E-mail
mcc1234@sbdinc.com

EXHIBIT O

ETP DIRECT DEBIT AUTHORIZATION

FRANCHISEE / COMPANY NAME: _____

MAC TOOLS FRANCHISEE NUMBER: _____

FIRST PAYMENT DUE DATE: (INITIAL TRANSACTION) _____

FRANCHISEE ACCOUNT NUMBER: _____

ESTIMATED WEEKLY PAYMENT AMOUNT (INITIAL TRANSACTION): _____

I (We) hereby authorize Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") to debit my (our) checking account as listed below for all amounts that are hereafter due and owing under any and all of my (our) agreements which I (we) have at any time executed in favor of Mac Tools. I (we) understand that payments will be debited the same day of each week, beginning on the "First Payment Due Date" stated above, or the following business day in the event the date is a banking holiday or non-business banking day. In the event of an error, I (we) also authorize the initiation of a debit and or credit to my (our) account to correct the error.

I acknowledge and agree that the payment due date and payment amount set forth above relate to the initial transaction to which this Direct Debit Authorization applies, and I agree that this Direct Debit Authorization will continue to be effective with respect to subsequent purchases that I make under the Extended Terms Program (this "Program"). I understand that for each subsequent purchase, Mac Tools will send me an email that specifies the invoices transferred by me under this Program, and the amount and due date of my then-applicable weekly payment amount attributable to the new products(s) that I purchased under this Program.

By checking the box at right, I request that Mac Tools use my account that it currently has on file for the Extended Terms Program. ☐

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____

BANK NAME: _____

BANK TRANSIT ROUTING / ABA NUMBER: _____

This Agreement will remain in effect until Mac Tools has received and acknowledged written notification from me (or either of us) that all amounts to be collected have been paid in full.

SIGNATURE PAGE TO ETP DIRECT DEBIT AUTHORIZATION

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Designated Email Address of Franchisee:

_____
(for use by Mac Tools to send e-mails to Franchisee regarding subsequent purchases)

EXHIBIT P

LARGE TICKET ACCOUNT PROGRAM AGREEMENT

I, the undersigned Mac Tools Franchisee, agree to participate in the voluntary Large Ticket Account ("LTA") Program offered to me by Stanley Industrial & Automotive, LLC ("SIA") through its Mac Tools Division ("Mac Tools") to be used solely for my purchases of single inventory items at larger purchase amounts (as described below). I understand that my option to purchase products under the LTA Program will continue until such time as the LTA Program is discontinued by Mac Tools or until I no longer meet the qualifications to participate in the LTA Program. I understand that the LTA Program applies only to purchases which occur after the date that I sign this form and which are for purchases of single inventory items with a minimum purchase amount of $800, or such lesser amount as Mac Tools and I agree.

I understand that in order to participate in the LTA Program, I must agree to weekly direct debit payments from my designated bank account. I acknowledge that these payments will begin weekly on Wednesdays starting two weeks after the invoice date of the purchase. I have reviewed the weekly payment amount examples provided to me and understand that each purchase under the LTA Program will be paid weekly by me according to a weekly repayment schedule agreed to by Mac Tools and me. I understand that my weekly payment amount will vary based on actual shipments and the actual amount financed.

I understand that, if I make subsequent purchases under the LTA Program after my initial purchase, my Direct Debit Authorization executed in connection with my initial purchase will continue to be effective with respect to the subsequent purchase(s). I further understand that, after each subsequent purchase, Mac Tools will provide me with an e-mail specifying the item or items purchased, the price(s) of the item(s) purchased, my weekly payment amount attributable to the new item(s) purchased, the total number of weeks in my repayment plan for the new item(s) purchased, and the date that the weekly payment attributable to the new purchase(s) will commence.

I understand that any shipments under the LTA Program or my Mac Tools Trade Account are subject to standard credit criteria. Should I miss a direct debit payment, I understand that my Mac Tools Trade Account may be placed on hold, and I must then work with my Credit Analyst in order to have product orders released. If two or more direct debit payments cannot be made for any reason (other than through the fault of Mac Tools), including insufficient funds in my bank account, I understand that I will become ineligible for the LTA Program and all amounts that I owe under LTA will become immediately due and payable. I understand that for any week during my repayment period, if Mac Tools is unable to debit my weekly payment amount from my bank account due to insufficient funds in my bank account or otherwise, Mac Tools may charge me the amount of the resulting bank fees imposed on Mac Tools, if any, and a $35 fee for each such occurrence. I authorize Mac Tools to debit from my bank account or to add to my trade account balance or my LTA Program account balance the amount of any such fee(s). I understand that my applicable credit limit at any time is based on my total product purchases during the prior completed SIA fiscal quarter, and that I may, in Mac Tools' discretion, be granted a line of credit in an amount up to 15% of those purchases.

My signature below certifies that I voluntarily agree to participate in the LTA Program. I understand that Mac Tools has the right to modify and/or update the LTA Program terms and conditions. I also understand that each purchase made by me pursuant to the LTA Program shall be subject to Mac Tools' then-current LTA Program terms and conditions.

I understand that Mac Tools reserves the right, and may elect, in its sole and absolute discretion, to charge me an administrative or service fee to be added to the cost of each item that I purchase under the LTA Program. If such fee is charged to me by Mac Tools, the amount of the fee will be included in the total amount of my purchases financed under the applicable LTA Program.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Return this form, along with your completed direct debit payment document and a copy of a cancelled check to:

Mail
Mac Tools
Financial Services
5195 Blazer Parkway
Dublin, Ohio 4301

Fax
1-800-622-3295

E-mail
mcc1234@sbdinc.com

EXHIBIT P

LTA DIRECT DEBIT AUTHORIZATION

FRANCHISEE / COMPANY NAME: _____

MAC TOOLS FRANCHISE NUMBER: _____

FIRST PAYMENT DUE DATE (INITIAL TRANSACTION): _____

FRANCHISEE ACCOUNT NUMBER: _____

ESTIMATED WEEKLY PAYMENT AMOUNT (INITIAL TRANSACTION): _____

I (We) hereby authorize Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") to debit my (our) checking account as listed below for all amounts that are hereafter due and owing under any and all of my (our) agreements which I (we) have at any time executed in favor of Mac Tools. I (we) understand that payments will be debited the same day of each week or month, as applicable "First Payment Due Date" stated above, or the following business day in the event the date is a banking holiday or non-business banking day. In the event of an error, I (we) also authorize the initiation of a debit and or credit to my (our) account to correct the error.

I acknowledge and agree that the payment due date and payment amount set forth above relate to the initial transaction to which this Direct Debit Authorization applies, and I agree that this Direct Debit Authorization will continue to be effective with respect to subsequent purchase transactions. I further understand that, after each subsequent purchase, Mac Tools will provide me with an e-mail specifying the invoices that I transferred under the Large Ticket Account program, the amount and due date of my then-applicable weekly payment attributable to the item(s) that I purchased under the Large Ticket Account program and the number of weeks in my repayment plan.

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____

BANK NAME: _____

BANK TRANSIT ROUTING / ABA NUMBER: _____

Please attach a voided check (DEPOSIT SLIPS NOT ACCEPTABLE) to help us verify the Bank name, account number, and routing number.

This Agreement will remain in effect until Mac Tools has received and acknowledged written notification from me (or either of us) that all amounts to be collected have been paid in full.

SIGNATURE PAGE TO LTA DIRECT DEBIT AUTHORIZATION

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Designated E-mail address:

_____
(for use by Mac Tools to send e-mails to Franchisee regarding subsequent purchases)

EXHIBIT Q

CUSTOMER CREDIT PROGRAM RIDER

This Customer Credit Program Rider (this "Rider") is being entered into effective as of _____, 20___ for the purpose of supplementing the Mac Tools Franchise Agreement (as hereinafter defined).

Recitals

A. The person(s) and/or entity signing below ("Franchisee") is a party to a certain Franchise Agreement (the "Mac Tools Franchise Agreement") with Stanley Industrial & Automotive, LLC through its Mac Tools Division (along with its successors and assigns, "Mac Tools").

B. Capitalized terms used but not defined in this Rider have the meanings specified in the Franchise Agreement.

C. Franchisee wishes to voluntarily participate in a customer credit program (including any successor program, the "Customer Credit Program"), an optional program offered to Mac Tools franchisees operated by a credit provider (including any successor provider of the Customer Credit Program, "Provider"). Under the Customer Credit Program, Provider provides credit to qualified Customers of Mac Tools' franchisees pursuant to certain credit financing (each an "Account") that is (i) established by Provider, and (ii) used by such Customers to purchase merchandise from Franchisee.

D. As one of the conditions to its participation in the Customer Credit Program, Franchisee has entered, or intends to enter, into a credit program agreement with Provider (as such agreement is amended, restated or supplemented from time to time, the "Customer Credit Program Agreement"). In consideration of Mac Tools agreeing to permit Franchisee to participate in the Customer Credit Program, Franchisee agrees to accept certain additional obligations as described in this Rider.

Accordingly, Franchisee hereby agrees with Mac Tools as follows:

1. In the event that Mac Tools is obligated to reimburse Provider for any charge-backs on any Accounts, or is required to repurchase any Account from Provider under the Customer Credit Program for any Customer of Franchisee due to Franchisee's failure to comply with the Customer Credit Program Agreement, Franchisee agrees to pay to Mac Tools, on demand, an amount equal to Mac Tools' monetary obligation to Provider related to such Account, or such lesser amount as determined by Mac Tools in its sole discretion. Further, and without limiting Mac Tools' other rights, in the event that any Mac Tools Special Accounts are charged-off or charged-back to Mac Tools, or Mac Tools repurchases from Provider any Mac Tools Special Account, Franchisee agrees, on demand, to reimburse Mac Tools for 50% of the amount of such Mac Tools Special Account, as applicable, or such lesser amount as determined by Mac Tools in its sole discretion.

2. A "Mac Tools Special Account" under this Rider is an (i) Account that is established for a Customer that does not have a credit history as determined by Provider, or (ii) Account that is established for a Customer that has a credit history but does not meet certain minimum non-discriminatory underwriting guidelines, including that the Customer does not meet a minimum credit score, as established separately by each of Provider and Franchisee from time to time.

3. Mac Tools may restrict Franchisee's right to establish new Mac Tools Special Accounts if the aggregate amount of the credit lines for the Accounts (including any sub-limits for the accounts as established by Provider and/or Mac Tools from time to time) of Franchisee's Customers exceeds a published percentage of Franchisee's average annual sales volume of Products. The applicable

percentage and other guidelines relative to the Customer Credit Program as established by Mac Tools and/or Provider will be published in the Field Operations Manual (or otherwise communicated in writing from time to time to participants in the Customer Credit Program).

4. Mac Tools may collect all amounts Franchisee has agreed to pay pursuant to the Customer Credit Program by (i) setting off such amounts against any amounts that otherwise would be due and owing from Mac Tools to Franchisee, including, without limitation, any amounts credited to Franchisee's trade account, and (ii) by direct debit to Franchisee's designated bank account. Franchisee will execute a Mac Tools Direct Debit Authorization Agreement in the form attached as Exhibit A to this Rider.

5. With respect to each Account under the Customer Credit Program, regardless of type, that is established for one of Franchisee's Customers, Franchisee will personally use its best efforts to collect all amounts that are due and payable on the Account from the Customer in cash no less often than weekly, and in accordance with collection procedures, if any, that are from time to time specified by Provider and/or Mac Tools.

6. All returns of Products purchased by a Customer under an Account will be processed through procedures established by Mac Tools from time to time.

7. The method for calculating the fair market value of Products (the "FMV") purchased under an Account at the time such Products are repossessed or voluntarily surrendered by a Customer to Franchisee will be determined by Mac Tools from time to time and published in the Field Operations Manual (or as otherwise communicated in writing to participants in the Customer Credit Program). Franchisee's trade account and/or designated bank account may be debited in an amount equal to the FMV and Mac Tools will forward the amount of the FMV to Provider for credit to the applicable Customer's account.

8. Franchisee, in full compliance with all applicable laws, may repossess Products sold by Franchisee to a Customer whose Account is delinquent and subject to collection by Provider; provided however, that only Mac Tools, in its sole discretion, may engage any third parties for the purpose of repossessing any Products purchased under an Account. Franchisee hereby covenants to defend, indemnify and hold Mac Tools harmless for any repossession or collection activities by Franchisee.

9. Franchisee's right to establish new Accounts may be suspended by Mac Tools in its sole discretion at any time.

10. This Rider does not release Franchisee from any of its obligations to Mac Tools, including any obligation to reimburse Mac Tools for certain amounts under the Franchise Agreement (as modified) related to the Customer Credit Program or other credit programs. Franchisee may terminate its participation in the Customer Credit Program at any time pursuant to the terms of the Customer Credit Program Agreement, provided that such termination will not limit Franchisee's obligations to Mac Tools under this Rider or any other agreements by Franchisee related to the Customer Credit Program.

11. Franchisee acknowledges that Mac Tools may, in its discretion, suspend, limit or revoke a Franchisee's participation in the Customer Credit Program, Franchisee's ability to open new Provider accounts for its Customers, and/or Franchisee's Customers' participation in the Customer Credit Program, including the ability of Franchisee's Customers to purchase additional Products under the Customer Credit Program, if Mac Tools determines that (i) Franchisee, its agents, employees or owners, has failed to comply with the requirements of the Customer Credit Program, and/or (ii) the application submitted to Provider or the sale of Products to Franchisee's Customer(s) involved fraud, misrepresentation or

dishonesty on the part of Franchisee's Customer and/or Franchisee, its agents, employees or owners. Notwithstanding any such suspension, limitation or revocation, Franchisee shall at all times remain obligated to collect from its Customers any amounts owed by such Customers for purchases made under the Customer Credit Program. Further, Franchisee acknowledges and agrees that following such suspension, limitation or revocation, the obligations of Franchisee under this Rider will continue without reduction until such time as all Accounts are indefeasibly paid in full.

12. Franchisee acknowledges and agrees that (i) Mac Tools may, from time to time, receive from Provider a portion of certain fees payable by Franchisee to Provider, (ii) Mac Tools, in its sole discretion, limits participation in the Customer Credit Program to franchisees that meet certain requirements, which may include a minimum tenure as a Mac Tools franchisee, (iii) execution of this Rider or the Customer Credit Program Agreement is not an obligation of Mac Tools to permit Franchisee's participation in the Customer Credit Program Agreement, (iv) the Customer Credit Program may be modified, substituted, terminated or discontinued, and the Provider may be replaced or terminated, at Mac Tools' discretion at any time and from time to time, and (v) participation in the Customer Credit Program obligates Franchisee to make payments to Mac Tools as described in Section 1 if Customers do not pay their obligations to Provider (or Mac Tools, as applicable). None of Franchisee, its employees, officers, directors, managers, members, owners, nor any member of Franchisee's immediate family, is eligible to open an Account under the Customer Credit Program. Further, Franchisee acknowledges and agrees that if Mac Tools shall, modify, terminate, or discontinue the Customer Credit Program, the obligations of Franchisee under this Rider will continue without reduction until such time as all Accounts are indefeasibly paid in full.

13. The Section entitled "Electronic Images; Signature Pages by PDF or Electronic Means; Electronic Signatures" in the Franchise Agreement is hereby incorporated in its entirety.

14. Franchisee acknowledges and agrees that it (i) will only sell Products and, as applicable, the SBD Products, to professional mechanics and others whom Franchisee reasonably believes will use them in their trade or business, and (ii) will not knowingly sell the Products and, as applicable, the SBD Products, to any person(s) who is/are, or regarding whom there is reason to believe is/are, in the business of reselling tools and equipment, or to any individuals who are going to use them primarily for personal, family, household or other consumer purposes.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Franchisee has executed this Rider effective as of the date first above written.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

CUSTOMER CREDIT PROGRAM RIDER DIRECT DEBIT AUTHORIZATION

DIRECT DEBIT AUTHORIZATION

FRANCHISEE / COMPANY NAME: _____
MAC TOOLS FRANCHISEE NUMBER: _____

FIRST PAYMENT DUE DATE: _____

FRANCHISEE ACCOUNT NUMBER: _____

PAYMENT AMOUNT: Varies

I (We) hereby authorize Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") to debit my (our) checking account as listed below for all amounts that are hereafter due and owing under any and all of my (our) agreements related to the Customer Credit Program which I (we) have at any time executed in favor of Mac Tools or Provider. I (we) understand that payments will be debited the same day of each week on the "First Payment Due Date" stated above, or the following business day in the event the date is a banking holiday or non-business banking day. In the event of an error, I (we) also authorize the initiation of a debit and or credit to my (our) account to correct the error. Defined terms used herein have the meanings given in the Rider to Mac Tools Franchise Agreement dated _____, 20__.

I acknowledge and agree that the payment due date set forth above relates to the initial transaction to which this Direct Debit Authorization applies, and I agree that this Direct Debit Authorization will continue to be effective with respect to subsequent transactions.

ACCOUNT NAME: _____

ACCOUNT NUMBER: _____

BANK NAME: _____
BANK TRANSIT ROUTING / ABA NUMBER: _____

Please attach a voided check (**DEPOSIT SLIPS NOT ACCEPTABLE**) to help us verify the Bank name, account number, and routing number.

This Agreement will remain in effect until Mac Tools has received and acknowledged written notification from me (or either of us) that all amounts to be collected have been paid in full.

[Remainder of page intentionally blank. Signature page follows.]

SIGNATURE PAGE TO DIRECT DEBIT AUTHORIZATION

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Designated E-Mail Address (for use by Mac Tools to send e-mails regarding subsequent purchases):

_____

EXHIBIT R

INVESTOR ACKNOWLEDGMENT

(Spouse, and/or Other Relative, Friend, Business Associate or Third Party)

Name of Franchisee Candidate (please print): _____

Name of spouse, other relative, friend business associate or third party signing this Acknowledgment (please print): _____

By signing below, you, as an individual, state, acknowledge and represent that one or more of the following is true:

- I am participating or have participated in communication(s), discussion(s) and/or meeting(s) with a representative of Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") regarding the possibility that a family member, spouse, friend, or business partner of mine may become a Mac Tools Franchisee.

- A family member, spouse, friend, or business partner of mine may become a Mac Tools Franchisee, and my income and/or assets may be reflected on my family member's, spouse's, friend's, or business partner's application to become a Mac Tools Franchisee and/or application to obtain financing for my family member's, spouse's, friend's, or business partner's Mac Tools franchised business involving the mobile sale of professional automotive tools and similar products.

- I may be asked to, and may decide to, invest money or other resources in my family member's, spouse's, friend's, or business partner's Mac Tools business.

- I may be asked to, and may decide to, sign an individual Guaranty of Indebtedness to Mac Tools of the obligations of my family member's, spouse's, friend's, or business partner's Mac Tools business.

By signing below, you, as an individual, state, acknowledge and represent that each of the following is true:

- I have received and reviewed a copy of the Mac Tools Franchise Disclosure Document.

- I understand that the Mac Tools Franchise Agreement signed by the Franchisee and Mac Tools is the controlling document regarding the Mac Tools franchised business and the terms of the business relationship between the Franchisee and Mac Tools.

- I understand that the Franchise Agreement and the Franchise Disclosure Document are the only documents that I should rely on.

- I have not received, nor relied upon, any representations from Mac Tools or anyone else that differ from what is specifically written in the Franchise Agreement and in the Franchise Disclosure Document, including, but not limited to, any statements, representations, omissions or intimations from any person concerning the likelihood of success or failure of the planned Mac Tools franchised business, or the likelihood that I will recover my investment in, or be absolved from my obligations in connection with, the Franchisee's Mac Tools business.

This Investor Acknowledgement may be electronically signed, and signature(s) transmitted electronically (including as attached files (e.g., .PDF) shall be acceptable to bind the signatory hereto.

_____	_____
Witness Signature	Investor Signature
_____	_____
Witness Printed Name	Investor Printed Name
Date: _____	Date: _____

(Spouse, and/or Other Relative, Friend, Business Associate or Third Party)

EXHIBIT S

LIST OF MAC TOOLS CURRENT AND FORMER FRANCHISEES
(AS OF FEBRUARY 23, 2023)

For purposes of this Exhibit, a franchisee is assigned a state in accordance with the location of the majority of Stops on the franchisee's Route(s) (determined at the time a franchisee signs the Franchise Agreement), not in accordance with the state in which the principal business office of the franchisee is located.

Following is a list of Mac Tools franchisees who were in operation at any time during the most recent fiscal year (January 2, 2022 through December 31, 2022) and were still in operation as of the original issuance date of this disclosure document (February 23, 2023).

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
BIG BEAR DISTRIBUTING LLC	RICKY L. BURNS	2380 LAKE GEORGE DR	ANCHORAGE	AK	99504	(907) 891-0874	AK
JACKY E. BAILEY		PO BOX 58022	FAIRBANKS	AK	99711	(907) 785-2635	AK
VALLEY MOTORSPORTS AND OFFROAD	KENNETH MACALLISTER	109 ALEXANDRIA PKWY	ALEXANDRIA	AL	36250	(256) 499-6158	AL
CLEVELAND TOOL & SUPPLY LLC	CLEVELAND TOOL & SUPPLY LLC	1909 FARRELL NELSON RD.	CHIPLEY	FL	32428	(850) 326-2089	AL
T BUCKET OUTFITTERS, LLC	SHANNON SELLERS	15483 SYLVAN LOOP ROAD	FOSTERS	AL	35463	(205) 310-9289	AL
GEARHEAD HEAVEN LLC	JIM JENKINS	2605 COUNTY RD. 92	FYFFE	AL	35971	(256) 899-3482	AL
MAURICE'S TOOLS & EQUIP.,LLC	MAURICE'S TOOLS & EQUIP.,LLC	1479 COUNTY ROAD 15	HEADLAND	AL	36345	(334) 714-1582	AL
BMC TOOLS LLC	BMC TOOLS LLC	2416 ARROW WOOD DR.	HUNTSVILLE	AL	35803	(256) 836-5578	AL
WAYNE'S TOOLS, LLC	WILLIARD W CORNELIUS	21590 HWY 5	LYNN	AL	35575	(205) 893-5370	AL
T & T TOOLS, L.L.C.	ROBERT THOMPSON	4321 MAIN STREET	MILLBROOK	AL	36054	(334) 391-2106	AL
STUBBS RACING TOOLS LLC	HENRY STUBBS	1938 GLENNWOOD RD	MORRIS	AL	35116	(205) 229-5422	AL
BULLARD AND SONS LLC.	JOSHUA BULLARD	80 LINVILLE ST.	SCOTTSBORO	AL	35768	(256) 672-1310	AL
DNKFARMNTOOLS LLC	DNKFARMNTOOLS LLC	1008 LEE ROAD 319	SMITHS STATION	AL	36877	(334) 614-1798	AL
CHARLES SHARPE DISTRIBUTOR LLC	CHARLES SHARPE DISTRIBUTOR LLC	3562 VISTAMONT CIR SOUTH	SOUTHSIDE	AL	35907	(256) 390-1544	AL
H&R TOOLS LLC	WILLIAM CROWDER	6307 26TH AVE	VALLEY	AL	36854	(678) 834-6438	AL
THOMKAT LLC	THOMKAT LLC	363 MISTY LN	WEDOWEE	AL	36278	(256) 404-5258	AL
PROFESSIONAL TOOLS CENTRAL AR	ERIN HAMILTON	1050 KIRKLAND	CONWAY	AR	72034	(870) 613-1800	AR
LUCKYMAN TOOLZ, LLC	DENNIS L. HASH	13864 SAVOY RD	FAYETTEVILLE	AR	72704	(479) 466-1794	AR
TOOL FIEND, LLC	ANTHONY TODD	17286 STOUT MOUNTAIN ROAD	FAYETTEVILLE	AR	72701	(479) 530-6747	AR
DEAD-ON TOOLS LLC	CHRISTOPHOR MANN	16898 STAGE COACH RD	GRAVETTE	AR	72736	(479) 381-4083	AR
TY'S TOOLS LLC	TYLOR HEFF	1301 HIDDEN VALLEY WAY	GREENWOOD	AR	72936	(479) 252-5047	AR
HM CRANE ENT LTD	HAROLD M. CRANE	23520 CHICOT RD.	MABELVALE	AR	72103	(501) 351-7519	AR
OPSAHL, JEFFREY		2885 GRANDHILL RD	BULLHEAD CITY	AZ	86442	(951) 264-9341	AZ
BK JACOBSON, LLC	BRIAN K. JACOBSON	4553 W EARHART	CHANDLER	AZ	85226	(480) 628-0744	AZ

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
		WAY					
DJ & B TOOLS LLC	WILLIAM A. HARRISON	406 W. CHEYENNE DR.	CHANDLER	AZ	85225	(480) 313-0676	AZ
JLS TOOLS, LLC	JEREMY L. SMITH	2635 N CHEROKEE DRIVE	CHINO VALLEY	AZ	86323	(928) 899-3410	AZ
BTD INC	SEAN BEAUCHAMP	23158 N 67TH AVE	GLENDALE	AZ	85310	(623) 341-1599	AZ
TMT TOOLS, LLC	MICHAEL D. MERSING	2285 HUNTINGTON DR.	LAKE HAVASU CITY	AZ	86403	(928) 486-3053	AZ
WELAND'S TOOLS LLC	SEAN WELAND	5662 SCOTTS DR.	LAKESIDE	AZ	85929	(602) 717-3560	AZ
N.D.K. TOOLS LLC.	N.D.K. TOOLS LLC.	13075 WEST INDIAN SCHOOL RD	LITCHFIELD PARK	AZ	85340	(847) 989-2203	AZ
THE PROS TOOL CHOICE LLC	SAMMY ENLOE	10298 W FETLOCK TRL	PEORIA	AZ	85383	(602) 663-8012	AZ
BRIAN R. HARRIS		2809 W PASO NUEVO DRIVE	PHOENIX	AZ	85086	(480) 399-3257	AZ
JULIAN DUNBAR LLC		19905 SOUTH 197TH PLACE	QUEEN CREEK	AZ	85142	(480) 347-6044	AZ
MAD HOUSE TOOLS LLC	DAVE VICKERY	19932 E CATTLE DR	QUEEN CREEK	AZ	85142	(602) 885-1796	AZ
WYERS SUPPLY LLC	SCOTT WYERS	22755 E ROSA ROAD	QUEEN CREEK	AZ	85142	(760) 207-5573	AZ
PRIEST FAMILY LLC	WILLIAM L PRIEST	2949 CARDINAL DRIVE	SIERRA VISTA	AZ	85635	(520) 559-3670	AZ
BOLGOL LLC	BOLGOL LLC	250 N RED CLIFFS DR 4B 507	ST GEORGE	UT	84790	(435) 668-9843	AZ
BADALUCCO ENTERPRISE LLC	ANTHONY BADALUCCO	8314 N. FIRETHORN AVENUE	TUCSON	AZ	85741	(520) 861-5557	AZ
COLLINS TOOLS LLC	DAVID COLLINS	316 E LIMBERLOST DRIVE	TUCSON	AZ	85705	(520) 248-1723	AZ
PAULA NEILS		1079 S BRAHMA LN	YUMA	AZ	85364	(928) 376-0505	AZ
COLBY J. GREENBERG		53 W. RODE RD.	ACAMPO	CA	95220	(209) 471-2137	CA
CRAIG A. GREENBERG		P.O. BOX 96	ACAMPO	CA	95220	(209) 470-8962	CA
DOUBLE T LLC	THOM WALLS	3327 BARMOUTH DR.	ANTIOCH	CA	94509	(925) 497-6697	CA
BELCH, NATHAN		P.O. BOX 595	ARROYO GRANDE	CA	93421	(805) 709-0976	CA
TRAVIS J. LOPEZ-HANSEN		12441 COMBIE ROAD	AUBURN	CA	95602	(530) 320-6771	CA
FE TOOLS LLC	FRANKIE SANDOVAL	527 PHEASANT AVE	BAKERSFIELD	CA	93309	(805) 320-7110	CA
MUCH MORE DISTRIBUTING, INC.	NICHOLAS R. DEL RIO	13504 BROGAN AVE	BAKERSFIELD	CA	93314	(661) 205-0614	CA

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
T AND A AUTHORIZED TOOL DIST,L	T AND A AUTHORIZED TOOL DIST,L	9316 SHELLABARGER RD, STE B	BAKERSFIELD	CA	93312	(661) 778-8769	CA
KATJE TOOLS LLC	DANIEL KATJE	32110 VIA VERA	BONSALL	CA	92003	(760) 828-6482	CA
KILEKO TOOL SERVICES LLC	BUENA PARK SELF/MARC BRAVO	7111 MCNEIL LANE	BUENA PARK	CA	90620	(714) 290-2636	CA
MIKE HARVEY TOOLS LLC	MICHAEL HARVEY	17918 HATRIDGE LN	CANYON COUNTRY	CA	91387	(818) 512-0523	CA
RAUL G. RODRIGUEZ		21308 LOSTINE AVE	CARSON	CA	90745	(310) 346-4090	CA
CARET INVESTMENTS, LLC	CARET/SOLDONIA/VARGAS	THOMAS R SOLDONIA	CASTRO VALLEY	CA	94546	(510) 303-7827	CA
TWISTED KNUCKLES, TT&F LLC	CRAIG DAVIS	67750 PALETERO RD	CATHEDRAL CITY	CA	92234	(432) 889-7637	CA
JIMMY P TOOLS, LLC	JIMMY PETTIT/JIMMY P TOOLS	PO BOX 6083	CHICO	CA	95927	(530) 518-2424	CA
DOUBLE J TOOLS LLC	DOUBLE J TOOLS LLC	6402 N DEWOLF AVE	CLOVIS	CA	93619	(559) 967-9614	CA
ES TOOLS, INC.	ERIC SANDOVAL	1865 HERNDON AVE, STE K625	CLOVIS	CA	93611	(559) 500-9724	CA
SCOTT E. CAMPBELL		1131 N. PURDUE AVE	CLOVIS	CA	93611	(559) 298-1405	CA
E & E TOOLS	ERIK BARBA-GONZALEZ	14416 S KEENE AVE	COMPTON	CA	90220	(310) 654-3083	CA
RDJ PERFORMANCE TOOLS		1900 E PINE ST	COMPTON	CA	90221	(562) 235-8635	CA
J&H TOOL COMPANY LLC	JAD MASSARWEH	4121 HAMLET DRIVE	CONCORD	CA	94521	(510) 410-7980	CA
LARABEE, DAVID		3585 WOODSON AVE	CORNING	CA	96021	(530) 301-8395	CA
SOLE ENTERPRISE LLC	MT. OLIVE STORAGE - WAID	1020 BRADBOURNE AVE #44	DUARTE	CA	91010	(818) 459-2061	CA
GREASE 2 GOLD INC.	WILL SMITH	1607 TINA PLACE	EL CAJON	CA	92021	(619) 647-0244	CA
ROBBI'S TOOL SALES LLC	ROBERT WILSON	1706 IRWIN AVE	ESCALON	CA	95320	(530) 355-0877	CA
AUTOOLS INC.	AUTOOLS INC.	1035 S ROSE ST	ESCONDIDO	CA	92027	(760) 717-8695	CA
JOSH COOPER TOOLS LLC	JOSHUA COOPER	1620 PHEASANT HILL	ESCONDIDO	CA	92026	(760) 522-2452	CA
SHEA A. CANNON		6750 FIRST STREET	FORESTVILLE	CA	95436	(707) 393-8317	CA
CHRISTOPHER W. BENNETT		36000 WELLINGTON PLACE	FREMONT	CA	94536	(510) 797-8827	CA
AV TOOLS, INC.	ARTURO VARGAS	5902 E FANCHER CREEK DRIVE	FRESNO	CA	93727	(559) 970-3980	CA
DIAMOND WEST TOOLS, LLC	NICHOLAS J. MACHADO	3320 W RIALTO	FRESNO	CA	93722	(559) 313-5636	CA

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
MALDONADO, RENE MOISES		12851 OWEN ST	GARDEN GROVE	CA	92845	(714) 651-9370	CA
TOMASZ J. OLESIEJUK		7735 SIERRA DRIVE	GRANITE BAY	CA	95746	(916) 801-1519	CA
MLP TOOL COMPANY LLC	MATTHEW PORTER	1092 EDGEMERE LANE	HAYWARD	CA	94545	(510) 410-8262	CA
G-EMMONS TOOLS LLC	GREG EMMONS	1402 LESLIE DR	HEMET	CA	92544	(916) 899-4974	CA
TORRES TOOLS LLC	JESUS TORRES	3804 TULSA CT	HEMET	CA	92545	(760) 277-8755	CA
4K SOLUTIONS, INC.	KELLY L. ROBBINS	7514 DUNKIRK AVE	HIGHLAND	CA	92346	(951) 236-8401	CA
RICARDO J. ORTIZ		4838 IRWINDALE AVE	IRWINDALE	CA	91706	(626) 975-7200	CA
TRIPLE R TOOLS LLC	TRIPLE R TOOLS LLC	14343 SAN JOAQUIN AVE	KERMAN	CA	93630	(559) 903-5315	CA
P.R. DISTRIBUTORS LLC	P.R. DISTRIBUTORS LLC	11458 MANZANITA RD.	LAKESIDE	CA	92040	(619) 913-9700	CA
GMA TOOLS LLC	MOISES GUERRERO	25344 PENNSYLVANIA AV. SPC D-3	LOMITA	CA	90717	(310) 628-2983	CA
BRENES TOOLS, INC.	OSCAR BRENES	829 CHESTNUT AVE.	LOS ANGELES	CA	90042	(323) 807-6835	CA
EJM TOOLS LLC	JULIO RAMIREZ	1708 E 107TH ST	LOS ANGELES	CA	90002	(323) 492-2747	CA
AUGUSTINE MEJIA		1914 HASTINGS DR.	MANTECA	CA	95336	(209) 823-5233	CA
N.F.O LLC	SEAN FITZMAURICE	16055 AUROA WY.	MEADOW VISTA	CA	95722	(530) 537-7934	CA
DAVID A. NEHER		1221 PEEK AVE.	MODESTO	CA	95358	(209) 544-0980	CA
GIUSEPPE B. CASTIGLIONE		713 MILBANK DRIVE	MODESTO	CA	95357	(209) 992-1233	CA
MONTESJ925 DISTRIBUTORS LLC	JASON MONTES	10341 MOCKINGBIRD COURT	MORENO VALLEY	CA	92557	(909) 631-5429	CA
ANDERSON SUPPLY CO LLC	JUSTIN ANDERSON SUPPLY CO LLC	23902 CONESTOGA AVE	MURRIETA	CA	92562	(714) 900-1970	CA
SOCKET-2 EM' LLC	JUSTIN KLINGER	2110 FUNNY CIDE ST APT 207	NAPA	CA	94559	(570) 951-6956	CA
BENJAMIN R. PRACHYL		772 RUDMAN DR	NEWBURY PARK	CA	91320	(805) 844-8700	CA
GATTO GRASSO INC	MICHAEL THOMAS	7540 BULLARD DR	NEWCASTLE	CA	95658	(530) 613-0895	CA
NN TOOLS		1166 LABRADOR CT	NEWMAN	CA	95360	(209) 585-7222	CA
FETULAGIAN, KACHIK		7870 NAGLE AVE	NORTH HOLLYWOOD	CA	91605	(818) 901-7181	CA
H & H HANDYMAN CORP	GEORGE HARROD	11414 MEHAREN ST	NORWALK	CA	90650	(323) 675-4496	CA

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
STEELRIVER INC	JUAN C. LOPEZ CASILLAS	11508 LEIBACHER AVE	NORWALK	CA	90650	(310) 995-0077	CA
ALVARADO MATEOS LLC	ALVARADO MATEOS LLC	227 VIA PELICANO APT 34	OCEANSIDE	CA	92057	(760) 672-9739	CA
LO-KEY TOOLS, INC.	CARLOS LOPEZ	1623 LORETTA ST.	OCEANSIDE	CA	92058	(760) 847-2585	CA
ANDREW J. MERSHON		492 S. LAURINDA LN	ORANGE	CA	92869	(714) 290-6417	CA
GEORGE G. HARTH		1439 W CHAPMAN AVE	ORANGE	CA	92868	(714) 308-4523	CA
GREGORY S. BARTON		6907 WOODMORE OAKS DR	ORANGEVALE	CA	95662	(916) 628-0042	CA
VALENCIA'S TOOLS L.L.C.	DANIEL VALENCIA	37760 RUDALL AVENUE	PALMDALE	CA	93550	(818) 913-5022	CA
ROBERT A. RUBALCABA		16900 ALPINE DRIVE	PIONEER	CA	95666	(408) 313-1059	CA
DENNIS J. CROASDALE		23190 HECHT RD	QUAIL VALLEY	CA	92587	(951) 977-0883	CA
WADE'S TOOL TRADE LLC	WADE JENNINGS	17534 HWY 67	RAMONA	CA	92065	(760) 500-3533	CA
PATRICK NOONE MTD L.L.C.	PATRICK NOONE	2325 PECAN GROVE WAY	RANCHO CORDOVA	CA	95670	(916) 206-4005	CA
E & B TOOLS & SOLUTIONS, LLC	EDWIN EKHTIAR	3 DAYLILY	RANCHO SANTA MARGARI	CA	92688	(949) 713-4723	CA
MY TOOL BUSINESS	JOHN ANDROSKO	7 VIA ESPIRITU	RANCHO SANTA MARGARI	CA	92688	(714) 609-0965	CA
J.A.M. TOOLS DISTRIBUTOR LLC	JESSE AYALA	2816 CARLSBAD ST	REDONDO BEACH	CA	90278	(310) 678-0991	CA
MARTINEZ, ALVARO		835 J ST	REEDLEY	CA	93654	(559) 356-9637	CA
MOCHIDA FAMILY INVESTMENTS INC	MOCHIDA FAMILY INVESTMENTS INC	157 RUESS RD	RIPON	CA	95366	(209) 986-0129	CA
CHRISTOPHER B. NELSON		1507 EDGEWATER CT	ROSEVILLE	CA	95661	(916) 871-2966	CA
D & J SUPPLY LLC	DION X. ARCHULETA	9016 PEBBLEFIELD WAY	SACRAMENTO	CA	95829	(916) 802-3466	CA
POLISHCHUK, SERGEY		1103 NORTH B STREET	SACRAMENTO	CA	95811	(916) 218-8242	CA
DJ'S TOOLING SOLUTIONS LLC	DAVID WORSTELL	5308 FIRENZA WAY	SALIDA	CA	95368	(209) 996-7448	CA
ISRAEL L. SALAZAR		21116 COUNTRY PARK RD	SALINAS	CA	93908	(831) 737-7454	CA
UBALDO REYES		2999 KENDALL DR	SAN BERNARDINO	CA	92407	(909) 856-3719	CA

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DOUGLAS R. WALKER		12256 TOLUCA DR	SAN RAMON	CA	94583	(925) 548-6140	CA
THOMAS M. LARIS		568 SANTANDER DRIVE	SAN RAMON	CA	94583	(925) 413-4965	CA
SORE TOOLS CORP.	ALEJANDRO SOLIS	2026 W 12TH ST	SANTA ANA	CA	92703	(714) 422-4786	CA
D&M TOOLS, INC.	DAVID PEBLEY	10403 PERSIMMON COURT	SANTA FE SPRINGS	CA	90670	(323) 579-9238	CA
VERDU TOOLS LLC	JUSTIN VERDU	1682 PETERSON LANE	SANTA ROSA	CA	95403	(650) 784-9406	CA
RUSSELL, DAVID		2065 N MEDINA AVE	SIMI VALLEY	CA	93063	(818) 276-5448	CA
GARCIA'S BEST TOOLS LLC	MANUEL GARCIA	13336 HERRON ST	SYLMAR	CA	91342	(818) 212-6216	CA
SPEEDY TOOLS LLC	ARTURO GONZALEZ	13600 NORTHSTAR AVE	VICTORVILLE	CA	92392	(760) 403-5592	CA
FULMER TOOLS LLC	DONALD W. FULMER	3436 E STAPP AVE.	VISALIA	CA	93292	(559) 786-6999	CA
FULTZY ENTERPRIZES LLC	STEPHEN FULTZ	1001 ROSARIO LN	VISTA	CA	92084	(760) 224-6496	CA
EDWARDS DISTRIBUTING, INC.	JASON EDWARDS	1763 SESSLER PLACE	YUBA CITY	CA	95993	(530) 635-0325	CA
S AND D TOOLS LLC	STEVE WERTH	16159 NEWARK ST	BRIGHTON	CO	80602	(303) 263-2955	CO
BLACK DAWG TOOLS LLC	ANDREW HERNDON	330 CHERRY HILLS WAY	COLORADO SPRINGS	CO	80921	(719) 369-7022	CO
D AND D TOOL SUPPLY LLC	JOHN WOODY	3010 TEARDROP CIR	COLORADO SPRINGS	CO	80917	(719) 337-7429	CO
WALKER TOOL CO.,INC.	LARRY WALKER	3118 TEARDROP CIRCLE	COLORADO SPRINGS	CO	80917	(719) 510-0089	CO
CW TOOL INC	CARL L. WOMBLE	2354 W 119TH AVE	DENVER	CO	80234	(720) 255-3270	CO
R & A TOOLS LLC	RYAN FULLER	4998 32ND STREET	GREELEY	CO	80634	(970) 518-8926	CO
BMF TOOLS LLC	BRANDON J. MCBRIDE	7115 W 9TH AVE	LAKEWOOD	CO	80214	(720) 840-1516	CO
ABBY TOOLS INC.	JOSH ABERNATHY	631 W CALEY AVE	LITTLETON	CO	80120	(405) 590-7446	CO
JBA TOOLS, LLC	JEFFREY W. GODWIN	8898 W CHESTNUT AVE	LITTLETON	CO	80128	(303) 981-4550	CO
R&R TOOLS LLC	RYAN DUDLEY	3496 UPLAND RD.	PALISADE	CO	81526	(970) 946-0279	CO
BRUSH'S TOOLS LLC	JARED BRUSH	402 MELBA RD	STERLING	CO	80751	(308) 340-0078	CO
ROCK Y. EMOND		47 IROQUOIS ROAD	BRISTOL	CT	06010	(860) 276-7615	CT
JP TOOLS LLC	JP TOOLS LLC	225 HAYWARDVILLE RD	COLCHESTER	CT	06415	(860) 908-2096	CT

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E&E TOOL LLC	EDWIN DURAN	11 HIGH VIEW CIRCLE	DANBURY	CT	06811	(203) 948-4569	CT
TECH TOOLS LLC	EARL R. COWETTE	29 REDER RD	NORTHFIELD	CT	06778	(203) 444-9000	CT
CRAIG R. MAYER		1 COTTAGE ST	NORWALK	CT	06855	(908) 907-1081	CT
F & C TOOLS, LLC	JASON CARPINELLA	27 GRAND STREET	SEYMOUR	CT	06483	(203) 828-8890	CT
MILO'S TOOL WAGON LLC	RAYMOND YOUNG	107 MAIN STREET	STERLING	CT	06377	(203) 430-6344	CT
WORLD CLASS TOOLS LLC	SHANNON JOYCE	2 ELLEN DR.	TERRYVILLE	CT	06786	(860) 690-7303	CT
KENNETH D. FRENCH, JR.		1193 OLD NORTHFIELD RD	THOMASTON	CT	06787	(860) 484-9512	CT
JACEK SZERAKOWSKI		5 QUADHILL ROAD	WEATOGUE	CT	06089	(860) 306-4987	CT
WRENCH BOYZ INC.	DAWN A. TAYLOR	22090 HERITAGE FARM RD	BRIDGEVILLE	DE	19933	(302) 858-3877	DE
LEE ALFREE TOOLS, LLC	DAVID L. ALFREE II	2308 DOWNS CHAPEL ROAD	CLAYTON	DE	19938	(302) 535-4731	DE
BERNIE HEVERIN DISTRIBUTOR,LLC	BERNIE HEVERIN DISTRIBUTOR,LLC	3063 UPPER KING RD	DOVER	DE	19904	(302) 222-3638	DE
LARRY,S TOOL,S L.L.C.	LARRY CLEES	27857 AVALON DR	GEORGETOWN	DE	19947	(302) 344-6274	DE
GARY M. THOMPSON		221 HOPKINS CEMETERY ROAD	HARRINGTON	DE	19952	(302) 670-2215	DE
SMITH, MICHAEL S.		703 MAPLE CT	MIDDLETOWN	DE	19709	(302) 218-5111	DE
GBF TOOL SOLUTIONS LLC	CHAD MOLETRESS	29502 GLENWOOD DR	MILLSBORO	DE	19966	(610) 334-7991	DE
KEN TAYLOR TOOLS, INC.	WILLIAM K. TAYLOR, JR.	1 NORTON DR	NEWARK	DE	19711	(302) 740-1017	DE
SIGGI'S TOOL TRUCK LLC	SIGFRIDO PEREZ	110 N GLENWOOD AVE	AVON PARK	FL	33825	(561) 324-8455	FL
OG N G FL ENTERPRISES LLC	SEAN PAPP	10880 SE 90TH CT	BELLEVIEW	FL	34420	(352) 454-0206	FL
C & W TOOLING LLC	C & W TOOLING LLC	214 SE 19TH LANE	CAPE CORAL	FL	33990	(516) 987-3731	FL
KNAPPTIME TOOLS LLC	KNAPPTIME TOOLS LLC/JODY KNAPP	4439 ORCHID BLVD	CAPE CORAL	FL	33904	(239) 291-8897	FL
SF TOOLS, LLC	SF TOOLS, LLC/STEPHEN FIELD	312 SW 26TH ST.	CAPE CORAL	FL	33914	(239) 344-6839	FL
TECHS CHOICE OF SWF INC	BRYAN SNYDER	3230 LAZY PINE WAY	CAPE CORAL	FL	33909	(239) 229-3128	FL
BARREL OF MONKEYS TOOL LLC	JOHN SISSOYEV	17116 BASSWOOD LANE	CLERMONT	FL	34714	(520) 251-3370	FL
METAL GEARS, INC.	YANNIER ALFONSO	2869 SW 13TH CT	FORT LAUDERDALE	FL	33312	(305) 720-4980	FL

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JAKES TOOLS LLC	JAMIE JACOBS	12130 LUCCA ST. #202	FORT MYERS	FL	33966	(860) 807-6556	FL
JAC TOOLS DIST LLC	JOHN CASTLEBERRY	2616 RUBY DRIVE	HILLIARD	FL	32046	(904) 528-8962	FL
WEST COAST TOOLZ, LLC	JOSH AGUILAR	13931 BERKOWITZ AVE	HUDSON	FL	34667	(727) 534-2058	FL
BB FAMILY TOOLS LLC	HYPOLUXO STORAGE/BRYN BENJAMIN	103 HALF MOON CIRCLE	HYPOLUXO	FL	33462	(561) 234-0939	FL
PALAZZI TOOLS, INC.	JEFFREY PALAZZI	8832 SHINDLER CROSSING DR	JACKSONVILLE	FL	32222	(904) 510-0040	FL
RJP TOOLS, LLC	RJP TOOLS, LLC	5454 WOODWIND TERRACE	JACKSONVILLE	FL	32277	(918) 829-0769	FL
WNT TOOLS LLC	WAYNE DECOSTA	808 NOTTAGE HILL ST	JACKSONVILLE	FL	32259	(678) 522-6459	FL
BUMP TOOLS LLC	DARYL BUMP	6343 NW COUNTY ROAD 152	JENNINGS	FL	32053	(352) 484-8185	FL
A & R TOOL'S LLC	RYAN BURWELL	2754 CARMEL COURT	KISSIMMEE	FL	34746	(614) 571-3295	FL
CREAMER'S TOOL SOLUTION, LLC	BENJAMIN CREAMER	222 SW BRITTANY GLEN	LAKE CITY	FL	32024	(386) 365-7065	FL
JOHN R ASHBY ENTERPRISES LLC	JOHN R. ASHBY/ 145220	15779 62ND PL. N.	LOXAHATCHEE	FL	33470	(561) 255-9801	FL
RICHARD D. MORRISSEY		17278 RAINTREE ROAD	LUTZ	FL	33558	(813) 624-2272	FL
J & N TOOLS INC	YEGFREY LAZO	17550 SW 154 PL	MIAMI	FL	33187	(305) 479-9234	FL
K & M TOOLS, LLC	KARL E. GARRARD	2437 8TH AVE NE	NAPLES	FL	34120	(239) 687-8716	FL
RSB QUALITY TOOLS LLC	ROBERT BROWN	7435 HIDDEN HOLLOW DR	ORLANDO	FL	32822	(707) 280-8230	FL
STEWART E. BROWN		5644 KALMIA DRIVE	ORLANDO	FL	32807	(407) 718-7495	FL
SOURCE413 LLC	JOHN MARKER-SOURCE413 LLC	1281 SALFORD ST SE	PALM BAY	FL	32909	(304) 488-7338	FL
PJS TOOLS & EQUIPMENT LLC	PATRICK HILL	1511 EAST LLOYD ST	PENSACOLA	FL	32503	(850) 384-6511	FL
GARDNER ENT OF SARASOTA, LLC	ROBERT R. GARDNER, JR	5412 RUBY LN	SARASOTA	FL	34231	(941) 600-1936	FL
JLA TOOL & SUPPLY LLC	JOSE RODRIGUEZ	17400 SW 63RD MANOR	SOUTHWEST RANCHES	FL	33331	(305) 609-4744	FL
CALL CROWLEY LLC	JAMES CROWLEY	746 18TH COURT	VERO BEACH	FL	32962	(571) 329-3226	FL
HAGAN TOOLS LLC	JONATHAN HAGAN	13999 GA HWY 119	BROOKLET	GA	30415	(912) 799-8665	GA

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LINC'S TOOLS, LLC	LINCOLN MALPHRUS	115 APRIL LANE	CATAULA	GA	31804	(334) 707-1981	GA
MCR TOOL SOLUTIONS LLC	MATTHEW RICE	120 ANDREW PL	COMMERCE	GA	30529	(706) 255-8930	GA
DALTON TOOL SOLUTIONS LLC	WILLIAM DALTON	67 RADIAN WAY	DALLAS	GA	30132	(404) 391-7475	GA
E & A TOOLS LLC	E & A TOOLS LLC	4051 HORSHAM TRAIL	DEARING	GA	30808	(706) 834-0909	GA
MIDDLE GEORGIA TOOLS, INC	NICHOLAS BROCK	1007 RIVER RD	FORT VALLEY	GA	31030	(478) 550-0930	GA
HALLMAN, DUSTIN CHAD		118 ELDER RD	HAMPTON	GA	30228	(678) 967-1178	GA
RKS TOOLS LLC	RICHARD D. SULLIVAN	3719 RIVER DR	LAWRENCEVILLE	GA	30044	(678) 478-0866	GA
MWS SERVICES, LLC	MARK W. SMITH	PO BOX 1249	LEESBURG	GA	31763	(229) 347-0045	GA
JTLIKEPI TOOLS LLC	JASON TRIPP	4801 WESLEYAN WOODS DR	MACON	GA	31210	(478) 737-1645	GA
FANTIS, JOHN		3537 MCKAY LANE	MARIETTA	GA	30066	(770) 912-8411	GA
GRIDER, MICHAEL	MICHAEL GRIDER	410 KELSEY DR	ROSSVILLE	GA	30741	(423) 847-7762	GA
OLD KIBBEE ENTERPRISE CORP	DAVID ALLEN	2286 OLD KIBBEE RD. N.	TARRYTOWN	GA	30470	(478) 494-7886	GA
PANKOPP TOOL CO, II, LLC	KENNETH A. PANKOPP	KENNETH A. PANKOPP, MEMBER	TYRONE	GA	30290	(770) 617-2129	GA
GC TOOLS, LLC	GREG KING	9370 HWY.166	WINSTON	GA	30187	(404) 259-8125	GA
KP TOOLS, LLC	KENNETH H. PECK	410 CHEROKEE SPRINGS DR	WOODSTOCK	GA	30188	(678) 898-7865	GA
PEACH STATE TOOLS LLC	ERIK CYPHERS	1307 WHITFIELD WALK	ZEBULON	GA	30295	(404) 548-1227	GA
TOOLS HAWAII LLC	ANDY TANAKA/ TROY WALTER	500 LUNALILO HOME RD	HONOLULU	HI	96825	(808) 375-4428	HI
TOOL CRAZY HAWAII LLC	TOOL CRAZY HAWAII/KEITH HARRIS	73-1112 ALIHILANI DR.	KAILUA KONA	HI	96740	(808) 747-5150	HI
E&J TOOLS, LLC	CHARLES ERIC WHITE	95-1085 MILIA ST.	MILILANI	HI	96789	(808) 371-9388	HI
L&M TOOLS LLC	LEONARD TANDAL	94-226 HOKULEWA LOOP	MILILANI	HI	96789	(808) 428-5062	HI
LANE, DAVID D.		1900 123RD AVE	ALGONA	IA	50511	(515) 295-7689	IA
TONY W. GEARY		P.O BOX 59	BLAIRSTOWN	IA	52209	(319) 521-4644	IA
DUSTIN'S TOOLS, LLC	DUSTIN'S TOOLS, LLC	805 SCHOOL ST	CARLISLE	IA	50047	(608) 212-7992	IA
CRAIG A. KUEHNER		919 71ST STREET NE	CEDAR RAPIDS	IA	52402	(563) 380-6162	IA

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
BBE PRO TOOLS, LLC	BRET B. EVENSON	705 SCHUMACHER BLVD	DENVER	IA	50622	(319) 240-0203	IA
GINTER TOOLS LLC	BENJAMIN J. GINTER	10804 KEY WEST DRIVE	DUBUQUE	IA	52003	(563) 451-2567	IA
SMALL, JAMES		8645 JESSICA LANE	DUBUQUE	IA	52003	(563) 590-0183	IA
FREDERICK C. THAEMLITZ		609 S 10TH ST	ESTHERVILLE	IA	51334	(712) 209-0901	IA
T.MC TOOLS, LLC	TRAVIS MCNEIL	105 PEARL ST	FREDERICKSBURG	IA	50630	(319) 415-4947	IA
F AND R TOOLS, LLC	RYAN HUFFMAN	209 2ND ST SW	HAMPTON	IA	50441	(641) 425-3288	IA
LARRY'S TOOLS, LLC	LARRY A. HUMPHREY	2587 LINCOLN AVE	HUMBOLDT	IA	50548	(515) 368-1014	IA
GRAND FUNK TOOL TRUCK	ANDREW YOUNG	1156 BRIAR DR	IOWA CITY	IA	52240	(515) 480-6403	IA
WHITAKER, MICHAEL		2474 JOHNSON STREET RD	KEOKUK	IA	52632	(319) 795-0630	IA
HEAVY METAL TOOLS, INC.	HEAVY METAL TOOLS, INC.	119 6TH N.E.	LE MARS	IA	51031	(712) 546-1631	IA
CHAD SCHNOOR		PO BOX 147	LOW MOOR	IA	52757	(319) 470-1710	IA
MATT RYAN TOOLS LLC	MATTHEW RYAN	595 HOWARD AVE	MARENGO	IA	52301	(319) 721-3667	IA
KRAFT TOOLS LLC	JASON KRAFT	1187 330TH ST	MOSCOW	IA	52760	(319) 530-8986	IA
FAIRHURST TOOL SALES, LLC	FAIRHURST TOOL SALES, LLC	23391 UNION AVE	SHELL ROCK	IA	50670	(319) 231-0705	IA
HARLOW TOOLS LLC	RANDAL B. HARLOW	1391 8TH ST SE	SIOUX CENTER	IA	51250	(712) 441-4845	IA
PICKY TOOL SERVICE LLC	CODY PICK	1418 W. 29TH ST.	SIOUX CITY	IA	51103	(712) 535-0848	IA
EARLES TOOLS, LLC	EARLES TOOLS, LLC	14770 US HIGHWAY 65	ZEARING	IA	50278	(515) 290-2573	IA
ANNA L. SANDERS		3473 ELKS DR.	LEWISTON	ID	83501	(208) 553-7645	ID
BIG FOOTE TOOLS LLC	JAMES FOOTE	1322 SW HAMILTON RD	MOUNTAIN HOME	ID	83647	(208) 599-8089	ID
THOMAS TOOLS LLC	RICK THOMAS	12045 THAMES COURT	NAMPA	ID	83651	(208) 800-1968	ID
HARDMAN TOOLS CORPORATION	SAMUEL HARDMAN	3810 EAST 214 NORTH	RIGBY	ID	83442	(208) 417-2799	ID
STAR TOOLS LLC	JOHN D. GRAY	1228 N. CAN ADA RD	STAR	ID	83669	(208) 286-7407	ID
MARK K. MCWAYNE		13054 SOUTH MC DANIEL CT	ALSIP	IL	60803	(708) 243-6974	IL
BLD TOOL CORP.	BLD TOOL CORP.	25007 W 3RD STREET	ANTIOCH	IL	60002	(847) 715-6872	IL

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BOSMAN TOOLS, INC.	BOSMAN TOOLS, INC.	10787 W4000 N RD	BONFIELD	IL	60913	(815) 214-8310	IL
GRIT & GRACE DISTRIBUTING LLC	JEREMY FOPPE	602 S 4TH STREET	BREESE	IL	62230	(618) 799-8711	IL
JV TOOLS LLC	JEFFREY G. VOGEL	814 VOSSCLARE DR	BREESE	IL	62230	(618) 691-9609	IL
BIG DOG TOOL SALES INC.	BIG DOG TOOL SALES INC.	7700 W 79TH ST.	BRIDGEVIEW	IL	60455	(708) 212-4163	IL
BREYN DISTRIBUTION, INC.	BREYN DISTRIBUTION, INC.	EVAN BREYN	CRYSTAL LAKE	IL	60014	(847) 530-5854	IL
TOOL TREATS LLC	BARRY AUSTIN	125 NORTH WAVERLY LAKE RD	FRANKLIN	IL	62638	(217) 414-6843	IL
DECKS PRAIRIE DISTRIBUTING LLC	JEREMY M. KIRSCH	3756 PRAIRIE RD	HIGHLAND	IL	62249	(618) 971-4244	IL
JEFFREY A. WILSEY		1217 PRIVATE ACCESS 2748 E	HOMER	IL	61849	(217) 202-3944	IL
AMERICAN TOOL DISTRIBUTORS INC	JOHN WYZYKOWSKI	1313 HOWLAND DR	JOLIET	IL	60431	(815) 355-1594	IL
TOWERS TOOLS INC.	GUILLERMO L. TORRES	917 MEADOWSEDGE LN	JOLIET	IL	60436	(708) 557-9484	IL
FALSTAD DISTRIBUTION INC.	FALSTAD DISTRIBUTION INC.	1930 INNOVATION WAY, UNIT C-6	LIBERTYVILLE	IL	60048	(847) 380-0901	IL
GIBBONS TOOLS LLC	GIBBONS TOOLS LLC	N459 SHUEYVILLE RD	MONROE	WI	53566	(815) 291-6384	IL
HARGROVE TOOL SUPPLY, INC.	ANTHONY J. HARGROVE	10771 N CORAL LN	OPDYKE	IL	62872	(618) 316-1071	IL
J & G TOOLS SALES INC	JOSEPH MATUK	404 TODD STREET	PARK FOREST	IL	60466	(708) 436-7994	IL
TEAM WOLFPACK, INC.	JOHN WOLFE	12040 S AERO DR	PLAINFIELD	IL	60585	(630) 973-0437	IL
FOSTER, JEFF		5348 TIPPLE ROAD	ROCKFORD	IL	61102	(815) 289-8496	IL
GUASTO'S TOOLS LLC	KOAH R. GUASTO	7364 MONTMORENCY DR	ROCKFORD	IL	61108	(815) 484-3640	IL
STEINERT TOOLS, LLC	STEINERT TOOLS, LLC	3689 BRICKLER RD	SPRINGFIELD	IL	62707	(309) 532-6628	IL
BESS COMPANY INC.	SIMMIE TAYLOR	717 OLD TROLLEY RD	SUMMERVILLE	SC	29485	(847) 732-3007	IL
AL'S TOOLS & EQUIPMENT, LLC	ALLAN P. HUTCHINSON	41 INDIAN TRAILS RIDGE	BEDFORD	IN	47421	(812) 508-0842	IN
WILSON TOOLS LLC	TYREL WILSON	7230 N COUNTY RD 650 E	BROWNSBURG	IN	46112	(570) 406-6125	IN
JAM TOOLS LLC	JAM TOOLS, LLC 156787	289 JEFFERSON VALLEY	COATESVILLE	IN	46121	(317) 370-9650	IN

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
KEITH A. HAYES		5808 BROADWAY AVE	EVANSVILLE	IN	47712	(812) 455-4200	IN
WELCH TOOLS, LLC	MICHAEL WELCH	1000 WEST 600 SOUTH	FORT BRANCH	IN	47648	(812) 459-3185	IN
J & J TOOLS, LLC	JOHN ROSE	4603 GOLFVIEW DR	FORT WAYNE	IN	46818	(260) 687-0206	IN
JOSEPH E. LEWIS		58913 CR 19	GOSHEN	IN	46528	(574) 903-6247	IN
DAVE'S TOOLS LLC	DAVID C. FULKMAN	6770 TRAVIS ROAD	GREENWOOD	IN	46143	(317) 363-3710	IN
MICHAEL W. BISCHOFF		25584 EASY WAY DR.	GUILFORD	IN	47022	(513) 515-7375	IN
DARREL J. SILLS		10030 5TH STREET	HIGHLAND	IN	46322	(219) 765-7721	IN
TGM TOOL SALES INC	TOBY MAJORS	1421 SOUTH 300 EAST	LAPORTE	IN	46350	(219) 608-8008	IN
KLINE PROFESSIONAL TOOLS LLC	KEVIN KLINE	2155 E 75 N	LEBANON	IN	46052	(317) 409-1239	IN
TOOLS - N - MOTION, INC.	DANA J. BOURNE	14 MEADOW LN	MERRILLVILLE	IN	46410	(219) 741-4758	IN
K&D TOOL SUPPLY, INC.	K&D TOOL SUPPLY, INC.	3584 W 1000 N	MICHIGAN CITY	IN	46360	(219) 873-4935	IN
S & C TOOL SALES INC.	S & C TOOL SALES INC.	804 RED ROBIN DR	NORTH LIBERTY	IN	46554	(574) 276-5283	IN
THE RACING TOOL MAN LLC	THE RACING TOOL MAN LLC	9036 MILL ST.	STOCKWELL	IN	47983	(765) 586-3371	IN
J & S TOOLS, LLC	JACK MASON	62 E NIBLACK RD	VINCENNES	IN	47591	(812) 887-8678	IN
SUPER E TOOL SALES LLC	EDWARD THATCHER	18248 LAKES END DR	WESTFIELD	IN	46074	(463) 248-8164	IN
DARYL D BEEMER		PO BOX 334	CHAPMAN	KS	67431	(785) 922-6328	KS
RELIABLE TOOLS AND EQUIP L.L.C	RYAN CAIRNS	1410 CEDAR ST.	CONCORDIA	KS	66901	(785) 614-4393	KS
H.A.M. TOOLS, LLC	HEATH J. MANNIS	1304 CHERRY AVE	GOODLAND	KS	67735	(785) 821-0280	KS
THOMPSON, BRADLEY W.		1586 ANTONINO ROAD	HAYS	KS	67601	(785) 650-3044	KS
BRANDON E. FELDKAMP		2030 P ROAD	SENECA	KS	66538	(785) 336-1764	KS
J&M TOOLS LLC	J&M TOOLS LLC	5241 NW ARROYO CT	TOPEKA	KS	66618	(785) 286-1445	KS
JR PREMIUM TOOLS, LLC	JEREMY COX	103 WHISPERING HILLS	BEREA	KY	40403	(859) 652-9841	KY
MK TOOLS PRO, INC.	MATTHEW B. KIDWELL	3607 NUGGET DRIVE	BOWLING GREEN	KY	42104	(615) 681-0101	KY
TS TOOLS, INC	TS TOOLS, INC	3030 LAWRENCEVILLE RD.	CORINTH	KY	41010	(859) 620-8190	KY

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
DLH TOOLS LLC	DANNY HUGHES	75 APPOMATTOX DRIVE	FRANKFORT	KY	40601	(859) 492-7319	KY
JAJ ENTERPRISES, LLC	JOE B. HARDIN	799 CORAL HILL LECTA RD	GLASGOW	KY	42141	(270) 646-8493	KY
KETTERMAN TOOL COMPANY, LLC	JENNIFER KETTERMAN	325 GRANT RIDGE ROAD	LEITCHFIELD	KY	42754	(502) 321-1252	KY
MCCALLISTERTOOL COMPANY LLC	LAUREN MCCALLISTER	324 GRANT RD	LEITCHFIELD	KY	42754	(270) 855-9621	KY
COLD HILL DISTRIBUTING LLC	TOMMY STEWART	2671 W PINE HILL RD	LONDON	KY	40744	(606) 877-2736	KY
DALE BLACK DISTRIBUTING LLC	DALE BLACK DISTRIBUTING	500 WESLEYAN PLACE	OWENSBORO	KY	42303	(615) 424-0794	KY
CHRISTOPHER P. STRATTON		139 OKLAHOMA DRIVE	SARDINIA	OH	45171	(937) 205-1634	KY
KERR INDUSTRIES LLC	KERR INDUSTRIES LLC	351 CHRISTMAN LANE	SHEPHERDSVILLE	KY	40165	(502) 644-0312	KY
M & K ENTERPRISE L.L.C.	KLINTON WOOD	312 ASHLEY BLVD	SHEPHERDSVILLE	KY	40165	(502) 888-9537	KY
BRUNER INDUSTRIES LLC	BRANDI BRUNER	1630 NORMANDY RD.	TAYLORSVILLE	KY	40071	(502) 718-0427	KY
CHUCK'S TOOL DISTRIBUTION LLC	CHUCK'S TOOL DISTRIBUTION LLC	367 RAVENS WOOD	TAYLORSVILLE	KY	40071	(502) 232-0592	KY
MM PRESTON ENTERPRISES LLC	MATT PRESTON	122 MERRIFIELD DR	TAYLORSVILLE	KY	40071	(859) 613-3556	KY
R.P. WAGNER TOOLS LLC	ROBERT P. WAGNER	126 LE ANN LANE	WINCHESTER	KY	40391	(859) 492-8718	KY
SHEPHERD'S TOOLS LLC	BRADLEY SHEPHERD	233 CUNNINGHAM LANE	WINCHESTER	KY	40391	(859) 452-0943	KY
TOLBERT TOOLS & EQUIPMENT LLC	ROBERT A. TOLBERT	108 CURRY CREEK DR	CALHOUN	LA	71225	(318) 914-0660	LA
G & S TOOL SALES LLC	GREGORY RICKMAN	610 HAUGHTON TRACE CT	HAUGHTON	LA	71037	(318) 615-6029	LA
SEAWOLF TOOL SALES LLC	MICHAEL WOLFE	206 BUFFALO RUN	LAFAYETTE	LA	70503	(337) 981-3353	LA
SOUTHERN TOOL KING LLC	JARED P. FREE	18409 S BROOKFIELD DR	PONCHATOULA	LA	70454	(985) 634-0418	LA
MISSION TOOLS LLC	CALVIN HALL	4114 MARYLAND AVE	SHREVEPORT	LA	71106	(817) 304-3421	LA
JJC TOOLS LLC	JAMES GADBOIS	6 HIGH ST	BROOKFIELD	MA	01506	(508) 735-8104	MA
PRIME TIME TOOLS INC.	DAVID T. PRIME JR	2601 PHILLIPS RD	CASTLETON ON HUDSON	NY	12033	(413) 346-8800	MA
DAVID T PRIME SR		880 WEST MOUNTAIN RD	CHESHIRE	MA	01225	(413) 358-5485	MA

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
PAUL WHITE		5 OLD WOOD ROAD	FRAMINGHAM	MA	01701	(508) 561-2710	MA
LOWER CAPE TOOL&EQUIPMENT,INC.	KYLE DOUGLAS/LOWER CAPE TOOL	334 OAK STREET	HARWICH	MA	02645	(508) 255-6619	MA
DERRICK LAPHAM TOOLS LLC	DERRICK W. LAPHAM	24 TOBISSET ST	MASHPEE	MA	02649	(774) 238-8641	MA
SRH TOOLS LLC	STEPHEN HALL	296 WEST MAIN ST	MILLBURY	MA	01527	(774) 287-0564	MA
SEBASTIANS TOOL BOX INC	TONY DASILVA	48 WOODLAWN .ST	NEW BEDFORD	MA	02744	(508) 989-2021	MA
DAN ARSENAULT, LLC	DANIEL B. ARSENAULT	177 N COMMON RD	WESTMINSTER	MA	01473	(978) 808-2023	MA
MARTY'S TOOLS, LLC	MARTY'S TOOLS, LLC	3374 SPOHRS ROAD	BERKELEY SPRINGS	WV	25411	(304) 676-6171	MD
AMOS ALBRIGHT TOOLS, LLC	AMOS ALBRIGHT TOOLS, LLC	102 MARSHALL DRIVE	CENTREVILLE	MD	21617	(443) 992-8085	MD
RICHBARK FAMILY TOOLS LLC	STEVEN RICHBARK	3667 GARDENDALE DR	EDEN	MD	21822	(443) 614-3784	MD
CAPE POND TOOL COMPANY	STAN WORTHLEY	6915 GREENVALE CT	FREDERICK	MD	21702	(802) 363-3331	MD
J ABELL TOOLS, LLC	JOHN H. ABELL	4462 OWENSVILLE SUDLEY RD	HARWOOD	MD	20776	(443) 623-2424	MD
BENATE AUTO, LLC	CHARLES W. SCHMALGEMEYER	44555 JOY CHAPEL RD	HOLLYWOOD	MD	20636	(301) 373-4618	MD
KWEDAR TOOLS, LLC	WILLIAM J. KWEDAR III	11460 LITTLE COVE POINT RD	LUSBY	MD	20657	(410) 231-0702	MD
ALLISONMAMARA, LLC	ALLISONMAMARA, LLC	2001 PINE KNOB ROAD	SYKESVILLE	MD	21784	(443) 472-2313	MD
J TOOLS LLC	JOSEPH AMIGH	1538 BAUST CHURCH ROAD	UNION BRIDGE	MD	21791	(301) 748-4972	MD
DAVID D CORNWELL		2499 MEREDITH ROAD	WHITE HALL	MD	21161	(717) 495-7711	MD
JB TOOLS, LLC	JB TOOLS, LLC	1181 SEAN CIRCLE	WOODBINE	MD	21797	(443) 538-2351	MD
K&S PERFORMANCE TOOL LLC	KRISTOFER EMERY	21 SUGAR MAPLE TERR	AUGUSTA	ME	04330	(207) 487-1479	ME
TYSON L. THERRIEN		241 WILEY RD	GREENE	ME	04236	(207) 330-0710	ME
TOOLIN, LLC	NORMA J. GIRARDIN	9 RACHEL BLVD	LEWISTON	ME	04240	(207) 577-4740	ME
RTP ENTERPRISES LLC	RICHARD PURDY	26 ALBERTA DR	WESTBROOK	ME	04092	(207) 209-4156	ME
DOUGLAS M. HILES		7300 CADE RD	BROWN CITY	MI	48416	(810) 705-6210	MI
BRIAN EGAN BUILDER, INC.	BRIAN D. EGAN	9300 BENHAM ST.	CEDAR SPRINGS	MI	49319	(616) 696-4935	MI
JAMES R. BERNARD		31070 SIKON ST.	CHESTERFIELD	MI	48047	(586) 615-2817	MI

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
A CHICK A PUP & A TRUCK LLC	A CHICK A PUP & A TRUCK LLC	599 WILBER RD	EAST TAWAS	MI	48730	(989) 387-2397	MI
M. W. SCHOTT & SUPPLY, INC.	MICHAEL SCHOTT	21977 TREDWELL AVE	FARMINGTON HILLS	MI	48336	(248) 954-3011	MI
ED NICKERSON DISTRIBUTING, LLC	EDWIN T. NICKERSON	5863 NORTON RD	GRAWN	MI	49637	(231) 590-5303	MI
ROBERTO SOTO		62209 31ST STREET	LAWTON	MI	49065	(269) 362-4796	MI
KUTSICK ENTERPRISES LLC	KUTSICK ENTERPRISES LLC	JOHN M. KUTSICK, PRESIDENT	LENOX	MI	48050	(586) 933-7852	MI
RTK TOOLS LLC	ROBERT SMITH	60441 26TH ST	MATTAWAN	MI	49071	(586) 634-4300	MI
DIAMOND DISTRIBUTING LLC	DIAMOND DISTRIBUTING LLC 70588	6750 W. BROOMFIELD RD	MOUNT PLEASANT	MI	48858	(989) 621-6038	MI
DOUGLAS S. STERRETT		5626 SETTLEMENT CT	PARMA	MI	49269	(517) 795-6710	MI
U P SALES, SERVICE & DISTR LLC	U P SALES, SERVICE & DISTR LLC	18791 COUNTY ROAD 533	ROCK	MI	49880	(906) 280-9160	MI
D&J TOOL ENTERPRISES,INC	VESTER DON DUPREE	75797 MCKAY RD	ROMEO	MI	48065	(586) 336-4686	MI
GARY M. BLUM		13145 SAWGRASS CT	TAYLOR	MI	48180	(313) 715-8665	MI
JAMES A. MESTDAGH		21283 R DR SO	TEKONSHA	MI	49092	(517) 937-4916	MI
ANGELL'S TOOLS & ACCESSORIES,	BEAU ANGELL	10709 EAST W AVE	VICKSBURG	MI	49097	(269) 223-2517	MI
GAGNON ENT.,INC.	FRANZ JAY GAGNON	1251 MALCOLM	WATERFORD	MI	48327	(810) 310-0499	MI
BLEISE TOOL COMPANY, LLC	BLEISE TOOL COMPANY, LLC	6182 W.MAIN STREET	WEIDMAN	MI	48893	(989) 289-4276	MI
KSK TOOLS, LLC	KSK TOOLS	8875 SHAMROCK TRAIL W	WEST OLIVE	MI	49460	(616) 502-9823	MI
DR. COOL TOOLS LLC	DON RUS	3746 HERON	WYOMING	MI	49509	(616) 293-1770	MI
THE TOOL CHEST, INC.	SHAWN M. NIEHAUS	8794 SWAN LAKE RD	ALBORN	MN	55702	(218) 310-4168	MN
TRAVIS J. MAGAARD		33973 NAPLES ST NE	CAMBRIDGE	MN	55008	(612) 501-2121	MN
BRIAN'S TOOL BOX LLC	BRIAN J. HAGEN	8026 HYDE AVE S	COTTAGE GROVE	MN	55016	(651) 459-9990	MN
DAGGETT DISTRIBUTING INC	DAGGETT DISTRIBUTING INC	305 CONCETTA TRAIL	EAGLE LAKE	MN	56024	(507) 525-0359	MN
ABBCO TOOLS LLC	BEAU ABBEY	722 7TH ST SE	EAST GRAND FORKS	MN	56721	(701) 740-7865	MN
APEX TOOLS LLC	APEX TOOLS LLC	3485 203RD ST W	FARMINGTON	MN	55024	(651) 747-6406	MN
REINFORCE TOOLS, LLC	NATHAN REIN	19055 LEDUC AVE.	HASTINGS	MN	55033	(651) 208-4719	MN

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
DMP TOOLS LLC	DANIEL POEGEL	22764 360TH AVE	HILLMAN	MN	56338	(320) 360-0229	MN
MCV TOOL LLC	NICK MCVENES	27125 NAPLES ST NE	ISANTI	MN	55040	(763) 486-7020	MN
TOOL FOX LLC	TOOL FOX LLC	3632 22ND AVE S	MOORHEAD	MN	56560	(701) 561-8335	MN
SCHMIDT DISTRIBUTING L.L.C.	SCHMIDT DISTRIBUTING L.L.C.	20 SHANNON CT.	NORTH MANKATO	MN	56003	(507) 381-0169	MN
JORGENSON'S TOOLS L.L.C.	KURT JORGENSON	42052 COUNTY HIGHWAY 60	PERHAM	MN	56573	(218) 371-9587	MN
SPARKY'S TOOLS LLC	ROBERT J. BECKER	29119 153RD STREET	PIERZ	MN	56364	(320) 360-2178	MN
MA & PA TOOL SALES LLC	JOHN-ADAM DAY/MA&PA TOOL SALES	11730 105TH AVE SW	RAYMOND	MN	56282	(320) 905-1708	MN
SMH TOOLS L.L.C.	SHANE M. HARNER	6281 405TH ST	RICE	MN	56367	(320) 249-7867	MN
DON CARROLL TOOL SUPPLY LLC	DON CARROLL TOOL SUPPLY LLC	15072 AIRPORT RD	CABOOL	MO	65689	(417) 926-9768	MO
MIDWEST TOOLS LLC	ANDREW J. LEE	1429 E GALLUP MILL RD	COLUMBIA	MO	65202	(573) 489-8740	MO
MAYFIELD TOOL SALES LLC	JOSHUA MAYFIELD	28445 MONTEREY AVE	DURHAM	MO	63438	(217) 440-6953	MO
STEPHEN D. BENNETT		36 SUNNYBROOKE CIRCLE	FAIR GROVE	MO	65648	(417) 733-5041	MO
TIMOTHY A. DANIELS		11611 N FARM RD 231	FAIR GROVE	MO	65648	(417) 860-6815	MO
BROWN'S TOOL SERVICE LLC	ZACH BROWN	701 S HIGHLAND DR	HARRISONVILLE	MO	64701	(816) 590-0409	MO
ENNIS TOOLS, LLC	CHERIE DANA ENNIS	1116 AUSTIN DR	HERCULANEUM	MO	63048	(314) 807-8000	MO
GO FISH LLC	BENJAMIN FISHER	1315 SPRING LILLY DR	HIGH RIDGE	MO	63049	(636) 395-0524	MO
PRL TOOLS LLC	BRANDON LAFFOON	3915 S MARSHALL DR	INDEPENDENCE	MO	64055	(816) 213-7278	MO
FOXY TOOL & SUPPLY CO LLC	FOXY TOOL & SUPPLY CO LLC	5129 HARVARD AVE	KANSAS CITY	MO	64133	(573) 470-1636	MO
RJ TOOLS LLC	RANDALL P. JOHNSON	15384 HWY 32	LEBANON	MO	65536	(417) 718-7578	MO
DICKERSON DISTRIBUTING LLC	BRIAN A. DICKERSON	18738 AUDRAIN RD 306	MEXICO	MO	65265	(573) 721-1984	MO
MEB ENTERPRISES, LLC	MICHAEL E. BAKER	2755 HWY N	PACIFIC	MO	63069	(636) 236-4528	MO
TROUTT, FOSTER		33 BAY DRIVE	SAINT CHARLES	MO	63301	(610) 864-1083	MO
GAMMILL, WILSON J.		449 HIGHWAY 12 EAST	COLUMBUS	MS	39702	(662) 386-6082	MS
JOHN C. HOLIFIELD		499 IRA G ODOM	ELLISVILLE	MS	39437	(601) 319-2515	MS

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
		ROAD					
COASTAL TOOLS LLC	MELISSA BULLOCK	2310 15TH AVE	GULFPORT	MS	39501	(228) 547-5463	MS
BROCK PERRY TOOLS LLC	BROCK PERRY	103 WALTERS RD	PELAHATCHIE	MS	39145	(601) 622-1828	MS
HOMETEAM TOOLS, LLC	HOMETEAM TOOLS, LLC	1152 TIMBERLANE RD	WESSON	MS	39191	(601) 757-0945	MS
BOZEMAN TOOL COMPANY LLC	MATTHEW BRAATEN	305 HIGH K ST	BELGRADE	MT	59714	(406) 551-3707	MT
KOELZER TOOLS,LLC	MATTHEW C. KOELZER	2015 BARRETT RD	BILLINGS	MT	59105	(406) 670-4918	MT
MOORE GREASE MONKEY TOYS, LLC	SHAWN MOORE	5718 HORSESHOE TRAIL	BILLINGS	MT	59106	(406) 534-1238	MT
FISHER, RON W.		212 FLORENCE ACRES WAY	COLUMBIA FALLS	MT	59912	(406) 261-6357	MT
HI-LINE TOOLS LLC	JACOB GREENWAY C/O HEIDI FOLLO	413 S. ILLINOIS ST	CONRAD	MT	59425	(406) 599-2777	MT
SEAN LEVENTES TOOLS LIMITED LI	SEAN M. LEVENTES	7021 GARDEN VALLEY DR	HELENA	MT	59602	(406) 439-5761	MT
ZIMS TOOLS, LLC	MICHAEL L. ZIMMERMAN	13566 HARPERS BRIDGE ROAD	MISSOULA	MT	59808	(406) 207-0283	MT
CMZ TOOLS L.L.C.	CMZ TOOLS L.L.C.	5212 LORBACHER RD	APEX	NC	27539	(919) 398-0885	NC
BEAR CREEK TOOLS LLC	ANTHONY P. BRIGHT	1214 MARK WILLETT RD.	BEAR CREEK	NC	27207	(919) 548-7261	NC
DENOFA TOOLS INC.	DENOFA TOOLS INC.	123 CAUSBY HOYLE RD	CASAR	NC	28020	(828) 423-3525	NC
JJ'S TOOLBOX LLC	JODY JOHNSON	2800 BERRY PATCH CT	CASTLE HAYNE	NC	28429	(910) 538-2789	NC
BEAR COUNTRY TOOLS, LLC	JOHN DISPENNETTE	4419 FOREST HILLS DR	CHARLOTTE	NC	28226	(980) 290-8937	NC
CRAFT TOOLS INC	CRAFT TOOLS INC	137 EDEN PARK DRIVE	CHINA GROVE	NC	28023	(704) 796-8901	NC
CATELY, ROBERT P.		2204 APPLEGATE DR	CONCORD	NC	28027	(704) 701-2559	NC
TIM THE TOOL MAN INC	TIM THE TOOL MAN INC	5416 SHOREVIEW DR.	CONCORD	NC	28025	(980) 248-0389	NC
DWF TOOLS INC.	DEREK FRAZIER	3599 MULLIGAN DR.	CONOVER	NC	28613	(704) 713-1465	NC
FALL TOOLS, INC.	FALL TOOLS, INC.	303 SPELL DR	EMERALD ISLE	NC	28594	(252) 299-9322	NC
JERALD M. HUTCHER CORP	JACOB HUTCHER	210 BEASLEY MINE RD	FRANKLIN	NC	28734	(828) 342-5600	NC
MOBILE GENEIOUS LLC.	GENE A. MARCURE	905 RICE ST	HAMLET	NC	28345	(910) 318-1131	NC

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
BIG BOYS' TOOLS, LLC	ROBINSON, GARY	110 OLDE POINT RD	HAMPSTEAD	NC	28443	(919) 930-5993	NC
B&H ENTERPRISES OF NC LLC	JOHN RIDGEWAY	108 CRAIG DR	HUBERT	NC	28539	(910) 548-4828	NC
MARK A. GEIGER		110 GRISMILL RD	JACKSONVILLE	NC	28540	(910) 250-4110	NC
ARNO ENTERPRISES INC.	CHRISTOPHER ARNO	10403 COLLIERS CHAPEL CHURCH R	LINDEN	NC	28356	(910) 261-0354	NC
TOOLTECHS LLC	BRADLEY GARRISH	191 GLADSTONE LANE	LOWGAP	NC	27024	(336) 941-8597	NC
RAMSEY TOOL SALES INC	RAMSEY TOOL - JOSHUA RAMSEY	511 MEADOWSBROOK DR	MATTHEWS	NC	28104	(980) 226-1678	NC
TITAN TOOLS INC.	JOE MCCARTHY	2238 COATSDALE LN	MATTHEWS	NC	28104	(980) 699-6031	NC
MMS ENTERPRISES LLC	JASON MURRAY	12309 MALTESE RD	MIDDLESEX	NC	27557	(919) 986-4652	NC
CS THOMPSON LLC	CHRISTOPHER L. THOMPSON	4804 ASBURY DR	MONROE	NC	28110	(704) 339-9205	NC
SPIRIT TOOLS & EQUIPMENT INC	JOHN CRANFORD 202715	104 SEWARD PLACE	PIKEVILLE	NC	27863	(919) 988-2332	NC
GITTLESON TOOLS LLC	JASON GITTLESON	3 BERWYN CT	PINEHURST	NC	28374	(910) 992-7272	NC
DREAMCATCHER TOOLS LLC	ALLEN COOK	7450 RANDSHIRE WAY	RALEIGH	NC	27616	(540) 597-8285	NC
CMC TOOLS&EQUIPMENT INC	CODY MORRISON	746 JASPER RD	ROBBINS	NC	27325	(910) 690-8462	NC
STEWART TOOLS & EQUIPMENT,INC.	MICHAEL STEWART	640 MARLEY RD	ROBBINS	NC	27325	(910) 220-2390	NC
JEFFREY D. WEAVER		528 OLIVIA WAY	SELMA	NC	27576	(919) 631-6855	NC
BAILEY TOOL SALES INC	ROBERT "CURTIS" BAILEY	1425 METCALF RD.	SHELBY	NC	28150	(704) 472-1566	NC
BARHAM TOOL SALES INC	MASON BARHAM	2514 BUFFALO SHOALS RD	STATESVILLE	NC	28677	(704) 607-0036	NC
DEAN TOOLS CO., INC.	DEAN TOOLS, INC.	219 STROUD RD	STATESVILLE	NC	28625	(336) 909-4041	NC
J & A TOOLS, INC	J & A TOOLS, INC	119 DELLA DRIVE	STATESVILLE	NC	28625	(704) 661-4371	NC
WALTER H. SOVA		118 PORTMAN LANE	STATESVILLE	NC	28625	(704) 995-1723	NC
ADAM J. MOSER		6531 DARRYL LN	WADE	NC	28395	(910) 322-7862	NC
R W PRO TOOLS, LLC	RICHARD WHALEY	7416 CHOUDER LANE	WAKE FOREST	NC	27587	(919) 369-7432	NC
M.A.R.S. TOOL COMPANY LLC	MATT STALEY	242 LEATHER HINGE DR	WILKESBORO	NC	28697	(336) 488-6111	NC

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
CAPITAL CITY TOOLS, LLC	CAPITAL CITY TOOLS, LLC	1662 TARBORO RD	YOUNGSVILLE	NC	27596	(919) 805-9543	NC
MIKEAC TOOLS LLC	MICHAEL A. CLINTON	1009 15TH ST. SOUTH	FARGO	ND	58103	(701) 793-7901	ND
DAKOTA TOOLS & EQUIP	STACI EFFERTZ	1515 61ST ST. SW	MINOT	ND	58701	(701) 720-5464	ND
MUSIL, DAVID E.		965 COUNTY RD 2000	CRETE	NE	68333	(402) 826-4513	NE
MEYER TOOL SERVICE, L.L.C.	MEYER TOOL SERVICE, L.L.C.	85081 548 1/2 AVE	PIERCE	NE	68767	(402) 750-4754	NE
GENE C. VIZENA		144 SLEEPER CIR	FREMONT	NH	03044	(603) 734-2844	NH
ERIC'S TOOLS LLC	ERIC'S TOOLS LLC	4 STEEP ST	MERRIMACK	NH	03054	(603) 264-6581	NH
GREGORY KREKORIAN, INC.	GREGORY KREKORIAN, INC.	11 MAGNA RD	METHUEN	MA	01844	(978) 888-8913	NH
M W GRENIER ENTERPRISES LLC	M W GRENIER ENTERPRISES LLC	MARTIN W, GRENIER, MEMBER	ROCHESTER	NH	03867	(603) 973-6173	NH
BROOKS TOOLS LLC	BROOKS TOOLS LLC	126 SHEPPARDS MILL RD	BRIDGETON	NJ	08302	(856) 297-7846	NJ
JETT TOOLS LLC	SCOTT THALWITZER	106 LOATMAN RD	BRIDGETON	NJ	08302	(856) 982-8254	NJ
TIM MURRAY TOOLS, LLC	TIMOTHY A. MURRAY	2151 WALNUT PLACE	CINNAMINSON	NJ	08077	(609) 937-0851	NJ
TODD M. MURRAY		884 ELK RD.	MONROEVILLE	NJ	08343	(609) 820-8680	NJ
NEXT LEVEL TOOLS LLC	ERIC M. MOSES	35 PATRICIAN DR	TOMS RIVER	NJ	08753	(732) 267-0839	NJ
DCA TOOL FLEET LLC	DCA TOOL FLEET	1817 QUIET LN SW	ALBUQUERQUE	NM	87105	(505) 352-4421	NM
JDM TOOLS LLC	JULIAN MARES	10338 LONGMONT PL NW	ALBUQUERQUE	NM	87114	(505) 604-0014	NM
JOE'S TOOLS, LLC	JOSEPH EYSTER	405 OLIVE DR.	CLOVIS	NM	88101	(575) 760-8882	NM
TOOL MAN CRAIG LLC	CRAIG DILLARD	32 CIELO ESTRELLADO DR.	EDGEWOOD	NM	87015	(505) 453-8052	NM
2 DUKES TOOL SALES LLC	DOUGLAS R. DUKE	303 W 31ST ST	FARMINGTON	NM	87401	(505) 402-0044	NM
V TECH TOOL & SUPPLY, LLC	LUIS VALVERDE	PO BOX 1892	LAS CRUCES	NM	88004	(575) 636-8826	NM
BRIAN KANIA TOOLS LLC	BRIAN A. KANIA	1188 SPUR RD. S.E.	RIO RANCHO	NM	87124	(505) 280-5549	NM
MPT ENTERPRISES PROF. L.L.C.	MARK TOUMASIS	1640 GEORGIA AVE	BOULDER CITY	NV	89005	(702) 672-6309	NV
KEVIN M. MCBRIDE		6013 JUBILEE GARDENS AVE.	LAS VEGAS	NV	89131	(702) 337-0033	NV
MR. HANEY'S TOOLS LLC	WILLIAM B. HANEY	2700 W RICHMAR AVE	LAS VEGAS	NV	89123	(702) 490-7799	NV
REMEK TOOL LLC	REMEK RODRIGUEZ	8252 PEARL OASIS	LAS VEGAS	NV	89139	(702) 409-7323	NV

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
		CT					
TOOL ME ONCE LIMITED	MARK WACHTEL	5331 N. DURANGO DR	LAS VEGAS	NV	89149	(702) 773-7757	NV
FKS INC	FRANK SANTOS	2016 BARHILL AVE	NORTH LAS VEGAS	NV	89084	(702) 219-1483	NV
ROSSCO LLC	MARTIN ROSS	908 RED HOLLOW DR	NORTH LAS VEGAS	NV	89031	(702) 630-4691	NV
MITCHLAND TOOLS	MITCHLAND TOOLS (MASTER ACCT)	16315 SNOW FLOWER DR.	RENO	NV	89511	(775) 997-9271	NV
JANA' L. DEMORE		624 KIMBLE DRIVE	SPRING CREEK	NV	89815	(775) 340-2321	NV
BEAN, ALVIN KEITH		2026 RANDOLPH RD	ASHVILLE	NY	14710	(716) 782-3678	NY
J. FRANCISCO TOOLS LLC	JOSHUA FRANCISCO	4985 CNTY RT 31A	BELMONT	NY	14813	(585) 610-7827	NY
CORONA TOOLS, INC.	CORONA TOOLS, INC.	2427 EAST 29TH ST.	BROOKLYN	NY	11235	(917) 346-2415	NY
MOJOTOOLS INC	MAUREEN TSAKOS	42 LONGNECKER ST	BUFFALO	NY	14206	(716) 860-6968	NY
MR. A TOOLS LLC	KEN ANTHONY	2 ROOT AVENUE	CENTRAL ISLIP	NY	11722	(631) 855-8942	NY
LIONHEART INC.	RICHARD A. KELLER	3954 BONSTEAD RD	CLAY	NY	13041	(315) 345-7810	NY
REDBEARD TOOLS, LLC	PATRICK M. CARRIER	2826 SNYDER HILL RD.	CORTLAND	NY	13045	(607) 351-3635	NY
PETER L. BOLDT		9992 PIGEON HILL	DELEVAN	NY	14042	(716) 353-8637	NY
DELMAR TOOLS LLC	PATRICK DECRESCENZO	21 WAYWARD LANE	DELMAR	NY	12054	(518) 275-1358	NY
TOOLS ON WHEELS INC	JONATHAN CLARKE	6879 BENEDICT ROAD	EAST SYRACUSE	NY	13057	(315) 350-1151	NY
BRAD SNELL ENTERPRISES LLC	BRADLEY SNELL	614 WILMA STREET	ENDICOTT	NY	13760	(607) 205-7181	NY
JBK DRIVEN INC.	JBK DRIVEN INC.	1526 OSBURN LN	FARMINGTON	NY	14425	(585) 746-8089	NY
FAST TRAC TOOLS INC.	RUSSELL G. RHOADS	11925 NORTH RD	FREEDOM	NY	14065	(716) 713-0878	NY
PLEACE, JOHN	JOHN PLEACE DBA JP TOOLS	DBA JP TOOLS	FREEDOM	NY	14065	(716) 353-5788	NY
DAVID MCKENZIE		2467 GALWAY RD	GALWAY	NY	12074	(518) 694-6008	NY
BRETT D. KENDALL		31 SAUNDERS LANE	GILLETT	PA	16925	(607) 738-1473	NY
RAMCO TOOLS, INC	CHRISTOPHER MCGOVERN	25 FRANCIS DR	GREENLAWN	NY	11740	(631) 333-0133	NY
CBG TOOLS INC	CHARLES A. GIBIINO	140 BERG AVE	KINGS PARK	NY	11754	(631) 663-3438	NY
TOWNLINE TOOLS, INC.	MAXX WELSH	160 RANSOM ROAD	LANCASTER	NY	14086	(716) 863-2728	NY

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
MILLER TOOLS AND SERVICE, LLC	MATTHEW N. MILLER	9289 ROBBINS RD	LE ROY	NY	14482	(585) 409-3935	NY
ROLLIN COLE TOOLS LLC	ROLLIN COLE TOOLS LLC	1256 CR 67	LEEDS	NY	12451	(518) 965-5144	NY
C. PARMELEE, INC.	ELIZABETH PARMELEE	CASEY PARMELEE, PRESIDENT	LIMA	NY	14485	(585) 305-2834	NY
SCOTT J. SPENCER		42 MINCKLER RD.	MEXICO	NY	13114	(315) 877-4994	NY
PATUCHO TOOL TRUCK INCORPORATE	VERONICA SIGUENCIA	66-78 71ST STREET	MIDDLE VILLAGE	NY	11379	(347) 420-4169	NY
CHRIS A. AHLES		3631 GRAVES RD.	ONEIDA	NY	13421	(315) 264-5789	NY
RS TOOLS, INC.	RICKY B. FATIGATE	1693 RIDGE RD	QUEENSBURY	NY	12804	(518) 480-1280	NY
DOOLEY SALES & SERVICE LLC	JUSTIN DOOLEY	10003 WELSH DISTRICT ROAD	REMSEN	NY	13438	(315) 335-9405	NY
PAK LEADER TOOLS, LLC	PAK LEADER TOOLS, LLC	1685 EDGEMERE DR	ROCHESTER	NY	14612	(585) 576-4917	NY
RICHARD A. DELISANTI		43 FOREST GLEN DR	ROCHESTER	NY	14612	(585) 723-8185	NY
NITRO TOOLS INC.	NITRO TOOLS INC/JOHN BURNS	20 WHITEWOOD DR	ROCKY POINT	NY	11778	(631) 708-9579	NY
PEB TOOLS LLC	PAUL E. BOWMAN	81 S. MAIN ST.	RUSHVILLE	NY	14544	(585) 455-1444	NY
WRENCHLIFE LLC	KYLE HAKES	7495 HELMS ROAD	SAVONA	NY	14879	(607) 346-5534	NY
THE RIGHT TOOL FOR YOU, L.L.C.	CARLTON L. RAFUN	5940 ST. RT. 30	SCHOHARIE	NY	12157	(518) 265-1471	NY
SCOTT A. FRANK		4 WOODCHUCK CT	SHIRLEY	NY	11967	(631) 495-0860	NY
O'LEARY TOOLS, INC.	O'LEARY TOOLS, INC.	356 SEAMAN RD	STORMVILLE	NY	12582	(914) 489-1278	NY
T & K TOOLS, LLC	THOMAS J. HALL	457 ECHO RD	VESTAL	NY	13850	(607) 222-8387	NY
MARK S. GOLDSTEIN		8 GABRIELLA ROAD	WAPPINGERS FALLS	NY	12590	(845) 463-9307	NY
K & C TOOLS AND EQUIPMENT,INC.	CRAIG J. STARKS	277 DICKINSON RD.	WEBSTER	NY	14580	(585) 455-7358	NY
DAWSON TOOL & SUPPLY, LLC	CHRIS DAWSON	641 MAIN STREET WEST	ASHVILLE	OH	43103	(740) 497-2215	OH
CCW TOOLS, LLC	JOSHUA K. WILES	14695 HOYLE RD	BERLIN CENTER	OH	44401	(330) 257-0252	OH
FARNSLEY TOOLS LLC	FREDDIE FARNSLEY	481 WILKE DR	CINCINNATI	OH	45238	(513) 508-4722	OH
VC TOOL SALES LLC	CHRISTOPHER VOLZ	922 FASHION AVE	CINCINNATI	OH	45238	(513) 384-3839	OH
MCVINNY ENTERPRISES, LLC	MCVINNY ENTERPRISES, LLC	3933 LEXMONT RD S	COLUMBUS	OH	43228	(614) 402-0489	OH

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
W.A.L. TOOLS, LLC	W.A.L. TOOLS, LLC	9378 TAYLORSVILLE RD	DAYTON	OH	45424	(937) 272-1016	OH
LAWSON'S TOOLS LLC	NEIL S. LAWSON	1537 STATE ROUTE 534 S	GENEVA	OH	44041	(440) 228-1052	OH
JS TOOL DISTRIBUTOR, LLC	JEFF A. SHILT	1242 DONALD DR	GREENVILLE	OH	45331	(937) 423-3688	OH
CLIFFE TOOLS LLC	LOGAN CLIFFE	10276 SHORT RD	HARRISON	OH	45030	(513) 515-5527	OH
BUZZARD TOOLS LLC	JAMES D. MEDLAR	1831 RIDGE RD	HINCKLEY	OH	44233	(216) 299-4723	OH
NUTZ & BOLTZ TOOLS, LLC	NUTZ & BOLTZ TOOLS, LLC	7560 CORRELL MAXEY RD	LONDON	OH	43140	(614) 353-9169	OH
BINNEY'S TOOLS LLC	JUSTIN BINNEY/BINNEY'S TOOLS	6003 OAK STREET	LOWELLVILLE	OH	44436	(330) 531-4539	OH
SDH TOOLZ LLC	STEVE HELMICK	10 BELFLOWER WAY	MADISON	OH	44057	(440) 417-2276	OH
DER TOOLS LLC	DER TOOLS LLC	961 NEIL CIRCLE NORTH	MANSFIELD	OH	44903	(740) 507-1900	OH
J.W. TOOLS LLC	JAKE WHITE	1104 THOMAS DR	MARION	OH	43302	(740) 751-2421	OH
MEABBOTT TOOLS LLC	MASON ABBOTT	5428 COUNTY ROAD 53	MC COMB	OH	45858	(419) 889-4134	OH
MOVIN TOOLS LLC	ANDREW SEIBERT	5349 COUNTY ROAD 53	MCCOMB	OH	45858	(419) 348-0733	OH
DOUG E PENNINGTON TOOL SALES	DOUG PENNINGTON	6460 S. UNION ROAD	MIAMISBURG	OH	45342	(937) 478-6221	OH
JACS TOOLS LLC	JOSH CAMPBELL	141 ALBRIGHT RD	MIAMISBURG	OH	45342	(937) 681-2265	OH
A & E BOOKS PLUS LLC	A & E BOOKS PLUS LLC	2179 RENEE DRIVE	MIDDLETOWN	OH	45042	(513) 461-3387	OH
VANN TOOLS LLC	MIKE VANN	1202 DEBLIN DRIVE	MILFORD	OH	45150	(513) 258-6665	OH
ANGRY BEAVER TOOLS INC.	TYLER BEAVERS	21332 TOWNSHIP ROAD 257	NEWCOMERSTOWN	OH	43832	(330) 447-5465	OH
SJS TOOLS LLC	SHANE SIMONS	3323 MIAMI SHELBY RD	RUSSIA	OH	45363	(937) 622-0214	OH
PROFORMANCE TOOLS LLC	JEFF TAYLOR	2335 STATE ROUTE 321	SARDINIA	OH	45171	(937) 205-0570	OH
PATECELL ENTERPRISE, LLC	BRIAN PERRY	1207 BROADWAY ST	SPRINGFIELD	OH	45504	(937) 207-0056	OH
VANDEMAN TOOLS SALES LLC	STEVEN L. VANDEMAN	10775 FREDERICK PIKE	VANDALIA	OH	45377	(937) 604-8240	OH
F AND J TOOLS, LLC	F AND J TOOLS, LLC	545 PARK MEADOWS CT	WADSWORTH	OH	44281	(330) 730-7189	OH
DOUBLE B TOOLS, LLC	DOUBLE B TOOLS, LLC	884 PRINCE WILLIAM LANE	WESTERVILLE	OH	43081	(513) 374-9708	OH

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J M LACY LLC	J M. LACY	6342 FROST RD	WESTERVILLE	OH	43082	(614) 915-5883	OH
BRUTON TOOLS LLC	DAROLD BRUTON	6562 N 4402 RD	ADAIR	OK	74330	(918) 645-6144	OK
JUST ONE MORE TOOL LLC	WESLEY COOK	27909 S. 563 RD	AFTON	OK	74331	(620) 446-2355	OK
K&R TOOL TRUCK SERVICE LLC	KELLI PAYNE	4483 S. 433RD. W. AVE	JENNINGS	OK	74038	(918) 694-1118	OK
JIMMY GENE'S TOOL TRUCK LLC	JIMMY GENE'S TOOL TRUCK/J VOGT	JIMMY E. VOGT, MEMBER	KELLYVILLE	OK	74039	(918) 698-3661	OK
THE OK TOOL TRUCK, LLC	PHIL BUHLER	10269 NORTH HWY 71	STIGLER	OK	74462	(918) 617-0877	OK
ALPHA N OMEGA TOOLS, LLC	AMANDA BROWN	961 COUNTY ST 2910	TUTTLE	OK	73089	(817) 964-1948	OK
RAY'S TOOLS, INC.	RAY M. FENDRYCH	11432 SW 25 STREET	YUKON	OK	73099	(405) 655-7194	OK
STAHLE TOOL COMPANY LLC	SHAWN K. STAHLE	11100 N CEMETERY RD	YUKON	OK	73099	(620) 655-2267	OK
ARESEA DISTRIBUTION LLC	ROBERT EASTMAN	3231 ALEXANDER LANE NE	ALBANY	OR	97321	(541) 666-6114	OR
FADI A. ATIYEH		34315 SE COMPTON	BORING	OR	97009	(503) 799-0049	OR
RAG'S TO RICH'S TOOLS	RICHARD JENKINS	12885 SE BOBBY BRUCE LANE	BORING	OR	97009	(503) 481-1754	OR
EMERSON TOOLS LLC	JAMES MEINERS	5519 MEHR AVE	EUGENE	OR	97402	(503) 830-7931	OR
PACIFIC COAST TOOLS LLC	RAYMOND L. KRAMER	1306 197TH	LONG BEACH	WA	98631	(503) 492-8586	OR
CROWELL ENTERPRISE, LLC	JAMES CROWELL	708 NE AUTUMN RIDGE DR	MCMINNVILLE	OR	97128	(971) 237-0469	OR
DAUENHAUER, MICHAEL		949 MT VIEW LN	MOLALLA	OR	97038	(503) 819-9004	OR
PACIFIC NORTHWEST TOOL CO LLC	PAUL PRICHARD/PACIFIC NW TOOL	20925 S RIDGE ROAD	OREGON CITY	OR	97045	(903) 707-3550	OR
STOTT TOOLS, INC.	JOSHUA STOTTLEMIRE	13118 CARMELITA PL	OREGON CITY	OR	97045	(541) 914-1153	OR
D & M SUPPLIES, LLC	D & M SUPPLIES, LLC	35322 BRABHAM RD	PLEASANT HILL	OR	97455	(541) 521-3878	OR
WILDER TOOL SALES LLC	JIM WILDER	745 W BALLF ST	ROSEBURG	OR	97471	(541) 580-8597	OR
TAS TOOLS LLC	TRAVIS SUEK	12442 SE LUSTED RD	SANDY	OR	97055	(503) 334-9226	OR
ENNIS TOOL SUPPLY LLC	JOSEPH ENNIS	P.O BOX 651	SCIO	OR	97374	(541) 220-0647	OR
I DEAL TOOLS LLC	PERRY J. PLOWMAN	810 N 65TH PLACE	SPRINGFIELD	OR	97478	(541) 746-7319	OR
JOSEPH N. OSTLING		PO BOX 2436	WALDPORT	OR	97394	(541) 264-8550	OR
ALLENTOWN TOOLS LLC	QUINTAN F. STAIR	6075 AIRPORT RD	ALLENTOWN	PA	18109	(610) 554-4998	PA

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
GARMAN TOOLS LLC	MIKE GARMAN	306 CHERRY AVE	ALTOONA	PA	16601	(814) 414-8771	PA
CANON TOOLS, LLC	DWAYNE R. HIGGINS	138 CHERRY ST	CANONSBURG	PA	15317	(724) 914-8860	PA
RJS TOOLS, LLC	ROBERT SPEICHER	155 GORDON AVE	CARBONDALE	PA	18407	(570) 766-1851	PA
MANSELL, JOHN R.		140 W BERYL ST #464	CENTRE HALL	PA	16828	(814) 880-3055	PA
ML3 DISTRIBUTION, LLC	UPS/ MICHAEL LEPERA	514 CRANBERRY CREEK RD	CRESCO	PA	18326	(570) 242-4916	PA
EG TOOLS LLC	EVAN E. GLASS	713 HIGH ST	DICKSON CITY	PA	18519	(570) 650-7621	PA
LEROY G. HESS		1618 S MOUNTAIN RD	DILLSBURG	PA	17019	(717) 502-6536	PA
SW TOOLS LLC	SEAN WIEST	313 TENNESSEE AVE	ELIZABETHVILLE	PA	17023	(717) 425-4096	PA
EXCELERATED TOOLS, LLC	NATHAN LITTLE	3260 ZIMMERLY RD	ERIE	PA	16506	(330) 953-8996	PA
STEVEN KENDALL		3482 ROARING RUN ROAD	GILLETT	PA	16925	(607) 426-0408	PA
INTERLOCK ENTERPRISE LLC	IRA WESTFALL	361 SOUTH CENTER ST.	HANOVER	PA	17331	(443) 398-0820	PA
B&T TOOLS LLC	ROBERT T. GILMORE	4128 ELK PARK RD	LAKE CITY	PA	16423	(814) 397-6427	PA
JRG TOOLS LLC	JOSHUA R. GILMORE	4128 ELK PARK RD	LAKE CITY	PA	16423	(215) 341-6354	PA
LEE MILLER'S TOOLS LLC	LEE MILLER	153 CRESTMONT DR	LOCK HAVEN	PA	17745	(570) 295-3144	PA
JAMIE'S TOOLS & MORE LLC	JAMES ECKROTE	26 S CLEVELAND ST	MCADOO	PA	18237	(570) 540-2131	PA
JOEL R. KYLER		11296 LAFAYETTE RD.	MERCERSBURG	PA	17236	(717) 372-7601	PA
TOOLS N MORE, LLC	JOHN CHURICO	25 PINE ROAD	ORWIGSBURG	PA	17961	(570) 582-3776	PA
JRC TOOLS LLC	JODY CONNELLY	445 WYCKFORD WAY	PERKASIE	PA	18944	(267) 949-7890	PA
GUY W.RICKARD MOBILE TOOLS,LLC	GUY W. RICKARD	340 POMANDER AVENUE	READING	PA	19606	(610) 410-0909	PA
ROBERT G. COMMERER JR		48 MUD LEVEL RD	SHIPPENSBURG	PA	17257	(717) 532-3729	PA
ROZ'S TOOL SALES LLC	SHAWN ROZDZIELSKI	1432 GRACE ROAD	SWARTHMORE	PA	19081	(215) 219-5769	PA
TORQUED UP TOOL SALES, LLC	TORQUED UP TOOL/MICHAEL GRUBER	829 CABRINI PL	VIRGINIA BEACH	VA	23464	(757) 777-2034	PA
WALTER'S TOOLS LLC	JOE WALTER	203 LAKE OF MEADOWS RD	WARREN CENTER	PA	18851	(570) 867-3099	PA
PEORIA TOOLS, LLC	NIKOLAS PEORIA	321 FAIRMONT DRIVE	WATSONTOWN	PA	17777	(570) 772-4793	PA

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D R TOOL SALES LLC	DARREN ROSENBLATT	12620 OLD PEN MAR RD.	WAYNESBORO	PA	17268	(443) 985-1764	PA
FISCHER TOOLS LLC	MARK W. FISCHER	124 N PORTER ST	WAYNESBURG	PA	15370	(724) 710-1120	PA
TOOL TIME TOOLS LLC	TOOL TIME TOOLS	400 SPRING HOLLOW RD	WINDSOR	PA	17366	(717) 578-7277	PA
COLD STEEL TOOLS LLC	DAVID BUCHHOLTZ	689 EAST BUTTER RD,	YORK	PA	17406	(717) 424-3930	PA
THE TOOL FOOL LLC	KYLE HOHENADEL	3820 BOARD RD	YORK	PA	17406	(717) 542-9468	PA
EDGARDO ESTRELLAROSARI		PO BOX 1166	AGUAS BUENAS	PR	00703	(787) 923-0582	PR
JOSE M. NIEVES TORRES		EXT SAN JOSE G 3	AIBONITO	PR	00705	(787) 425-2566	PR
MARTINEZ, ALFONSO		C/RIO CAUITAS L12 RIO HENDO I	BAYAMON	PR	00961	(787) 501-8064	PR
CARLOS A. MARTINEZ		PMB 220 P.O BOX 4956	CAGUAS	PR	00726	(939) 642-8064	PR
ROBERTO J. LOPEZ BONILLA		500 GRAND BLVD COND SERENNA	CAGUAS	PR	00727	(787) 518-3237	PR
JOHN F. BALDRICH LOPEZ		BO.MONTELLANO SECTOR LEY	CAYEY	PR	00737	(787) 678-8272	PR
RICARDO A. AVILES BORIA		URB PRADOS DEL NORTE EALLE	DORADO	PR	00646	(787) 346-3966	PR
CHRISTIAN M. NIEVES TORRES		HC 72 BOX 3442	NARANJITO	PR	00719	(787) 209-6608	PR
AVILES, ANDY		BOX 1831	QUEBRADILLAS	PR	00678	(787) 246-0593	PR
PAGAN TOOLS INC.	JOSE PAGAN	URB PRADERAS DEL SUR	SANTA ISABEL	PR	00757	(787) 341-7438	PR
BCB TOOLS LLC	BENJAMIN BERTRAND	19 LIBERTY ST	CUMBERLAND	RI	02864	(508) 406-1781	RI
ENDLESS TOOLS AND EQUIP LLC	ANDY DIRUZZO	14 VICTORY HIGHWAY	FOSTER	RI	02825	(401) 441-9380	RI
TOOL TIME RI, INC.	BRIAN M. SHIELDS	18 CORTLAND LANE	GREENVILLE	RI	02828	(401) 527-2800	RI
SURRETT TOOLS LLC	ISRAEL SURRETT	10 HILDA AVE	BEAUFORT	SC	29907	(843) 271-2306	SC
LARRY V. HENDERSON		241 BELCHER RD.	CAMPOBELLO	SC	29322	(864) 895-9354	SC
R&Y'S MOBILE TOOL CRIB LLC	RANDALL THOMPSON	5164 HARMONY CHURCH RD.	EDGEMOOR	SC	29712	(803) 718-8499	SC
ALLEN COOKE ENTERPRISES, LLC	ALLEN F. COOKE 186539	4641 HWY 308	GALIVANTS FERRY	SC	29544	(843) 421-0064	SC
TIM'S TOOLS, LLC	TIM'S TOOLS, LLC	3267 EMANUEL CHURCH ROAD	LEXINGTON	SC	29073	(803) 973-9294	SC

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PHILIP J. PATTON		48 MONTGOMERY RD	LYMAN	SC	29365	(864) 316-9738	SC
JONATHAN P. SWANGER		318 KEELER BRIDGE RD	MARIETTA	SC	29661	(864) 275-9519	SC
PALMETTO MOBILE TOOLS LLC	BRYCE HINTON	1471 PUMPKINTOWN HWY	PICKENS	SC	29671	(864) 607-2308	SC
THOMAS P. ANDREWS		484 SHELBY ANN LN	ROCK HILL	SC	29732	(216) 469-1430	SC
CROSSROAD TOOLS, LLC	LEONARD L. SOLESBEE	215 ROBERTS FARM ROAD	SIMPSONVILLE	SC	29681	(864) 238-1914	SC
BLAKE RATHBONE LLC	DUSTIN RATHBONE	79 EDITH DRIVE	TAYLORS	SC	29687	(864) 630-5067	SC
THE MOBILE MAN CAVE II LLC	RUSSELL HARBIN	PO BOX 445	TRAVELERS REST	SC	29690	(864) 325-9182	SC
THE MOBILE MAN CAVE, LLC	RUSHTON H. DEMARS	30 BARK CT	TRAVELERS REST	SC	29690	(864) 350-2228	SC
D&D DISTRIBUTING LLC	KYLE C. HOELTZNER	1018 12TH AVE NE	ABERDEEN	SD	57401	(605) 202-0515	SD
JDR TOOLS LLC	JDR TOOLS LLC	456 W 3RD ST	PARKER	SD	57053	(605) 759-3588	SD
HEGGEM LLC	TIMOTHY HEGGEM	2809 OLIVE GROVE COURT	RAPID CITY	SD	57703	(605) 939-1893	SD
RM TOOLS, LLC	RM TOOLS/KEVIN MEYER	115 18TH ST NW	WATERTOWN	SD	57201	(605) 881-3365	SD
DENKER TOOLS SERVICE LLC	J&V STORAGE	1015 E 12TH ST	YANKTON	SD	57078	(402) 253-9414	SD
RPO TOOLS LLC	RPO TOOLS LLC	512 BLUE BONNET DR	BRISTOL	TN	37620	(423) 646-8645	TN
SEGO TOOLS LLC	JAMES SEGO	290 HARRIS CREEK TRAIL SW	CLEVELAND	TN	37311	(810) 820-1777	TN
DAN W. JOHNS		1801 TATE ROAD	DRUMMONDS	TN	38023	(901) 486-4292	TN
MIDKNIGHT TOOLS LLC	KASHMIR MALONE	92 MORGAN WAY	DRUMMONDS	TN	38023	(901) 389-7839	TN
THOMAS C. GIBSON		110 JENNINGS DR.	HENDERSONVILLE	TN	37075	(615) 475-6118	TN
DDJ TOOLS LLC	DDJ TOOLS LLC	319 BRANCHWOOD CIRCLE	HIXSON	TN	37343	(423) 316-3474	TN
TURNER TOOL SUPPLY LLC	COLT TURNER	7511 S DENT RD	HIXSON	TN	37343	(423) 322-9484	TN
M&B TOOLS, LLC	LEE STEIN	1096 SELLERS ROAD	JEFFERSON CITY	TN	37760	(623) 451-8382	TN
CHRISTOPHER D. HOLLIS		1570 MITCHELL RD	LEBANON	TN	37087	(614) 314-1398	TN
BORUFF TOOLS, LLC	BORUFF TOOLS, LLC	1616 LINDA LANE	MARYVILLE	TN	37803	(865) 207-2839	TN
SLATER TOOLS, LLC	LIENDA RADAR	3395 BALLARD CV	MEMPHIS	TN	38133	(901) 239-0594	TN

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
BIG BOY TOOLS, LLC	BIG BOY TOOLS, LLC	2112 LEEVILLE ROAD	MOUNT JULIET	TN	37122	(817) 734-7729	TN
ED CLARK TOOLS, LLC	ED CLARK	551 CAMPFIRE DR	MURFREESBORO	TN	37129	(615) 390-6022	TN
MITCHELL TOOLS LLC	DAVID A. MITCHELL	6527 FORREST LN	MURFREESBORO	TN	37129	(615) 330-3979	TN
WILKINSON, JEREMY		333 FOWLER FORD RD	PORTLAND	TN	37148	(615) 260-1685	TN
MICKEY'S TOOL BOX LLC	MIKE PETTY	5610 CONSTANTINE DR	ROCKVALE	TN	37153	(615) 512-5525	TN
JBTOOLS, LLC	JOHN BENTZ	1232 BLAKE LEA	SEVIERVILLE	TN	37862	(865) 684-9277	TN
PUDDLE PIRATE TOOLS LLC	ALEX DELAGARZA	4317 DEE ANN CRT	ABILENE	TX	79606	(325) 428-6712	TX
DAVID VALDEZ		8524 MARIANNA WAY	ALVARADO	TX	76009	(817) 946-2408	TX
JCS TOOLS, INC.	JAMES SLAUGHTER / CUBE SMART	603 S. SPEARS	ALVARADO	TX	76009	(817) 454-8060	TX
TCB TOOLS, LLC	BOBBY J. TOUCHETTE	8549 MARIANNA WAY	ALVARADO	TX	76009	(972) 775-0580	TX
BURTON G. ALLEN		7803 TARTER AVE	AMARILLO	TX	79121	(806) 570-9203	TX
TABOR TOOLS, LLC	ZECHARIAH TABOR	5303 S FANNIN	AMARILLO	TX	79110	(806) 513-7877	TX
CHARLES D. WHITTINGTON		3119 N POWELL PKWY	ANNA	TX	75409	(972) 489-2491	TX
CANAL TOOL & EQUIP LLC	JOSHUA P. CANAL	2216 COUNTY ROAD 1986	ARANSAS PASS	TX	78336	(817) 681-0102	TX
R. TAYLOR ENTERPRISES INC	RANDAL B. TAYLOR	3719 DANBURY DR	ARLINGTON	TX	76016	(817) 832-0656	TX
JRR TOOLS LLC	JASON ROBERTS	4904 WHARTON AVENUE	AUBREY	TX	76227	(510) 621-8765	TX
JONES, KYLE		2402 CORAL RIDGE CIRCLE	AUSTIN	TX	78747	(512) 784-4547	TX
MIKE TOOL SALES LLC	MICHAEL NIETSCHE	10710 PINEHURST DRIVE	AUSTIN	TX	78747	(512) 517-9398	TX
DENISON TOOLS LLC	WES DENISON	7235 ALLYN DR	AZLE	TX	76020	(817) 757-9094	TX
KENNETH BROWN		P.O BOX 2672	AZLE	TX	76098	(573) 465-2412	TX
FIGUEREDO TOOLS LLC	RAY FIGUEREDO	159 SAN JACINTO STREET	BASTROP	TX	78602	(512) 963-8556	TX
RONALD P. BRADSHAW		108 BRAEBURN	BOERNE	TX	78015	(210) 305-2758	TX
B & E TOOLS, LLC	B & E TOOLS, LLC	115 FCR 430	BUFFALO	TX	75831	(254) 717-3778	TX
TUTT TOOL SALES LLC	JUSTIN A. TUTT	12534 COUNTY ROAD	BULLARD	TX	75757	(903) 330-9052	TX

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
		1260					
CRM TOOLS, LLC	COLBY A. EDGAR	19351 LARAMIE DR.	BUSHLAND	TX	79012	(806) 336-2941	TX
K & K BRANNON ENT	KENNETH E. BRANNON	209 CINDY DRIVE	CANYON LAKE	TX	78133	(830) 358-9300	TX
MICHAEL L. DUTTON		208 N KINGS CANYON DR	CEDAR PARK	TX	78613	(512) 529-0941	TX
STEVE CARLTON TOOL & EQUIP LLC	STEVEN CARLTON	6345 HWY 87 N	CENTER	TX	75935	(936) 635-0585	TX
FORD, FRANK		6746 CANDICE RD	CHRISTOVAL	TX	76935	(806) 559-9083	TX
PETER A. TINNEY JR		27 RAMBLING RIDGE CT	CONROE	TX	77385	(330) 607-4652	TX
JEREMY CHILDRESS		101 NW CO RD 0017	CORSICANA	TX	75110	(903) 874-7553	TX
RUSTY NAIL TOOLS LLC	RUSTY NAIL	421 HURTA ST	CROSBY	TX	77532	(713) 380-6482	TX
AUTOMOTIVE & TRANSMISSION SPEC	RANDY J. WICKER	3750 WEST OAK SHORES DRIVE	CROSSROADS	TX	76227	(214) 676-2923	TX
PROTEUS TOOLS, LLC	COBY MANSPERGER	906 CONLEN AVE	DALHART	TX	79022	(806) 333-4854	TX
TINY'S TOOLS LLC	TINY'S TOOLS LLC/TRUCK 1	13123 THEA SMITH DR	EL PASO	TX	79928	(505) 385-0232	TX
K.A.R TOOLS LLC	K.A.R TOOLS LLC	308 MARGARET ST.	FATE	TX	75189	(469) 668-6888	TX
A.K.A. MOBILE TOOLS, LLC	ALLEN L. SCHULLE	649 CR 213	FLORENCE	TX	76527	(512) 797-2768	TX
M&M TOOL SOLUTIONS LLC	M&M TOOL SOLUTIONS LLC	169 OAK FIELDS DR	FLORESVILLE	TX	78114	(210) 872-7307	TX
TEC RESOURCES LLC	TYRELL CLARK	7517 ROSE CREST BLVD	FOREST HILL	TX	76140	(970) 396-4258	TX
AMS TOOLS, LLC	AMS TOOLS, LLC	8027 HENCKEN RANCH RD	FORT WORTH	TX	76126	(817) 313-7268	TX
BDG TOOLS LLC	JEFFREY R. SORRENTINO	1162 FM 2088	GILMER	TX	75644	(309) 922-9237	TX
JOSEPH B. MILLSAP		5561 NORTH GATE RD.	GRANBURY	TX	76049	(682) 500-0121	TX
BRADLEY TOOLS LLC	ROBERT B. BRADLEY	544 LAFORGE RD	HALLSVILLE	TX	75650	(903) 452-6387	TX
4 R TOOLS, LLC	NICHOLAS ROBERTS	3421 FM 1398	HOOKS	TX	75561	(903) 733-3800	TX
J.P. RUIZ TOOLS LLC	JOE P. RUIZ	502 JOYCE	HOUSTON	TX	77009	(832) 248-3969	TX
K.S.M. TOOLS LLC	KARL M. MOODY, JR.	6214 AUTUMN FOREST DR	HOUSTON	TX	77092	(713) 680-3955	TX
JMC TOOLS, LLC	JASON CAMPBELL	208 PINE RIDGE LANE	HUNTSVILLE	TX	77340	(713) 569-7109	TX

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
LEUSCHNER, DAVID G.	DAVID G. LEUSCHNER	3139 HELMET STREET	IRVING	TX	75060	(214) 356-1926	TX
KATY TOOLS LLC	NELSON TORRES	24743 SCARLATTI CANTATA DR.	KATY	TX	77493	(346) 774-1122	TX
DUNAGAN TOOL SALES LLC	ROSS DUNAGAN	1321 SPUR 100 KERRVILLE	KERRVILLE	TX	78028	(830) 285-3311	TX
VERNOR TOOLS, LLC	CLARENCE VERNOR	323 BOBWHITE DRIVE	KERRVILLE	TX	78028	(210) 867-5101	TX
A TERRAZAS TOOL COMPANY LLC	ALFONSO TERRAZAS	3115 CRYSTAL CASCADE LN	LEAGUE CITY	TX	77573	(409) 692-5656	TX
J. DILBECK, INC.	JEFFREY B. DILBECK	1111 142ND	LUBBOCK	TX	79423	(806) 789-8220	TX
KEVIN SCOTT TOOL SALES, LLC	KEVIN SCOTT TOOL SALES, LLC	19414 TIMBER RIDGE DR	MAGNOLIA	TX	77355	(713) 471-6070	TX
CPT TOOLS,LLC	SECURECARE STORAGE #0233	416 MAPLELEAF LANE	MCKINNEY	TX	75071	(432) 288-3456	TX
OLD GUYS TOOLS, LLC	ROBERT STOWERS	16285 RED WOOD CIR W	MCKINNEY	TX	75071	(469) 558-7711	TX
JC TOOL TRUCK LLC	JOHN WILLOUGHBY	4805 EAST COUNTY RD 60	MIDLAND	TX	79705	(432) 557-5950	TX
JK TOOLS, INC.	JK TOOLS, INC.	JASON K. ALLEN	MIDLOTHIAN	TX	76065	(682) 472-7126	TX
BSB TOOLS, LLC	SHERRI BREHM	2815 FM 2256	MINERAL WELLS	TX	76067	(940) 445-3135	TX
LL & IN TOOLS LLC	LUIS CASTRO	122 ALBERTO TREVINO ST	MISSION	TX	78572	(956) 960-9782	TX
POECATS LLC	POECATS LLC	109 COTTON LANE	MOODY	TX	76557	(254) 424-8082	TX
MOORE TOOLS INC	WAYNE A. MOORE	1419 BRITTANY LN	ODESSA	TX	79761	(559) 920-2985	TX
T-MAN TOOLS, LLC	HELMUT J. TILLINGER	1009 RUSSWOOD COVE	ROUND ROCK	TX	78681	(512) 680-1951	TX
ATX TOOLS, LLC	WILLIAM RANSOM	8348 SPRING CREEK LOOP	SALADO	TX	76571	(214) 404-9398	TX
LUKE R. JIMENEZ		119 HILLCREST DRIVE	SAN ANTONIO	TX	78228	(210) 709-4119	TX
MKB TOOLS, LLC	THEODORE J. BASILE	8718 PAISANO PASS	SAN ANTONIO	TX	78255	(830) 200-6304	TX
PROMECH TOOLS & EQUIPMENT LLC	STEVEN HARWOOD	6418 HILL CREEK DR	SAN ANTONIO	TX	78256	(210) 825-9737	TX
RAR SPECIALIST, LLC	ROBERT A. ROBINSON	8834 LAGUNA FALLS	SAN ANTONIO	TX	78251	(210) 392-3696	TX
ROSAS, MARSHAL		619 PATRICIA	SAN ANTONIO	TX	78216	(210) 244-3675	TX
BURLEY, MARK		2061 CAMINO ALTO	SAN MARCOS	TX	78666	(830) 964-4481	TX

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
SHAIA TOOL EXCHANGE LLC	MICHAEL SHAIA	PO BOX 10	SANDIA	TX	78383	(361) 453-1499	TX
BRENTON T. RILEY		6230 DEER RUN ROAD	SANGER	TX	76266	(956) 279-0828	TX
THOMPSON, J.RANDY	RANDY J. THOMPSON	4190 HOBE CR.	SANGER	TX	76266	(940) 390-3472	TX
BA WARRIOR TOOLS, LLC	BRIAN G. MARTIN	220 BUCK MOUNTAIN	SELMA	TX	78154	(850) 284-6532	TX
SULLY'S TOOL SALES LLC	ESR PERFORM C/O JIMMY SULLIVAN	2596 CR 200 F	SEMINOLE	TX	79360	(575) 631-3636	TX
C A WILBURN TOOL & EQUIPMENT L	CHRISTOPHER WILBURN	225 JILL LANE	SULPHUR SPRINGS	TX	75482	(903) 335-0966	TX
WINDELL K. PATTERSON		4681 NORTH HWY. 101	SUNSET	TX	76270	(940) 389-6705	TX
CINI'S TOOL COMPANY LLC	CHRIS MANCINI	817 TUMBLEWEED TRAIL	TEMPLE	TX	76502	(254) 624-1834	TX
DM1 TOOLS, LLC	DM1 TOOLS, LLC	21310 CEDAR LANE	TOMBALL	TX	77377	(832) 296-7545	TX
H AND M MARTZ TOOLS L.L.C.	HAROLD "BUTCH" MARTZ	409 GREENLEAF DRIVE	WACO	TX	76705	(254) 855-7140	TX
DNR TOOLS, LLC	DEREK DOWDLE	201 VZ COUNTY ROAD 2138	WILLS POINT	TX	75169	(903) 340-0298	TX
C&R TOOLS, LLC	ROBERT GODFREY	766 NORTH 540 WEST	AMERICAN FORK	UT	84003	(801) 763-0888	UT
TODD'S TOOLS, LLC	TODD A. SMITH	P.O. BOX #113	DUCHESNE	UT	84021	(435) 722-7038	UT
THAB INVESTMENTS LLC	THAB INVESTMENTS LLC	1045 SOUTH 750 WEST	HEBER	UT	84032	(435) 709-1974	UT
TOOL TIME SALES INC	BRYAN SESSIONS	5954 W KIDD CABIN CIRCLE	HERRIMAN	UT	84096	(385) 267-6828	UT
TUFT TOOLS INC.	JACOB TUFT	5953 W GRANDPERE AVE	HERRIMAN	UT	84096	(801) 598-3861	UT
ZIPP TOOLS LLC	RUSSELL BARTON	480 NORTH 200 EAST	KAYSVILLE	UT	84037	(801) 513-8463	UT
JD'S, L.L.C. - *ASK PASSWORD*	JARREN D. WHITTINGTON	224 WEST 1100 SOUTH	LEHI	UT	84043	(801) 979-3916	UT
RUSTY WRENCH TOOLS LLC	JOE HARWARD	412 WEST PLUM PLACE	SARATOGA SPRINGS	UT	84043	(435) 671-7305	UT
BRANDON DENNIS MENACE TOOLSLLC	BRANDON D. DENNIS	5028 W MUIRKIRK RD	WEST JORDAN	UT	84081	(801) 548-6375	UT
GERRIT TUFT L.L.C.	GERRIT TUFT L.L.C.	8346 SOUTH RAMS HORN DRIVE	WEST JORDAN	UT	84088	(801) 916-3988	UT
CARD TOOLS, LLC	LEVI CARD	2555 S FARGO STREET	WEST VALLEY CITY	UT	84119	(801) 759-8080	UT

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
HOT ROD TOOLS LLC	RODNEY BARBOUR	851 SUNCREST DR	BRISTOL	VA	24201	(276) 623-7887	VA
MATTHEW N. OSBORNE		14997 OLD JONESBOROUGH RD	BRISTOL	VA	24202	(423) 646-8655	VA
CHANTILLY TOOL COMPANY LLC	ROBERT WERTHMANN	5865 TRINITY PARKWAY	CENTREVILLE	VA	20120	(703) 731-0329	VA
BIG BOY TOOLS, INC	BIG BOY TOOLS, INC 175196	2716 LAKE DRUMMOND CSWY	CHESAPEAKE	VA	23322	(757) 619-1313	VA
SALTYDAWG TOOLS LLC	ANDREW E. PERKINS	33020 GREEN OAKS LN	FRANKLIN	VA	23851	(757) 647-7640	VA
BW TOOLS LLC	BW TOOLS LLC	6364 EAST MERCY LN	HAYES	VA	23072	(757) 636-8465	VA
CASISGROUP LLC	EXTRA SPACE STORAGE	587 EDMONTON TERRACE	LEESBURG	VA	20176	(703) 606-2825	VA
TOOLS 2 GO LLC	SCOTT STULTZ	600 BRADLEY DRIVE	MARTINSVILLE	VA	24112	(276) 340-6101	VA
TOOL SOLUTIONS LLC	WILLIAM YOUNG	3813 MILL MEADOW DRIVE	MIDLOTHIAN	VA	23112	(804) 801-8772	VA
VIRGINIA EQUIPMENT & TOOL,INC.	GERALD A. HATTON	4301 GADDES CREEK DRIVE	POWHATAN	VA	23139	(804) 640-7240	VA
THOMASON TOOLS, LLC	STEVEN R. THOMASON	2286 MOUNTAIN HILL RD	RINGGOLD	VA	24586	(434) 728-5730	VA
PHILLIP C. HARWICK		6900 BRADSHAW RD	SALEM	VA	24153	(540) 598-7146	VA
K&M TOOL SALES LLC	KEN JOHNSON	4945 FRISHMAN CT	WOODBRIDGE	VA	22193	(571) 237-6836	VA
JC TOOLS, LLC	JAMES W. CHALMERS	27 MARTELL RD	MILTON	VT	05468	(802) 343-6174	VT
80-TOOLS LLC	NATHAN VALYOU	4311 ETHAN ALLEN HIGHWAY	SAINT ALBANS	VT	05478	(802) 338-6057	VT
BURB'S TOOLS LLC	ROBERT BURBO	PO BOX 185	VERGENNES	VT	05491	(802) 377-8618	VT
BRIAN J. DAVIS		16230 3RD DR NE	ARLINGTON	WA	98223	(425) 327-5717	WA
ANSETH TOOLS, LLC	KEVIN ANSETH	PO BOX 7154	BONNEY LAKE	WA	98391	(253) 255-2360	WA
T-ROYS TOOLS LLC	TROY WOODY	388 QUINCY RD	BURBANK	WA	99323	(509) 539-0924	WA
JAYBAYTOOLS LLC	JASON BAY	25303 63RD AVE CT E	GRAHAM	WA	98338	(253) 255-6780	WA
LAWRENCE ENTERPRISES LLC	LAWRENCE ENTERPRISES LLC	4416 S. WASHINGTON ST.	KENNEWICK	WA	99337	(509) 528-6700	WA
INFINITE TOOLS LLC	MIKE DUNHAM	2404 9TH ST SW E	PUYALLUP	WA	98373	(916) 705-3072	WA
R & R TOOLS LLC	RANDY TAYLOR	2919 TANWAX CROSSING E	ROY	WA	98580	(360) 355-0415	WA
PATRIOT TOOLS LLC	TONY MARANDOLA	28967 STATE ROUTE	SEDRO WOOLLEY	WA	98284	(360) 661-5589	WA

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
		20					
LET THERE BE TOOLS LLC	TIM PUGH	13420 THREE LAKES RD	SNOHOMISH	WA	98290	(425) 327-2167	WA
RWB SALES LLC	RYAN P. BEERBOWER	37707 SE 47TH ST	SNOQUALMIE	WA	98065	(425) 495-0352	WA
M.E. TOOLS, LLC	MARIA C. LEE	2110 N DORA RD	SPOKANE VALLEY	WA	99212	(509) 847-3753	WA
J&B TOOLS LLC	J&B TOOLS LLC	6702 157TH ST NW	STANWOOD	WA	98292	(360) 770-5055	WA
JDNM TOOLS LLC	JOSEPH BRADY	1017 SE 124TH AVE	VANCOUVER	WA	98683	(805) 630-1979	WA
WESTSIDE TOOLS LLC.	WESTSIDE TOOLS LLC.	16209 SE 18TH CIR	VANCOUVER	WA	98683	(360) 600-4334	WA
LOCHNER TOOLS LLC	JEFFREY R. LOCHNER	935 CTY RD E	ADAMS	WI	53910	(608) 576-2174	WI
FULL THROTTLE TOOLS, LLC	NICK RUH	N9447 CUMBERLAND DRIVE	APPLETON	WI	54915	(920) 286-0474	WI
SAB TOOLS LLC	SCOTT BARKER	2618 S WALDEN AVE	APPLETON	WI	54915	(920) 202-0002	WI
ROBERT A. EISELE		2760 KADLEC DRIVE #6	BELOIT	WI	53511	(608) 623-3159	WI
K&J TOOLS LLC	KIMBERLY JONES	6826 OLD HWY 132	BOSCOBEL	WI	53805	(608) 485-1981	WI
J SNIEG TOOL SALES LLC	JASON SNIEG	2640 BLUEBIRD LANE	COTTAGE GROVE	WI	53527	(414) 313-0701	WI
S.A.W. TOOLS LLC	SHANE A. WALLENFANG	N6413 COUNTRY RD E	DE PERE	WI	54115	(920) 362-6290	WI
DILLMAN, JASON D.		10833 DONNA LANE	EVANSVILLE	WI	53536	(608) 576-0960	WI
PHILLIP J. ADDISON		105 DEANNA DR	EVANSVILLE	WI	53536	(608) 751-4573	WI
TW TOOLS, LLC	THOMAS P. WUDKE	1011 CARDINAL LN	GREEN BAY	WI	54313	(920) 604-0799	WI
ZEGS TOOLS LLC	JOHN ZEGERS	1119 ANCHOR DR	GREEN BAY	WI	54313	(920) 371-4169	WI
HEDRICK, DALE E.,JR.		2368 HALL RD.	HARTFORD	WI	53027	(414) 899-5106	WI
SHEPARD TOOLS LLC	JASON SHEPARD	W8065 PRAIRIE WOOD ST	HOLMEN	WI	54636	(608) 769-3930	WI
JMUSCI TOOLS LLC	JOHN J. MUSCI	3705 HILLVIEW CT	HUBERTUS	WI	53033	(414) 308-8708	WI
RICK D. HOIDA		1220 S 31ST ST	MANITOWOC	WI	54220	(920) 901-9168	WI
I SELL TOOLS, LLC	JOSEPH G. DEGUISEPPE	S50W30750 WALNUT STREET	MUKWONAGO	WI	53149	(262) 424-6668	WI
CHRISTOPHER J. CHUPPA		2044 S EAST LANE	NEW BERLIN	WI	53146	(414) 305-2453	WI
DENNIS J. LODUHA		N4677 DEHRING ROAD	OAKFIELD	WI	53065	(920) 904-1622	WI

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
DOMNEY ENTERPRISES, LLC	DEAN DELAURA	625 E WASHINGTON ST	SLINGER	WI	53086	(262) 644-7175	WI
J&B TOOLS LLC	JEREMY ROBINSON	518 E 10TH AVE	STANLEY	WI	54768	(715) 456-8056	WI
S&S TOOLS AND EQUIPMENT LLC	STEVEN J. BOTH	S25 W27133 ROCKY HILLS CT	WAUKESHA	WI	53188	(262) 894-1140	WI
CENTRAL WI TOOLS LLC	ELI MILBAUER	413 N 2ND AVE	WAUSAU	WI	54401	(715) 630-8300	WI
DANIEL L. CASEY		4922 HIGHWAY Z	WEST BEND	WI	53095	(262) 689-0761	WI
KERN'S TOOLS, LLC	PETE KERNS	N5760 26TH RD	WILD ROSE	WI	54984	(920) 716-1880	WI
EVOLUTION TOOLS LLC	HENRY CANGI	401 TWO MILE AVE	WISCONSIN RAPIDS	WI	54494	(715) 498-7508	WI
GRONAU TOOLS, LLC	JOHN GRONAU	649 SINSEL HOLLOW RD	FLEMINGTON	WV	26347	(304) 543-3381	WV
MARK A. HANNAN		1148 SUMMIT DR.	ST. ALBANS	WV	25177	(304) 993-6275	WV
BWN ENTERPRISES, LLC	BWN ENTERPRISES, LLC	861 BLENNERHASSETT HTS	WASHINGTON	WV	26181	(304) 483-7548	WV
MICHAEL S. FLOYD		3941 APPLE PIE RIDGE ROAD	WINCHESTER	VA	22603	(540) 539-7653	WV
KINGS TOOLS, LLC	JEFFREY KINSOLVING	1720 SOUTH FOURTH AVENUE	CHEYENNE	WY	82007	(307) 670-4076	WY
MH-PROFESSIONAL TOOLS LLC	MATTHEW HARRIS	1009 ERWIN ST	DOUGLAS	WY	82633	(253) 208-4507	WY

Following is a list of Mac Tools franchisees that began operation of a Mac Tools Business after the date of the most recent fiscal year end (December 31, 2022) until the original issuance date of this disclosure document (February 23, 2023):

Franchisee Name	Contact	Address	City	State	Zip Code	Phone	State of Franchised Business
MD TOOL CO.LLC	MICHAEL DEPASTENE	40798 GRIFFIN DR	OAKHURST	CA	93644	5596766170	CA
SEPULVEDA TOOLS LLC	ERNIE SEPULVEDA	275 S WILLOW SPRINGS RD	ORANGE	CA	92869	7149493011	CA
EZ TOOLS, LLC	JAMES SILL	2822 DRIFTING LILLY LOOP	KISSIMMEE	FL	34747	7576463792	FL
DUKES TOOLS LLC	JUSTIN GEHRON	2616 102ND AVE E	PARRISH	FL	34219	9414736734	FL
JASON HALL TOOL & SUPPLY, LLC	JASON HALL	4655 SE 104TH ST	RUNNELLS	IA	50237	5154993541	IA
IMPACTOOLS, LLC	DAVID DORN	2071 N TRAVIS LANE	POST FALLS	ID	83854	2089485871	ID
LUSKEY MOBILE TOOLS, LLC	STEVE LUSKEY	21209 BALK LN	FULTON	IL	61252	5632495413	IL
RIGHT ON TOOLS LLC	PAUL PLAGEMAN	595 GARNER DR	COVINGTON	KY	41015	8595121790	KY
CAJUN DISTRIBUTORS OF LA LLC	SCOTT SEMRAD	196 YOUNGBLOOD RD	PINEVILLE	LA	71360	3183088158	LA
NVRGUP TOOLS LLC	JARED WEBSTER	3261 ALEXANDER LANE NE	ALBANY	OR	97321	5416193083	OR
CHASING TWENTIES, LLC	COLE KEEN	87 EATON LN	MANCHESTER	TN	37355	6153184757	TN
TWIN SPRINGS TOOL COMPANY LLC	AVERY MORGAN	227 WEST LANE	TAZEWELL	TN	37879	4235261969	TN
ERNEST KARRIAGE LLC CO	BRIAN JENKINS	6761 WEST BOTTLEBRUSH LANE	WEST JORDAN	UT	84081	8016647067	UT
M2H TOOLS LLC	MATT HIX	7810 NE 154TH CT	VANCOUVER	WA	98682	3606078315	WA

Following is a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks before the original issuance date of this disclosure document.

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

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
RNJ ASHTON TOOLS LLC	TONY ASHTON	24286 HARVESTER DRIVE	LOXLEY	AL	36551	(513) 292-0646	AL
EV TOOLS LLC	EV TOOLS LLC	16176 W LISBON LN	SURPRISE	AZ	85379	(970) 481-6716	AZ
PRECISION TOOL SALES, INC.	KIM YBARRA	268 W. LINCOLN ST.	BANNING	CA	92220	(909) 801-4936	CA
	STEVE FUKAWA	14742 JACANA DRIVE	LA MIRADA	CA	90638	(714) 944-2744	CA
NELSON'S TOOLS, LLC	NELSON PINEDA	444 E WILSON ST	RIALTO	CA	92376	(323) 707-2490	CA
KEVIN J. BEUTLER		10769 E ASHLAN AVE	SANGER	CA	93657	(559) 280-6564	CA
BAO TOOL COMPANY, INC.	BRYAN ODELL	18814 EAST UNION PL	AURORA	CO	80015	(303) 596-1017	CO
HARVEY TOOLS LLC	HARVEY TOOLS LLC	12575 TROY ST	HENDERSON	CO	80640	(303) 875-8659	CO
SUTTERER'S TOOL SLINGERS LLC	MICHAEL SUTTERER	2002 TONOPAS CT UNIT 103	LOVELAND	CO	80538	(402) 942-2981	CO
BOOKLESS ENTERPRISES LLC	KENNETH R. BOOKLESS	804 MAIN ST	PLATTEVILLE	CO	80651	(970) 980-9127	CO
BDT TOOL SALES, LLC	ALFRED LAWRENCE LEBLANC	140 NEWTOWN AVE	NORWALK	CT	06851	(203) 505-7353	CT
BLURY BUTTERFLY, LLC	ED SCHWARTZ	2102 SW 18 TH ST	BOYNTON BEACH	FL	33426	(561) 901-7532	FL
DASRICK ENTERPRISE LLC	OMAR GONZALEZ	3698 E SANDPIPER DR APT 5	BOYNTON BEACH	FL	33436	(561) 720-3540	FL
TIMTHETOOLMAN, LLC	TIMOTHY J. DELANEY	12453 ROCK RIDGE LN	FORT MYERS	FL	33913	(239) 822-6431	FL
WARRINGTON AUTOMOTIVE LLC	MARK MCDANIEL	198 OLD CORRY FIELD RD.	PENSACOLA	FL	32507	(850) 393-7462	FL
MACEO BECKFORD ENTERPRISES LLC	MACEO BECKFORD	576 PEPPERGRASS RUN	ROYAL PALM BEACH	FL	33411	(561) 352-9925	FL
KING, RONALD		708 EAST SOUTH STREET	STARKE	FL	32091	(904) 769-8780	FL
GHUGGINS TOOL COMPANY LLC	MIDGARD SELF STORAGE/ GREG	5463 LOWER BURNINGTOWN RD	FRANKLIN	NC	28734	(828) 371-3326	GA
C-N-B TOOLS LLC	DARRELL CAGLE	2350 AMBER HILLS WAY	MONROE	GA	30655	(770) 881-5109	GA
TWISTED WRENCHES LLC	TWISTED WRENCHES LLC	2713 NE BRIARWOOD CT.	ANKENY	IA	50021	(515) 537-4052	IA
LATTIMER, CHRISTOPHER		412 W 8TH ST	CEDAR FALLS	IA	50613	(319) 610-3573	IA
TWO TOOLS ENTERPRISES, INC.	ROY G. BEARD	4955 GALENA ST.	CHUBBUCK	ID	83202	(208) 339-4938	ID
OPEN ROAD TOOLS LLC	BRIAN LOVELACE	2184 CHANNING WAY #134	IDAHO FALLS	ID	83404	(208) 557-8057	ID
ROD KNOCK DISTRIBUTING LLC	MICHAEL HENSLEY	19417 W OLD STATION RD	WORLEY	ID	83876	(208) 818-4622	ID

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
LACSON SPECIALTY TOOLS, LLC	LUIS LACSON	11412 EDINBURGH LN	HUNTLEY	IL	60142	(815) 529-7632	IL
T & C TOOLS CORPORATION	LOUIS P. ROTH	5821 REBA ST	MORTON GROVE	IL	60053	(847) 966-7277	IL
MANNS TOOLS LLC	MANNS TOOLS LLC/DIESEL BOYS	1777 PROGRESS WAY, UNIT H083	CLARKSVILLE	IN	47129	(812) 914-2054	IN
L&W TOOL SUPPLY, LLC	WILLIAM CORDLE	11807 N LAMBERT CT	MOORESVILLE	IN	46158	(317) 501-4610	IN
ANGLIN TOOLS, LLC	CECIL S. ANGLIN JR	277 J V COCO RD	MARKSVILLE	LA	71351	(318) 613-6914	LA
ABE TOOLS LLC	WALTER T. EZERNACK	7577 OLD MOORINGSPORT RD	SHREVEPORT	LA	71107	(318) 936-0123	LA
BWTOOLS LLC	BWTOOLS LLC /WILLIAM H. WILCOX	234 UNION ST	NORWOOD	MA	02062	(508) 662-3578	MA
ANTHONY J. SCHEIP		64 COURT ST	WESTFIELD	MA	01085	(413) 519-4373	MA
IRON CAGE TOOLS INC	IRON CAGE TOOLS INC	2939 LOMOND PLACE	ABINGDON	MD	21009	(443) 987-0769	MD
WALT'S TOOL TRUCK LLC	WALTER HILL	8014 FORT SMALLWOOD ROAD	BALTIMORE	MD	21226	(410) 365-1652	MD
JASON'S TOOL SUPPLY LLC	JASON RODGERS	20774 GEMINI TRAIL	LAKEVILLE	MN	55044	(952) 292-6354	MN
LEIMER ENTERPRISE, LLC	LEE A. LEIMER	472 RIDGEFIELD DRIVE	CAPE GIRARDEAU	MO	63701	(573) 576-1080	MO
BRANDON M. WHITE		3037 ATHENA OAKS DR	DE SOTO	MO	63020	(314) 550-1289	MO
BUMGARDNER TOOLS, LLC	BARIUM D. BUMGARDNER	202 TRYON SCHOOL RD	BESSEMER CITY	NC	28016	(704) 813-7083	NC
JESSE GODWIN TOOLS LLC	JESSE E. GODWIN JR	999 POPE RD	KENLY	NC	27542	(919) 524-9698	NC
DILLS TOOL COMPANY L.L.C.	ANDREW DILLS	736 W DOUBLE SHOALS RD	LAWNDALE	NC	28090	(704) 472-5580	NC
TOOLS BY MIKAL INC	MICHAEL J. MINK	110 FLORA VISTA DR	MOORESVILLE	NC	28117	(704) 793-3305	NC
CARL TOOL SALES LLC	BRIAN C. CARL/MCLEAN SELF STOR	193 ANTELOPE DR	MOUNT HOLLY	NC	28120	(713) 819-5524	NC
EXTECHTOOLS INC	ETHAN DAVIS	148 ROCK ISLAND DR	STATESVILLE	NC	28625	(704) 500-3235	NC
BIG LAKE TOOLS LLC	ROBERT PURDY	PO BOX 5161	LACONIA	NH	03247	(603) 503-5588	NH
LJ'S TOOLBOX, LLC	LARRY JONES	1801 E 21 ST	CLOVIS	NM	88101	(575) 799-0689	NM
WAL TOOLS LLC	BILL LE CLUSE	122 DAVIS STREET	HAUPPAUGE	NY	11788	(631) 327-1310	NY
CYRUS SEIWERT TOOLS LLC	CYRUS SEIWERT TOOLS LLC	4041 TOWNLINE RD	MACHIAS	NY	14101	(716) 353-5164	NY
MICHAEL J. KAVOUKIAN		74 TELISKA AVE.	RENSSELAER	NY	12144	(518) 505-3040	NY
BLUE ROCK TOOL SALES LLC	SABRINA MULLINS	7800 NETTIEMORE LANE	BLUE ROCK	OH	43720	(740) 624-8927	OH
TOOLN AROUND LLC	DANIEL HERRIN	14158 SELF RD	BOWLING GREEN	OH	43402	(419) 360-8618	OH

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
COLUMBRO TOOLS LLC	ANTONIO COLUMBRO	6790 GARBER RD	DAYTON	OH	45415	(937) 269-8278	OH
B&C TOOLS LLC	BRIAN D. TEETS	200 SARATOGA ST	DELAWARE	OH	43015	(740) 815-6869	OH
STARK COUNTY TOOL SALES LLC	STARK COUNTY TOOL SALES LLC	1129 HIGHLANDER AVE SW	MASSILLON	OH	44647	(330) 309-5734	OH
TRAVELING TOOLS, LLC	TRAVELING TOOLS, LLC	62 TALL OAKS DR.	MIDDLETOWN	OH	45044	(513) 218-4408	OH
HELTON TOOLS & SERVICES, LLC	JERROD L. HELTON	223 JOHNSON AVE	MOUNT VERNON	OH	43050	(740) 507-4305	OH
WATSON TOOLS INC.	WATSON TOOLS INC.	1637 WESTOAK CR	ARDMORE	OK	73401	(580) 504-0034	OK
JAMES R. FINE		7804 NORTH 122ND EAST AVENUE	OWASSO	OK	74055	(918) 695-9187	OK
TC'S TOOLS LLC	TERRY CRADDOCK	PO BOX 353	THOMAS	OK	73669	(580) 613-0778	OK
THOMAS W. SONDENAA		2105 SE EAGLE	GRESHAM	OR	97080	(503) 663-6397	OR
A & M TOOL SUPPLY LLC	JON-PAUL MARTENS	4622 BRADFORD LP SE	SALEM	OR	97302	(503) 516-4941	OR
ASB ENTERPRISES, LLC.	STANLEY L. BROWN	795 AMERICAN GENERAL DRIVE	EASTON	PA	18040	(610) 703-9129	PA
LYLZ TOOLZ LLC	LYLE SANDERS	PO BOX 383	GIRARD	PA	16417	(814) 602-8586	PA
MPM PROFESSIONAL TOOLS LLC	MARTIN MACDONALD	616 SOUTH 26TH STREET	HARRISBURG	PA	17111	(717) 557-4974	PA
JTTOOLS LLC	JOHN E. PFOUTZ	367 HUNKER WALTZ MILL RD	HUNKER	PA	15639	(724) 925-1860	PA
BILL DONAHOWER TOOL SALES, INC	BILL DONAHOWER TOOL SALES, INC	1270 SEGLOCK ROAD	LITITZ	PA	17543	(717) 344-4016	PA
A2Z TOOLS, LLC	ANDREW H. ZINK	120 NITTANY DRIVE	MECHANICSBURG	PA	17055	(717) 645-0375	PA
PETE KANE TOOL SALES LLC	PETER A. KANE	20 GRUVER ST	NANTICOKE	PA	18634	(570) 762-3373	PA
QUALITY CONTROL TOOLS, LLC	ROBERT JAMES BIALOWAS	156 FOX SCHOOL ROAD	RUFFS DALE	PA	15679	(724) 420-6927	PA
SEE MORE TOOLS LLC	CHARLES L. MORGAN	101 RAILROAD ST	STOCKDALE	PA	15483	(724) 678-1393	PA
BIG T ENTERPRISES LLC	SAMUEL TAYLOR COLE	417 CHILDRESS ROAD	EASLEY	SC	29640	(864) 382-8043	SC
ADAM S. MAXEY		2820 LOW GROUND RD	GUYTON	GA	31312	(912) 663-8499	SC
DIRTY BOYS TOOLS, LLC	DIRTY BOYS TOOLS	3841 BUCK MATTHEWS RD	COLUMBIA	TN	38401	(931) 215-9479	TN
LOOSE NUT TOOLS LLC	LOOSE NUT TOOLS LLC	605 WEST END CIR	MANCHESTER	TN	37355	(931) 952-0042	TN
BROTHERS TOOL COMPANY LLC	AUSTIN SMITH	1586 PICKENS STORE ROAD	MASON	TN	38049	(720) 474-3433	TN
MTT TOOLS LLC	CHARLES TAYLOR	7640 GLADE CREEK RD	SPARTA	TN	38583	(615) 864-3948	TN
VIKING TOOLS LLC	CAMERON NELSEN	3976 KRISTEN ST	SPRING HILL	TN	37174	(971) 801-3250	TN

Franchise Name	Contact	Address	City	State	Zip	Phone	State of Franchised Business
414 TOOL SERVICES LLC	DUSTIN CARTER	164 WOODLANDS DR	LA VERNIA	TX	78121	(817) 805-0699	TX
JOSE M. LOPEZ	JOSE M. LOPEZ	310 N BUENNA VISTA ST	MISSION	TX	78573	(956) 225-8486	TX
GREG WALKER ENTERPRISES, LLC	GREG WALKER	209 W JUSTIN ST	NEW DEAL	TX	79350	(806) 292-9630	TX
LOPEZ TOOLS AND SUPPLIES LLC	LOPEZ TOOLS AND SUPPLIES LLC	2320 ROCKY MOUNTAIN DR	ROYSE	TX	75189	(310) 343-1078	TX
TOOLS R US, INC.	TOOLS R US	P.O. BOX 517	TAHOKA	TX	79373	(806) 292-9634	TX
J & T TOOLS LLC	J & T TOOLS LLC	2094 GREEN BRANCH RD.	WEATHERFORD	TX	76085	(817) 894-9296	TX
CALLANTINE, AARON		8485 SANDY ROAD	WICHITA FALLS	TX	76305	(940) 500-1142	TX
TOP TOOLS & PERFORMANCE LLC	ANDREW MANUEL	17287 DEERFIELD LN	JEFFERSONTON	VA	22724	(540) 522-7523	VA
TIMOTHY K. LYONS		27700 195 AVE SE	KENT	WA	98042	(206) 909-8330	WA
ROLLAND THOMAS LLC	ROLLAND J. THOMAS	7707 61ST NE	MARYSVILLE	WA	98270	(619) 829-8492	WA
ONETEN OCTANE, LLC	ONETEN OCTANE, LLC	14685 NW HWY 464B	MORRISTON	FL	32668	(360) 507-2952	WA
ZS_TOOLS LLC	ZACHARY SKINNER	13903 MILITARY RD E	PUYALLUP	WA	98374	(206) 819-2108	WA
REED & REED ENTERPRISES, LLC	WAYNE REED	PO BOX 748	SEDRO WOOLLEY	WA	98284	(360) 391-8500	WA
OILBURNERS LLC	SEAN STUTH	4441 STONEBROOK WAY	SPRINGDALE	WA	99173	(509) 680-2535	WA
SKIS TOOL BOX LLC	RYAN S. SOKOLOWSKI	7295 WILBURN RD	SUN PRAIRIE	WI	53590	(608) 279-0120	WI
MATT HARVEY TOOLS LLC	MATTHEW W. HARVEY	82 CALHOUN LN	OAK HILL	WV	25901	(304) 640-0553	WV
T N T TOOLS LLC	ANTHONY WELSH	203 SUNRISE BLVD	ROMNEY	WV	26757	(304) 359-4094	WV
SCOTT D. MAX		353 SCENIC DRIVE	SAINT ALBANS	WV	25177	(304) 552-0752	WV
KIDD TOOLS LLC	MICHAEL KIDD	127 EAST 1ST NORTH RD	FARSON	WY	82932	(435) 828-6008	WY
POLI TOOLS LLC	ANTHONY POLI	512 KILKENNY CIR	GILLETTE	WY	82716	(931) 624-9999	WY

Following is a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement from the date of the most recently completed fiscal year end until the original issuance date of this disclosure document (February 21, 2023).

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

Franchisee Name	Contact	Address	City	State	Zip Code	Phone	State of Franchised Business
DOBSON SUPPLY CO LLC	DOBSON SUPPLY CO LLC	9187 CLAREMONT MESA BLVD.	SAN DIEGO	CA	92123	(858) 414-5043	CA
KS TOOLS, LLC	KS TOOLS, LLC	130 BOULDER CREST	HOSCHTON	GA	30548	(404) 579-2458	GA
WEIGEL, ROBERT	ROBERT WEIGEL	509 2ND ST W	VELVA	ND	58790	(701) 340-8880	ND
MORRIS A. DONAHUE	MORRIS A. DONAHUE	37 LEONARD AVE	HOOKSET	NH	3106	(603) 722-2125	NH
KOUTOUZIS PROFESSIONAL TOOLS	NICHOLAS KOUTOUZIS	53 WYANDANCH BLVD	SMITHTOWN	NY	11787	(631) 672-2417	NY
AVECS, LLC	AVECS, LLC	4382 EGRET COURT	GROVE CITY	OH	43123	(614) 314-4950	OH
BRADLEY LAWSON TOOLS, LLC	BRADLEY LAWSON	11610 E SEWELL AVE	CHOCTAW	OK	73020	(405) 921-6008	OK

Following is a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who transferred their Mac Tools Businesses during our prior fiscal year to another individual or business entity (other than Mac Tools), as well as the names, addresses, cities and states, and current business telephone numbers of the individual or business entity that acquired the franchised Mac Tools Business.

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

Transferor / Seller	Transferor Address, City, State, Zip Code and Phone Number	Transferee/ Buyer	Transferee / Buyer Contact	Transferee Address, City, State, Zip Code and Phone Number	State of Franchised Business
EDWARD M. NOLAN	9744 PRAIRIE LANE BELVIDERE, IL 61008 (815) 222-2783	GUASTO'S TOOLS LLC	KOAH R. GUASTO	7364 MONTMORENCY DR ROCKFORD, IL 61108 (815) 484-3640	IL
VICTOR A. MAJDAN	428 ELMVIEW DRIVE PORTAGE, MI 49024 (269) 760-2320	ANGELL'S TOOLS & ACCESSORIES,	BEAU ANGELL	10709 EAST W AVE VICKSBURG, MI 49097 (269) 223-2517	MI
DAMN YANKEE TOOL SALES, INC.	7063 RIDGEWAY ROAD STANLEY, NC 28164 (704) 804-1200	BARHAM TOOL SALES INC	MASON BARHAM	2514 BUFFALO SHOALS RD STATESVILLE, NC 28677 (704) 607-0036	NC
STEPHEN P. BIRCHALL	7980 CARNOSTIE DR LAURINBURG, NC 28352 (910) 266-9880	MOBILE GENEIOUS LLC.	GENE A. MARCURE	905 RICE ST HAMLET, NC 28345 (910) 318-1131	NC
ALBERT G. BATANJANY	185-70 STREET BROOKLYN, NY 11209 (917) 833-5236	PATUCHO TOOL TRUCK INCORPORATE	VERONICA SIGUENCIA	66-78 71ST STREET MIDDLE VILLAGE, NY 11379 (347) 420-4169	NY

Transferor / Seller	Transferor Address, City, State, Zip Code and Phone Number	Transferee/ Buyer	Transferee / Buyer Contact	Transferee Address, City, State, Zip Code and Phone Number	State of Franchised Business
THOMAS A. NEAMON	6615 JAVA LAKE RD ARCADE, NY 14009 (585) 492-0225	J. FRANCISCO TOOLS LLC	JOSHUA FRANCISCO	4985 CNTY RT 31A BELMONT, NY 14813 (585) 610-7827	NY
D.I.D. TOOLS, LLC	N6674 WOODFIELD LN LAKE MILLS, WI 53551 (608) 334-4333	J SNIEG TOOL SALES LLC	JASON SNIEG	2640 BLUEBIRD LANE COTTAGE GROVE, WI 53527 (414) 313-0701	WI

Following is a list of the names, cities and states and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee who transferred their Mac Tools Businesses from the date of our most recently completed fiscal year end until the original issuance date of this disclosure document, as well as the name, address, city and state, and current business telephone number of the individual or business entity that acquired the franchised Mac Tools Business.

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

Transferor/Seller	Transferor Address, City, State, Zip Code and Phone Number	Transferee/ Buyer	Transferee/Buyer Contact	Transferee Address, City, State, Zip Code and Phone Number	State of Franchised Business
DANIEL L. WILDASIN	43 PANTHER DR., HANOVER, PA 17331 (717) 880-4147	INTERLOCK ENTERPRISES, LLC	IRA WESTFALL	361 SOUTH CENTER ST. HANOVER, PA 17331 (443) 398-0820	PA

EXHIBIT T

LIST OF STATE ADMINISTRATORS

California:

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(866) 275-2677
ask.dfpi@dfpi.ca.gov

Connecticut:

Assistant Director
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

Florida:

Regulatory Consultant
Department of Agriculture and Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, FL 32314-6700
(850) 410-3800

Hawaii:

Commissioner of Securities
Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, HI 96810
(808) 586-2744

Illinois:

State of Illinois Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62701-1705
(217) 782-1090

Indiana:

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

Iowa:

Iowa Secretary of State
Business Services
First Floor, Lucas Building
321 East 12th Street
Des Moines, IA 50319
(515) 281-5204

Kentucky:

State of Kentucky Attorney General
Office of Consumer Protection
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
(502) 696-5389

Maryland:

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

Michigan:

Michigan Assistant Attorney General
Consumer Protection Division, Franchise Section
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, MI 48933
(517) 373-7117

Minnesota:

Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1638

Nebraska:

Nebraska Department of Banking and Finance
Bureau of Securities
1526 "K" Street, Suite 300
Lincoln, NE 68508-2732
(402) 471-3445

New York:

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl.
New York, NY 10005
(212) 416-8285

North Dakota:

North Dakota Securities Department
Franchise Registration
600 East Boulevard Avenue
State Capital, Fifth Floor
Bismarck, ND 58505-0510
(701) 328-4712

Oregon:

Department of Consumer and Business Services
Division of Financial Regulation
350 Winter Street NE, Room 410
Salem, OR 97301-3883
(503) 378-4140

Rhode Island:

Rhode Island Dept. of Business Regulation
Securities Division
1511 Pontiac Avenue, Building 68-2
Cranston, RI 02920
(401) 462-9500

South Dakota:

Division of Insurance
Securities Regulation
124 S. Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

Texas:

Secretary of State
Registrations Unit
James E. Rudder Office Building
1019 Brazos Street
Austin, TX 78701
(512) 475-0775

Utah:

Director
State of Utah Department of Commerce
Division of Consumer Protection
160 East 300 South, 2nd Floor
P. O. Box 146704
Salt Lake City, UT 84114-6704
(801) 530-6601

Virginia:

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

Washington:

Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin:

Franchise Registration
Division of Securities, Suite 300
Department of Financial Institutions
P.O. Box 1768
Madison, WI 53701-1768
(608) 266-0448

EXHIBIT U

LIST OF AGENTS FOR SERVICE OF PROCESS

Alabama:

Corporation Service Company, Inc.
641 South Lawrence Street
Montgomery, AL 36104

Alaska:

Corporation Service Company
8585 Old Dairy Road, Suite 208
Juneau, AK 99801

Arizona:

Corporation Service Company
8825 N 23rd Avenue, Suite 100
Phoenix, AZ 85021

Arkansas:

Corporation Service Company
300 Spring Building, Suite 900
300 S. Spring Street
Little Rock, AR 72201

California:

Department of Financial
Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834

Corporation Service Company d/b/a
CSC-Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833-3505

Colorado:

Corporation Service Company
1900 W. Littleton Boulevard
Littleton, CO 80120

Connecticut:

Corporation Service Company
225 Asylum Street, 20th Floor
Hartford, CT 06103

Delaware:
Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808

District of Columbia:

Corporation Service Company
1090 Vermont Avenue N.W.
Washington, DC 20005

Florida:

Corporation Service Company
1201 Hays Street
Tallahassee, FL 32301

Georgia:

Corporation Service Company
2 Sun Court, Suite 400
Peachtree Corner, GA 30092

Hawaii:

Commissioner of Securities
Business Registration Division
Department of Commerce and Consumer Affairs
King Kalakaua Building
335 Merchant Street
Honolulu, HI 96813

CSC Services of Hawaii, Inc.
1003 Bishop Street
Suite 1600 Pauahi Tower
Honolulu, HI 96813

Idaho:

Corporation Service Company
1303 12th Avenue Road
Nampa, ID 83686

Illinois:

Illinois Secretary of State
213 State Capital
Springfield, Illinois 62756

Illinois Corporation Service Company
801 Adlai Stevenson Drive
Springfield, Illinois 62703

Indiana:

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

Corporation Service Company
135 North Pennsylvania Street, Suite 1610
Indianapolis, IN 46204

Iowa:

Iowa Secretary of State
First Floor, Lucas Building
321 E. 12th Street
Des Moines, UIA 50319

Corporation Service Company
505 5th Avenue, Suite 729
Des Moines, IA 50309

Kansas:

Corporation Service Company
2900 SW Wanamaker Drive, Suite 204
Topeka, KS 66614

Kentucky:

Department of Financial Institutions
Securities Division
500 Metro Street
2SW19 Frankfort, KY 40601-3449
(502) 573-3990

Corporation Service Company
421 West Main Street
Frankfort, KY 40601

Louisiana:

Corporation Service Company
501 Louisiana Avenue
Baton Rouge, LA 70802-5921

Maine:

Corporation Service Company
45 Memorial Circle
Augusta, ME 04330

Maryland:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

CSC-Lawyers Incorporating Service Company
7 St. Paul Street, Suite 820
Baltimore, Maryland 21202

Massachusetts:

Corporation Service Company
84 State Street
Boston, MA 02109

Michigan:

Corporations, Securities, & Commercial
Licensing Bureau
Securities & Audit Division
PO Box 30018
Lansing, MI 48909

CSC-Lawyers Incorporating Service Company
2900 West Road, Suite 500
East Lansing, MI 48823

Minnesota:

Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

Corporation Service Company
2345 Rice Street, Suite 230
Roseville, MN 55113

Mississippi:

Corporation Service Company
109 Executive Drive
Madison, MS 39110

Missouri:

CSC-Lawyers Incorporating Service Company
221 Bolivar Street
Jefferson City, MO 65101

Montana:

Corporation Service Company
26 West Sixth Avenue
P.O. Box 1691
Helena, MT 59624-1691

Nebraska:

Nebraska Department of Banking & Finance
Bureau of Securities
Commerce Court
1526 "K" Street, Suite 300
Lincoln, NE 68508

CSC-Lawyers Incorporating Service Company
233 South 13th Street, Suite 1900
Lincoln, NE 68508

Nevada:

CSC Services of Nevada, Inc.
112 North Curry Street
Carson City, NV 8970

New Hampshire:

Corporation Service Company
10 Ferry Street, Suite 313
Concord, NH 03301

New Jersey:

Corporation Service Company
Princeton S. Corporate Center, Suite 160
100 Charles Ewing Blvd.
Ewing, NJ 08628

New Mexico:

Corporation Service Company
110 E Broadway St.
Hobbs, NM, 88240

New York:

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231-0001
(518) 473-2492

Corporation Service Company
80 State Street
Albany, NY 12207-2543

North Carolina:

Corporation Service Company
2626 Glenwood Avenue, Suite 550
Raleigh, NC 27608

North Dakota:

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

Corporation Service Company
600 S 2nd Street, Suite 155
Bismarck, ND 58504

Ohio:

Corporation Service Company
3366 Riverside Drive, Suite 103
Upper Arlington, OH 43221

Oklahoma:

Corporation Service Company
10300 Greenbriar Place
Oklahoma City, OK 73139-7653

Oregon:

Director of Oregon Department of Consumer
and Business Services
Division of Financial Regulation
350 Winter Street, NE, Room 410
Salem, OR 97301

Corporation Service Company
1127 Broadway Street NE, Suite 310
Salem, OR 97301

Pennsylvania:

Corporation Service Company
2595 Interstate Drive, Suite 103
Harrisburg, PA 17110

Puerto Rico:

The Prentice-Hall Corporation System
of Puerto Rico, Inc.
c/o Fast Solutions, LLC
Citi Tower, 252 Ponce de Leon Avenue
Floor 20
San Juan, PR 00918

Rhode Island:

Director of Rhode Island Department
of Business Regulation
Department of Business Regulation
Securities Division
Building 68-2
1511 Pontiac Avenue
Cranston, RI 02920-4407

Corporation Service Company
222 Jefferson Boulevard, Suite 200
Warwick, Rhode Island 02888

South Carolina:

Corporation Service Company
508 Meeting Street
West Columbia, SC 29169

South Dakota:

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Corporation Service Company
503 South Pierre Street
Pierre, SD 57501

Tennessee:

Corporation Service Company
2908 Poston Avenue
Nashville, TN 37203

Texas:

Corporation Service Company d/b/a
CSC-Lawyers Incorporating Service Company
211 E. 7th Street, Suite 620
Austin, TX 78701-3218

Utah:

Corporation Service Company
15 West South Temple, Suite 600
Salt Lake City, UT 84101

Vermont:

Corporation Service Company
100 North Main Street, Suite 2
Barre, VT 05641

Virginia:

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 East Main Street, 1st Floor
Richmond, VA 23219

Corporation Service Company
100 Shockoe Slip, 2nd Floor
Richmond, VA 23219

Washington:

Director of Dept. of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, WA 98501
(360) 902-8760

Corporation Service Company
MC-CSC1, 300 Deschutes Way SW, Suite 208
Tumwater, Washington 98501

West Virginia:

Corporation Service Company
209 West Washington Street
Charleston, WV 25302

Wisconsin:

Wisconsin Department of Financial Institutions
Division of Securities
4822 Madison Yards Way
4th Floor North Tower
Madison, WI 53705

Corporation Service Company
33 East Main Street , Suite 610
Madison, WI 53703

Wyoming:
Corporation Service Company
1821 Logan Avenue
Cheyenne, WY 82001

EXHIBIT V

FTC CONSENT ORDER ACKNOWLEDGMENT

I hereby acknowledge receipt of a copy of the Decision and Order of the Federal Trade Commission in In the Matter of The Stanley Works, FTC Docket No. C-3876.

Signature: _____

Name Printed: _____

Date: _____

9823570
B257267

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

COMMISSIONERS: Robert Pitofsky, Chairman
Sheila F. Anthony
Mozelle W. Thompson
Orson Swindle

In the Matter of	)	DOCKET NO. C-3876
	)	
	)	DECISION AND ORDER
THE STANLEY WORKS,	)	
a corporation.	)	
	)	

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violations of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, and admission by the respondent of all the jurisdictional facts set forth in the draft complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments received from interested persons pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent The Stanley Works is a Connecticut corporation with its principal office or place of business at 1000 Stanley Drive, New Britain, Connecticut 06053.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that respondent, The Stanley Works, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, marking, labeling, packaging, advertising, promotion, offering for sale, sale, or distribution of any mechanics tool in or affecting commerce, as "commerce" is defined in section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, shall not misrepresent, in any manner, directly or by implication, the extent to which any such mechanics tool is made in the United States. For purposes of this order, mechanics tools means professional grade hand tools (other than carpentry tools) used by consumers or professionals in the assembly, repair, or maintenance of machinery or vehicles, or for other purposes. Such tools include, but are not limited to, wrenches, ratchets, sockets, and chisels.

PROVIDED, however, that a representation that any mechanics tool is made in the United States will not be in violation of this order so long as all, or virtually all, of the component parts of the mechanics tool are made in the United States and all, or virtually all, of the labor in manufacturing the mechanics tool is performed in the United States.

PROVIDED, further, that this order shall not apply to the marking of mechanics tools or components of mechanics tools forged, machined, or cast before the date that the complaint and order became final.

II.

IT IS FURTHER ORDERED that respondent The Stanley Works and its successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All labeling, packaging, advertisements and promotional materials containing the representation;

B. All materials that were relied upon in disseminating the representation; and

C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

III.

IT IS FURTHER ORDERED that respondent The Stanley Works, and its successors and assigns, shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

IT IS FURTHER ORDERED that respondent The Stanley Works, and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

V.

IT IS FURTHER ORDERED that respondent The Stanley Works, and its successors and assigns, shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

VI.

This order will terminate on June 2, 2019, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of this order if such complaint is filed after the order has terminated pursuant to this Part. Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

Donald S. Clark
Secretary

SEAL:

ISSUED: June 2, 1999

EXHIBIT W

STATE ADDENDA
TO
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

ADDENDUM TO DISCLOSURE DOCUMENT (ALASKA)

1. Item 17 of the disclosure document is hereby modified by adding the following paragraphs to the end thereof:

> "The Franchise Agreement requires application of the laws of Ohio. This provision may not be enforceable under Alaska law.
>
> Under certain circumstances, the Franchise Agreement requires you to participate in mediation and binding arbitration. These provisions may not be enforceable under Alaska law unless you and Mac Tools agree to the submission of disputes to mediation, arbitration or to binding alternative dispute resolution at the time that the dispute arises.
>
> Alaska Statutes § 45.45.700 through § 45.45.790 provide rights to you concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
>
> Alaska Stat. § 45.45.750(a)(3) prohibits the requirement that you pay Mac Tools' attorneys' fees. If the Franchise Agreement contains a provision that is inconsistent with the statute, the statute will control."

ADDENDUM TO FRANCHISE AGREEMENT (ALASKA)

This Addendum to Franchise Agreement (Alaska) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 20.1 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

> **"20.1 Governing Law.** This Agreement takes effect upon its acceptance and execution by Mac Tools in Ohio and shall be interpreted and construed under the laws of the State of Alaska. Alaska laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Alaska choice of law rules) except: (a) to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to such Sections in which, and to the extent that, this Agreement has specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by the United States District Court for the Southern District of Ohio.

5. Section 20.2 of the Franchise Agreement is hereby modified by adding a new subsection (h) to the end thereof:

> "(h) This Agreement requires that certain disputes between you and Mac Tools be submitted to mediation and arbitration. These provisions may not be enforceable under Alaska law unless you and Mac Tools agree to the submission of such disputes to mediation, arbitration or to binding alternative dispute resolution at the time that the dispute arises."

6. Section 20.3 is hereby deleted in its entirety.

7. The Franchise Agreement is hereby modified by adding the following new Article 25 to the Franchise Agreement:

> "(a) Alaska Stat. § 45.45.700 through § 45.45.790 provide rights to you concerning termination or nonrenewal of a franchise. If this Agreement contains a provision that is inconsistent with the statutes, the statutes will control.
>
> (b) Alaska Stat. § 45.45.750(a)(3) prohibits the requirement that you pay Mac Tools' attorneys' fees. If this Agreement contains a provision that is inconsistent with the statute, the statute will control."

8. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this ____ day of _____, 20__, in Dublin Ohio

FRANCHISOR:

Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (CALIFORNIA)

1. California Corporations Code, Section 31125, requires Mac Tools to give you a disclosure document, approved by the Commissioner of Financial Protection and Innovation, before solicitation of a proposed material modification of an existing franchise.

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

3. Item 3 of the disclosure document is hereby modified by adding the following paragraph to the end thereof:

> "Except as may be disclosed in this Item 3, neither Mac Tools nor any person listed in Item 2 of this 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."

4. Item 17 of the disclosure document is hereby modified by adding the following paragraphs to the end thereof:

> "California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
>
> The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101, et seq.).
>
> The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
>
> Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
>
> The Franchise Agreement requires application of the laws of Ohio. This provision may not be enforceable under California law.
>
> The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver

of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)."

5. The franchise agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

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

7. 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.

8. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the commissioner.**

ADDENDUM TO FRANCHISE AGREEMENT (CALIFORNIA)

This Addendum to Franchise Agreement (California) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein that are not separately defined herein shall have the meanings ascribed to these terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Section 20.1 of the Franchise Agreement is hereby deleted and the following substituted therefor:

> **"20.1 Governing Law.** This Agreement takes effect upon its acceptance and execution by Mac Tools in Ohio and shall be interpreted and construed under the laws of the State of California. California laws shall prevail in the event of any conflict of law except: (a) to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to such Sections in which, and to the extent that, this Agreement has specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by the United States District Court for the district of California in which franchisee's principal place of business is located."

7. Subsection 20.2(c) of the Franchise Agreement is hereby deleted and the following substituted therefor:

> **"(c) Mediation.** If the matter has not been resolved within sixty (60) business days of the disputing party's notice, or if the responding party will not meet and/or otherwise communicate within thirty (30) business days of the written response, either party may initiate mediation of the controversy or claim with JAMS, The Resolution Experts, which is a private alternative dispute resolution provider having its Los Angeles, California office located at 555 West 5th Street, 32nd Floor, Los Angeles, California 90013, or its successor. Unless the parties agree otherwise in writing, the location of the mediation shall be at the JAMS Resolution Center in Los Angeles, California. Any mediator shall be mutually selected by you and Mac Tools or, if you and Mac

Tools cannot agree, by JAMS, in accordance with its then-effective rules and procedures applicable to selection of mediators."

8. Subsection 20.2(d) of the Franchise Agreement is hereby deleted and the following substituted therefor:

> **"(d) Arbitration.** If the matter has not been resolved pursuant to mediation within 60 business days of the initiation of such procedure, or if either party will not participate in a mediation, the controversy shall be settled by arbitration by a sole arbitrator in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures, which require that each party pays its *pro rata* share of the fees and expenses of JAMS and the arbitrator; provided, however, that all JAMS filing fees, arbitrator's fees, and arbitrator's expenses shall be paid by Mac Tools with respect to any claims alleging an employment-related dispute (i.e., a dispute based upon the alleged existence of an employer-employee relationship between Mac Tools and you), which claims shall be severable from any non-employment-related disputes that may be asserted against Mac Tools. Any arbitrator shall be mutually selected by you and Mac Tools or, if you and Mac Tools cannot agree, by JAMS, in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. Except as provided by the law of California with respect to the claims asserted in arbitration, the arbitrator is not empowered to and shall not award punitive, exemplary, indirect, special, consequential or incidental damages or any other damages in excess of actual direct damages. Unless the parties agree otherwise in writing, the place of arbitration shall be at the JAMS Resolution Center in Los Angeles, California. Jurisdiction and arbitrability disputes, including disputes over the formation, validity, interpretation or scope of this Agreement shall be submitted to and ruled on by the arbitrator. The arbitrator has the authority to determine jurisdiction and arbitrability issues as a preliminary matter. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Courts of the State of California or the United States District Court for the district of California in which franchisee's principal place of business is located will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Agreement. Judgment upon the award rendered by the arbitrator may be entered by any state or federal court in California having jurisdiction thereof. If either party is required to compel arbitration, that party shall be reimbursed for the costs and expenses incurred in connection therewith."

9. Subsection 20.2(f) of the Franchise Agreement is hereby deleted.

10. Subsection 21.2 of the Franchise Agreement is hereby deleted and the following substituted therefor:

> "**21.2 Limitation to Actual Damages.** You and Mac Tools agree that, in the event of a dispute or claim with or against the other, and to the fullest extent permitted by law, each party shall be limited to the recovery of any actual direct damages sustained by it."

11. Subsection 21.3 of the Franchise Agreement is hereby deleted.

[Remainder of page intentionally blank.]

12. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law)

with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

13. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

> **"* * IMPORTANT * *
> DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."**

14. The Franchise Agreement is hereby modified by adding the following language immediately preceding Article 24 of the Franchise Agreement:

"**California Disclosures and Modifications.**

(a) California Corporations Code, Section 31125, requires Mac Tools to give you a disclosure document, approved by the California Department of Financial Protection and Innovation, before a solicitation of a proposed material modification of an existing franchise.

(b) Relative to the provision for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law.

(c) California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If this Agreement contains a provision that is inconsistent with the law, the law will control.

(d) This Agreement requires you to sign a general release of claims upon renewal or transfer of the Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

(e) This Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(f) Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section

20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California."

15. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

16. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____
Franchisee Signature Date"

17. Attachment B of the Franchise Agreement is hereby deleted in its entirety.

18. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO GUARANTY OF INDEBTEDNESS (CALIFORNIA)

This Addendum to Guaranty of Indebtedness (California) (this "Addendum") is entered into by Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Franchisor"), and the undersigned Guarantor, or Guarantors, if more than one (individually and collectively referred to herein as "Guarantor"), for the purpose of modifying and amending the terms of that certain Guaranty of Indebtedness, dated _____, 20___ (the "Effective Date") and executed by Guarantor (the "Guaranty") in connection with that certain Mac Tools Franchise Agreement by and between Franchisor and _____, a(n) _____, effective as of _____, 20___.

RECITALS

1. All capitalized terms herein that are not separately defined herein shall have the meanings ascribed to these terms in the Guaranty.

2. In the event of a conflict between the terms of the Guaranty and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Guaranty are in full force and effect.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained in this Addendum, the Guaranty, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisor and Guarantor intending to be legally bound do hereby agree as follows:

1. Section 13 of the Guaranty is hereby deleted in its entirety and the following substituted therefor:

"13. Each Signer Liable. Each person who signs this Guaranty is bound separately and for the full amount due. Each person is "jointly and severally liable.".

2. Each of the Recitals above is incorporated herein by reference as if fully written herein.

3. This Addendum, together with the Guaranty to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by Franchisor and Guarantor.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Franchisor and Guarantor have signed this Addendum to be effective as of the Effective Date.

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO GUARANTY OF PAYMENT AND PERFORMANCE (CALIFORNIA)

This Addendum to Guaranty of Payment and Performance (California) (this "Addendum") is entered into by Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Franchisor"), and the undersigned Guarantor, or Guarantors, if more than one (individually and collectively referred to herein as "Guarantor"), for the purpose of modifying and amending the terms of that certain Guaranty of Payment and Performance, dated _____, 20___ (the "Effective Date") and executed by Guarantor (the "Guaranty") in connection with that certain Mac Tools Franchise Agreement by and between Franchisor and _____, a(n) _____, effective as of _____, 20___.

RECITALS

1. All capitalized terms herein that are not separately defined herein shall have the meanings ascribed to these terms in the Guaranty.

2. In the event of a conflict between the terms of the Guaranty and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Guaranty are in full force and effect.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained in this Addendum, the Guaranty, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisor and Guarantor intending to be legally bound do hereby agree as follows:

1. Section 11 of the Guaranty is hereby deleted in its entirety and the following substituted therefor:

"**11. Each Signer Liable.** Each person who signs this Guaranty is bound separately for the performance of the Obligations by Franchisee. Each person is "jointly and severally liable.".

2. Each of the Recitals above is incorporated herein by reference as if fully written herein.

3. This Addendum, together with the Guaranty to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by Franchisor and Guarantor.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Franchisor and Guarantor have signed this Addendum to be effective as of the Effective Date.

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

INVESTOR ACKNOWLEDGMENT (CALIFORNIA)

(Spouse, and/or Other Relative, Friend, Business Associate or Third Party)

Name of Franchisee Candidate (please print): _____

Name of spouse, other relative, friend business associate or third party signing this Acknowledgment (please print): _____

By signing below, you, as an individual, agree that one or more of the following statements is true:

- I am participating or have participated in communication(s), discussion(s) and/or meeting(s) with a representative of Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") regarding the possibility that a family member, spouse, friend, or business partner of mine may become a Mac Tools Franchisee.

- A family member, spouse, friend, or business partner of mine may become a Mac Tools Franchisee, and my income and/or assets may be reflected on my family member's, spouse's, friend's, or business partner's application to become a Mac Tools Franchisee and/or application to obtain financing for my family member's, spouse's, friend's, or business partner's Mac Tools franchised business involving the mobile sale of professional automotive tools and similar products.

- I may be asked to, and may decide to, invest money or other resources in my family member's, spouse's, friend's, or business partner's Mac Tools business.

- I may be asked to, and may decide to, sign an individual Guaranty of Indebtedness to Mac Tools of the obligations of my family member's, spouse's, friend's, or business partner's Mac Tools business.

By signing below, you, as an individual, you agree that each of the following is true:

- I have received and reviewed a copy of the Mac Tools Franchise Disclosure Document.

- I understand that the Mac Tools Franchise Agreement signed by the Franchisee and Mac Tools is the controlling document regarding the Mac Tools franchised business and the terms of the business relationship between the Franchisee and Mac Tools.

This Investor Acknowledgement may be electronically signed, and signature(s) transmitted electronically (including as attached PDF files) are acceptable to bind the signatory below.

_____
Investor Signature

_____
Investor Printed Name

_____
Date

GENERAL RELEASE OF ALL CLAIMS (CALIFORNIA)

This General Release of All Claims (California) ("General Release") is made effective this _____ day of _____, 20___. As a requirement of and in consideration for the willingness on the part of Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools"), to _____[renew, terminate, consent to the transfer of] the Franchise Agreement, dated _____, _____ for the operation of a Mac Tools business on a designated route(s) with authorized stops ("Franchise Agreement") as requested by the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally RELEASES and DISCHARGES Mac Tools, any person acting by, through, under or on behalf of Mac Tools, and its past and present shareholders, officers, directors, employees, successors, assigns, agents, parent and affiliates from any and all liabilities, claims, damages, demands, costs, indebtedness, expenses, debts, indemnities, compensation, suits, controversies, covenants, contracts, actions and causes of action of any kind whatsoever, whether developed or undeveloped, known or unknown, fixed or contingent, regarding or arising out of the Franchise Agreement, any prior or existing franchise agreement, or any other agreement or document executed by any of the undersigned and Mac Tools (or any corporate affiliate of Mac Tools), the franchise relationship, or any other prior or existing business relationship between any of the undersigned and Mac Tools (or any corporate affiliate of Mac Tools) which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against Mac Tools (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims under the Sherman and Clayton Acts and the anti-trust laws or regulations of the United States, and claims arising from contract, written or oral communications, alleged misstatements of fact, indebtedness of any kind or nature, and acts of negligence whether active or passive. This General Release shall survive the assignment, expiration or termination of any of the franchise agreements or other agreements entered into by and between Mac Tools (or any corporate affiliate of Mac Tools) and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws. The undersigned acknowledges and agrees that certain of its obligations as provided in Article 10 and Article 11 of the of the Franchise Agreement, in addition to those other obligations of the undersigned which specifically or by their nature survive termination of the Franchise Agreement, shall continue after the transfer, expiration or termination of the Franchise Agreement. This General Release may be electronically signed, and signature(s) transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind the signatories hereto. This General Release does not apply to claims by the undersigned that arise under the California Franchise Investment Law, California Corporations Code 31000, and the rules adopted thereunder.

[Remainder of page intentionally blank. Signature page follows.]

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

FRANCHISEE OWNER / OFFICER:

By: _____

Printed Name: _____

Address: _____
_____

FRANCHISEE OWNER/OFFICER:

By: _____

Printed Name: _____

Address: _____
_____

ADDENDUM TO MAC TOOLS DISCLOSURE DOCUMENT (HAWAII)

1. Special Risk(s) to Consider About *This* Franchise:

The page entitled "Special Risks to Consider About *This* Franchise" of this disclosure document is hereby modified to comply with Hawaii law by adding the following disclosure after the stated "Risk Factors":

> **"THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**
>
> **THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**
>
> **THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE."**

2. Item 2 of the disclosure document is hereby modified by the addition of the following:

> "No person identified in this Item 2 has within 10 years:
>
> (a) been found guilty of a felony or held liable in a civil action by final judgment if the civil action involved a fraud, embezzlement, fraudulent conversion, or misappropriation of property; or
>
> (b) been subject to any currently effective order of the Securities and Exchange Commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment advisor or to any currently effective order of any national securities association or national securities exchanges (as

defined in the Securities and Exchange Act of 1934) suspending or expelling such person from membership of such association or exchange; or

(c) been subject to any currently effective order or ruling of the Federal Trade Commission or to any currently effective order relating to business activity as a result of an action brought by any public agency or department."

3. Item 5 of the disclosure document is hereby modified by adding the following language to the end thereof:

"The proceeds from the initial franchise fee are not segregated but are placed in Stanley Industrial & Automotive, LLC's general fund for general corporate use, including, in part, the provision of the services promised by Mac Tools to each franchise owner under the Franchise Agreement and, in part, to provide Stanley Industrial & Automotive, LLC a profit on its investment in the development of its image, system, and goodwill. The portion of the fees which are attributable to costs of the services provided by Mac Tools vary with each franchise owner. No generalizations concerning the cost of services provided franchise owners is possible, and Mac Tools has not determined the exact cost of providing these services."

4. The disclosure document is hereby modified by the addition of the following:

"Mac Tools has filed franchise registrations in the States of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, South Dakota, Virginia, Washington and Wisconsin. There are no states which have refused, by order or otherwise, to register this franchise, which have revoked or suspended the right to offer this franchise, or in which the filing of this franchise has been withdrawn."

5. The disclosure document is hereby modified by the addition of the following:

"As of the original issuance date of this disclosure document, there is one traditional Mac Tools distributor and four Mac Tools franchisees operating Mac Tools Businesses in Hawaii."

6. Item 11 of the disclosure document is hereby modified by adding the following language to the end thereof:

"Franchise owners are not entitled to any refund of fees paid if the obligations to be performed by Mac Tools prior to the opening of the franchised business are not complete within the prescribed time."

7. Item 17 of the disclosure document is hereby modified by adding the following language to the end thereof:

"These states have statutes which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat.

Section 42-l33e et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [Rev. Stat. Chapter 121 1/2 par 1719-1720], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [stat. Section 80C.l4], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Chapter 37-5B],VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with Mac Tools including the areas of termination and renewal of your franchise."

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

ADDENDUM TO FRANCHISE AGREEMENT (HAWAII)

This Addendum to Franchise Agreement (Hawaii) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools'

distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

7. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

8. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

9. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

10. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

11. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (ILLINOIS)

1. Special Risk(s) to Consider About *This* Franchise:

   The page entitled "Special Risks to Consider About *This* Franchise" of this disclosure document is hereby modified to comply with Section 4 of the Illinois Franchise Disclosure Act, which provides that any provision in a franchise agreement that, other than jurisdiction and venue for arbitration, designates jurisdiction or venue in a forum outside of Illinois is void.

2. Item 17 of the disclosure document is hereby modified by substitution of the following for rows "v." and "w." in the Item 17 chart:

"

Provision	Section in Agreement	Summary
v. Choice of forum	FA Section 20.2; Purchase Agreement Section 14.4	FA and Purchase Agreement - Courts of the State of Illinois or a U.S. District Court in the State of Illinois will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Franchise Agreement. You consent to mediation and arbitration in New York, New York. See State Addenda.
w. Choice of law	FA Section 20.1; Purchase Agreement Section 13.1; Security Agreement Article 5; MBA Section 15; Dynamics Section 9; NDA Paragraph 7	Illinois law applies. See State Addenda.

"

   and by adding the following paragraph to the end thereof:

   "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 20."

3. Illinois law governs the agreements between the parties to this franchise. Pursuant to Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

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

ADDENDUM TO FRANCHISE AGREEMENT (ILLINOIS)

This Addendum to Franchise Agreement (Illinois) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Section 20.1 of the Franchise Agreement is hereby deleted and the following substituted therefor:

> "**20.1 Governing Law.** This Agreement takes effect upon its acceptance and execution by Mac Tools in Ohio and shall be interpreted and construed under the laws of the State of Illinois. Illinois laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Illinois choice of law rules) except: (a) to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to such Sections in which, and to the extent that, this Agreement has specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by any United States District Court in the State of Illinois."

7. Section 20.2(d) of the Franchise Agreement is hereby deleted and the following substituted therefor:

> **20.2(d) Arbitration.** If the matter has not been resolved pursuant to mediation within 60 business days of the initiation of such procedure, or if either party will not participate in a mediation, the controversy shall be settled by arbitration by a sole arbitrator in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. Any arbitrator shall be mutually selected by you and Mac Tools or, if you and Mac Tools cannot agree, by JAMS, The Resolution Experts in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. The arbitrator is not empowered to and shall not, award punitive, exemplary, indirect, special, consequential or incidental damages or any other damages in excess

of actual direct damages or in excess of any limit on direct damages set forth in this Agreement, whichever is lower. Unless the parties agree otherwise in writing, the place of arbitration shall be at the JAMS Resolution Center in New York, New York. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Courts of the State of Illinois or a United States District Court in the State of Illinois will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Agreement. Judgment upon the award rendered by the arbitrator may be entered by any state or federal court in Illinois having jurisdiction thereof. If either party is required to compel arbitration, that party shall be reimbursed for the costs and expenses incurred in connection therewith."

8. A new Section 20.4 is hereby added to the Franchise Agreement as follows:

"**20.4 Illinois Law and Illinois Franchise Disclosure Act.** Illinois law governs the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void."

9. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

10. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

11. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

12. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____
Franchisee Signature Date"

13. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

14. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO PURCHASE AGREEMENT (ILLINOIS)

This Addendum to Purchase Agreement (Illinois) (this "Addendum") is attached to and made a part of the Mac Tools Purchase Agreement (the "Purchase Agreement"), by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___, for the purpose of modifying and amending the terms of the Purchase Agreement. For such purpose, Mac Tools and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

2. In the event of a conflict between the terms of the Purchase Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Purchase Agreement are in full force and effect.

4. The last bullet point in the definitions Section on the first page of the Purchase Agreement is hereby deleted in its entirety and the following substituted therefor:

" • "UCC" or "Uniform Commercial Code" – The Uniform Commercial Code as adopted by, and in effect in, the State of Illinois from time to time."

5. Section 13.1 of the Purchase Agreement is hereby deleted and the following substituted therefor:

"**13.1 Governing Law.** This Agreement takes effect upon its acceptance and execution by us in Ohio and shall be interpreted and construed under the laws of the State of Illinois. Illinois law shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Illinois choice of law rules) except: (a) to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to any such Sections of this Agreement where, and to the extent that, we have specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein, which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by the federal district courts in the State of Illinois."

6. A new Section 13.2 is hereby added to the Purchase Agreement as follows:

"**13.2 Illinois Law and Illinois Franchise Disclosure Act**. Illinois law governs the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void."

7. Section 14.4 of the Purchase Agreement is hereby deleted and the following substituted therefor:

"**14.4 Arbitration.** If the matter has not been resolved pursuant to mediation within 60 business days of the initiation of such procedure, or if either party will not participate in a mediation, the controversy shall be settled by arbitration by a sole arbitrator in accordance with the JAMS Arbitration Rules and Procedures. Any mediator or arbitrator shall be mutually selected by you and us or, if you and we cannot agree, by JAMS in accordance with the JAMS Arbitration Rules and Procedures. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Courts of the State of Illinois or any U.S. District Court located therein will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Agreement. Judgment upon the award rendered by the arbitrator may be entered by any state or federal court in Illinois having jurisdiction thereof. Unless the parties agree otherwise in writing, the place of arbitration shall be in New York, New York. The arbitrator is not empowered to and shall not, award punitive, exemplary, indirect, special, consequential or incidental damages or any other damages in excess of actual direct damages or in excess of any limit on direct damages set forth in this Agreement, whichever is lower. If either party is required to compel arbitration, that party shall be reimbursed for the costs and expenses incurred in connection therewith.

8. This Addendum, together with the Purchase Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to be effective as of the effective date of the Purchase Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO SECURITY AGREEMENT (ILLINOIS)

This Addendum to Security Agreement (Illinois) (this "Addendum") is attached to and made a part of the Mac Tools Security Agreement (the "Security Agreement"), by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___, for the purpose of modifying and amending the terms of the Security Agreement. For such purpose, Mac Tools and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Security Agreement.

2. In the event of a conflict between the terms of the Security Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Security Agreement are in full force and effect.

4. The last bullet point in the definitions Section on the first page of the Security Agreement is hereby deleted in its entirety and the following substituted therefor:

"• "UCC" or "Uniform Commercial Code" – The Uniform Commercial Code as adopted by, and in effect in, the State of Illinois from time to time."

5. Section 4(a) of the Security Agreement is hereby deleted and the following substituted therefor:

"(a) All of the rights and remedies of a secured party under the laws of the State of Illinois. All such rights and remedies shall be cumulative, and non-exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Agreement and any other documents executed in connection herewith."

6. Section 5 of the Security Agreement is hereby deleted and the following substituted therefor:

"**5. Governing Law.** This Agreement takes effect upon its acceptance and execution by us in Ohio and shall be interpreted and construed under the laws of the State of Illinois. Illinois law shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Illinois choice of law rules) except: (a) to the extent governed by the U.S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); and (b) with regard to such Sections of this Agreement where, and to the extent that, we have specifically provided otherwise.

Illinois law governs the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void."

7. Section 10.8 of the Security Agreement is hereby deleted and the following substituted therefor:

"**10.8 Acceptance.** This Agreement has been delivered at and shall be deemed to have been made at Ohio and shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the State of Illinois, without application of its conflicts of laws principles."

8. This Addendum, together with the Security Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to be effective as of the effective date of the Security Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO MOBILE BUSINESS ASSISTANT AGREEMENT (ILLINOIS)

This Addendum to Mobile Business Assistant Agreement (Illinois) (this "Addendum") is attached to and made a part of the Mobile Business Assistant Agreement (the "MBA Agreement"), executed and delivered by _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___, for the purpose of modifying and amending the terms of the MBA Agreement. For such purpose, Franchisee agrees as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the MBA Agreement.

2. In the event of a conflict between the terms of the MBA Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the MBA Agreement are in full force and effect.

4. Section 15 of the MBA Agreement is hereby deleted and the following substituted therefor:

> "15. Governing Law. This Agreement will be governed by and construed in accordance with the local laws of the State of Illinois, without application of its conflicts of laws provisions.
>
> Illinois law governs the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void."

5. This Addendum, together with the MBA Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Franchisee has executed this Addendum to be effective as of the effective date of the MBA Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

ADDENDUM TO SOFTWARE LICENSE AGREEMENT
(FOR MICROSOFT DYNAMICS ONLINE SOFTWARE AND OTHER SOFTWARE (ILLINOIS)

This Addendum to Software License Agreement (for Microsoft Dynamics Online Software and Other Software (Illinois) (this "Addendum") is attached to and made a part of the Mac Tools and Franchisee Software License Agreement (for Microsoft Dynamics Online Software and Other Software (if any)) (the "Software Agreement"), by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___, for the purpose of modifying and amending the terms of the Software Agreement. For such purpose, Franchisee and Mac Tools agrees as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Software Agreement.

2. In the event of a conflict between the terms of the Software Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Software Agreement are in full force and effect.

4. Sub-section 9(e) of the Terms and Conditions of the Software Agreement is hereby deleted and the following substituted therefor:

> "(e) The Agreement shall be governed by the laws of the State of Illinois, without regard to its conflict of laws principles. The dispute resolution provisions and any related venue provisions in Franchisee's Mac Tools Franchise Agreement shall be deemed incorporated herein and apply to the Agreement. Notwithstanding the forgoing, Mac Tools may seek injunctive relief against Franchisee from any judicial or administrative authority, pending the resolution of such dispute; provided, however, Illinois law shall govern the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void."

5. This Addendum, together with the Software Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows]

IN WITNESS WHEREOF, Franchisee has executed this Addendum to be effective as of the effective date of the Software Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO NON-DISCLOSURE, NON-SOLICITATION AND NON-COMPETITION AGREEMENT (OFFICER, DIRECTOR, MEMBER, MANAGER, SHAREHOLDER) (ILLINOIS)

This Addendum to Non-disclosure, Non-solicitation and Non-competition Agreement (Officer, Director, Member, Manager, Shareholder) (Illinois) (this "Addendum") is attached to and made a part of the Non-disclosure, Non-solicitation and Non-competition Agreement (Officer, Director, Member, Partner, Shareholder) (the "Non-disclosure Agreement"), executed and delivered by _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___, for the purpose of modifying and amending the terms of the Non-disclosure Agreement. For such purpose, Franchisee agrees as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Non-disclosure Agreement.

2. In the event of a conflict between the terms of the Non-disclosure Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Non-disclosure Agreement are in full force and effect.

4. Section 7 of the Non-disclosure Agreement is hereby deleted and the following substituted therefor:

> "7. Applicable Law. This Agreement shall be governed by and construed under the internal laws of the State of Illinois, without application of its conflicts of laws principles. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.
>
> Illinois law governs the agreements between the parties to this franchise. Pursuant to section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void."

5. This Addendum, together with the Non-disclosure Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Franchisee, Franchisor and Individual have executed this Addendum to be effective as of the effective date of the Non-disclosure Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

INDIVIDUAL:

_____
(signature)

Printed Name: _____

Date_____

[Franchisor signature page follows.]

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (INDIANA)

1. Special Risk(s) to Consider About This Franchise:

   The page entitled, "Special Risks to Consider About *This* Franchise" of this disclosure document is hereby modified to comply with Indiana law by adding the following disclosure after the stated "Risk Factors":

   "INDIANA LAW IS CONTROLLING FOR INDIANA FRANCHISEES."

2. Item 17 of the disclosure document is hereby modified as follows:

   (a) substitution of the following for items "r", "v." and "w." of the Franchise Agreement (FA) summary in the "Summary" column of the chart therein:

"

Provision	Section In Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	FA Section 11.3	FA - Except for limited circumstances, for one year following termination or expiration of the Franchise Agreement for any reason, you may not, in any manner, within three miles of any Stop on any assigned Route: (i) engage in any business involving the sale of products manufactured or sold by Snap-On Incorporated, Matco Tools Corporation, or The Cornwell Quality Tools Company, Apex Tool Group, or any parent, successor, subsidiary or affiliate of any of them, or (ii) carry on or be engaged in or concerned with any business which consists substantially of the supply of products to users in the automotive after-market, service stations, independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment.
v. Choice of forum	FA Section 20.2	FA - Courts of the State of Indiana or the U.S. District Court having jurisdiction in the State of Indiana will have sole jurisdiction over

		enforcement of arbitration and/or enforcement of the Franchise Agreement. You consent to mediation and arbitration in New York, New York.
w. Choice of law	FA Section 20.1	FA - Indiana law applies.

”

and by adding the following paragraph to the end thereof:

“With respect to items c. and m. of the chart set forth above, you are not required to release any claims against Mac Tools arising under Indiana franchise law.”

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

ADDENDUM TO FRANCHISE AGREEMENT (INDIANA)

This Addendum to Franchise Agreement (Indiana) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Subsections 2.2(d) and 9.2(b)(3) of the Franchise Agreement are hereby modified by adding the following language to the end thereof:

> ", provided, however, that you shall not be required to release any claim against Mac Tools arising under Indiana franchise law."

5. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

6. Franchisor's right to enforce Section 11.3 of the Franchise Agreement shall be subject to Indiana Code Section 23-2-2.7-1(9).

7. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

8. Section 20.1 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

> "**Governing Law.** This Agreement takes effect upon its acceptance and execution by Mac Tools in Ohio and shall be interpreted and construed under the laws of the State of Indiana. Indiana laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Indiana choice of law rules) except: (a) to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to such Sections in which, and to the extent that, this Agreement has specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by the United States District Court having jurisdiction in the State of Indiana."

9. Section 20.2 and Section 3.21 of the Franchise Agreement are hereby modified by adding the following to the end thereof:

"Mac Tools' right to injunctive relief shall be subject to Indiana Code Section 23 2 2.7 1(10). In addition, nothing in this Agreement shall be construed as a waiver by you of any applicable bond requirement with regard to Mac Tools' entitlement to injunctive relief."

10. Subsection 20.2(d) is hereby deleted in its entirety and following substituted therefor:

"**Arbitration.** If the matter has not been resolved pursuant to mediation within 60 business days of the initiation of such procedure, or if either party will not participate in a mediation, the controversy shall be settled by arbitration by a sole arbitrator in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. Any arbitrator shall be mutually selected by you and Mac Tools or, if you and Mac Tools cannot agree, by JAMS, The Resolution Experts in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. The arbitrator is not empowered to and shall not, award punitive, exemplary, indirect, special, consequential or incidental damages or any other damages in excess of actual direct damages or in excess of any limit on direct damages set forth in this Agreement, whichever is lower. Unless the parties agree otherwise in writing, the place of arbitration shall be at the JAMS Resolution Center in New York, New York. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Courts of the State of Indiana or the United States District Court having jurisdiction in the State of Indiana will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Agreement. Judgment upon the award rendered by the arbitrator may be entered by any state or federal court in Indiana having jurisdiction thereof. If either party is required to compel arbitration, that party shall be reimbursed for the costs and expenses incurred in connection therewith."

11. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

12. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

13. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

14. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

> "Potential Customers This Route ____; # of Customers This Page ____
>
> Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.
>
> _____
>
> Franchisee Signature Date"

15. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

16. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO FRANCHISE AGREEMENT (IOWA)

24. Acceptance.

This Agreement will not take effect, and will not be binding on you or Mac Tools, unless and until signed by you and accepted and signed by Mac Tools in Ohio.

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

*** * IMPORTANT * ***

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____
Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

Attachments: Attachment A – Route Assignment
Additional Route Assignment Form
Attachment B – Representations

NOTICE OF CANCELLATION (IOWA)

Copy 1

Mac Tools Franchise Agreement,
signed _____

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Mac Tools Division of Stanley Industrial & Automotive, LLC at the following address:

5195 Blazer Parkway, Dublin, Ohio 43017

Attention: Onboarding Manager, not later than midnight of _____ (Date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

NOTICE OF CANCELLATION (IOWA)

Copy 2

Mac Tools Franchise Agreement,
signed _____

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Mac Tools Division of Stanley Industrial & Automotive, LLC at the following address:

5195 Blazer Parkway, Dublin, Ohio 43017

Attention: Onboarding Manager, not later than midnight of _____ (Date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

24. Acceptance.

This Agreement will not take effect, and will not be binding on you or Mac Tools, unless and until signed by you and accepted and signed by Mac Tools in Ohio. Notwithstanding the provisions of the immediately preceding sentence and Article 4 of this Agreement to the contrary, the grant to you of any rights in and to the Route provided under, without limitation, Section 3.1(a), Article 4 and Attachment A of this Agreement shall take effect on _____.

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

*** * IMPORTANT * ***

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____
Its: _____
Date: _____

Attachments: Attachment A – Route Assignment
Additional Route Assignment Form
Attachment B – Representations

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

NOTICE OF CANCELLATION (IOWA)

Copy 1

Mac Tools Franchise Agreement,
signed _____

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Mac Tools Division of Stanley Industrial & Automotive, LLC at the following address:

5195 Blazer Parkway, Dublin, Ohio 43017

Attention: Onboarding Manager, not later than midnight of _____ (Date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

NOTICE OF CANCELLATION (IOWA)

Copy 2

Mac Tools Franchise Agreement,
signed _____

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Mac Tools Division of Stanley Industrial & Automotive, LLC at the following address:

5195 Blazer Parkway, Dublin, Ohio 43017

Attention: Onboarding Manager, not later than midnight of _____ (Date).

I hereby cancel this transaction.

Buyer's Signature: _____

Date: _____

ADDENDUM TO MAC TOOLS DISCLOSURE DOCUMENT (MARYLAND)

1. Item 17 of the disclosure document is modified by adding the following paragraphs to the end thereof:

> "The termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.
>
> A franchisee may bring a lawsuit in the State of Maryland for claims arising under the State of Maryland's Franchise Registration and Disclosure Law. Any claims arising under the State of Maryland's Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
>
> The general release referenced in item c., regarding renewal, and item m., regarding transfer, in the charts set out above will not apply to any claims under the Maryland Franchise Registration and Disclosure Law.
>
> Under the Franchise Agreement, you must bring any claim against Mac Tools arising out of or relating to the Franchise Agreement, your relationship with Mac Tools or your operation of the Mac Tools Business, within one year from the occurrence of the facts giving rise to the claim or dispute. This provision does not apply to claims arising under Maryland Franchise Registration and Disclosure Law."

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

ADDENDUM TO FRANCHISE AGREEMENT (MARYLAND)

This Addendum to Franchise Agreement (Maryland) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Subsection 2.2(d) ("Renewal") and Subsection 9.2(b)(3) ("Transfer by Franchisee") of the Franchise Agreement are hereby modified by adding the following to the end thereof:

> "The above-referenced general release shall not apply to any claims under the Maryland Franchise Registration and Disclosure Law."

5. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

6. Section 10.1 ("Immediate Termination by Mac Tools") is hereby modified by adding the following to the end thereof:

> "Relative to the provision for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law."

7. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

8. Subsection 20.2(d) ("Arbitration") of the Franchise Agreement is hereby modified by adding the following to the end thereof:

> "Nothing in this Agreement shall limit your rights to have a court of competent jurisdiction in the State of Maryland have jurisdiction over claims brought under Maryland Franchise Registration and Disclosure Law."

9. Subsection 20.2(f) ("Claims Must Be Brought in One Year") of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

> "**(f) Claims Must Be Brought in One Year.** Except with respect to claims arising under Maryland Franchise Registration and Disclosure Law or the enforcement of the parties' rights and remedies under (i) any promissory note executed by you in Mac Tools' favor and/or under any security agreement between the parties, or (ii) any promissory note executed by you in favor

of a third party and/or under any security agreement between you and a third party, as to which the limitation provided by this Section 20.2(f) shall not apply, any and all claims, controversies and other disputes arising out of or relating to this Agreement, the relationship between you and Mac Tools or your operation of the Mac Tools Business, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or dispute, or such claim or dispute shall be barred. Any claims arising under Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise."

10. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"**23. Franchisee Statements**

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

23.3 The representations listed above in this Article 23 are not intended to, nor shall they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

11. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

12. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

13. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

14. Attachment B to the Franchise Agreement is hereby deleted in its entirety and nothing shall be substituted therefor.

15. This Addendum, together with the Franchise Agreement to which it is attached, contains the entire agreement between Franchisee and Franchisor. No amendment may be made nor shall any amendment be valid except in a written agreement signed by both Franchisee and Franchisor.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO FRANCHISE AGREEMENT (MICHIGAN)

This Addendum to Franchise Agreement (Michigan) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

7. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

8. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Represenations" in its entirety.

9. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Asisgment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

10. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

11. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:

_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:

_____
_____

Agreed and accepted this _____ day of _____, 20____, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO MAC TOOLS DISCLOSURE DOCUMENT (MINNESOTA)

1. Item 13 of the disclosure document is hereby modified by adding the following paragraph to the end thereof:

> "With respect to the franchises governed by Minnesota law, Mac Tools will comply with Minnesota Statute 80C.12, subdivision 1(g), which requires that we will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising from any claim, suit or demand regarding the use of the name.".

2. Item 17 of the disclosure document is hereby modified by adding the following paragraphs to the end thereof:

> "With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statute 80C.14, subdivisions 3, 4 and 5, which require, except in certain specific cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.
>
> Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
>
> With respect to the franchisees governed by Minnesota law, we may seek injunctive relief, but may not require you to waive any rights provided under Minn. Rule 2860.4400J. Furthermore, the determination as to whether or not a bond will be required of us in seeking injunctive relief will be left to the determination of the court hearing the petition for relief.
>
> The general release referenced in items c. and m. in the chart set forth above shall not apply to any claims under Minnesota Statutes, Sections 80C.01 to 80C.22.".

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

ADDENDUM TO FRANCHISE AGREEMENT (MINNESOTA)

This Addendum to Franchise Agreement (Minnesota) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Subsection 2.2(d) and Subsection 9.2(b)(3) of the Franchise Agreement are hereby modified by adding the following to the end thereof:

> "The above-referenced general release shall not apply to any claims under Minnesota Statutes, Sections 80C.01 to 80C.22."

5. Section 7.6 of the Franchise Agreement is hereby modified by adding the following to the end thereof:

> "Notwithstanding any other provision of this Agreement to the contrary, Mac Tools will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name."

6. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

7. Article 10 of the Franchise Agreement is hereby modified by adding the following new Section 10.6 to the end thereof:

> "Minnesota law provides franchisees with certain termination and nonrenewal rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of nonrenewal of the Franchise Agreement."

8. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

9. Section 20.2 and Section 3.21 of the Franchise Agreement are hereby modified by adding the following to the end thereof:

"With respect to franchises governed by Minnesota law, Mac Tools may seek injunctive relief, but Mac Tools may not require you to waive any rights provided under Minn. Rule 2860.4400J. Furthermore, the determination as to whether or not a bond will be required of Mac Tools in seeking injunctive relief will be left to the determination of the court hearing the petition for relief."

10. Section 20.1 of the Franchise Agreement is hereby modified by adding the following to the end thereof:

"This Section 20.1 shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes 1992, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota."

11. Section 20.2 and Section 20.3 of the Franchise Agreement are hereby modified by adding the following to the end thereof:

"Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit Mac Tools from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) provided to you can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

12. Franchisor's right to enforce Subsection 20.2(f) of the Franchise Agreement entitled, "Claims Must Be Brought in One Year," shall be subject to Minnesota Statutes, Section 80C.17. Subd. 5.

13. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"**23. Franchisee Statements**

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers

on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

14. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

15. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

16. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

> "Potential Customers This Route ____; # of Customers This Page ____
>
> Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.
>
> _____
> Franchisee Signature Date"

17. Attachment B to the Franchise Agreement is hereby deleted in its entirety and nothing shall be substituted therefor.

18. This Addendum, together with the Franchise Agreement to which it is attached, contains the entire agreement between Franchisee and Franchisor. No amendment may be made nor shall any amendment be valid except in a written agreement signed by both Franchisee and Franchisor.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties to this Addendum have fully executed and delivered this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (NEW YORK)

1. Special Risks to Consider About this Franchise:

The page titled "Special Risks to Consider About *This* Franchise" of this disclosure document is modified to comply with New York law by adding the following disclosures after the stated risk(s):

> "INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT T OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.
>
> REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.
>
> THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THIS 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. Item 3 of the disclosure document is hereby modified by adding the following language to the end thereof:

"Except as previously disclosed in this Item 3, none of us, any predecessor of us, a person identified in Item 2, or an affiliate of us offering franchises under our principal trademark:

> (a) has (i) 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; or (ii) any other action pending against that person, other than routine litigation incidental to our business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Mac Tools franchise system or our business operations.
>
> (b) has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten-year period immediately preceding the application for registration in the State of New York, 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; or

(c) is (i) 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 (ii) 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. Item 4 of the disclosure document is hereby modified by adding the following language to the end thereof:

"Neither Mac Tools, nor any of its predecessors, affiliates, officers or general partners has during the 10-year period immediately before the date of this disclosure document, (i) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (ii) obtained a discharge of its debt under the U.S. Bankruptcy Code; or (iii) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the Mac Tools division of Stanley Industrial & Automotive, LLC held this position in the company or partnership."

4. Item 5 of the disclosure document is hereby modified by adding the following language to the end thereof:

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

5. Section "d", "Termination by franchisee", of the chart in Item 17 of the disclosure document is hereby modified by replacing the Franchise Agreement (FA) summary in the "Summary" column with the following:

"You are permitted to terminate the Franchise Agreement upon any ground permitted by law."

6. Section "j", "Assignment of contract by franchisor", of the chart in Item 17 is hereby modified by adding the following to the end of the Franchise Agreement (FA) summary in the "Summary" column thereof:

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

7. Section "c", "Requirements for franchisee to renew or extend", and Section "m", "Conditions for franchisor approval of transfer", of the chart in Item 17 of the disclosure document is hereby modified by adding the following language to the end of the Franchise Agreement (FA) summary in the "Summary" column thereof:

"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 the General Business Law of the State of New York, Article 33, and the regulations issued thereunder 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."

8. Section "v", "Choice of forum", and Section "w", "Choice of law", of the chart in Item 17 of the disclosure document is hereby modified by adding the following language to the end of the Franchise Agreement (FA) summary of the "Summary" column thereof:

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

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

ADDENDUM TO FRANCHISE AGREEMENT (NEW YORK)

This Addendum to Franchise Agreement (New York) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 2.2(d) and Section 9.2(b)(3) of the Franchise Agreement are hereby modified by adding the following to the end thereof:

> "Provided, however, that all rights arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Sections 687.4 and 687.5, be satisfied."

5. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

6. Section 9.1 of the Franchise Agreement is hereby modified by adding the following after the first sentence of Section 9.1:

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

7. The following is added to the end of the first paragraph of Section 10.3 of the Franchise Agreement:

> "Additionally, you shall be permitted to terminate this Agreement upon any grounds permitted by law."

8. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

9. Section 20.1 of the Franchise Agreement is hereby modified by adding the following to the end thereof:

> "The foregoing choice of law should not be considered as a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33."

10. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

11. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

12. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

13. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

14. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

15. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (NORTH DAKOTA)

1. Item 17 of the disclosure document is hereby modified by substitution of the following for items "v." and "w." of the Franchise Agreement (FA) summary in the "Summary" column of the chart therein:

Provision	Section in Agreement	Summary
v. Choice of forum	FA - Section 20.2	FA - Courts of the State of North Dakota or the U.S. District Court having jurisdiction in the State of North Dakota will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Franchise Agreement. You consent to mediation and arbitration in New York, New York.
w. Choice of law	FA - Section 20.1	FA - North Dakota law applies.

2. Item "q." of the chart in Item 17 of the disclosure document is hereby modified by adding the following to the end of the Franchise Agreement (FA) summary in the "Summary" column for item "q.":

> "The above listed non-competition covenants during the term of the franchise are subject to the provisions of North Dakota Century Code Section 9-08-06."

3. Item "r." of the chart in Item 17 of the disclosure document is hereby modified by adding the following to the end of the Franchise Agreement (FA) summary in the "Summary" column for item "r.":

> "The above listed non-competition covenants after the franchise is terminated or expires are subject to the provisions of North Dakota Century Code Section 9-08-06."

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

ADDENDUM TO FRANCHISE AGREEMENT (NORTH DAKOTA)

This Addendum to Franchise Agreement (North Dakota) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Subsection 2.2(d) of the Franchise Agreement is hereby deleted in its entirety and nothing substituted therefor.

5. Subsection 3.9(b) of the Franchise Agreement is hereby modified by adding the following to the end thereof:

"The duty contained herein is subject to the provisions of North Dakota Century Code Section 9-08-06."

6. The penultimate paragraph of Section 3.21 is hereby modified by adding the following to the end thereof:

", provided Mac Tools is the prevailing party in any such enforcement proceeding or injunction proceeding."

7. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

8. Section 11.3 of the Franchise Agreement is hereby modified by adding the following to the end thereof:

"The covenant contained herein is subject to the provisions of North Dakota Century Code Section 9-08-06."

9. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

10. Section 20.1 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"**Governing Law.** This Agreement takes effect upon its acceptance and execution by Mac Tools in Ohio and shall be interpreted and construed under the laws of the State of North Dakota. North

Dakota laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of North Dakota choice of law rules) except: (a) to the extent governed by the U. S. Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq. (the so-called "Lanham Act"); (b) with regard to such Sections in which, and to the extent that, this Agreement has specifically provided otherwise; and (c) with respect to all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article which shall be governed by the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq., and the federal common law of arbitration as interpreted by the United States District Court having jurisdiction in the State of North Dakota."

11. Subsection 20.2(d) of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"**Arbitration.** If the matter has not been resolved pursuant to mediation within 60 business days of the initiation of such procedure, or if either party will not participate in a mediation, the controversy shall be settled by arbitration by a sole arbitrator in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. Any arbitrator shall be mutually selected by you and Mac Tools or, if you and Mac Tools cannot agree, by JAMS, The Resolution Experts in accordance with the then-effective JAMS Comprehensive Arbitration Rules and Procedures. The arbitrator is not empowered to and shall not, award punitive, exemplary, indirect, special, consequential or incidental damages or any other damages in excess of actual direct damages or in excess of any limit on direct damages set forth in this Agreement, whichever is lower. Unless the parties agree otherwise in writing, the place of arbitration shall be at the JAMS Resolution Center in New York, New York or at such location as determined by Mac Tools, provided however, that the location is not too remote from the site of your Mac Tools Business. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16. Courts of the State of North Dakota or the United States District Court having jurisdiction in the State of North Dakota will have sole jurisdiction over enforcement of arbitration and/or enforcement of the Agreement. Judgment upon the award rendered by the arbitrator may be entered by any state or federal court in North Dakota having jurisdiction thereof. If either party is required to compel arbitration, that party shall be reimbursed for the costs and expenses incurred in connection therewith."

12. Subsection 20.2(f) of the Franchise Agreement is hereby modified by adding the following to the end thereof:

"Notwithstanding the forgoing in this subsection 20.2(f), any and all claims, controversies or other disputes arising out of or relating to this Agreement, the relationship between you and Mac Tools or your operation of the Mac Tools Business, brought by any party hereto against the other, shall be commenced within the applicable time period set forth under North Dakota law."

13. Section 20.3 of the Franchise Agreement is hereby deleted in its entirety and nothing substituted therefor.

14. Section 21.2 and Section 21.3 of the Franchise Agreement are hereby modified by adding the following to the end thereof:

"Notwithstanding anything in this Agreement to the contrary, you are not required to consent to a waiver of your right to recover and collect exemplary or punitive damages."

15. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

23.2 No Waiver or Disclaimer. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee or licensee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state

franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

16. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

17. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

18. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

19. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

20. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (RHODE ISLAND)

1. The chart of Item 17 (Franchise Agreement) of the disclosure document is hereby modified by adding the following to the end of the Franchise Agreement (FA) summary in the "Summary" column for items "v." and "w.":

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

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

ADDENDUM TO FRANCHISE AGREEMENT (RHODE ISLAND)

This Addendum to Franchise Agreement (Rhode Island) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Sections 20.1 and 20.2 of the Franchise Agreement are hereby modified by adding the following to the end of each section thereof:

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

7. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

8. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

9. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

10. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

11. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

12. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (SOUTH DAKOTA)

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

ADDENDUM TO FRANCHISE AGREEMENT (SOUTH DAKOTA)

This Addendum to Franchise Agreement (South Dakota) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

7. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

8. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

9. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

10. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

11. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (VIRGINIA)

1. Special Risks to Consider About *This* Franchise:

   The page entitled, "Special Risks to Consider about *This* Franchise" of this disclosure document is modified by adding the following disclosure after the stated risk(s):

   3. Intangible Assets. Please note that 48% of the Guarantor's assets are intangible. You may want to take this into consideration when making a decision to purchase this franchise opportunity."

2. Item 17 "h." of the chart in Item 17 of this disclosure document is hereby modified to comply with Virginia law by adding the following disclosure at the end of the Franchise Agreement (FA) summary in the "Summary" column to item "h.":

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

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to the franchisee 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 the franchisee under the franchise, that provision may not be enforceable."

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

ADDENDUM TO FRANCHISE AGREEMENT (VIRGINIA)

This Addendum to Franchise Agreement (Virginia) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

7. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

8. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

9. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____
Franchisee Signature Date"

10. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

11. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO DISCLOSURE DOCUMENT (WASHINGTON)

1. Item 17 of the disclosure document is hereby modified by adding the following language to the end thereof:

> "In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
>
> RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
>
> In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
>
> A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
>
> Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
>
> Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
>
> RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington."

2. Item 3 of the Franchise Disclosure Document is amended to include the following at the end of the section entitled, "**Certain Concluded Civil Actions**":

In Re: Franchise No Poaching Provisions, State of Washington, King County Superior Court, No. 19-2-28276-2 SEA, Assurance of Discontinuance, dated October 28, 2019. The Attorney General of the State of Washington commenced an investigation regarding the inclusion in our franchise agreements of certain no-poach provisions that limited a franchisee's ability to solicit or hire persons employed by us or who were a party to a franchise or other agreement with us. We agreed to enter into an Assurance of Discontinuance with the State of Washington, without admission of law, fact, liability, misconduct or wrongdoing, that we would no longer include no-poach provisions in future franchise agreements, we would not enforce the provisions in existing franchise agreements, and we would amend agreements with franchisees located in the State of Washington to remove the no-poach provisions. We further agreed to modify other franchise agreements entered into with franchisees outside of the State of Washington to remove the no-poach provisions during the ordinary course of business as those agreements are renewed or otherwise modified. The Assurance of Discontinuance states that the filing on October 28, 2019 with the State of Washington, King County Superior Court concluded the investigation.

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

ADDENDUM TO FRANCHISE AGREEMENT (WASHINGTON)

This Addendum to Franchise Agreement (Washington) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Article 20 of the Franchise Agreement is hereby modified by adding the following new Section 20.4 to the end thereof:

"**20.4 Washington Disclosures and Modification.**

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

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

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

7. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

8. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

**"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

9. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

10. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

11. Attachment B to the Franchise Agreement is hereby deleted in its entirety and nothing shall be substituted therefor.

12. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties. By signing below, the undersigned does hereby acknowledge receipt of this Addendum.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO NON-DISCLOSURE, CUSTOMER NON-SOLICITATION AND NON-COMPETITION AGREEMENT (EMPLOYEE) (WASHINGTON)

This Addendum to Non-disclosure, Customer Non-solicitation and Non-competition Agreement (Employee) (Washington) (this "Addendum") is attached to and made a part of the Non-disclosure, Customer Non-solicitation and Non-competition Agreement (Employee), by and between _____, ("Employer") and _____ ("Employee"), dated as of _____, 20___ (the "Agreement") for the purpose of modifying and amending the terms of the Agreement. For such purpose, Employer and Employee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Agreement.

2. In the event of a conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Agreement are in full force and effect.

4. Employee acknowledges and agrees that either: (a) the Agreement and this Addendum were provided to Employee no later than the date Employee accepted Employer's offer of Employment; or (b) Employee was provided independent consideration by Employer for Employee's agreement to enter into the Agreement, as modified by this Addendum, after the date Employee accepted Employer's offer of Employment.

5. Employee shall not be required to adjudicate the Agreement, as modified by this Addendum, outside of the State of Washington.

6. Nothing in the Agreement, as modified by this Addendum, shall deprive Employee of any protections or benefits of Revised Code of Washington ("RCW") Chapter 49.62. If any provision of the Agreement, as modified by this Addendum, deprives Employee of such protections or benefits, the provision shall be deemed severed from the Agreement, as modified by this Addendum.

7. Section 7 of the Agreement is hereby deleted in its entirety and replaced with the following:

"Applicable Law. This Agreement shall be governed by and construed under the internal laws of the State of Washington, without application of its conflicts of laws principles. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect."

8. Notwithstanding any provision in the Agreement to the contrary, the terms and provisions of the noncompetition covenants in Section 4(b) of the Agreement shall not be enforceable against Employee if the annualized earnings of Employee from Employer do not meet or exceed the minimum amount of annualized earnings set forth in RCW Section 49.62.020(b). In connection therewith, RCW Section 49.62.020(c) shall apply to Employee if Employee's termination was a result of layoff.

9. If at any time, including after the Effective Date of this Addendum, Employee's annualized earnings from Employer meet or exceed the minimum amount of annualized earnings set forth in RCW Section 49.62.020(b), Employee shall be subject to the noncompetition covenants in Section 4(b) of the Agreement, even if Employee's annualized earnings do not meet or exceed the minimum amount of annualized earnings set forth in RCW Section 49.62.020(b) as of the Effective Date.

10. Notwithstanding Employee's obligations under Section 4(a) of the Agreement, the Agreement, as modified by this Addendum, should not be construed to diminish Employee's right to have

an additional job, supplement his or her income, work as an independent contractor or be self-employed, provided, (a) Employee earns less than the income amount set forth in RCW Section 49.62.070(1), and (b) Employee shall at all times remain obligated to Employer under any existing Washington law, including, including the common law duty of loyalty and laws pertaining to conflicts of interest and any corresponding policies addressing such obligations.

11. This Addendum, together with the Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties. By signing below, the undersigned does hereby acknowledge receipt of this Addendum.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to be effective as of the effective date of the Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

EMPLOYEE:

_____
(signature)

Printed Name: _____

Date_____

ADDENDUM TO GUARANTY OF PAYMENT AND PERFORMANCE (WASHINGTON)

This Addendum to Guaranty of Payment and Performance (Washington) (this "Addendum") is entered into by Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Franchisor"), and the undersigned Guarantor, or Guarantors, if more than one (individually and collectively referred to herein as "Guarantor"), for the purpose of modifying and amending the terms of that certain Guaranty of Payment and Performance, dated _____, 20___ (the "Effective Date") and executed by Guarantor (the "Guaranty") in connection with that certain Mac Tools Franchise Agreement by and between Franchisor and _____, a(n) _____, effective as of _____, 20___.

RECITALS

1. All capitalized terms herein that are not separately defined herein shall have the meanings ascribed to these terms in the Guaranty.

2. In the event of a conflict between the terms of the Guaranty and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Guaranty are in full force and effect.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained in this Addendum, the Guaranty, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisor and Guarantor intending to be legally bound do hereby agree as follows:

1. Section 11 of the Guaranty is hereby deleted in its entirety and the following substituted therefor:

"**11. Each Signer Liable.** Each person who signs this Guaranty is bound separately for the performance of the Obligations by Franchisee. Each person is "jointly and severally liable.".

2. Each of the Recitals above is incorporated herein by reference as if fully written herein.

3. This Addendum, together with the Guaranty to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by Franchisor and Guarantor.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Franchisor and Guarantor have signed this Addendum to be effective as of the Effective Date.

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____
_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

ADDENDUM TO GUARANTY OF INDEBTEDNESS (WASHINGTON)

This Addendum to Guaranty of Indebtedness (Washington) (this "Addendum") is entered into by Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Franchisor"), and the undersigned Guarantor, or Guarantors, if more than one (individually and collectively referred to herein as "Guarantor"), for the purpose of modifying and amending the terms of that certain Guaranty of Indebtedness, dated _____, 20___ (the "Effective Date") and executed by Guarantor (the "Guaranty") in connection with that certain Mac Tools Franchise Agreement by and between Franchisor and _____, a(n) _____, effective as of _____, 20___.

RECITALS

1. All capitalized terms herein that are not separately defined herein shall have the meanings ascribed to these terms in the Guaranty.

2. In the event of a conflict between the terms of the Guaranty and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Guaranty are in full force and effect.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained in this Addendum, the Guaranty, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisor and Guarantor intending to be legally bound do hereby agree as follows:

1. Section 13 of the Guaranty is hereby deleted in its entirety and the following substituted therefor:

"13. Each Signer Liable. Each person who signs this Guaranty is bound separately and for the full amount due. Each person is "jointly and severally liable.".

2. Each of the Recitals above is incorporated herein by reference as if fully written herein.

3. This Addendum, together with the Guaranty to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by Franchisor and Guarantor.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Franchisor and Guarantor have signed this Addendum to be effective as of the Effective Date.

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

_____	_____
Witness Signature	Guarantor Signature
_____	_____
Witness Printed Name	Guarantor Printed Name
Date: _____	Date: _____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

INVESTOR ACKNOWLEDGMENT (WASHINGTON)

(Spouse, and/or Other Relative, Friend, Business Associate or Third Party)

Name of Franchisee Candidate (please print): _____

Name of spouse, other relative, friend business associate or third party signing this Acknowledgment (please print): _____

By signing below, you, as an individual, agree that one or more of the following statements is true:

- I am participating or have participated in communication(s), discussion(s) and/or meeting(s) with a representative of Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools") regarding the possibility that a family member, spouse, friend, or business partner of mine may become a Mac Tools Franchisee.

- A family member, spouse, friend, or business partner of mine may become a Mac Tools Franchisee, and my income and/or assets may be reflected on my family member's, spouse's, friend's, or business partner's application to become a Mac Tools Franchisee and/or application to obtain financing for my family member's, spouse's, friend's, or business partner's Mac Tools franchised business involving the mobile sale of professional automotive tools and similar products.

- I may be asked to, and may decide to, invest money or other resources in my family member's, spouse's, friend's, or business partner's Mac Tools business.

- I may be asked to, and may decide to, sign an individual Guaranty of Indebtedness to Mac Tools of the obligations of my family member's, spouse's, friend's, or business partner's Mac Tools business.

By signing below, you, as an individual, you agree that each of the following is true:

- I have received and reviewed a copy of the Mac Tools Franchise Disclosure Document.

- I understand that the Mac Tools Franchise Agreement signed by the Franchisee and Mac Tools is the controlling document regarding the Mac Tools franchised business and the terms of the business relationship between the Franchisee and Mac Tools.

This Investor Acknowledgement does not waive any liability Mac Tools may have under the Washington Franchise Investment Protection Act, RCW 19.100 et seq. (the "Act"), and the rules adopted under the Act.

This Investor Acknowledgement may be electronically signed, and signature(s) transmitted electronically (including as attached PDF files) are acceptable to bind the signatory below.

_____
Investor Signature

_____
Investor Printed Name

_____
Date

GENERAL RELEASE OF ALL CLAIMS (WASHINGTON)

This General Release of All Claims ("General Release") is made effective this _____ day of _____, 20___. As a requirement of and in consideration for the willingness on the part of Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools"), to _____[renew, terminate, consent to the transfer of] the Franchise Agreement, dated _____, _____ for the operation of a Mac Tools business on a designated route(s) with authorized stops ("Franchise Agreement") as requested by the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally RELEASES and DISCHARGES Mac Tools, any person acting by, through, under or on behalf of Mac Tools, and its past and present shareholders, officers, directors, employees, successors, assigns, agents, parent and affiliates from any and all liabilities, claims, damages, demands, costs, indebtedness, expenses, debts, indemnities, compensation, suits, controversies, covenants, contracts, actions and causes of action of any kind whatsoever, whether developed or undeveloped, known or unknown, fixed or contingent, regarding or arising out of the Franchise Agreement, any prior or existing franchise agreement, or any other agreement or document executed by any of the undersigned and Mac Tools (or any corporate affiliate of Mac Tools), the franchise relationship, or any other prior or existing business relationship between any of the undersigned and Mac Tools (or any corporate affiliate of Mac Tools) which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against Mac Tools (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims under the Sherman and Clayton Acts and the anti-trust laws or regulations of the United States, and claims arising from contract, written or oral communications, alleged misstatements of fact, indebtedness of any kind or nature, and acts of negligence whether active or passive. This General Release shall survive the assignment, expiration or termination of any of the franchise agreements or other agreements entered into by and between Mac Tools (or any corporate affiliate of Mac Tools) and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws. The undersigned acknowledges and agrees that certain of its obligations as provided in Article 10 and Article 11 of the of the Franchise Agreement, in addition to those other obligations of the undersigned which specifically or by their nature survive termination of the Franchise Agreement, shall continue after the transfer, expiration or termination of the Franchise Agreement. This General Release may be electronically signed, and signature(s) transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind the signatories hereto. This General Release does not apply to claims by the undersigned that arise under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[Remainder of page intentionally blank. Signature page follows.]

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:

_____
_____

FRANCHISEE OWNER/OFFICER:

By: _____

Printed Name: _____

_____
Franchisee Owner/Officer Witness Signature

_____
Franchisee Owner/Officer Witness Printed Name

Date: _____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:

_____
_____

FRANCHISEE OWNER/OFFICER:

By: _____

Printed Name: _____

_____
Franchisee Owner/Officer Witness Signature

_____
Franchisee Owner/Officer Witness Printed Name

Date: _____

ADDENDUM TO MAC TOOLS DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

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

ADDENDUM TO FRANCHISE AGREEMENT (WISCONSIN)

This Addendum to Franchise Agreement (Wisconsin) (this "Addendum") is attached to and made a part of the Franchise Agreement, by and between Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Franchisor") and _____, a(n) _____, the principal place of business of which is located at _____ ("Franchisee"), dated as of _____, 20___ (the "Franchise Agreement"), for the purpose of modifying and amending the terms of the Franchise Agreement. For such purpose, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Section 8.1 of the Franchise Agreement is hereby modified by deleting the reference to Attachment B therein.

5. The first four sentences of the first paragraph of Section 19 of the Franchise Agreement are hereby deleted in their entirety.

6. Article 23 of the Franchise Agreement is hereby deleted in its entirety and the following substituted therefor:

"23. Franchisee Statements.

23.1 Agreement. By signing this Agreement, you agree with each of the following statements:

(a) You are signing this Agreement voluntarily, for your own commercial purposes and as your free act and deed.

(b) Your appointment as a Mac Tools franchisee is made by Mac Tools on a non-exclusive basis and that Mac Tools may use other means, including without limitation direct mail and internet sales, to sell the Products, the SBD Products, or any third party products to customers, including Customers on your Route(s).

(c) Mac Tools may periodically modify its product distribution system, including the Manual, as provided in Section 3.20 of this Agreement, and you will be required to make such expenditures as such modifications may require.

(d) Mac Tools may from time to time engage in national, regional or local advertising and/or promotions. Mac Tools may identify suggested retail prices in such materials and may offer direct rebates or other benefits from Mac Tools to customers, including Customers on your Route. You have the sole right to determine the prices at which you sell the Products and the SBD Products.

(e) The Mac Tools business model is based upon your purchase from Mac Tools of the Manufactured Products, the Distributed Products and the SBD Products at Mac Tools' distributor prices and your re-sale of such products to your Customers at marked-up prices determined by you. You are not a person providing labor or services to Mac Tools, and no remuneration is to be paid to you by Mac Tools.

(f) You may sell the Products and the SBD Products only at those Stops and to those Customers identified on the Route(s), as modified from time to time, and you may not sell Products or the SBD Products at locations not listed on the Route(s).

(g) Your appointment as a Mac Tools franchisee is based on Mac Tools' assessment of individual(s) signing this Agreement, even if signing on behalf of a corporation or other legal entity, and Mac Tools' understanding that such individual(s) will be the individual(s) overseeing operation of the Mac Tools Business. Mac Tools will have the right to terminate this Agreement in the event such individual(s) cease to oversee operation of the Mac Tools Business.

(h) You have spoken with each of the individuals, if any, who will be contributing money or other resources to your Mac Tools Business and have shared the franchise disclosure document with each of them.

(i) Mac Tools' franchisees are separate and distinct from Mac Tools and are independently owned and operated and while Mac Tools strongly encourages you to speak with such franchisees in connection with the evaluation of this franchise opportunity, they do not act as Mac Tools' agents or representatives (unless they are "franchise sellers" under applicable law) with respect to any information, opinions or otherwise, which such franchisees may provide to you.

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

7. Article 24 on the Signature Page of the Franchise Agreement and on the Alternative Signature Page to the Franchise Agreement is hereby modified by deleting the following language in its entirety:

"* * IMPORTANT * *

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ AND COMPLIED WITH THE PROVISIONS OF ATTACHMENT B REGARDING ORAL REPRESENTATIONS OR STATEMENTS, IF ANY, BY MAC TOOLS OR BY OTHERS ON MAC TOOLS' BEHALF."

8. The Signature Page to the Franchise Agreement and the Alternative Signature Page to the Franchise Agreement are hereby modified by deleting the reference to "Attachment B – Representations" in its entirety.

9. The acknowledgement and signature line located below (i) the Route Assignment table in Attachment A to the Franchise Agreement, and (ii) the table in the Additional Route Assignment Form are hereby deleted in their entirety and the following substituted therefor:

"Potential Customers This Route ____; # of Customers This Page ____

Mac Tools has provided me the opportunity to preview the list of potential customers for this Route.

_____

Franchisee Signature Date"

10. Attachment B to the Franchise Agreement is hereby deleted in its entirety.

11. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum to be effective as of the effective date of the Franchise Agreement.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT X

WELLS FARGO EQUIPMENT FINANCE, INC. DOCUMENTATION

COMBINATION LOAN AND SECURITY AGREEMENT

PAY PROCEEDS

INSURANCE

CONTINUING GUARANTY

POWER OF ATTORNEY

AUTHORIZATION FOR AUTOMATIC PAYMENT PLAN

Loan and Security Agreement

Wells Fargo Equipment Finance, Inc.
600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Comment: Wells Fargo Bank, N.A. will populate in this header and in the signature box if the customer is located in certain jurisdictions.

Agreement Number XXX-XXXXXXX-XXX dated as of XXXXXXX

Name and Address of Borrower:
SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE CITY, STATE, ZIP

Pursuant to the terms of this Loan and Security Agreement (this "Loan"), we agree to finance your purchase of the following:

All inventory provided by Stanley Industrial & Automotive, LLC through its MAC Tool Division ("Mac Tools"), including without limitation an initial package consisting of seven components of inventory. Each component includes a standard core assortment of products, which includes tool box and hand tools and supplies.

Pursuant to the terms of this Loan and Security Agreement (this "Loan"), we agree to finance your purchase of the following Equipment:

Qty	Make	Model	Year	Equipment Type	Serial/VIN Number

Supplier: As identified in the invoice(s) for the Equipment referenced above.

Equipment Location: SAMPLE EQUIPMENT LOCATION

1. Original Principal Balance: $XX,XXX.XX 2. Term (No. of Months): XX 3. Loan Payment: (Principal and Interest) $XXX.XX (plus applicable taxes) 4. Frequency of Loan Payment: Monthly (in Arrears) 5. Interest Rate: X.XX% per annum	6. Commencement Date: _____ (To be inserted by Lender) 7. Administrative Fee: $XXX.XX (will be billed on your first invoice)

1. CERTAIN DEFINITIONS. "Lender", "we", "us" and "our" mean the party signing below as Lender. "Borrower", "you" and "your" mean the party or parties signing below as Borrower. Each Borrower shall be jointly and severally liable. "Equipment" means the property described above and all attachments, accessories, replacements, replacement parts, substitutions, additions, upgrades, exchanges and repairs and embedded software.
2. COMMENCEMENT. The Term will commence on the date that we fund the Original Principal Balance shown above (the "Commencement Date"). We do not have to fund the Loan unless as of the proposed funding date (a) we receive all documentation that we request, (b) no material adverse change in your business or financial condition occurs, and (c) no default hereunder occurs. Unless indicated otherwise above, your first Loan Payment will be due and payable one month after the Commencement Date and each other Loan Payment will be due and payable on the same day of each succeeding month (or the last day of such month if such day does not exist) (the "Payment Date").
3. RECEIPT OF DOCUMENTS; PAYMENT ADJUSTMENTS. We reserve the right to withdraw the terms of this Loan and issue a modified Loan without notice to you if we are not in receipt of a fully executed Documents within five (5) business days of the date of this Loan. However, in that event, no such modifications will be binding on you unless and until you execute the modified Documents containing all such modifications. Further, the amount of each Loan Payment and the annual interest rate used to compute such payments each as set forth above were calculated based on our cost of funds within two business days of the date of this Loan. Notwithstanding anything in this Loan to the contrary, if the first payment period begins more than fifteen (15) business days after the date of this Loan and our cost of funds has increased subsequent to the date of this Loan, the annual interest rate and the amount of the Loan Payments will be increased to provide the same yield to us as would have been obtained if our cost of funds had not increased. The annual interest rate and the amount of the Loan Payments shall be determined by our taking into account our cost of funds two business days prior to the date that the first payment period begins. You agree that the loan proceeds shall not be disbursed until we have received all documentation and information required by us, which may include, without limitation, a delivery and acceptance certificate, evidence of insurance, invoices, landlord waivers and evidence of no adverse liens or security interests on the Equipment. In such event the parties hereto shall sign an amendment to this Loan reflecting the change in the interest rate and Loan Payments.
4. PAYMENTS. You promise to pay to us at the address or account we designate, in U.S. dollars, the Original Principal Balance, with interest at the Interest Rate, in periodic payments in the amount of the Loan Payments, on each Payment Date whether or not you receive an invoice. Loan Payments have been precomputed based on a 360 day year of twelve 30-day months. The Interest Rate disclosed above has been rounded to two decimal places for ease of reference, but interest on the Original Principal Balance may be calculated at the Interest Rate with more than two decimal places. Your last Loan Payment may be adjusted to fully amortize the Original Principal Balance. Early, additional or partial payments or prepayment will not affect the amount you pay except as provided herein. If the funding amount you request exceeds the Original Principal Balance above due to changes in the Equipment, its cost or our financing of taxes, you authorize us to increase the Original Principal Balance by not more than 15% and adjust your Loan Payment (using the Interest Rate). You waive all rights to direct our application of your payments. We may offset any of your obligations to us from any sums we owe to you. Lender may receive credits, rebates, discounts or other monetary incentives (any, an "incentive") from Mac Tools as an inducement to enter into a Loan. Borrower acknowledges that any such incentive shall be solely for the benefit of Lender and that Borrower has no right or interest in or to any incentive granted to Lender. Borrower acknowledges Mac Tools may receive a commission or other monetary incentive (any, a "commission") from Lender. Borrower further acknowledges that any such commission shall be solely for the benefit of Mac Tools or Lender and that Borrower has no right or interest in or to any such commission.
5. TAXES. You agree to report, pay and indemnify us from all sales, use, rental, property and other taxes, charges and fees relating to the Equipment or this Loan, by any governmental entity or taxing authority.

THIS LOAN INCLUDES THE TERMS ON THE ATTACHED PAGE(S).
THIS LOAN SHALL NOT BE EFFECTIVE UNLESS AND UNTIL EXECUTED BY US.

Lender: WELLS FARGO EQUIPMENT FINANCE, INC.

Signature of authorized signer

Print Name and Title

Borrower: SAMPLE CUSSTTOMER

Signature of authorized signer

Print Name and Title

© 2021 Wells Fargo Bank, N.A. All rights reserved. Wells Fargo Equipment Finance is the trade name for certain equipment leasing and finance businesses of Wells Fargo Bank, N.A. and its subsidiaries.

6. LATE CHARGES; PREPAYMENT. For any payment more than 10 days late, you shall pay a late charge of the greater of 5% of the amount due or $35.00. You have no right to prepay this Loan except by payment of the applicable Prepayment Amount calculated as of the Payment Date following receipt of the Prepayment Amount (the "Effective Prepayment Date"). "Prepayment Amount" means the sum of: (a) all Loan Payments and all other sums due but unpaid under the Loan as of the Effective Prepayment Date, plus (b) the present value of all Loan Payments to become due during the remainder of the Term (discounted at the Interest Rate) (collectively, the "Principal Balance"), plus (c) 3% of the Principal Balance as of the Effective Prepayment Date if such date is during months x - x, 2% during months x-x, 1% during months x-x and 0% thereafter.
7. SECURITY INTEREST; EQUIPMENT. You grant us a security interest in the Equipment and all products and proceeds thereof to secure all obligations you owe us under this Loan and any other equipment lease or equipment loan. In no event shall this Loan be secured by real property. We may file UCC financing statements, amendments and continuations. You shall not permit the Equipment to attach to real property and shall keep it free of all security interests, encumbrances and liens, except those in favor of us and security interests granted to Mac Tools. You will not part with possession or control of or suffer or allow to pass out of its possession or control any Equipment except for Equipment that is inventory sold in the ordinary course of your business. All Equipment shall be located at all times in the continental United States, Alaska or Hawaii and, with our prior written consent, in Puerto Rico, and you will provide Equipment locations to us upon request. You shall: (a) keep the Equipment in your exclusive control and possession (other than inventory sold in the ordinary course of your business); (b) USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES; (c) use the Equipment in conformity with all insurance and manufacturer requirements; (d) at your cost, keep the Equipment repaired and maintained in good working order and as required by any applicable warranty and/or maintenance contract; (e) at your cost, furnish and replace all parts of the Equipment as may become worn out or damaged; (f) allow only qualified personnel to operate the Equipment; (g) maintain complete records of all repairs and maintenance; (h) give us access to inspect the Equipment and its maintenance records; (i) at your cost, mark and identify the Equipment as we request; (j) pay all shipping and delivery charges and other expenses incurred in connection with the Equipment and pay all claims that could become a lien on the Equipment; (k) not lease or sell any Equipment, except for Equipment that is inventory sold in the ordinary course of your business; and (l) not make any alterations, additions or improvements to the Equipment which detract from its value, useful life or function. We may cure any breach by you at your expense which you shall pay to us within 5 days of being notified.
8. INDEMNITY. YOU AGREE TO DEFEND AND INDEMNIFY US AGAINST ALL LOSSES, DAMAGES, CLAIMS, LIABILITIES, OBLIGATIONS, SUITS, INJURIES, COSTS AND ATTORNEYS' FEES, INCURRED, CAUSED OR ASSERTED BY ANY PERSON OR ENTITY, IN ANY MANNER RELATING TO THE LOAN OR THE EQUIPMENT.
9. LOSS OR DAMAGE. You assume all risks of loss, theft, governmental taking, damage to or destruction of the Equipment. If any item of Equipment is damaged and can be repaired, you shall promptly notify us in writing and, at your cost, within 30 days of such damage, repair the affected item. If any item of Equipment is lost, stolen, taken by any governmental authority or damaged beyond repair, you will immediately notify us in writing and, at our option you will at your cost, within 30 days after such event, either: (a) replace the affected item with a comparable item acceptable to us, or (b) for each affected item (calculated on the pro rata cost of the affected item(s) as compared to the total cost of all items of Equipment), pay us the Prepayment Amount for each such item.
10. INSURANCE. You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee; and (b) at our request, provide us evidence of such insurance. The insurance policy must be issued by a carrier acceptable to us, provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and provide deductible amounts and terms acceptable to us.
11. UNCONDITIONAL OBLIGATIONS. YOUR OBLIGATIONS UNDER THIS LOAN ARE ABSOLUTE, UNCONDITIONAL AND NON-CANCELLABLE FOR ANY REASON. YOUR OBLIGATIONS SHALL NOT BE SUBJECT TO SET-OFFS, ABATEMENTS, REDUCTIONS, CLAIMS, COUNTERCLAIMS OR DEFENSES OF ANY KIND.
12. REPRESENTATIONS, WARRANTIES AND COVENANTS. You represent and warrant to us that: (a) this Loan and all related documents (together, the "Documents") constitute valid, legal and binding agreements, enforceable in accordance with their terms; (b) your execution and performance of the Documents will not: (i) violate any judgment, order, law or regulation or any other financing; or (ii) result in any breach of, constitute a default under or result in the creation of any lien or encumbrance upon any Equipment pursuant to any other agreement or instrument; (c) there are no suits or proceedings pending or threatened against or affecting you; (d) your exact legal name is as set forth in the signature block on page 1; (e) you are and will be at all times validly existing and in good standing under the laws of the State of your organization; (f) you are and will remain qualified to do business in each jurisdiction where Equipment is located and where you conduct business; and (g) YOU ARE AND WILL REMAIN IN COMPLIANCE WITH ALL LAWS, RULES, REGULATIONS AND ORDERS APPLICABLE TO YOU AND THE EQUIPMENT, INCLUDING SANCTIONS OR TRADE EMBARGOES, ANTI-CORRUPTION, ANTI-BRIBERY, ANTI-MONEY LAUNDERING AND ANTI-TERRORISM LAWS, AND AT YOUR COST YOU SHALL MAKE ALL MODIFICATIONS AND IMPROVEMENTS TO THE EQUIPMENT REQUIRED BY LAW.
13. DEFAULT. You will be in default hereunder if: (a) you fail to make any payment due hereunder within 10 days of the due date; (b) you or any guarantor of your obligations under any Document ("Guarantor") breach any other obligation under any Document or guaranty and fail to correct such violation within 10 days following notice; (c) you or a Guarantor default under any other agreement now existing or hereafter entered into with us or any of our affiliates; (d) you or a Guarantor becomes insolvent, are dissolved, stop doing business, or a petition is filed by or against you or a Guarantor under any bankruptcy or insolvency law; (e) any representation or warranty or information provided by you or a Guarantor to us is or becomes false or misleading; (f) you, a Guarantor, or a principal owner, member of the governing body, or senior officer of you or a Guarantor is convicted of a felony; (g) any Equipment is illegally used; (h) without our prior written consent, you or a Guarantor or any person or entity that directly or indirectly controls you or a Guarantor (1) experiences a change in control or material change in ownership (in one or multiple transactions), (2) transfers substantially all of your or such Guarantor's assets, (3) merges or consolidates with another entity, or (4) experiences a division or divisive merger; (i) if you are a sole proprietorship or a partnership, you, or any partner die or have a guardian appointed; (j) any individual Guarantor dies or has a guardian appointed or (k) either you or Mac Tools terminates its franchise agreement between you and Mac Tools. Time is of the essence.
14. REMEDIES. If you default, we may do one or more of the following: (a) declare the Prepayment Amount to be immediately due and payable; (b) declare any other agreements between you and us in default; (c) require you to return all of the Equipment at your cost to a place designated by us; (d) with or without legal process, repossess or disable the Equipment and we will not be responsible for any losses related to such action; (e) apply the proceeds as may be acceptable to us; (f) charge you interest on all amounts due to us from the due date until paid, at the rate of 1.5% per month; and (g) charge you for expenses incurred in enforcing our remedies including repossession, repair and collection costs, attorneys' fees and court costs. If we demand that you turn over the Equipment, you will deliver it in the same condition as when you received it (reasonable wear and tear excepted), conforming to then prevailing performance specifications. You shall remove and dispose of all waste material and fluid from the Equipment in accordance with applicable laws. You shall securely remove all data from all disk or hard drives or the like prior to returning the Equipment. The proceeds from our sale shall be applied against the Prepayment Amount, and any surplus shall be delivered to the person or entity lawfully entitled, and you will remain liable for any deficiency. These remedies are cumulative and nonexclusive of any other rights and remedies at law or in equity and may be exercised individually or concurrently. To the extent permitted by applicable law, you waive any rights conferred by statute or otherwise that may limit any of our rights or remedies hereunder. No failure or delay by us to exercise any right nor any course of dealing will operate as a waiver of our rights, and no waiver or consent shall be binding on us unless in writing, signed by us.
15. JURY TRIAL WAIVER; LAW, VENUE. ALL PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LOAN OR EQUIPMENT. ALL DOCUMENTS WILL BE GOVERNED BY THE LAWS OF MINNESOTA, AND ANY LEGAL ACTION OR PROCEEDING MAY BE BROUGHT IN THE FEDERAL OR STATE COURTS IN IOWA. IN NO EVENT SHALL WE BE LIABLE FOR, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR PUNITIVE OR EXEMPLARY DAMAGES, WHICH YOU HEREBY EXPRESSLY WAIVE.
16. MISCELLANEOUS. You may not assign, sell, transfer or encumber any rights or obligations under the Loan or related to the Equipment. We may, without notifying you, sell, assign or encumber any or all of our interest in the Loan and/or Equipment. Our assignee will have all of our rights hereunder, but not our obligations. You agree not to assert against any buyer, assignee or secured party, any claims, offsets or defenses you may have against us. Notices must be in writing and will be deemed given 5 days after mailing first class or sent by recognized overnight courier to the recipient's address set forth above or at such other address as may be last known to the sender. We may receive from and disclose to third parties, including, without limitation any affiliate of ours, and any credit reporting agency, for any purpose, information about your accounts, credit application and credit experience with us and you authorize such third parties to release to us or our affiliates any information related to your accounts, credit experience and

account information. If any amount hereunder is higher than allowed under any applicable legal limit, such amount is hereby reduced to the maximum amount allowed. Amounts we receive in excess of a legal limit will be applied to other amounts due by you, or refunded to you, as we determine. We may accept a photocopy, electronically transmitted, or other reproduction (any a "Counterpart") of any Documents as the binding and effective record of such Documents. Counterparts may be executed manually or by electronic means. No Document requiring our signature is binding on us until we sign it. Counterparts bearing our signature, if executed by us manually, or electronically maintained by us, if executed by us electronically, shall constitute the sole original document and constitute the authoritative record of such Document for establishing its terms and for perfection of a security interest by possession or control. You agree not to raise as a defense to the enforcement of any Document that it was signed and/or transmitted electronically by either party. Your representations, warranties, indemnification obligations, and your obligations to pay or reimburse us for any taxes or any other amounts due by you hereunder shall survive the termination of this Loan. If a court finds any provision of this Loan to be unenforceable, all other terms will remain in effect and enforceable. You authorize us to insert or correct missing or incorrect information on the Loan. YOU ACKNOWLEDGE AND CONFIRM THAT YOU HAVE NOT RECEIVED ANY LEGAL, TAX, FINANCIAL OR ACCOUNTING ADVICE FROM US OR MAC TOOLS. You shall furnish us with current financial statements, any other financial information and/or information regarding your business and its owners and affiliates as we may request. You agree to promptly sign and deliver additional documents, and take additional action as we may request in order to carry out the intent and purpose of this Loan and/or comply with laws or regulations. If we incur out-of-pocket costs in connection with this Loan, you shall at our request pay or reimburse us for such costs. We may charge you a return check or non-sufficient funds charge for any dishonored payment. You will notify us 30 days before any proposed change in your legal name, address, type of legal entity or state of formation. The amounts payable by you hereunder may include a profit to us. THE LOAN INCORPORATES THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, UNLESS MODIFIED IN A WRITING SIGNED BY THE PARTIES.

Pay Proceeds

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

In reference to Contract Number dated as of , Wells Fargo Equipment Finance, Inc. is irrevocably instructed to disburse payment as follows:

Payee	Invoice Number	Amount
TOTAL FINANCED		**$**

Dated: _____

_____
By

_____
Title

Insurance

Wells Fargo Equipment Finance, Inc. | 1540 West Fountainhead Parkway | MAC S3966-100 | Tempe, AZ 85282

★★★VERIFICATION OF INSURANCE COVERAGE MUST BE OBTAINED PRIOR TO FUNDING/CLOSING★★★

Contract Number dated as of

Name and Address of Debtor:

Equipment Description:
Equipment Location:

Please complete, sign and return this form along with your loan documents and also contact your agent to have a certificate of insurance faxed to the attention of _____ or emailed to _____. In accordance with the provisions of your loan, insurance coverage is required as follows:

1. **PROPERTY INSURANCE** is required against the loss, theft of or damage to the equipment.
   - The minimum amount of coverage required is **$**
   - Wells Fargo Equipment Finance, Inc., its successors and assigns ("Secured Party"), must be named as **Loss Payee**.
   - If the loan amount is equal to or greater than one million dollars ($1,000,000.00), the Policy must include a Lender's Loss Payable Endorsement in favor of Wells Fargo Equipment Finance, Inc..
   - The amount of the deductible must be stated on the certificate of insurance.
2. The Property policy (the "Policy"), as to the interest of Secured Party, shall not be invalidated by any act of omission or commission or neglect or misconduct of Debtor at any time, nor by any foreclosure or other proceeding or notice of sale relating to the insured property, nor by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case Debtor shall fail to pay any premium due under the Policy, Secured Party may, at its option, pay such premium.
3. The Policy may be canceled at any time by either Insurer or Debtor according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Secured Party for ten days after written notice to Secured Party of such cancellation and shall then cease.
4. The Underwriter/Carrier of the policy must have an AM Best Rating of B+ or higher, and a Financial Class Size of VI or higher.

DEBTOR TO COMPLETE THE FOLLOWING:

Property Insurance

Insurance Company _____ Policy Number _____

Effective Date _____ Expiration Date _____ Limit $_____

Agency Name _____ Agent Name _____

Agency Address _____

Phone Number _____ Fax Number _____

Deductible _____

By signing below Debtor hereby authorizes its agent to adjust its insurance coverage to comply with the above requirements and to forward a certificate of insurance evidencing such coverage to Secured Party.

Acknowledged and Agreed:

Debtor:

_____
By

_____
Title

Insurance

Wells Fargo Equipment Finance, Inc. | 1540 West Fountainhead Parkway | MAC S3966-100 | Tempe, AZ 85282

★★★VERIFICATION OF INSURANCE COVERAGE MUST BE OBTAINED PRIOR TO FUNDING/CLOSING★★★

Contract Number dated as of

Name and Address of Debtor:

Equipment Description:

Equipment Location:

Please complete, sign and return this form along with your loan documents and also contact your agent to have a certificate of insurance faxed to the attention of _____ or emailed to _____.
In accordance with the provisions of your loan, insurance coverage is required as follows:

1. **PHYSICAL DAMAGE INSURANCE** is required against the loss, theft of or damage to the equipment.
   - The minimum amount of coverage required is **$**
   - Wells Fargo Equipment Finance, Inc., its successors and assigns ("Secured Party"), must be named as **Loss Payee**.
   - The amount of the deductible must be stated on the certificate of insurance.
2. The Physical Damage policy (the "Policy"), as to the interest of Secured Party, shall not be invalidated by any act of omission or commission or neglect or misconduct of Debtor at any time, nor by any foreclosure or other proceeding or notice of sale relating to the insured property, nor by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case Debtor shall fail to pay any premium due under the Policy, Secured Party may, at its option, pay such premium.
3. The Policy may be canceled at any time by either Insurer or Debtor according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Secured Party for ten days after written notice to Secured Party of such cancellation and shall then cease.
4. The Underwriter/Carrier of the policy must have an AM Best Rating of B+ or higher, and a Financial Class Size of VI or higher.

DEBTOR TO COMPLETE THE FOLLOWING:

Physical Damage Insurance

Insurance Company _____ Policy Number _____

Effective Date _____ Expiration Date _____ Limit $_____

Agency Name _____ Agent Name _____

Agency Address _____

Phone Number _____ Fax Number _____

Deductible _____

By signing below Debtor hereby authorizes its agent to adjust its insurance coverage to comply with the above requirements and to forward a certificate of insurance evidencing such coverage to Secured Party.

Acknowledged and Agreed:

Debtor:

_____
By

_____
Title

Continuing Guaranty

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

1. GUARANTY; DEFINITIONS. In consideration of any credit or other financial accommodation now or hereafter extended or made to **,** ("Debtor"), or any of them, by Wells Fargo Equipment Finance, Inc. ("Creditor"), and for other valuable consideration, the undersigned ("Guarantor"), unconditionally guarantees to Creditor the full and prompt payment and performance when due of any and all Indebtedness of the Debtor to Creditor. The term "Indebtedness" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of Debtor, or any of them heretofore, now or hereafter made, incurred or created, whether direct or indirect, voluntary or involuntary and however arising, whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined, including under any loan agreement, note, lease, security agreement, swap, derivative, foreign exchange, hedge, deposit, treasury management or other similar transaction or arrangement, and all modifications, extensions and renewals thereof, and whether Debtor may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter become unenforceable. This Guaranty is a guaranty of payment and not collection.

2. CONTINUING LIABILITY; SUCCESSIVE TRANSACTIONS; REVOCATION; OBLIGATION UNDER OTHER GUARANTIES. This is a continuing guaranty and all rights, powers and remedies hereunder shall apply to all past, present and future Indebtedness of the Debtor to Creditor, including that arising under successive transactions which shall either continue the Indebtedness, increase or decrease it, or from time to time create new Indebtedness after all or any prior Indebtedness has been satisfied, and notwithstanding the death, incapacity, dissolution, liquidation or bankruptcy of the Debtor or Guarantor or any other event or proceeding affecting the Debtor or Guarantor. This Guaranty shall not apply to any new Indebtedness created more than fifteen (15) days after actual receipt by Creditor of written notice of its termination as to such new Indebtedness; provided however, that loans, advances, leases or other financial accommodations made by Creditor to, for or with the Debtor after termination under commitments existing prior to receipt by Creditor of such termination, and extensions, renewals or modifications, of any kind, of Indebtedness incurred by the Debtor or committed by Creditor prior to receipt by Creditor of such termination, shall not be considered new Indebtedness. Any such notice must be sent to Creditor by registered U.S. mail, postage prepaid, addressed to its office at the top of this page, or at such other address as Creditor shall from time to time designate. Termination of this Guaranty by any single Guarantor will not affect the existing and continuing obligations of any other Guarantor hereunder. The obligations of Guarantor hereunder shall be in addition to any obligations of Guarantor under any other guaranties of any liabilities or obligations of the Debtor or any other persons heretofore or hereafter given to Creditor unless said other guaranties are expressly modified or revoked in writing; and this Guaranty shall not, unless expressly herein provided, affect or invalidate any such other guaranties.

3. OBLIGATIONS JOINT AND SEVERAL; SEPARATE ACTIONS; WAIVER OF STATUTE OF LIMITATIONS; REINSTATEMENT OF LIABILITY. The obligations hereunder are joint and several and independent of the obligations of Debtor, and a separate action or actions may be brought and prosecuted against Guarantor whether action is brought against the Debtor or any other person, or whether the Debtor or any other person is joined in any such action or actions. Guarantor acknowledges that this Guaranty is absolute and unconditional, there are no conditions precedent to the effectiveness of this Guaranty, and this Guaranty is in full force and effect and is binding on Guarantor as of the date written below, regardless of whether Creditor obtains collateral or any guaranties from others or takes any other action contemplated by Guarantor. Guarantor waives the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof. The liability of Guarantor hereunder shall be reinstated and revived and the rights of Creditor shall continue if and to the extent for any reason any amount at any time paid on account of any Indebtedness guaranteed hereby is rescinded, avoided or must otherwise be restored by Creditor, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid. The determination as to whether any amount so paid must be rescinded or restored shall be made by Creditor in its sole discretion; provided however, that if Creditor chooses to contest any such matter at the request of Guarantor, Guarantor agrees to indemnify and hold Creditor harmless from and against all costs and expenses, including reasonable attorneys' fees, expended or incurred by Creditor in connection therewith, including without limitation, in any litigation with respect thereto.

4. AUTHORIZATIONS TO CREDITOR. Guarantor authorizes Creditor either before or after revocation hereof, without notice to or demand on Guarantor, and without affecting Guarantor's liability hereunder, from time to time to: (a) alter, compromise, renew, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any portion thereof, including increase or decrease of the rate of interest thereon; (b) exchange, enforce, waive, subordinate or release any security for the payment of this Guaranty or the Indebtedness or any portion thereof; (c) apply such security and direct the order or manner of sale thereof, including without limitation, a non-judicial sale permitted by the terms of the controlling security agreement, mortgage, or deed of trust, as Creditor in its discretion may determine; (d) release or substitute any one or more of the endorsers or any other guarantors of the Indebtedness, or any portion thereof, or any other party thereto; and (e) apply payments received by Creditor from the Debtor to any Indebtedness of the Debtor to Creditor, in such order as Creditor shall determine in its sole

THIS AGREEMENT INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

Dated as of:

Social Security Number: _____

Home Address:

_____

Guarantor:

_____

_____

_____

Phone: _____

discretion, whether or not such Indebtedness is covered by this Guaranty, and Guarantor hereby waives any provision of law regarding application of payments which specifies otherwise. Creditor may without notice assign this Guaranty in whole or in part. Upon Creditor's request, Guarantor agrees to provide to Creditor copies of Guarantor's financial statements.

5. REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Creditor that: (a) this Guaranty is executed at Debtor's request; (b) Guarantor shall not, without Creditor's prior written consent, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or a substantial or material part of Guarantor's assets other than in the ordinary course of Guarantor's business; (c) Creditor has made no representation to Guarantor as to the creditworthiness of the Debtor; (d) if the Guarantor is a partnership, corporation, limited liability company or other legal entity, the execution, delivery and performance of this Guaranty has been duly authorized by all necessary action on the part of the Guarantor and will not violate any provision of the Guarantor's governing documents; and the person signing this Guaranty on behalf of the Guarantor is duly authorized.

6. GUARANTOR'S WAIVERS.

(a) Guarantor waives any right to require Creditor to: (i) make demand upon, assert claims against or proceed against the Debtor or any other person; (ii) marshal assets or proceed against or exhaust any security held from the Debtor or any other person; (iii) give notice of the terms, time and place of any public or private sale or other disposition of personal property security held from the Debtor or any other person; (iv) take any other action or pursue any other remedy in Creditor's power; or (v) make any presentment or demand for performance, or give any notice of extensions, modifications or renewals of Indebtedness, any new transactions between Debtor and Creditor and/or any other Guarantor, presentment, nonperformance, protest, notice of default,, notice of protest or notice of dishonor hereunder or in connection with any obligations or evidences of indebtedness held by Creditor as security for or which constitute in whole or in part the Indebtedness guaranteed hereunder, or in connection with the creation of new or additional Indebtedness.

(b) Guarantor waives any defense to its obligations hereunder based upon or arising by reason of: (i) any disability or other defense of the Debtor or any other person; (ii) the cessation or limitation from any cause whatsoever, other than payment in full, of the Indebtedness of the Debtor or any other person; (iii) any lack of authority of any officer, director, partner, agent or any other person acting or purporting to act on behalf of the Debtor which is a corporation, partnership or other type of entity, or any defect in the formation of any such Debtor; (iv) the application by the Debtor of the proceeds of any Indebtedness for purposes other than the purposes represented by Debtor to, or intended or understood by, Creditor or Guarantor; (v) any act or omission by Creditor which directly or indirectly results in or aids the discharge of the Debtor or any portion of the Indebtedness by operation of law or otherwise, or which in any way impairs or suspends any rights or remedies of Creditor against the Debtor; (vi) any impairment of the value of any interest in any security for the Indebtedness or any portion thereof, including without limitation, the failure to obtain or maintain perfection or recordation of any interest in any such security, the release of any such security without substitution, and/or the failure to preserve the value of, or to comply with applicable law in disposing of, any such security; (vii) or any requirement that Creditor give any notice of acceptance of this Guaranty. Until all Indebtedness shall have been paid in full, Guarantor shall have no right of subrogation, and Guarantor waives any right to enforce any remedy which Creditor now has or may hereafter have against the Debtor or any other person, and waives any benefit of, or any right to participate in, any security now or hereafter held by Creditor. Guarantor further waives all rights and defenses Guarantor may have arising out of (A) any election of remedies by Creditor, even though that election of remedies, such as a non-judicial foreclosure with respect to any security for any portion of the Indebtedness, destroys Guarantor's rights of subrogation or Guarantor's rights to proceed against the Debtor for reimbursement, or (B) any loss of rights Guarantor may suffer by reason of any rights, powers or remedies of the Debtor in connection with any anti-deficiency laws or any other laws limiting, qualifying or discharging Debtor's Indebtedness, whether by operation of law or otherwise, including any rights Guarantor may have to a fair market value hearing to determine the size of a deficiency following any foreclosure sale or other disposition of any real property security for any portion of the Indebtedness.

7. REMEDIES; NO WAIVER. All rights, powers and remedies of Creditor hereunder are cumulative. No delay, failure or discontinuance of Creditor in exercising any right, power or remedy hereunder shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver, permit, consent or approval of any kind by Creditor of any breach of this Guaranty, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing.

8. COSTS, EXPENSES AND ATTORNEYS' FEES. Guarantor shall pay to Creditor immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees, expended or incurred by Creditor in connection with the enforcement of any of Creditor's rights, powers or remedies and/or the collection of any amounts which become due to Creditor under this Guaranty or to enforce or collect any of the Indebtedness, and the prosecution or defense of any action in any way related to this Guaranty.

9. SUCCESSORS; ASSIGNMENT. This Guaranty shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties; provided however, that Guarantor may not assign or transfer any of its interests or rights hereunder without Creditor's prior written consent. Guarantor acknowledges that Creditor has the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, any Indebtedness of Debtor to Creditor and any obligations with respect thereto, including this Guaranty. In connection therewith, Creditor may disclose all documents and information which Creditor now has or hereafter acquires relating to Guarantor and/or this Guaranty, whether furnished by Debtor, Guarantor or otherwise. Guarantor further agrees that Creditor may disclose such documents and information to Debtor.

10. MISCELLANEOUS. This Guaranty may be amended or modified only in writing signed by Creditor and Guarantor. In all cases where there is more than one Debtor named herein, the word "Debtor" shall mean all or any one or more of them as the context requires. If any waiver or other provision of this Guaranty shall be held to be prohibited by or invalid under applicable public policy or law, such waiver or other provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such waiver or other provision or any remaining provisions of this Guaranty. This Guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota, without regard to its conflicts of laws principles. Creditor may in its sole discretion, accept a photocopy, electronically transmitted facsimile or other reproduction of this guaranty (a "Counterpart") as the binding and effective record of this Guaranty whether or not an ink signed copy hereof is also received by creditor from the undersigned, provided, however, that if Creditor accepts a Counterpart as the binding and effective record hereof, the Counterpart acknowledged in writing by Creditor shall constitute the record hereof. The Guarantor agrees that such Counterpart received by

Creditor, shall, when acknowledged in writing by Creditor, constitute an original document for the purposes of establishing the provisions thereof and shall be legally admissible under the best evidence rule and binding on and enforceable against the Guarantor. If Creditor accepts a Counterpart as the binding and effective record hereof only such Counterpart acknowledged in writing by Creditor shall be marked "Original" and a security interest may only be created in the Guaranty that bears Creditor's ink signed acknowledgement and is marked "Original".

11. WAIVER OF JURY TRIAL. THE PARTIES HERETO IRREVOCABLY WAIVE ANY RIGHT THEY MAY HAVE TO A JURY TRIAL WITH RESPECT TO A DISPUTE HEREUNDER.

Power of Attorney

Notarized

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

To: The Department of Motor Vehicles

State of _____

AND TO WHOM IT MAY CONCERN:

I, _____, of ____, the undersigned do hereby duly appoint the following named person and/or Company _____ to act as my attorney in fact to sign all papers and documents that may be necessary in order to secure the registration of, transfer my interest in, apply for an original or duplicate certificate of title for, or record a lien to the following described vehicle(s).

_____

_____

_____

_____

I further agree to guarantee and save the State of _____ and Director of Motor Vehicles from all responsibility which might accrue from the issuance of the registration or transfer of such vehicle.

_____

Debtor

_____

Address

By _____Title _____

SWORN TO AND SUBSCRIBED BEFORE ME THIS _____ DAY _____, _____

_____ _____

Notary Public My Commission Expires

(SEAL)

Authorization for Automatic Payment Plan

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

Here's how it works:

You authorize regularly scheduled payments and all other obligations due and owing to be made from your checking account. Your payments will be made automatically on the contract due date as indicated on your monthly invoice. Proof of payment will appear with your bank statement.

The authority you give to charge your account will be effective for all current and future contracts with Wells Fargo Equipment Finance, Inc. ("Creditor") and will remain in effect until you notify us or your bank **in writing** to terminate the authorization.

Please make your regular payment until your monthly invoice indicates that the Automatic Payment Plan is in effect.

I authorize Creditor and the bank named below to initiate variable entries to my checking account. I understand that Automatic Payments CANNOT be made from a controlled disbursement account or a savings account. This authority will remain in effect until I notify Creditor or the bank in writing to cancel it in such time as to afford the bank a reasonable opportunity to act on it. I can stop payment of any entry by notifying Creditor or my bank three days before my account is charged. I can have the amount of an erroneous charge immediately credited to my account up to 15 days following issuance of my bank statement or 46 days after posting, whichever occurs first.

Company Name

Company Address

Authorized Signature and Title Date

Bank Name City State

Checking Account Number

Bank Routing Number (located between the symbols : : on the bottom of your check)

PLEASE ATTACH A VOIDED CHECK

FOR OFFICE USE ONLY

CCAN Number 10101686 **Payment Due Date(s)** _____

Contract Number:
Comments:

EXHIBIT Y

MAC TOOLS FINANCING DOCUMENTS

LOAN AND SECURITY AGREEMENT

PAYMENT PROCEEDS

PROPERTY INSURANCE AUTHORIZATION

PHYSICAL DAMAGE INSURANCE AUTHORIZATION

GUARANTY

POWER OF ATTORNEY

AUTOMATIC PAYMENTS AUTHORIZATION

EXHIBIT Y

LOAN AND SECURITY AGREEMENT

Name and Address of Lender:	**Name and Address of Borrower:**
Stanley Industrial & Automotive, LLC, **a Delaware limited liability company,** **through its Mac Tools Division** **5195 Blazer Parkway** **Dublin, Ohio 43017**	**Borrower Name** **Borrower Street Address** **Borrower City, State and Zip Code**

Pursuant to the terms of this Loan and Security Agreement (this "**Loan**"), Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division (hereinafter "Mac Tools") agrees to finance your purchase of the following:

All inventory provided by Mac Tools, including without limitation, an initial package consisting of [seven] components of inventory. Each component includes a standard core assortment of products, which may include a tool box, hand tools and supplies.

Pursuant to the terms of this Loan, we agree to finance your purchase of the following equipment, together with the inventory described above, the "Equipment":

Qty	Make	Model	Year	Equipment Type	Serial/VIN Number

Supplier: As identified in the invoice(s) for the Equipment referenced above.

Equipment Location: _____

1. Original Principal Balance: $XX,XXX.XX 2. Term (No. of Months): XX 3. Loan Payment: (Principal and Interest) $XXX.XX (plus applicable taxes) 4. Frequency of Loan Payment: Monthly (in Arrears) 5. Interest Rate: X.XX% per annum	6. Commencement Date: _____ (To be inserted by Lender) 7. Administrative Fee: $XXX.XX (will be billed on your first invoice)

1. **Certain Definitions**. "**Lender**", "**we**", "**us**" and "**our**" mean the party signing below as Lender. "**Borrower**", "**you**" and "**your**" mean the party or parties signing below as Borrower. Each Borrower shall be jointly and severally liable. "**Equipment**" means the property described above, including the inventory described above, and all attachments, accessories, replacements, replacement parts, substitutions, additions, upgrades, exchanges and repairs and embedded software.

2. **Commencement.** The Term will commence on the date that we fund the Original Principal Balance shown above (the "**Commencement Date**"). We do not have to fund the Loan unless as of the proposed funding date (a) we receive all documentation that we request, (b) no material adverse change in your business or financial condition occurs, and (c) no default hereunder occurs. Unless indicated otherwise above, your first Loan Payment will be due and payable one month after the Commencement Date and each other Loan Payment will be due and payable on the same day of each succeeding month (or the last day of such month if such day does not exist) (the "**Payment Date**").

3. **Receipt of Documents; Payment Adjustments**. We reserve the right to withdraw the terms of this Loan and issue a modified Loan without notice to you if we are not in receipt of a fully executed Documents within five (5) business days of the date of this Loan. However, in that event, no such modifications will be binding on you unless and until you execute the modified Documents containing all such modifications. Further, the amount of each Loan Payment and the annual interest rate used to compute such payments each as set forth above were calculated based on our cost of funds within two business days of the date of this Loan. Notwithstanding anything in this Loan to the contrary, if the first payment period begins more than fifteen (15) business days after the date of this Loan and our cost of funds has increased subsequent to the date of this Loan, the annual interest rate and the amount of the Loan Payments will be increased to provide the same yield to us as would have been obtained if our cost of funds had not increased. The annual interest rate and the amount of the Loan Payments shall be determined by our taking into account our cost of funds two business days prior to the date that the first payment period begins. You agree that the loan proceeds shall not be disbursed until we have received all documentation and information required by us, which may include, without limitation, a delivery and acceptance certificate, evidence of insurance, invoices, landlord waivers and evidence of no adverse liens or security interests on the Equipment. In such event the parties hereto shall sign an amendment to this Loan reflecting the change in the interest rate and Loan Payments.

4. **Payments**. You promise to pay to us at the address or account we designate, in U.S. dollars, the Original Principal Balance, with interest at the Interest Rate, in periodic payments in the amount of the Loan Payments, on each Payment Date whether or not you receive an invoice. Loan Payments have been precomputed based on a 360 day year of twelve 30-day months. The Interest Rate disclosed above has been rounded to two decimal places for ease of reference, but interest on the Original Principal Balance may be calculated at the Interest Rate with more than two decimal places. Your last Loan Payment may be adjusted to fully amortize the Original Principal Balance. Early, additional or partial payments or prepayment will not affect the amount you pay except as provided herein. If the funding amount you request exceeds the Original Principal Balance above due to changes in the Equipment, its cost or our financing of taxes, you authorize us to increase the Original Principal Balance by not more than 15% and adjust your Loan Payment (using the Interest Rate). You waive all rights to direct our application of your payments. We may offset any of your obligations to us from any sums we owe to you.

5. **Taxes**. You agree to report, pay and indemnify us from all sales, use, rental, property and other taxes, charges and fees relating to the Equipment or this Loan, by any governmental entity or taxing authority.

6. **Late Charges; Prepayment**. For any payment more than 10 days late, you shall pay a late charge of the greater of 5% of the amount due or $35.00. You have no right to prepay this Loan except by payment of the applicable Prepayment Amount calculated as of the Payment Date following receipt of the Prepayment Amount (the "**Effective Prepayment Date**"). "**Prepayment Amount**" means the sum of: (a) all Loan Payments and all other sums due but unpaid under the Loan as of the Effective Prepayment Date, plus (b) the present value of all Loan Payments to become due during the remainder of the Term (discounted at the Interest Rate) (collectively, the "**Principal Balance**"), plus (c) 3% of the Principal Balance as of the Effective Prepayment Date if such date is during months X - X, 2% during months X-X, 1% during months X-X and 0% thereafter.

7. **Security Interest; Equipment**. You grant us a security interest in the Equipment and all products and proceeds thereof to secure all obligations you owe us under this Loan and any other equipment lease or equipment loan. In no event shall this Loan be secured by real property. We may file UCC financing statements, amendments and continuations. You shall not permit the Equipment to attach to real property and shall keep it free of all security interests, encumbrances and liens, except those in favor of us and security interests granted to Mac Tools. You will not part with possession or control of or suffer or allow to pass out of its possession or control any Equipment except for Equipment that is inventory sold in the

ordinary course of your business. All Equipment shall be located at all times in the continental United States, Alaska or Hawaii and, with our prior written consent, in Puerto Rico, and you will provide Equipment locations to us upon request. You shall: (a) keep the Equipment in your exclusive control and possession (other than inventory sold in the ordinary course of your business); (b) USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES; (c) use the Equipment in conformity with all insurance and manufacturer requirements; (d) at your cost, keep the Equipment repaired and maintained in good working order and as required by any applicable warranty and/or maintenance contract; (e) at your cost, furnish and replace all parts of the Equipment as may become worn out or damaged; (f) allow only qualified personnel to operate the Equipment; (g) maintain complete records of all repairs and maintenance; (h) give us access to inspect the Equipment and its maintenance records; (i) at your cost, mark and identify the Equipment as we request; (j) pay all shipping and delivery charges and other expenses incurred in connection with the Equipment and pay all claims that could become a lien on the Equipment; (k) not lease or sell any Equipment, except for Equipment that is inventory sold in the ordinary course of your business; and (l) not make any alterations, additions or improvements to the Equipment which detract from its value, useful life or function. We may cure any breach by you at your expense which you shall pay to us within 5 days of being notified.

8. **Indemnity**. YOU AGREE TO DEFEND AND INDEMNIFY US AGAINST ALL LOSSES, DAMAGES, CLAIMS, LIABILITIES, OBLIGATIONS, SUITS, INJURIES, COSTS AND ATTORNEYS' FEES, INCURRED, CAUSED OR ASSERTED BY ANY PERSON OR ENTITY, IN ANY MANNER RELATING TO THIS LOAN OR THE EQUIPMENT.

9. **Loss or Damage**. You assume all risks of loss, theft, governmental taking, damage to or destruction of the Equipment. If any item of Equipment is damaged and can be repaired, you shall promptly notify us in writing and, at your cost, within 30 days of such damage, repair the affected item. If any item of Equipment is lost, stolen, taken by any governmental authority or damaged beyond repair, you will immediately notify us in writing and, at our option you will at your cost, within 30 days after such event, either: (a) replace the affected item with a comparable item acceptable to us, or (b) for each affected item (calculated on the pro rata cost of the affected item(s) as compared to the total cost of all items of Equipment), pay us the Prepayment Amount for each such item.

10. **Insurance**. You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee; and (b) at our request, provide us evidence of such insurance. The insurance policy must be issued by a carrier acceptable to us, provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and provide deductible amounts and terms acceptable to us.

11. **Unconditional Obligations**. YOUR OBLIGATIONS UNDER THIS LOAN ARE ABSOLUTE, UNCONDITIONAL AND NON-CANCELLABLE FOR ANY REASON. YOUR OBLIGATIONS SHALL NOT BE SUBJECT TO SET-OFFS, ABATEMENTS, REDUCTIONS, CLAIMS, COUNTERCLAIMS OR DEFENSES OF ANY KIND.

12. **Representations, Warranties and Covenants**. You represent and warrant to us that: (a) this Loan and all related documents (together, the "**Documents**") constitute valid, legal and binding agreements, enforceable in accordance with their terms; (b) your execution and performance of the Documents will not: (i) violate any judgment, order, law or regulation or any other financing; or (ii) result in any breach of, constitute a default under or result in the creation of any lien or encumbrance upon any Equipment pursuant to any other agreement or instrument; (c) there are no suits or proceedings pending or threatened against or affecting you; (d) your exact legal name is as set forth in the signature block below; (e) you are and will be at all times validly existing and in good standing under the laws of the State of your organization; (f) you are and will remain qualified to do business in each jurisdiction where the Equipment

is located and where you conduct business; and (g) YOU ARE AND WILL REMAIN IN COMPLIANCE WITH ALL LAWS, RULES, REGULATIONS AND ORDERS APPLICABLE TO YOU AND THE EQUIPMENT, INCLUDING SANCTIONS OR TRADE EMBARGOES, ANTI-CORRUPTION, ANTI-BRIBERY, ANTI-MONEY LAUNDERING AND ANTI-TERRORISM LAWS, AND AT YOUR COST YOU SHALL MAKE ALL MODIFICATIONS AND IMPROVEMENTS TO THE EQUIPMENT REQUIRED BY LAW.

13. **Default**. You will be in default hereunder if: (a) you fail to make any payment due hereunder within 10 days of the due date; (b) you or any guarantor of your obligations under any Document ("**Guarantor**") breach any other obligation under any Document or guaranty and fail to correct such violation within 10 days following notice; (c) you or a Guarantor default under any other agreement now existing or hereafter entered into with us or any of our affiliates; (d) you or a Guarantor becomes insolvent, are dissolved, stop doing business, or a petition is filed by or against you or a Guarantor under any bankruptcy or insolvency law; (e) any representation or warranty or information provided by you or a Guarantor to us is or becomes false or misleading; (f) you, a Guarantor, or a principal owner, member of the governing body, or senior officer of you or a Guarantor is convicted of a felony; (g) any Equipment is illegally used; (h) without our prior written consent, you or a Guarantor or any person or entity that directly or indirectly controls you or a Guarantor (1) experiences a change in control or material change in ownership (in one or multiple transactions), (2) transfers substantially all of your or such Guarantor's assets, (3) merges or consolidates with another entity, or (4) experiences a division or divisive merger; (i) if you are a sole proprietorship or a partnership, you, or any partner die or have a guardian appointed; (j) any individual Guarantor dies or has a guardian appointed, or (k) either you or we terminate the franchise agreement between you and us. **Time is of the essence.**

14. **Remedies**. If you default, we may do one or more of the following: (a) declare the Prepayment Amount to be immediately due and payable; (b) declare any other agreements between you and us in default; (c) require you to return all of the Equipment at your cost to a place designated by us; (d) with or without legal process, repossess or disable the Equipment and we will not be responsible for any losses related to such action; (e) apply the proceeds as may be acceptable to us; (f) charge you interest on all amounts due to us from the due date until paid, at the rate of 1.5% per month; and (g) charge you for expenses incurred in enforcing our remedies including repossession, repair and collection costs, attorneys' fees and court costs. If we demand that you turn over the Equipment, you will deliver it in the same condition as when you received it (reasonable wear and tear excepted), conforming to then prevailing performance specifications. You shall remove and dispose of all waste material and fluid from the Equipment in accordance with applicable laws. You shall securely remove all data from all disk or hard drives or the like prior to returning the Equipment. The proceeds from our sale shall be applied against the Prepayment Amount, and any surplus shall be delivered to the person or entity lawfully entitled, and you will remain liable for any deficiency. These remedies are cumulative and nonexclusive of any other rights and remedies at law or in equity and may be exercised individually or concurrently. To the extent permitted by applicable law, you waive any rights conferred by statute or otherwise that may limit any of our rights or remedies hereunder. No failure or delay by us to exercise any right nor any course of dealing will operate as a waiver of our rights, and no waiver or consent shall be binding on us unless in writing, signed by us.

15. **Jury Trial Waiver; Law, Venue**. **ALL PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LOAN OR THE EQUIPMENT. ALL DOCUMENTS WILL BE GOVERNED BY THE LAWS OF OHIO, AND ANY LEGAL ACTION OR PROCEEDING MAY BE BROUGHT IN THE FEDERAL OR STATE COURTS IN OHIO. IN NO EVENT SHALL WE BE LIABLE FOR, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR PUNITIVE OR EXEMPLARY DAMAGES, WHICH YOU HEREBY EXPRESSLY WAIVE.**

16. **MISCELLANEOUS**. You may not assign, sell, transfer or encumber any rights or obligations under this Loan or related to the Equipment. We may, without notifying you, sell, assign or encumber any or all of our interest in the Loan and/or Equipment. Our assignee will have all of our rights hereunder, but not our obligations. You agree not to assert against any buyer, assignee or secured party, any claims, offsets or defenses you may have against us. Notices must be in writing and will be deemed given 5 days after mailing first class or sent by recognized overnight courier to the recipient's address set forth above or at such other address as may be last known to the sender. We may receive from and disclose to third parties, including, without limitation any affiliate of ours, and any credit reporting agency, for any purpose, information about your accounts, credit application and credit experience with us and you authorize such third parties to release to us or our affiliates any information related to your accounts, credit experience and account information. If any amount hereunder is higher than allowed under any applicable legal limit, such amount is hereby reduced to the maximum amount allowed. Amounts we receive in excess of a legal limit will be applied to other amounts due by you, or refunded to you, as we determine. We may accept a photocopy, electronically transmitted, or other reproduction (any a "**Counterpart**") of any Documents as the binding and effective record of such Documents. Counterparts may be executed manually or by electronic means. No Document requiring our signature is binding on us until we sign it. Counterparts bearing our signature, if executed by us manually, or electronically maintained by us, if executed by us electronically, shall constitute the sole original document and constitute the authoritative record of such Document for establishing its terms and for perfection of a security interest by possession or control. You agree not to raise as a defense to the enforcement of any Document that it was signed and/or transmitted electronically by either party. Your representations, warranties, indemnification obligations, and your obligations to pay or reimburse us for any taxes or any other amounts due by you hereunder shall survive the termination of this Loan. If a court finds any provision of this Loan to be unenforceable, all other terms will remain in effect and enforceable. You authorize us to insert or correct missing or incorrect information on the Loan. YOU ACKNOWLEDGE AND CONFIRM THAT YOU HAVE NOT RECEIVED ANY LEGAL, TAX, FINANCIAL OR ACCOUNTING ADVICE FROM US. You shall furnish us with current financial statements, any other financial information and/or information regarding your business and its owners and affiliates as we may request. You agree to promptly sign and deliver additional documents, and take additional action as we may request in order to carry out the intent and purpose of this Loan and/or comply with laws or regulations. If we incur out-of-pocket costs in connection with this Loan, you shall at our request pay or reimburse us for such costs. We may charge you a return check or non-sufficient funds charge for any dishonored payment. You will notify us 30 days before any proposed change in your legal name, address, type of legal entity or state of formation. The amounts payable by you hereunder may include a profit to us. Where the context of this Loan requires, words importing the singular number shall include the plural and vice versa. THE LOAN INCORPORATES THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, UNLESS MODIFIED IN A WRITING SIGNED BY THE PARTIES.

THIS LOAN SHALL NOT BE EFFECTIVE UNLESS AND UNTIL EXECUTED BY MAC TOOLS.

[Remainder of page intentionally blank. Signature page follows.]

SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT

BORROWER SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

BORROWER BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

LENDER:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

EXHIBIT Y

PAYMENT PROCEEDS

In reference to Contract Number _____ dated as of _____, Stanley Industrial & Automotive, LLC, through its Mac Tools Division, is irrevocably instructed to disburse payment as follows:

Payee	Invoice Number	Amount

TOTAL FINANCED $ _____

Dated: _____

_____
By

_____
Name

_____
Title

EXHIBIT Y

PROPERTY INSURANCE AUTHORIZATION

*****VERIFICATION OF INSURANCE COVERAGE MUST BE OBTAINED PRIOR TO FUNDING/CLOSING*****

Contract Number ____ dated as of _____

Name and Address of Debtor:

_____

_____

_____

_____

Equipment Description: _____

Equipment Location: _____

Please complete, sign and return this form along with your loan documents and also contact your agent to have a certificate of insurance faxed to the attention of _____ or emailed to _____.

In accordance with the provisions of your loan, insurance coverage is required as follows:

1. **PROPERTY INSURANCE** is required against the loss, theft of or damage to the equipment.

(a) The minimum amount of coverage required is **$** _____;

(b) Stanley Industrial & Automotive, LLC, through its Mac Tools Division, its successors and assigns ("**Secured Party**"), must be named as Loss Payee;

(c) If the loan amount is equal to or greater than one million dollars ($1,000,000.00), the Policy (as defined below) must include a Lender's Loss Payable Endorsement in favor of Stanley Industrial & Automotive, LLC, through its Mac Tools Division; and

(d) The amount of the deductible must be stated on the certificate of insurance.

2. The Property policy (the "**Policy**"), as to the interest of Secured Party, shall not be invalidated by any act of omission or commission or neglect or misconduct of Debtor at any time, nor by any foreclosure or other proceeding or notice of sale relating to the insured property, nor by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case Debtor shall fail to pay any premium due under the Policy, Secured Party may, at its option, pay such premium.

3. The Policy may be canceled at any time by either Insurer or Debtor according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Secured Party for ten days after written notice to Secured Party of such cancellation and shall then cease.

4. The Underwriter/Carrier of the policy must have an AM Best Rating of B+ or higher, and a Financial Class Size of VI or higher.

DEBTOR TO COMPLETE THE FOLLOWING:

Property Insurance

Insurance Company _____ Policy Number _____

Effective Date _____ Expiration Date _____ Limit $_____

Agency Name _____ Agent Name _____

Agency Address _____

Phone Number _____ Fax Number _____

Deductible _____

By signing below Debtor hereby authorizes its agent to adjust its insurance coverage to comply with the above requirements and to forward a certificate of insurance evidencing such coverage to Secured Party.

Acknowledged and Agreed:

Debtor:

_____
By

_____
Name

_____
Title

EXHIBIT Y

PHYSICAL DAMAGE INSURANCE

*****VERIFICATION OF INSURANCE COVERAGE MUST BE OBTAINED PRIOR TO FUNDING/CLOSING*****

Contract Number ____, dated as of _____

Name and Address of Debtor:

_____

_____

_____

_____

Equipment Description: _____

Equipment Location: _____

Please complete, sign and return this form along with your loan documents and also contact your agent to have a certificate of insurance faxed to the attention of _____ or emailed to _____.

In accordance with the provisions of your loan, insurance coverage is required as follows:

1. **PHYSICAL DAMAGE INSURANCE** is required against the loss, theft of or damage to the equipment:

(a) The minimum amount of coverage required is **$** _____;

(b) Stanley Industrial & Automotive, LLC, through its Mac Tools Division, its successors and assigns ("**Secured Party**"), must be named as Loss Payee; and

(c) The amount of the deductible must be stated on the certificate of insurance.

2. The Physical Damage policy (the "**Policy**"), as to the interest of Secured Party, shall not be invalidated by any act of omission or commission or neglect or misconduct of Debtor at any time, nor by any foreclosure or other proceeding or notice of sale relating to the insured property, nor by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case Debtor shall fail to pay any premium due under the Policy, Secured Party may, at its option, pay such premium.

3. The Policy may be canceled at any time by either Insurer or Debtor according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Secured Party for ten days after written notice to Secured Party of such cancellation and shall then cease.

4. The Underwriter/Carrier of the policy must have an AM Best Rating of B+ or higher, and a Financial Class Size of VI or higher.

DEBTOR TO COMPLETE THE FOLLOWING:

Physical Damage Insurance

Insurance Company _____ Policy Number _____

Effective Date _____ Expiration Date _____ Limit $_____

Agency Name _____ Agent Name _____

Agency Address _____

Phone Number _____ Fax Number _____

Deductible _____

By signing below Debtor hereby authorizes its agent to adjust its insurance coverage to comply with the above requirements and to forward a certificate of insurance evidencing such coverage to Secured Party.

Acknowledged and Agreed:

Debtor:

_____
By

_____
Name

_____
Title

EXHIBIT Y

GUARANTY

1. GUARANTY; DEFINITIONS. In consideration of any credit or other financial accommodation now or hereafter extended or made to _____ ("Debtor"), or any of them, by Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Creditor"), and for other valuable consideration, the undersigned _____ ("Guarantor"), unconditionally guarantees to Creditor the full and prompt payment and performance when due of any and all Indebtedness of the Debtor to Creditor. The term "**Indebtedness**" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of Debtor, or any of them heretofore, now or hereafter made, incurred or created, whether direct or indirect, voluntary or involuntary and however arising, whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined, including under any loan agreement, note, lease, security agreement, swap, derivative, foreign exchange, hedge, deposit, treasury management or other similar transaction or arrangement, and all modifications, extensions and renewals thereof, and whether Debtor may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter become unenforceable. This Guaranty is a guaranty of payment and not collection.

2. CONTINUING LIABILITY; SUCCESSIVE TRANSACTIONS; REVOCATION; OBLIGATION UNDER OTHER GUARANTIES. This is a continuing guaranty and all rights, powers and remedies hereunder shall apply to all past, present and future Indebtedness of the Debtor to Creditor, including that arising under successive transactions which shall either continue the Indebtedness, increase or decrease it, or from time to time create new Indebtedness after all or any prior Indebtedness has been satisfied, and notwithstanding the death, incapacity, dissolution, liquidation or bankruptcy of the Debtor or Guarantor or any other event or proceeding affecting the Debtor or Guarantor. This Guaranty shall not apply to any new Indebtedness created more than fifteen (15) days after actual receipt by Creditor of written notice of its termination as to such new Indebtedness; provided however, that loans, advances, leases or other financial accommodations made by Creditor to, for or with the Debtor after termination under commitments existing prior to receipt by Creditor of such termination, and extensions, renewals or modifications, of any kind, of Indebtedness incurred by the Debtor or committed by Creditor prior to receipt by Creditor of such termination, shall not be considered new Indebtedness. Any such notice must be sent to Creditor by registered U.S. mail, postage prepaid, addressed to its office at the top of this page, or at such other address as Creditor shall from time to time designate. Termination of this Guaranty by any single Guarantor will not affect the existing and continuing obligations of any other Guarantor hereunder. The obligations of Guarantor hereunder shall be in addition to any obligations of Guarantor under any other guaranties of any liabilities or obligations of the Debtor or any other persons heretofore or hereafter given to Creditor unless said other guaranties are expressly modified or revoked in writing; and this Guaranty shall not, unless expressly herein provided, affect or invalidate any such other guaranties.

3. OBLIGATIONS JOINT AND SEVERAL; SEPARATE ACTIONS; WAIVER OF STATUTE OF LIMITATIONS; REINSTATEMENT OF LIABILITY. The obligations hereunder are joint and several and independent of the obligations of Debtor, and a separate action or actions may be brought and prosecuted against Guarantor whether action is brought against the Debtor or any other person, or whether the Debtor or any other person is joined in any such action or actions. Guarantor acknowledges that this Guaranty is absolute and unconditional, there are no conditions precedent to the effectiveness of this Guaranty, and this Guaranty is in full force and effect and is binding on Guarantor as of the date written below, regardless of whether Creditor obtains collateral or any guaranties from others or takes any other action contemplated by Guarantor. Guarantor waives the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof. The liability of Guarantor hereunder shall be reinstated and revived and the rights of Creditor shall continue if and to the extent for any reason any amount at any time paid on account of any Indebtedness guaranteed hereby is rescinded, avoided or must

otherwise be restored by Creditor, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid. The determination as to whether any amount so paid must be rescinded or restored shall be made by Creditor in its sole discretion; provided however, that if Creditor chooses to contest any such matter at the request of Guarantor, Guarantor agrees to indemnify and hold Creditor harmless from and against all costs and expenses, including reasonable attorneys' fees, expended or incurred by Creditor in connection therewith, including without limitation, in any litigation with respect thereto.

4. AUTHORIZATIONS TO CREDITOR. Guarantor authorizes Creditor either before or after revocation hereof, without notice to or demand on Guarantor, and without affecting Guarantor's liability hereunder, from time to time to: (a) alter, compromise, renew, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any portion thereof, including increase or decrease of the rate of interest thereon; (b) exchange, enforce, waive, subordinate or release any security for the payment of this Guaranty or the Indebtedness or any portion thereof; (c) apply such security and direct the order or manner of sale thereof, including without limitation, a non-judicial sale permitted by the terms of the controlling security agreement, mortgage, or deed of trust, as Creditor in its discretion may determine; (d) release or substitute any one or more of the endorsers or any other guarantors of the Indebtedness, or any portion thereof, or any other party thereto; and (e) apply payments received by Creditor from the Debtor to any Indebtedness of the Debtor to Creditor, in such order as Creditor shall determine in its sole discretion, whether or not such Indebtedness is covered by this Guaranty, and Guarantor hereby waives any provision of law regarding application of payments which specifies otherwise. Creditor may without notice assign this Guaranty in whole or in part. Upon Creditor's request, Guarantor agrees to provide to Creditor copies of Guarantor's financial statements.

5. REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Creditor that: (a) this Guaranty is executed at Debtor's request; (b) Guarantor shall not, without Creditor's prior written consent, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or a substantial or material part of Guarantor's assets other than in the ordinary course of Guarantor's business; (c) Creditor has made no representation to Guarantor as to the creditworthiness of the Debtor; (d) if the Guarantor is a partnership, corporation, limited liability company or other legal entity, the execution, delivery and performance of this Guaranty has been duly authorized by all necessary action on the part of the Guarantor and will not violate any provision of the Guarantor's governing documents; and the person signing this Guaranty on behalf of the Guarantor is duly authorized.

6. GUARANTOR'S WAIVERS.

(a) Guarantor waives any right to require Creditor to: (i) make demand upon, assert claims against or proceed against the Debtor or any other person; (ii) marshal assets or proceed against or exhaust any security held from the Debtor or any other person; (iii) give notice of the terms, time and place of any public or private sale or other disposition of personal property security held from the Debtor or any other person; (iv) take any other action or pursue any other remedy in Creditor's power; or (v) make any presentment or demand for performance, or give any notice of extensions, modifications or renewals of Indebtedness, any new transactions between Debtor and Creditor and/or any other Guarantor, presentment, nonperformance, protest, notice of default,, notice of protest or notice of dishonor hereunder or in connection with any obligations or evidences of indebtedness held by Creditor as security for or which constitute in whole or in part the Indebtedness guaranteed hereunder, or in connection with the creation of new or additional Indebtedness.

(b) Guarantor waives any defense to its obligations hereunder based upon or arising by reason of: (i) any disability or other defense of the Debtor or any other person; (ii) the cessation or limitation from any cause whatsoever, other than payment in full, of the Indebtedness of the Debtor or any other person; (iii) any lack of authority of any officer, director, partner, agent or any other person acting or purporting to act on behalf of the Debtor which is a corporation, partnership or other type of entity, or any defect in the formation of any such Debtor; (iv) the application by the Debtor of the proceeds of any Indebtedness for purposes other than the purposes represented by Debtor to, or intended or understood by, Creditor or Guarantor; (v) any act or omission by Creditor which directly or indirectly results in or aids the discharge of the Debtor or any portion of the Indebtedness by operation of law or otherwise, or which in any way impairs or suspends any rights or remedies of Creditor against the Debtor; (vi) any impairment of the value of any interest in any security for the Indebtedness or any portion thereof, including without limitation, the failure to obtain or maintain perfection or recordation of any interest in any such security, the release of any such security without substitution, and/or the failure to preserve the value of, or to comply with applicable law in disposing of, any such security; (vii) or any requirement that Creditor give any notice of acceptance of this Guaranty. Until all Indebtedness shall have been paid in full, Guarantor shall have no right of subrogation, and Guarantor waives any right to enforce any remedy which Creditor now has or may hereafter have against the Debtor or any other person, and waives any benefit of, or any right to participate in, any security now or hereafter held by Creditor. Guarantor further waives all rights and defenses Guarantor may have arising out of (A) any election of remedies by Creditor, even though that election of remedies, such as a non-judicial foreclosure with respect to any security for any portion of the Indebtedness, destroys Guarantor's rights of subrogation or Guarantor's rights to proceed against the Debtor for reimbursement, or (B) any loss of rights Guarantor may suffer by reason of any rights, powers or remedies of the Debtor in connection with any anti-deficiency laws or any other laws limiting, qualifying or discharging Debtor's Indebtedness, whether by operation of law or otherwise, including any rights Guarantor may have to a fair market value hearing to determine the size of a deficiency following any foreclosure sale or other disposition of any real property security for any portion of the Indebtedness.

7. **REMEDIES; NO WAIVER**. All rights, powers and remedies of Creditor hereunder are cumulative. No delay, failure or discontinuance of Creditor in exercising any right, power or remedy hereunder shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver, permit, consent or approval of any kind by Creditor of any breach of this Guaranty, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing.

8. **COSTS, EXPENSES AND ATTORNEYS' FEES**. Guarantor shall pay to Creditor immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees, expended or incurred by Creditor in connection with the enforcement of any of Creditor's rights, powers or remedies and/or the collection of any amounts which become due to Creditor under this Guaranty or to enforce or collect any of the Indebtedness, and the prosecution or defense of any action in any way related to this Guaranty.

9. **SUCCESSORS; ASSIGNMENT**. This Guaranty shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties; provided however, that Guarantor may not assign or transfer any of its interests or rights hereunder without Creditor's prior written consent. Guarantor acknowledges that Creditor has the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, any Indebtedness of Debtor to Creditor and

any obligations with respect thereto, including this Guaranty. In connection therewith, Creditor may disclose all documents and information which Creditor now has or hereafter acquires relating to Guarantor and/or this Guaranty, whether furnished by Debtor, Guarantor or otherwise. Guarantor further agrees that Creditor may disclose such documents and information to Debtor.

10. **MISCELLANEOUS**. This Guaranty may be amended or modified only in writing signed by Creditor and Guarantor. In all cases where there is more than one Debtor named herein, the word "**Debtor**" shall mean all or any one or more of them as the context requires. If any waiver or other provision of this Guaranty shall be held to be prohibited by or invalid under applicable public policy or law, such waiver or other provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such waiver or other provision or any remaining provisions of this Guaranty. This Guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota, without regard to its conflicts of laws principles. Creditor may in its sole discretion, accept a photocopy, electronically transmitted facsimile or other reproduction of this guaranty (a "**Counterpart**") as the binding and effective record of this Guaranty whether or not an ink signed copy hereof is also received by creditor from the undersigned, provided, however, that if Creditor accepts a Counterpart as the binding and effective record hereof, the Counterpart acknowledged in writing by Creditor shall constitute the record hereof. The Guarantor agrees that such Counterpart received by Creditor, shall, when acknowledged in writing by Creditor, constitute an original document for the purposes of establishing the provisions thereof and shall be legally admissible under the best evidence rule and binding on and enforceable against the Guarantor. If Creditor accepts a Counterpart as the binding and effective record hereof only such Counterpart acknowledged in writing by Creditor shall be marked "Original" and a security interest may only be created in the Guaranty that bears Creditor's ink signed acknowledgement and is marked "Original".

11. **WAIVER OF JURY TRIAL**. THE PARTIES HERETO IRREVOCABLY WAIVE ANY RIGHT THEY MAY HAVE TO A JURY TRIAL WITH RESPECT TO A DISPUTE HEREUNDER.

Dated as of: _____

_____
Social Security Number

_____
Guarantor Signature

_____
Street Address

_____
Guarantor Printed Name

_____
City, State and Zip Code

_____
Witness Signature

_____
Phone Number

_____
Witness Printed Name

EXHIBIT Y

POWER OF ATTORNEY

To: The Department of Motor Vehicles

State of _____

AND TO WHOM IT MAY CONCERN:

I, _____, of _____, the undersigned do hereby duly appoint the following named person and/or Company to act as my attorney in fact to sign all papers and documents that may be necessary in order to secure the registration of, transfer my interest in, apply for an original or duplicate certificate of title for, or record a lien to the following described vehicle(s).

_____

_____

_____

_____

I further agree to guarantee and save the State of _____ and its Director of Motor Vehicles from all responsibility which might accrue from the issuance of the registration or transfer of such vehicle.

_____
Debtor

_____
Address

By _____ Title _____

SWORN TO AND SUBSCRIBED BEFORE ME THIS _____ DAY _____, _____.

_____
Notary Public

(Notarial Seal)

Printed Name: _____

Title: _____

My Commission Expires: _____

EXHIBIT Y

AUTHORIZATION FOR AUTOMATIC PAYMENTS

You authorize regularly scheduled payments and all other obligations due and owing to be made from your checking account. Your payments will be made automatically on the contract due date as indicated on your monthly invoice. Proof of payment will appear with your bank statement.

The authority you give to charge your account will be effective for all current and future contracts with Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Creditor") and will remain in effect until you notify us or your bank in writing to terminate the authorization.

Please make your regular payment until your monthly invoice indicates that the Automatic Payment Plan is in effect.

I authorize Creditor and the bank named below to initiate variable entries to my checking account. I understand that Automatic Payments CANNOT be made from a controlled disbursement account or a savings account. This authority will remain in effect until I notify Creditor or the bank in writing to cancel it in such time as to afford the bank a reasonable opportunity to act on it. I can stop payment of any entry by notifying Creditor or my bank three days before my account is charged. I can have the amount of an erroneous charge immediately credited to my account up to 15 days following issuance of my bank statement or 46 days after posting, whichever occurs first.

_____

Company Name

_____

Company Address

_____

Authorized Signature and Title Date

_____

Bank Name City State

_____

Checking Account Number

_____

Bank Routing Number (located between the symbols : : on the bottom of your check)

PLEASE ATTACH A VOIDED CHECK

FOR OFFICE USE ONLY

CCAN Number _____ **Payment Due Date(s) _____**

Contract Number:
Comments:

EXHIBIT Z

NON-DISCLOSURE, CUSTOMER NON-SOLICITATION AND NON-COMPETITION AGREEMENTS

EMPLOYEE

OFFICER, DIRECTOR, MEMBER, MANAGER, SHAREHOLDER

EXHIBIT Z

NON-DISCLOSURE, CUSTOMER NON-SOLICITATION AND NON-COMPETITION AGREEMENT (EMPLOYEE)

This Non-disclosure, Customer Non-solicitation and Non-competition Agreement (Employee) (this "Agreement") is made and entered into this _____ day of _____, 20___, by and between _____, a(n) _____ (Indicate: state and type of business entity) with its principal place of business located at _____ (hereinafter, "Franchisee"), and _____, a resident of the State of _____, having an address of _____ (hereinafter, "Employee").

Background

A. Franchisee and Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division (hereinafter "Mac Tools"), have entered into, or intend to enter into, that certain Mac Tools Franchise Agreement dated on or about _____, which is incorporated herein by reference, and which may be amended, restated and/or renewed from time to time (collectively, the "Franchise Agreement").

B. Mac Tools has developed a business plan and method of business operation in connection with the operation of the Mac Tools business commenced by Franchisee pursuant to the Franchise Agreement by utilizing certain standards, specifications, methods, procedures, techniques and management systems, identification schemes and proprietary marks and information (the "Mac Tools System"), which will be used by Franchisee to operate its Mac Tools business.

C. Employee, in the course of the performance of his or her responsibilities to Franchisee, will be provided certain confidential and/or proprietary information of Mac Tools relating to the Mac Tools business commenced by Franchisee pursuant to the Franchise Agreement, including but not limited to, information relating to the Mac Tools System.

D. Employee may be provided certain confidential and/or proprietary information relating to the Mac Tools System, or may be exposed to certain confidential and/or proprietary information relating to the Mac Tools System while Employee is attending or participating in certain meetings, events, conferences, training sessions or seminars arranged, or provided, by Mac Tools.

E. Employee and Franchisee acknowledge the need for confidentiality of the confidential and proprietary information and the Mac Tools System and agree that full compliance with the terms of this Agreement is necessary to protect such confidentiality.

F. Employee and Franchisee also acknowledge the need for Employee to agree not to use information regarding Franchisee's customers for the benefit of any party other than Franchisee, for Employee, during the term of Employee's employment with Franchisee and for twelve months after he or she leaves employment with Franchisee, not to engage in business in competition either with Franchisee or Mac Tools.

Agreement

Now therefore, in consideration of Employee's actual or anticipated employment by Franchisee, this Agreement being a condition thereof and ancillary thereto and not purporting to set out the terms of such employment, it is agreed:

1. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Franchise Agreement.

2. Confidential and/or Proprietary Information. Employee shall not (a) during the time period of Employee's anticipated employment with Franchisee, or (b) during the term of Employee's employment with Franchisee or thereafter, (i) use, except in Employee's service to Franchisee in connection with the Mac Tools business licensed under the Franchise Agreement; or (ii) communicate, divulge, disclose or use for the benefit of any other person, persons, partnership, association, corporation or other entity any Confidential Information (as defined below), knowledge, or know-how concerning the Mac Tools System or the methods of operation of Franchisee's Mac Tools business which may be communicated to Employee, or of which Employee may be apprised, by virtue of Employee's employment in Franchisee's business operations or by virtue of Employee's attendance at or participation in any meeting(s), event(s), conference(s), training session(s) or seminar(s) arranged, or provided, by Mac Tools.

"Confidential Information" means:

(a) all financial, technical, operational, management and other information which Mac Tools designates as confidential when it is disclosed to Franchisee in connection with the Franchise Agreement or in connection with the Mac Tools System;

(b) all information provided to Employee or Franchisee by Mac Tools and/or its subsidiaries or affiliates, if any, which relates to the Mac Tools System, the Products or the SBD Products, including but not limited to:

(i) manuals, bulletins, policies, or procedures Mac Tools may publish from time to time;

(ii) future or proposed products;

(iii) training regarding the Mac Tools System;

(iv) cost information;

(v) software; and

(vi) plans and information relating to the marketing and sale of the Products and/or the SBD Products, except for any such plans and information which Mac Tools designates may be provided by Franchisee to a third party;

(c) documents, know-how, knowledge, and processes regarding the Mac Tools System;

(d) Mac Tools Field Operations Manual;

(e) Mac Tools' trade secrets;

(f) Franchisee's business records and any electronic records which Mac Tools has provided to Franchisee; and

(g) all information which is known by Employee and/or Franchisee, or should have been known by Employee and/or Franchisee, to be confidential to Mac Tools from the nature of the information or the circumstances of its disclosure.

Notwithstanding anything contained herein, Confidential Information shall not include any information:

(a) which, at the date of disclosure to Employee, is in the public domain or which, after such disclosure, comes within the public domain through no fault of Employee;

(b) which was known to Employee prior to such disclosure;

(c) the disclosure of which is required by law or by any competent regulatory authority; or

(d) which at any time comes independently and lawfully into Employee's possession from any third party with the right to disclose such information.

3. Employee Work Product and Use of Works. Employee hereby grants to Mac Tools a nonexclusive royalty-free license to use in its Mac Tools businesses and to sublicense the right to use in its franchisees' Mac Tools businesses any and all inventions, enhancements, processes, methods, designs and other creations (hereinafter, "Developments") that, during the term of this Agreement, Employee may develop, invent, discover, conceive or originate, alone or in conjunction with any other person, which Developments relate in any way to Employee's involvement in the operation of Franchisee's Mac Tools business.

Employee consents to and authorizes the copyright, reproduction, use, re-use, distribution, publication, re-publication, transmittal and public or private display and performance, in whole or in part (each a "Use"), of any (a) pictures, photographs and proofs and negatives thereof, and (b) video or audio recordings, and audio-visual works, in any medium, containing Employee's name, image, likeness, persona and/or voice (collectively, the "Works"), without restriction as to changes, by Mac Tools for the Permitted Uses (defined below).

Mac Tools may, in its sole discretion, use any or all of the Works for any purpose including, without limitation: (a) print media; (b) radio; (c) television; (d) point of sale/point of purchase products and media; (e) outdoor and indoor advertising media; (f) promotional and marketing media; (g) public relations uses; (h) Internet uses; (i) editorial content contained within direct marketing materials; (j) mobile marketing media for distribution via mobile phones or other mobile data devices; and (k) any charitable or training uses whatsoever (collectively, the "Permitted Uses").

Employee assigns all rights in and to the Works, which hereinafter belong to Mac Tools in perpetuity and are fully and freely assignable by Mac Tools. Mac Tools has the unrestricted right, now and in the future, to use the Works, in whole or in part, without limitation as to attribution, edits, alterations, distortions or composites, for the Permitted Uses. Employee waives any right to inspect or approve any such Works.

Employee releases and discharges, Franchisee, Mac Tools, and their directors, officers, employees, agents and affiliates, or any other person or entity acting on its behalf, from all legal actions, causes of action and claims regarding (a) the Works; (b) the Use of the Works; (c) the Permitted Uses of the Works; and (d) invasion of privacy, violation of right of publicity, defamation, personal injury, property damage, and/or loss of services. Employee has no right, title or interest in any Works, subsidiary work, or derivative work. Employee has no right to terminate the rights granted to Mac Tools in this Section 3.

4. Customer Non-solicitation; Covenant Not to Compete.

(a) Customer Non-Solicitation: Employee acknowledges that Mac Tools has a proprietary interest in the goodwill established by Employee's contacts with Franchisee's customers and accounts. Therefore, Employee specifically agrees that, during the period of his or her relationship with Franchisee and for a period of twelve (12) months following the termination of such relationship with Franchisee for any reason, Employee shall not directly or indirectly, on behalf of himself or herself or any competing organization, as to competing products or services, solicit any of Franchisee's customers for whom Employee performed services while an employee of Franchisee or which Employee solicited on behalf of Franchisee.

(b) Covenant Not to Compete. For a period of twelve (12) months following the effective date of the termination or expiration of this Agreement for any reason, the undersigned individual shall not, directly or indirectly, either as a principal, agent, employee, officer or director of any corporation or as a member or manager of any limited liability company or as a partner or sole proprietor, or in any other manner, at any location or locations within three (3) miles of any Stop on any Route assigned to Franchisee under the Franchise Agreement, (i) engage in any business involving the sale of products manufactured and/or sold by Snap-on Incorporated, Matco Tools Corporation, or Cornwell Quality Tools Company, or Apex Tool Group, or any parent company, successor, subsidiary or corporate affiliate of any of them, or (ii) carry on or be engaged in or concerned with or interested in, financially or otherwise, or advise in the establishment or operation of, any business which consists substantially of the supply of products to users in the automotive after-market, service stations, independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment; provided, however, that this provision shall not apply to Employee's operation of a Mac Tools business (provided Employee and Mac Tools enter into a Mac Tools Franchise Agreement for the operation of a Mac Tools business), or to Employee's ownership of less than three percent (3%) of the outstanding stock of any publicly held corporation.

(c) Employee acknowledges and agrees that the covenants in this Section 4 are fair and reasonable. If the scope of any limitations or restrictions imposed by the covenants in this Section 4 are deemed by a court or arbitrator to be too broad to permit enforcement of such limitations or restrictions as written, then such limitations or restrictions shall be enforced to the maximum extent permitted by applicable law, and Employee and Mac Tools hereby consent and agree that such scope may be modified by the court or arbitrator accordingly in any proceeding brought to enforce such limitations or restrictions.

5. Remedies for Breach of Agreement. Employee understands and agrees that the damages which Franchisee or Mac Tools may suffer from Employee's violation of any of Employee's obligations pursuant to this Agreement would be difficult or impossible to measure. In the event of the breach or threatened breach of this Agreement by Employee, each of Franchisee and Mac Tools shall be entitled to injunctions, both preliminary and final, enjoining and restraining such breach or threatened breach and to recover for the benefit of Mac Tools, by means of an accounting, any profits Employee may obtain in

violation of this Agreement. Such remedies shall be in addition to all of the remedies available at law or in equity. Each of Franchisee and Mac Tools shall also be entitled to recover its attorneys' fees and expenses in any successful action to enforce this Agreement.

6. Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

7. Applicable Law. This Agreement shall be governed by and construed under the internal laws of the State of Ohio, without application of its conflicts of laws principles. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

8. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and no modifications or revisions hereof shall have any force and effect, unless the same are in writing and executed by the parties hereto.

9. Notices. Any notices required or permitted to be given under this Agreement shall be in writing, and sent by certified mail to the last known residential address in the case of Employee, or to its principal office in the case of Franchisee or Mac Tools.

10. Construction of Agreement. The parties hereby confirm and agree that this Agreement is the result of negotiation and compromise, and that in interpreting this Agreement neither party shall be considered to be the drafter hereof, and that the language should not be strictly construed against either party, but rather this Agreement shall be interpreted consistent with the ordinary and reasonable meaning of the words used herein.

11. **Third Party Beneficiary. Franchisee and Employee agree that Mac Tools has a substantial economic interest in this Agreement and that this Agreement is intended to benefit Mac Tools as a third party beneficiary.**

12. Right To Enforce. Upon legal action taken by Franchisee against Employee relating to violations or anticipated violations of this Agreement, Mac Tools may, but shall not be obligated to, cooperate with Franchisee in the prosecution of Franchisee's claim or, at Mac Tools' election, assume the prosecution of the claim entirely. If Mac Tools determines, in its sole discretion, that Franchisee is not enforcing this Agreement, Mac Tools may require Franchisee to take prompt action against Employee or may, in its own name, enforce, by injunction or other remedy, the terms of this Agreement against Employee.

13. Electronic Signature. This Agreement may be electronically signed, and signatures transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind Employee and Franchisee.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

EMPLOYEE:

_____,
Individually

Name Printed: _____

Date: _____

EXHIBIT Z

NON-DISCLOSURE, CUSTOMER NON-SOLICITATION AND NON-COMPETITION AGREEMENT (OFFICER, DIRECTOR, MEMBER, MANAGER, SHAREHOLDER)

This Non-disclosure, Customer Non-solicitation and Non-competition Agreement (Officer, Director, Member, Manager, Shareholder) (this "Agreement") is made and entered into this _____ day of _____, 20___, by and among Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division, (hereinafter "Mac Tools"), with a principal place of business located at 5195 Blazer Parkway, Dublin, Ohio 43017, and _____ (hereinafter, "Individual"), a(n) _____ (Indicate: officer, director, member, manager, shareholder) of _____, a(n) _____ (Indicate: state and type of business entity) with its principal place of business located at _____ (hereinafter, "Franchisee").

Background

A) Franchisee and Mac Tools have entered into, or intend to enter into, that certain Mac Tools Franchise Agreement dated on or about _____, together with any subsequent amendments, modifications or restatements and any renewal Mac Tools Franchise Agreement and any addendum thereto (the "Franchise Agreement"). The Franchise Agreement is incorporated herein by reference.

B) Mac Tools has developed a business plan and method of business operation in connection with the operation of the Mac Tools business commenced by Franchisee pursuant to the Franchise Agreement by utilizing certain standards, specifications, methods, procedures, techniques and management systems, identification schemes and proprietary marks and information (the "Mac Tools System"), which will be used by Franchisee to operate its Mac Tools business.

C) Individual, in the course of the performance of his or her responsibilities to Franchisee, or as a result of his or her business or official relationship with or for Franchisee, will be provided certain confidential and/or proprietary information of Mac Tools relating to the Mac Tools business commenced by Franchisee pursuant to the Franchise Agreement, including but not limited to, information relating to the Mac Tools System.

D) Individual may be provided certain confidential and/or proprietary information relating to the Mac Tools System, or may be exposed to certain confidential and/or proprietary information relating to the Mac Tools System while Individual is attending or participating in certain meetings, events, conferences, training sessions or seminars arranged, or provided, by Mac Tools.

E) Individual and Franchisee acknowledge the need for confidentiality of the confidential and proprietary information and the Mac Tools System and agree that full compliance with the terms of this Agreement is necessary to protect such confidentiality.

F) Certain Sections of the Franchise Agreement provide that the officers, directors, members, managers, partners, and shareholders of Franchisee, or holders of any other ownership interest in Franchisee, shall be required to sign a non-disclosure, customer non-solicitation and non-competition agreement with Mac Tools in a form satisfactory to or provided by Mac Tools.

G) Individual will receive benefits by virtue of the grant of the franchise by Mac Tools to Franchisee.

H) Individual and Franchisee also acknowledge the need for Individual to agree (i) not to use information regarding Franchisee's customers for the benefit of any party other than Franchisee, (ii) except for certain exceptions, to sell only products manufactured or distributed by Mac Tools, and (iii) for Individual, during the term of Individual's employment or relationship with Franchisee and for twelve months after he or she leaves employment with Franchisee or Individual's relationship with Franchisee terminates, not to engage in business in competition either with Franchisee or Mac Tools.

Agreement

Now therefore, in consideration of the covenants contained herein, it is agreed:

1. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Franchise Agreement.

2. Confidential and/or Proprietary Information. Individual shall not during the term of this Agreement (which term shall be identical to the term of Individual's employment with and/or relationship with Franchisee) or thereafter, (i) use, except in Individual's service to Franchisee in connection with the Mac Tools business licensed under the Franchise Agreement; or (ii) communicate, divulge, disclose or use for the benefit of any other person, persons, partnership, association, corporation or other entity any Confidential Information (as defined below), knowledge, or know-how concerning the Mac Tools System or the methods of operation of Franchisee's Mac Tools business which may be communicated to Individual, or of which Individual may be apprised, by virtue of Individual's position in Franchisee's business operations or by virtue of Individual's attendance at or participation in any meeting(s), event(s), conference(s), training session(s) or seminar(s) arranged, or provided, by Mac Tools.

"Confidential Information" means:

(a) all financial, technical, operational, management and other information which Mac Tools designates as confidential when it is disclosed to Franchisee in connection with the Franchise Agreement or in connection with the Mac Tools System;

(b) all information provided to Individual or Franchisee by Mac Tools and/or its subsidiaries or affiliates, if any, which relates to the Mac Tools System, the Products or the SBD Products, including but not limited to:

(i) manuals, bulletins, policies, or procedures Mac Tools may publish from time to time;

(ii) future or proposed products;

(iii) training regarding the Mac Tools System;

(iv) cost information;

(v) software; and

(vi) plans and information relating to the marketing and sale of the Products and/or the SBD Products, except for any such plans and information which Mac Tools designates may be provided by Franchisee to a third party;

(c) documents, know-how, knowledge, and processes regarding the Mac Tools System;

(d) Mac Tools Field Operations Manual;

(e) Mac Tools' trade secrets;

(f) Franchisee's business records and any electronic records which Mac Tools has provided to Franchisee; and

(g) all information which is known by Individual and/or Franchisee, or should have been known by Individual and/or Franchisee, to be confidential to Mac Tools from the nature of the information or the circumstances of its disclosure.

Notwithstanding anything contained herein, Confidential Information shall not include any information:

(a) which, at the date of disclosure to Individual, is in the public domain or which, after such disclosure, comes within the public domain through no fault of Individual;

(b) which was known to Individual prior to such disclosure;

(c) the disclosure of which is required by law or by any competent regulatory authority; or

(d) which at any time comes independently and lawfully into Individual's possession from any third party with the right to disclose such information.

3. Individual Work Product and Use of Works. Individual hereby grants to Mac Tools a nonexclusive royalty-free license to use in its Mac Tools businesses and to sublicense the right to use in its franchisees' Mac Tools businesses any and all inventions, enhancements, processes, methods, designs and other creations (hereinafter, "Developments") that, during the term of this Agreement, Individual may develop, invent, discover, conceive or originate, alone or in conjunction with any other person, which Developments relate in any way to Individual's involvement in the operation of Franchisee's Mac Tools business.

Individual consents to and authorizes the copyright, reproduction, use, re-use, distribution, publication, re-publication, transmittal and public or private display and performance, in whole or in part (each a "Use"), of any (a) pictures, photographs and proofs and negatives thereof, and (b) video or audio recordings, and audio-visual works, in any medium, containing Individual's name, image, likeness, persona and/or voice (collectively, the "Works"), without restriction as to changes, by Mac Tools for the Permitted Uses (defined below).

Mac Tools may, in its sole discretion, use any or all of the Works for any purpose including, without limitation: (a) print media; (b) radio; (c) television; (d) point of sale/point of purchase products and media; (e) outdoor and indoor advertising media; (f) promotional and marketing media; (g) public relations uses; (h) Internet uses; (i) editorial content contained within direct marketing materials; (j) mobile marketing media for distribution via mobile phones or other mobile data devices; and (k) any charitable or training uses whatsoever (collectively, the "Permitted Uses").

Individual assigns all rights in and to the Works, which hereinafter belong to Mac Tools in perpetuity and are fully and freely assignable by Mac Tools. Mac Tools has the unrestricted right, now and in the future, to use the Works, in whole or in part, without limitation as to attribution, edits, alterations, distortions or composites, for the Permitted Uses. Individual waives any right to inspect or approve any such Works.

Individual releases and discharges, Mac Tools, and its directors, officers, employees, agents and affiliates, or any other person or entity acting on its behalf, from all legal actions, causes of action and claims regarding (a) the Works; (b) the Use of the Works; (c) the Permitted Uses of the Works; and (d) invasion of privacy, violation of right of publicity, defamation, personal injury, property damage, and/or loss of services. Individual has no right, title or interest in any Works, subsidiary work, or derivative work. Individual has no right to terminate the rights granted to Mac Tools in this Section 3.

4. Customer Non-solicitation; Covenant Not to Compete. Individual acknowledges that Mac Tools has a proprietary interest in the goodwill established by Individual's contacts with Franchisee's customers and accounts. Therefore, Individual specifically agrees that, during the period of his or her relationship with Franchisee and for a period of twelve (12) months following the termination of such relationship with Franchisee for any reason, Individual shall not directly or indirectly, on behalf of himself or herself or any competing organization, as to competing products or services, solicit any of Franchisee's customers for whom Individual performed services while an officer, director, member, manager, partner or shareholder of Franchisee or which Individual solicited on behalf of Franchisee.

Individual agrees that during the period of his or her relationship with Franchisee, Individual shall not individually or in conjunction with any person, firm, partnership, corporation, limited liability company or other third party as principal, agent, shareholder, director, officer, member, manager, employee, consultant or guarantor or in any other manner whatsoever, directly or indirectly carry on or be engaged in or concerned with or interested in, financially or otherwise, or advise in the establishment or operation of, any business which consists substantially of the supply of products to users in the automotive after-market, service stations, independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment; provided, however, that this provision shall not apply to Individual's operation of a Mac Tools Business (provided Individual and Mac Tools enter into a Mac Tools Franchise Agreement for the operation of a Mac Tools business), or to Individual's ownership of less than three percent (3%) of the outstanding stock of any publicly held corporation.

Individual agrees that during the period of his or her relationship with Franchisee, Individual may only sell (a) products manufactured by Mac Tools, (b) products distributed by Mac Tools, (c) other products and merchandise to ensure Customer satisfaction if Franchisee is unable to timely obtain such other products and/or merchandise from Mac Tools, and (d) items that are traded-in by a Franchisee's Customers. All products manufactured or distributed by Mac Tools that Franchisee and Individual sell must have been purchased by Franchisee from Mac Tools unless such restrictions are invalid under the laws of the state(s) in which Franchisee conducts the Franchisee's Mac Tools Business. Individual will not compete with Mac Tools, or with any of its other franchisees or distributors or its employee distributors, directly or indirectly, whether individually or as an officer, director, shareholder, member, manager, employee, agent, or affiliate of any competitor of Mac Tools or otherwise, without Mac Tools' prior written consent.

For a period of twelve (12) months following the effective date of the termination or expiration of this Agreement for any reason, the undersigned individual shall not, directly or indirectly, either as a principal, agent, employee, officer or director of any corporation or as a member or manager of any limited liability company or as a partner or sole proprietor, or in any other manner, at any location or locations within three (3) miles of any Stop on any Route assigned to Franchisee under the Franchise Agreement, (i) engage in any business involving the sale of products manufactured and/or sold by Snap-on Incorporated, Matco Tools Corporation, or Cornwell Quality Tools Company, or Apex Tool Group, or any parent company, successor, subsidiary or corporate affiliate of any of them, or (ii) carry on or be engaged in or concerned with or interested in, financially or otherwise, or advise in the establishment or operation of, any business which consists substantially of the supply of products to users in the

automotive after-market, service stations, independent garages, car and truck dealerships and to non-automotive accounts such as cycle shops, lawn mower shops, marinas, machine shops, factories, airports, farm implement dealers or repairers, commercial agricultural use and other commercial users of tools and shop equipment; provided, however, that this provision shall not apply to Individual's operation of a Mac Tools business (provided Individual and Mac Tools enter into a Mac Tools Franchise Agreement for the operation of a Mac Tools business), or to Individual's ownership of less than three percent (3%) of the outstanding stock of any publicly held corporation. Individual acknowledges and agrees that the covenants in this Section 4 are fair and reasonable. If the scope of any limitations or restrictions imposed by the covenants in this Section 4 are deemed by a court or arbitrator to be too broad to permit enforcement of such limitations or restrictions as written, then such limitations or restrictions shall be enforced to the maximum extent permitted by applicable law, and Individual and Mac Tools hereby consent and agree that such scope may be modified by the court or arbitrator accordingly in any proceeding brought to enforce such limitations or restrictions.

5. Remedies for Breach of Agreement. Individual understands and agrees that the damages which Franchisee or Mac Tools may suffer from Individual's violation of any of Individual's obligations pursuant to this Agreement would be difficult or impossible to measure. In the event of the breach or threatened breach of this Agreement by Individual, each of Franchisee and Mac Tools shall be entitled to injunctions, both preliminary and final, enjoining and restraining such breach or threatened breach and to recover for the benefit of Mac Tools, by means of an accounting, any profits Individual may obtain in violation of this Agreement. Such remedies shall be in addition to all of the remedies available at law or in equity. Each of Franchisee and Mac Tools shall also be entitled to recover its attorneys' fees and expenses in any successful action to enforce this Agreement.

6. Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

7. Applicable Law. This Agreement shall be governed by and construed under the internal laws of the State of Ohio, without application of its conflicts of laws principles. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

8. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and no modifications or revisions hereof shall have any force and effect, unless the same are in writing and executed by the parties hereto.

9. Notices. Any notices required or permitted to be given under this Agreement shall be in writing, and sent by certified mail to the last known residential address in the case of Individual, or to its principal office in the case of Franchisee or Mac Tools.

10. Construction of Agreement. The parties hereby confirm and agree that this Agreement is the result of negotiation and compromise, and that in interpreting this Agreement neither party shall be considered to be the drafter hereof, and that the language should not be strictly construed against either party, but rather this Agreement shall be interpreted consistent with the ordinary and reasonable meaning of the words used herein.

11. Right to Enforce. Upon legal action taken by Franchisee against Individual relating to violations or anticipated violations of this Agreement, Mac Tools may, but shall not be obligated to, cooperate with Franchisee in the prosecution of Franchisee's claim or, at Mac Tools' election, assume the prosecution of the claim entirely. If Mac Tools determines, in its sole discretion, that Franchisee is not enforcing this Agreement, Mac Tools may require Franchisee to take prompt action against Individual or

may, in its own name, enforce, by injunction or other remedy, the terms of this Agreement against Individual.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

Agreed and accepted this _____ day of _____, 20__, in Dublin, Ohio.

FRANCHISOR:

Stanley Industrial & Automotive, LLC,
a Delaware limited liability company,
through its Mac Tools Division

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisor Address:
5195 Blazer Parkway
Dublin, Ohio 43017

INDIVIDUAL:

_____, Individually

_____
(Please Print Name)

Date: _____

EXHIBIT AA

GENERAL RELEASE OF ALL CLAIMS

This General Release of All Claims ("General Release") is made effective this _____ day of _____, 20___. As a requirement of and in consideration for the willingness on the part of Stanley Industrial & Automotive, LLC through its Mac Tools Division ("Mac Tools"), to _____ _____[renew, terminate, consent to the transfer of] the Franchise Agreement, dated _____, _____ for the operation of a Mac Tools business on a designated route(s) with authorized stops ("Franchise Agreement") as requested by the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally RELEASES and DISCHARGES Mac Tools, any person acting by, through, under or on behalf of Mac Tools, and its past and present shareholders, officers, directors, employees, successors, assigns, agents, parent and affiliates from any and all liabilities, claims, damages, demands, costs, indebtedness, expenses, debts, indemnities, compensation, suits, controversies, covenants, contracts, actions and causes of action of any kind whatsoever, whether developed or undeveloped, known or unknown, fixed or contingent, regarding or arising out of the Franchise Agreement, any prior or existing franchise agreement, or any other agreement or document executed by any of the undersigned and Mac Tools (or any corporate affiliate of Mac Tools), the franchise relationship, or any other prior or existing business relationship between any of the undersigned and Mac Tools (or any corporate affiliate of Mac Tools) which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against Mac Tools (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims under the Sherman and Clayton Acts and the anti-trust laws or regulations of the United States, and claims arising from contract, written or oral communications, alleged misstatements of fact, indebtedness of any kind or nature, and acts of negligence whether active or passive. This General Release shall survive the assignment, expiration or termination of any of the franchise agreements or other agreements entered into by and between Mac Tools (or any corporate affiliate of Mac Tools) and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws. The undersigned acknowledges and agrees that certain of its obligations as provided in Article 10 and Article 11 of the of the Franchise Agreement, in addition to those other obligations of the undersigned which specifically or by their nature survive termination of the Franchise Agreement, shall continue after the transfer, expiration or termination of the Franchise Agreement. This General Release may be electronically signed, and signature(s) transmitted electronically (including as attached files (e.g., .PDF)) shall be acceptable to bind the signatories hereto.

[signature page follows]

(signature page to General Release)

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE OWNER/OFFICER:

By: _____

Printed Name: _____

_____
Franchisee Owner/Officer Witness Signature

_____
Franchisee Owner/Officer Witness Printed Name

Date: _____

OR

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

FRANCHISEE OWNER/OFFICER:

By: _____

Printed Name: _____

_____
Franchisee Owner/Officer Witness Signature

_____
Franchisee Owner/Officer Witness Printed Name

Date: _____

EXHIBIT BB

FRANCHISE OR ROUTE ASSIGNMENT AGREEMENTS

FRANCHISE SALE ASSIGNMENT AGREEMENT

ROUTE ASSIGNMENT AGREEMENT

EXHIBIT BB

FRANCHISE SALE ASSIGNMENT AGREEMENT

This Franchise Sale Assignment Agreement (this "Assignment Agreement") is made to be effective as of _____, 20__ by and between _____, a _____ having a mailing address of _____ (hereinafter, "Assignor"), and _____, a _____ having a mailing address of _____ (hereinafter, "Assignee").

Background

A. On _____, Assignor executed that certain Mac Tools Franchise Agreement, to be effective as of _____ (the "Effective Date"), **[and that certain Distributor to Franchisee Conversion Addendum to Mac Tools Franchise Agreement to be effective as of the Effective Date (collectively]**, the "Existing Franchise Agreement"), with the Mac Tools Division of Stanley Industrial & Automotive, LLC, successor to Stanley Black & Decker, Inc. (hereinafter "Mac Tools"), relating to the grant by Mac Tools to Assignor of the right to own and operate a Mac Tools franchised tool distributorship business on the route assigned to Assignor as set forth on Exhibit A of the Mac Tools Franchise Agreement. Additionally, Assignor executed each of the following agreements with Mac Tools, each of which was effective as of the Effective Date:

Mac Tools Purchase Agreement;
Mac Tools Security Agreement;
Mac Tools Government Franchise Agreement;
Rider to Mac Tools Franchise Agreement (GreenSky Override); and
Mobile Business Assistant Software License Agreement.
(collectively, the "Other Agreements").

B. Assignor desires to sell its Mac Tools Business and assign its rights and obligations as the Franchisee under the Existing Franchise Agreement and the Other Agreements to Assignee, and Assignee desires to accept the assignment of such rights, and to assume all obligations, of the Franchisee as set forth in the Existing Franchise Agreement, all pursuant to the terms and conditions set forth herein.

Agreement

NOW, THEREFORE, in consideration of the foregoing, of the agreements, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee do hereby agree as follows:

1. Assignment of Franchise Agreement and the Other Agreements. Assignor hereby expressly grants, bargains, sells, conveys, transfers and assigns to Assignee all of Assignor's rights, title and interests in and to the Existing Franchise Agreement and the franchise granted thereunder and in and to each of the Other Agreements (hereinafter, the "Assignment").

2. Acceptance of Assignment and Assumption of the Obligations. Assignee hereby accepts the Assignment and, as of the date hereof, assumes, and agrees to be bound by, all of Assignor's obligations (a) under the Existing Franchise Agreement; (b) under each of the Other Agreements; (c) under any and all other agreements between Assignor and Mac Tools: and (d) created by the relationship under any of them. Assignee agrees that the Existing Franchise Agreement and each of the Other Agreements shall remain in full force and effect until such time as the New Franchise Agreement (as defined in the attached Mac Tools Consent to Assignment) is executed by Mac Tools and Assignee, at which time the

Existing Franchise Agreement shall be deemed amended and restated by the New Franchise Agreement; provided, however, that such amendment and restatement of the Existing Franchise Agreement shall not terminate any obligations that accrued or are accruing under the Existing Franchise Agreement.

3. Fee Owed to Mac Tools. The parties hereto acknowledge that this Assignment Agreement shall not be binding upon Mac Tools unless and until (a) in the event that the term of the New Franchise Agreement (as defined in the attached Mac Tools Consent to Assignment) is equal to the term remaining under Assignor's Existing Franchise Agreement, Assignor pays Mac Tools the applicable transfer fee in an amount equal to one-half of the then-current initial franchise fee as set forth in Mac Tools' then-current form of Franchise Agreement, or (b) in the event that the term of the New Franchise Agreement (as defined in the attached Mac Tools Consent to Assignment) is for a period other than the remaining term in Assignor's Existing Franchise Agreement, Assignee pays to Mac Tools the applicable initial franchise fee as set forth in the New Franchise Agreement (as defined in the attached Mac Tools Consent to Assignment).

4. Assignor's Warranties and Representations. Assignor hereby warrants and represents to Mac Tools that:

(a) All amounts due and owing and all debts of Assignor in favor of Mac Tools and its affiliates, whether under the Existing Franchise Agreement, the Other Agreements, or otherwise, are paid in full.

(b) The copy of the Existing Franchise Agreement, attached hereto as Exhibit A, is true, accurate and complete copy thereof.

(c) Assignor is, to its knowledge, not in default under the Existing Franchise Agreement.

(d) Assignor has executed and delivered to Mac Tools a general release of claims, debts and liabilities, if any, against Mac Tools, and its officers, directors, shareholders, employees, agents, attorneys, successors and assigns, in a form provided by Mac Tools.

5. Assignee's Warranties and Representations. Assignee hereby warrants and represents to Mac Tools that:

(a) The Purchase Agreement (as defined below) correctly identifies all of the owners of the Assignee entity that will be, immediately after the transfer, a party to the New Franchise Agreement, and such owners will be the sole holders of the equity of the Assignee that holds the rights and obligations under the New Franchise Agreement with Mac Tools.

(b) **[The only obligations owing by Assignee to Assignor following the consummation of the Purchase Agreement are pursuant to a $_____ promissory note made by Assignee in favor of Assignor, payment and performance of which is subordinate to the payment and performance in full of the Existing Franchise Agreement and the New Franchise Agreement.]**

6. Subordination. Assignor hereby acknowledges that its right to be paid by Assignee under the Purchase Agreement and any related agreements between Assignee and Assignor is subordinate in all respects to the right of Mac Tools to be paid in full for any and all obligations due and owing to Mac Tools by Assignee.

7. Mac Tools Consent. The parties hereto acknowledge that this Assignment Agreement shall not be binding upon Mac Tools unless Mac Tools consents to such assignment in a signed writing in the form attached hereto entitled "Mac Tools' Consent to Assignment".

8. Mac Tools' Reliance on Purchase Agreement; Indemnification. Assignee and Assignor agree that Mac Tools may rely, as a third party beneficiary, on the representations and warranties made by Assignee and Assignor in the **[Asset Purchase Agreement]** by and among Assignor and Assignee dated _____, 20__ ("Purchase Agreement") as fully as though Mac Tools was a party thereto; provided however, that nothing herein or therein shall obligate Mac Tools to either Assignee or Assignor, or be deemed a warranty of Mac Tools as to the accuracy of the statements made under the Purchase Agreement. Assignee and Assignor shall, jointly and severally, indemnify and hold harmless, to the fullest extent permitted by law, Mac Tools and its parents, affiliates, directors, officers, employees and agents from all losses and expenses, including without limitation, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorney fees, court costs, settlement amounts, judgments and compensation for damages to Mac Tools' reputation and goodwill, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof, arising out of or otherwise connected with Assignee's or Assignor's ownership, operation, construction or improvement of its Mac Tools Business, or with respect to the Purchase Agreement.

9. Miscellaneous. This Assignment Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns. This Assignment Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together shall constitute a single instrument. This Assignment Agreement shall be deemed to have been made and entered into in the State of Ohio, and all rights and obligations of the parties hereto shall be governed by and construed in accordance with the local laws of the State of Ohio. Capitalized terms not defined in this Assignment Agreement have the meanings given in the New Franchise Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Assignment Agreement to be effective on the day and year first written above.

ASSIGNOR:

_____
Assignor Witness Signature

_____
Assignor Witness Printed Name

Date: _____, 20___

_____
(Print Assignor Name)

By: _____

Printed Name: _____

Title: _____

ASSIGNEE:

_____
Assignee Witness Signature

_____
Assignee Witness Printed Name

Date: _____, 20___

_____
(Print Assignee Name)

By: _____

Printed Name: _____

Title: _____

Name of all owners of Assignee:

_____
_____
_____

MAC TOOLS' CONSENT TO ASSIGNMENT

Effective on the date indicated below, and subject to the fulfillment of each of the conditions listed below, Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Mac Tools"), hereby consents to the assignment of the Existing Franchise Agreement (as defined in the Franchise Sale Assignment Agreement), and each of the Other Agreements (as defined in the Franchise Sale Assignment Agreement) pursuant to Section ___ of the Existing Franchise Agreement by_____, as Assignor, to _____, as Assignee, and agrees that the Existing Franchise Agreement and each of the Other Agreements shall remain in full force and effect until such time as the New Franchise Agreement and other new agreements are executed by Mac Tools and Assignee, at which time the Existing Franchise Agreement and Other Agreements shall terminate and the New Franchise Agreement and the other new agreements shall control; provided, however, that such termination of the Existing Franchise Agreement does not terminate any obligations that have accrued under the Existing Franchise Agreement and Other Agreements and Assignee assumes, and agrees to be bound by, all of such obligations.

Mac Tools hereby waives its rights of first refusal provided under Section 9.4 of the Existing Franchise Agreement respecting the transaction that is the subject of the Franchise Sale Assignment Agreement.

Conditions:

1. All amounts due and owing and all debts of Assignor in favor of Mac Tools and its affiliates are paid in full.

2. Assignor has executed and delivered to Mac Tools a General Release of All Claims in a form furnished by Mac Tools.

3. Assignee executes or causes all appropriate parties to execute Mac Tools' current standard form of Franchise Agreement (the "New Franchise Agreement") to replace the Existing Franchise Agreement and such other then current ancillary agreements required by Mac Tools of new franchisees to replace the Other Agreements.

4. Assignee satisfactorily completes the training required by Mac Tools of new franchisees.

5. As applicable, either (a) Assignor pays Mac Tools the applicable transfer fee described in paragraph 3 of the Franchise Sale Assignment Agreement to which this Consent to Assignment is attached, or (b) Assignee pays Mac Tools the initial franchise fee described in paragraph 3 of the Franchise Sale Assignment Agreement to which this Consent to Assignment is attached.

STANLEY INDUSTRIAL & AUTOMOTIVE, LLC,
THROUGH ITS MAC TOOLS DIVISION

By: _____

Name Printed: _____

Title: _____

Date: _____

EXHIBIT A

[see attached copy of existing Mac Tools Franchise Agreement with Assignor]

EXHIBIT BB

ROUTE ASSIGNMENT AGREEMENT

This Route Assignment Agreement (this "Route Assignment Agreement") is made to be effective as of _____, 20__ by and between _____, a _____ having a mailing address of _____ (hereinafter, "Route Assignor"), and _____, a _____ having a mailing address of _____ (hereinafter, "Route Assignee").

Background

A. On _____, Route Assignor executed that certain Mac Tools Franchise Agreement, to be effective as of _____ (the "Effective Date"), with the Mac Tools Division of Stanley Industrial & Automotive, LLC, successor to Stanley Black & Decker, Inc. (hereinafter "Mac Tools"), relating to the grant by Mac Tools to Route Assignor of the right to own and operate a Mac Tools franchised tool distributorship business on the route assigned to Route Assignor as set forth on Exhibit A of the Mac Tools Franchise Agreement. As of the date of this Route Assignment Agreement, Route Assignor has been granted more than one Route to operate under the Mac Tools Franchise Agreement.

B. Route Assignor desires to transfer all of its rights to one of its Routes to Route Assignee, who/which is approved to be granted a franchise by Mac Tools, and Route Assignee desires to accept the assignment of such rights, and to assume all obligations, of the Franchisee as set forth in the new Mac Tools Franchise Agreement to which Route Assignee will be a party, along with Mac Tools (the "New Franchise Agreement"), all pursuant to the terms and conditions set forth herein.

Agreement

NOW, THEREFORE, in consideration of the foregoing, of the agreements, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Route Assignor and Route Assignee do hereby agree as follows:

1. Assignment of Rights to Route. Route Assignor hereby expressly grants, bargains, sells, conveys, transfers and assigns to Route Assignee all of Route Assignor's rights, title and interests in and to the Route as described in Exhibit A to this Route Assignment Agreement (the "Assigned Route") (hereinafter, the "Assignment").

2. Acceptance of Assignment and Assumption of the Obligations. Route Assignee hereby accepts the Assignment and, as of the date hereof, assumes, and agrees to be bound by, all of the obligations associated with the Assigned Route under the New Franchise Agreement.

3. Transfer Fee. The parties hereto acknowledge that this Route Assignment Agreement shall not be binding upon Mac Tools unless and until Assignor pays Mac Tools the applicable transfer fee in an amount equal to one-fourth of the then-current initial franchise fee as set forth in Mac Tools' then-current form of Franchise Agreement.

4. Route Assignor's Warranties and Representations. Route Assignor hereby warrants and represents to Mac Tools that:

(a) All amounts due and owing and all debts of Route Assignor in favor of Mac Tools and its affiliates and related to the Assigned Route are paid in full.

(b) The documents related to the assigned Route, attached hereto as Exhibit A, are true, accurate and complete copies thereof.

(c) Route Assignor is, to its knowledge, not in default under the its Mac Tools Franchise Agreement related to the Assigned Route.

(d) Route Assignor has executed and delivered to Mac Tools a general release of claims, debts and liabilities, if any, against Mac Tools, and its officers, directors, shareholders, employees, agents, attorneys, successors and assigns, in a form provided by Mac Tools.

5. Route Assignee's Warranties and Representations. Route Assignee hereby warrants and represents to Mac Tools that:

(a) The signature pages of this Route Assignment Agreement correctly identifies all of the owners of the Route Assignee entity that will be a party to the New Franchise Agreement, and such owners will be the sole holders of the equity of the Route Assignee that holds the rights and obligations under the New Franchise Agreement with Mac Tools.

(b) **[The only obligations owing by Route Assignee to Route Assignor following the consummation of this Route Assignment Agreement are pursuant to a $_____ promissory note made by Route Assignee in favor of Route Assignor, payment and performance of which is subordinate to the payment and performance in full of the New Franchise Agreement.]**

6. Subordination. Route Assignor hereby acknowledges that its right to be paid by Route Assignee under any related agreements between Route Assignee and Route Assignor is subordinate in all respects to the right of Mac Tools to be paid in full for any and all obligations due and owing to Mac Tools by Route Assignee.

7. Mac Tools Consent. The parties hereto acknowledge that this Route Assignment Agreement shall not be binding upon Mac Tools unless Mac Tools consents to such assignment in a signed writing in the form attached hereto entitled "Mac Tools' Consent to Assignment".

8. Mac Tools' Reliance on Purchase Agreement; Indemnification. Route Assignee and Route Assignor agree that Mac Tools may rely, as a third party beneficiary, on the representations and warranties made by Route Assignee and Route Assignor in any agreements executed between Route Assignee and Route Assignor and related to this Route Assignment Agreement as fully as though Mac Tools was a party thereto; provided however, that nothing herein or therein shall obligate Mac Tools to either Route Assignee or Route Assignor, or be deemed a warranty of Mac Tools as to the accuracy of the statements made under any such agreement. Route Assignee and Route Assignor shall, jointly and severally, indemnify and hold harmless, to the fullest extent permitted by law, Mac Tools and its parents, affiliates, directors, officers, employees and agents from all losses and expenses, including without limitation, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorney fees, court costs, settlement amounts, judgments and compensation for damages to Mac Tools' reputation and goodwill, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof, arising out of or otherwise connected with Route Assignee's or Route Assignor's ownership, operation, construction or improvement of its Mac Tools Business, or with respect to this Route Assignment Agreement or any related agreements.

9. Miscellaneous. This Route Assignment Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns. This Route Assignment Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together shall constitute a single instrument. This Route Assignment Agreement shall be deemed to have been made and entered into in the State of Ohio, and all rights and obligations of the parties hereto shall be governed by and construed in accordance with the local laws of the State of Ohio. Capitalized terms not defined in this Route Assignment Agreement have the meanings given in the New Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Assignment Agreement to be effective on the day and year first written above.

ASSIGNOR:

_____
Assignor Witness Signature

_____
Assignor Witness Printed Name

Date: _____, 20___

_____
(Print entity name)

By: _____

Printed Name: _____

Title: _____

ASSIGNEE:

_____
Assignee Witness Signature

_____
Assignee Witness Printed Name

Date: _____, 20___

_____
(Print Assignee Name)

By: _____

Printed Name: _____

Title: _____

Name of all owners of Assignee:

_____
_____
_____

MAC TOOLS' CONSENT TO ASSIGNMENT

Effective on the date indicated below, and subject to the fulfillment of each of the conditions listed below, Stanley Industrial & Automotive, LLC, through its Mac Tools Division ("Mac Tools"), hereby consents to the assignment of the Route described in Exhibit A to this Route Assignment Agreement) by_____, as Route Assignor, to _____, as Route Assignee. However, such assignment of the Route does not terminate any obligations that have accrued under the Existing Franchise Agreement as to the Assigned Route and Route Assignee assumes, and agrees to be bound by, all of such obligations.

Mac Tools hereby waives its rights of first refusal provided under Section 9.4 of the Franchise Agreement with Route Assignor respecting the transaction that is the subject of the Route Assignment Agreement.

Conditions:

1. All amounts due and owing and all debts of Route Assignor related to the Assigned Route in favor of Mac Tools and its affiliates are paid in full.

2. Route Assignor has executed and delivered to Mac Tools a General Release Of All Claims in a form furnished by Mac Tools.

3. Route Assignee executes or causes all appropriate parties to execute Mac Tools' current standard form of Franchise Agreement (the "New Franchise Agreement") and such other then current ancillary agreements required by Mac Tools of new franchisees.

4. Route Assignee satisfactorily completes the training required by Mac Tools of new franchisees.

5. Assignor pays Mac Tools the applicable transfer fee in an amount equal to one-fourth of the then-current initial franchise fee as set forth in Mac Tools' then-current form of Franchise Agreement.

STANLEY INDUSTRIAL & AUTOMOTIVE, LLC,
THROUGH ITS MAC TOOLS DIVISION

By: _____

Name Printed: _____

Title: _____

Date: _____

EXHIBIT A

[see attached copy the Route]

EXHIBIT CC

TIME PAYMENT GROWTH

BACKGROUND

1. Pursuant to that certain Mac Tools Franchise Agreement dated _____, 20___ (the "Franchise Agreement"), Stanley Industrial & Automotive, LLC, a Delaware limited liability company, through its Mac Tools Division ("Mac Tools") has authorized me to operate a Mac Tools mobile tool distribution business (a "Mac Tools Business") pursuant to the terms and conditions of the Franchise Agreement.

2. Mac Tools has instituted a voluntary program for Mac Tools franchisees by which qualifying franchisees who obtain financing for the franchisee's Mac Tools Business from Mac Tools or a lender approved by Mac Tools ("Lender") for the franchisee's purchase of starter tool and related inventory may also, if Lender agrees, finance certain other expenses such as a franchisee's working capital. This financing is referred to as "Time Payment Growth financing".

3. The amount of the Time Payment Growth financing may range from $20,000 to $50,000. If financed, the Time Payment Growth financing amount is included in a franchisee's starter inventory loan. The Time Payment Growth financing amount is in addition to (and not included in) a franchisee's cost to purchase starter inventory.

4. The Time Payment Growth financing amount borrowed by a franchisee from Lender will be held in an account by Mac Tools for the benefit of the franchisee. This Time Payment Growth account is separate and apart from the franchisee's Mac Tools trade account. In connection with Time Payment Growth financing, Mac Tools will credit a franchisee's trade account with a portion of the Time Growth Payment amount each week. The number of weekly credits varies, but will typically be between 15 to 50 weeks, as Mac Tools determines.

5. The amount credited to a franchisee's trade account each week is determined by Mac Tools, in its sole discretion, and may be a fixed amount or a variable amount based on factors determined by Mac Tools, in its sole but reasonable discretion. Mac Tools reserves the right, at any time, to change the way in which it determines the amount of Time Payment Growth payments that Mac Tools credits to a franchisee's trade account each week. Some weeks, a franchisee may not meet Mac Tools' qualifications to be eligible to receive a Time Payment Growth credit to the franchisee's trade account, and, during those weeks, Mac Tools is not obligated to credit the franchisee's trade account with any portion of the Time Payment Growth amount.

FRANCHISEE STATEMENTS

By signing below, I agree with each of the following statements:

1. I am obtaining Lender financing for the purchase of items necessary to my Mac Tools Business and in connection with that financing, I desire to obtain Time Payment Growth financing.

2. I understand that the amount of Time Payment Growth that I finance with Lender will be held by Mac Tools for my benefit in a separate Time Payment Growth account and that I will receive weekly credits to my trade account as described above as determined by Mac Tools, in its sole discretion. I also understand that the number of weekly credits to my trade account will also be determined by Mac Tools, in its discretion.

3. My participation in Time Payment Growth financing will continue until the earlier of (a) the discontinuance of Time Payment Growth financing by Mac Tools, upon which the balance of the Time Payment Growth amount being held by Mac Tools in my Time Payment Growth account will be credited to my Mac Tools trade account, (b) my Time Payment Growth account has a zero balance ($0.00), and (c) the number of weeks determined by Mac Tools with respect to the weekly credits of the Time Payment Growth amount has ended, upon which the balance of the Time Payment Growth amount being held by Mac Tools in my Time Payment Growth account will be credited to my Mac Tools trade account. Upon the termination of my participation in Time Payment Growth financing, Mac Tools will close and deactivate my Time Payment Growth account.

4. As used herein, "me" and "I" refer to the person or persons signing below and, if the party signing below is a corporation, limited liability company or other business entity, to such entity and also to the natural person signing below on behalf of such entity.

5. Nothing herein shall be construed to create, between Mac Tools and me, a partnership, joint venture, employment relationship, or other business relationship. This Time Payment Growth documentation supersedes all prior oral or written agreements and understandings between Mac Tools and me regarding Time Payment Growth financing.

FRANCHISEE SOLE PROPRIETOR:

_____
(signature)

Printed Name: _____

Date_____

Franchisee Address:
_____
_____

FRANCHISEE BUSINESS ENTITY:

Franchisee Entity Name,
State of formation and entity type

By: _____

Printed Name: _____

Its: _____

Date: _____

Franchisee Address:
_____
_____

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, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT DD

RECEIPT **Copy 1**

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 Stanley Industrial & Automotive, LLC through its Mac Tools Division offers you a franchise, Mac Tools 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.

New York requires that Stanley Industrial & Automotive, LLC through its Mac Tools Division give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that Stanley Industrial & Automotive, LLC through its Mac Tools Division give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Stanley Industrial & Automotive, LLC through its Mac Tools Division does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency, if one is listed in Exhibit T of this disclosure document.

The franchisor is Stanley Industrial & Automotive, LLC through its Mac Tools Division. Its telephone number is (614) 755-7000 and its principal place of business is located at 5195 Blazer Parkway, Dublin, Ohio 43017.

Issuance Date: February 23, 2023

The franchise sellers for this offering are: Stanley Industrial & Automotive, LLC through its Mac Tools Division, 5195 Blazer Parkway, Dublin, Ohio 43017, (614) 755-7000; and Charles Adams, Regional Manager; Michael Amicarelli, Regional Franchise Sales Manager; Tony Atwell, Training Manager; Joshua Blanchard, Franchise Sales Manager; Daniel Bour, Regional Manager; Mike Brubaker, Vice President of Sales; Michael Button, Director of Franchise Development; Hernan Cortez, Regional Franchise Sales Manager; Phil Cox, Vice President and President, Mobile Distribution; Stephanie Dick, Vice President of Financial Services and Customer Service; Matthew Donohue, Regional Franchise Sales Manager; Beth Fox, Lead Franchise Onboarding Specialist; Jeremy Francis, Regional Sales Manager; Bert Frank, Director of Sales; Jim Gomendi, District Manager; La'Gesha Hill, Franchise Specialist; Amanda Long, Franchise Specialist; Jason Long, Learning and Development Specialist; Trevor Lorton, Franchise Sales Manager; Corey Michlitsch, District Manager; Jon Murrell, Compliance Manager; Billy Oiler, Franchise Software Program Manager; Darelle Payne, Franchise Specialist; Tressa Pinkard, Onboarding Manager; Shelly Raspberry, Digital Development and Training Specialist; Willie Rice, Regional Franchise Sales Manager; Scott Roach, Regional Franchise Sales Manager; Donald Robinette, Regional Manager; Greg Seagren, Director of Sales; Kevin Steele, Regional Franchise Sales Manager; Timothy Stocker, District Manager; Thomas Spencer, Regional Manager; Steven Stinchcomb, Software Implementation and Training Specialist; Toney Urban, Regional Sales Manager; Lisa Williams, Compliance Analyst; and Kevin Wendt, District Manager,, each having a telephone number of (614) 755-7000 and an address of 5195 Blazer Parkway, Dublin, Ohio 43017. The name(s), principal business address(es) and telephone number(s) of additional franchise sellers, if any, are: _____

_____

_____

_____

(Receipt page continues on following page)

I received a disclosure document with an issuance date of February 23, 2023 that included the following Exhibits:

A. Financial Statements and Guarantee of Performance
B. Franchise Agreement
C. Confidentiality Agreements
    1. Confidentiality Agreement (Candidate)
    2. Confidentiality Agreement (Individual Accompanying Candidate)
D. Addenda to Franchise Agreement
    1. Mac Tools Distributor Conversion Addendum
    2. Franchisee, Distributor or Employee Conversion Addendum
    3. Veterans Addendum
    4. Renewal Addendum
    5. Small Business Administration Addendum
E. Purchase Agreement
F. Security Agreement
G. Business Entity Worksheet
H. Certificates of Resolutions
    1. Corporation
    2. Limited Liability Company
I. Guaranty of Payment and Performance
J. Guaranty of Indebtedness
K. Insurance Loss Payee Forms
L. Software License Agreements
    1. Mobile Business Assistant Agreement
    2. Microsoft Dynamics Agreement
M. Ownership Acknowledgement
N. Direct Debit Authorization
O. Extended Terms Program Agreement and ETP Direct Debit Authorization
P. Large Ticket Account Program Agreement and LTA Direct Debit Authorization
Q. Customer Credit Program Rider
R. Investor Acknowledgment
S. List of Franchisees
T. List of State Administrators
U. List of Agents for Service of Process
V. FTC Consent Order Acknowledgement
W. State Addenda to Franchise Disclosure Document and Franchise Agreement
X. Wells Fargo Equipment Finance, Inc. Documentation
    1. Combination Loan and Security Agreement
    2. Pay Proceeds
    3. Insurance
    4. Continuing Guaranty
    5. Power of Attorney
    6. Authorization for Automatic Payment Plan
Y. Mac Tools Loan Documentation
    1. Loan and Security Agreement
    2. Payment Proceeds
    3. Property Insurance Authorization
    4. Physical Damage Insurance Authorization
    5. Guaranty
    6. Power of Attorney
    7. Automatic Payments Authorization

Z. Non-disclosure, Customer Non-solicitation and Non-competition Agreements
    1. Employee
    2. Officer, Director, Member, Manager, Shareholder
AA. General Release of All Claims
BB. Franchise or Route Assignment Agreements
    1. Franchise Sale Assignment Agreement
    2. Route Assignment Agreement
CC. Time Payment Growth Documentation
DD. Receipts

Date: _____ _____
Signature of Prospective Franchisee, Individually

Printed Name: _____

Date: _____ _____
Signature of Spouse / Investor / Guarantor

Printed Name: _____

Date: _____ _____
Signature of Officer, Owner, and/or Manager if Prospective Franchisee is Business Entity

Printed Name: _____

Date: _____ _____
Signature of Additional Officer, Owner, and/or Manager if Prospective Franchisee is Business Entity

Printed Name: _____

Please sign and return this Receipt as of the date you received the disclosure document. Please return the signed, dated Receipt to Stanley Industrial & Automotive, LLC through its Mac Tools Division, Attn: Onboarding Manager, 5195 Blazer Parkway, Dublin, Ohio 43017.

RECEIPT

Copy 2

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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_____

_____

_____

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    4. Renewal Addendum
    5. Small Business Administration Addendum
E. Purchase Agreement
F. Security Agreement
G. Business Entity Worksheet
H. Certificates of Resolutions
    1. Corporation
    2. Limited Liability Company
I. Guaranty of Payment and Performance
J. Guaranty of Indebtedness
K. Insurance Loss Payee Forms
L. Software License Agreements
    1. Mobile Business Assistant Agreement
    2. Microsoft Dynamics Agreement
M. Ownership Acknowledgement
N. Direct Debit Authorization
O. Extended Terms Program Agreement and ETP Direct Debit Authorization
P. Large Ticket Account Program Agreement and LTA Direct Debit Authorization
Q. Customer Credit Program Rider
R. Investor Acknowledgment
S. List of Franchisees
T. List of State Administrators
U. List of Agents for Service of Process
V. FTC Consent Order Acknowledgement
W. State Addenda to Franchise Disclosure Document and Franchise Agreement
X. Wells Fargo Equipment Finance, Inc. Documentation
    1. Combination Loan and Security Agreement
    2. Pay Proceeds
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    4. Continuing Guaranty
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    6. Authorization for Automatic Payment Plan
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    2. Officer, Director, Member, Manager, Shareholder
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DD. Franchise or Route Assignment Agreements
    1. Franchise Sale Assignment Agreement
    2. Route Assignment Agreement
CC. Time Payment Growth Documentation
DD. Receipts

Date: _____ _____
Signature of Prospective Franchisee, Individually

Printed Name: _____

Date: _____ _____
Signature of Spouse / Investor / Guarantor

Printed Name: _____

Date: _____ _____
Signature of Officer, Owner, and/or Manager if Prospective Franchisee is Business Entity

Printed Name: _____

Date: _____ _____
Signature of Additional Officer, Owner, and/or Manager if Prospective Franchisee is Business Entity

Printed Name: _____

Please sign and return this Receipt as of the date you received the disclosure document. Please return the signed, dated Receipt to Stanley Industrial & Automotive, LLC through its Mac Tools Division, Attn: Onboarding Manager, 5195 Blazer Parkway, Dublin, Ohio 43017.