ZEISS VISION CENTER
Franchise Disclosure Document

Carl Zeiss Vision Business Services Inc.
A Delaware corporation
1040 Worldwide Boulevard
Hebron, Kentucky 41048
859-689-1243
www.zeiss.com/vision-care/us/eye-care-professionals/home

The franchise offered is to operate an optical goods and services retail store under the name and common law trademark "ZEISS VISION CENTER" providing a variety of lenses, frames, contact lenses and other optical goods.

The total investment necessary to begin operation of a single ZEISS VISION CENTER franchise is between $605,000 and $1,096,000. This includes the total amount in Item 5 for the Initial Franchise Fee of $25,000 that must be paid to Us upon signing the Franchise Agreement.

If You sign an Area Development Agreement You will incur a similar total investment for each location that You commit to open (a minimum of two locations), including a $5,000 Development Fee for each location (other than the first one) that must be paid to Us upon signing the Area Development Agreement. In addition, the full $25,000 Initial Franchise Fee must be paid concurrently with the Area Development Agreement signing for the first ZEISS VISION CENTER pursuant to the initial Franchise Agreement. Accordingly, if you sign an Area Development Agreement, your total investment in connection with such Area Development Agreement will be between $5,000 and $20,000, assuming that you sign an Area Development Agreement for no more than five ZEISS VISION CENTERs (although for franchisees who may be part of a larger vision care system, including any such systems backed by private equity investors, we reserve the right to grant Area Development Agreement rights for an even greater number of ZEISS VISION CENTERs with a proportionately greater total investment). You must then sign a separate Franchise Agreement on our then current form of Franchise Agreement at the time that You begin development of each such ZEISS VISION CENTER covered by the Area Development Agreement and such per location fee will be allowed as a credit against the initial fee for the subsequent Franchise Agreement for such location.

This disclosure document summarizes certain provisions of Your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before You can 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 government agency has verified the information contained in this document.**

You may wish to receive Your disclosure document in another format that is more convenient for You. To discuss the availability of disclosures in different formats, contact Kristina Masin, Director of Business-to-Business Marketing at Carl Zeiss Vision Business Services Inc., 1040 Worldwide Boulevard, Hebron, Kentucky 41048, *email*: kristina.beckett@zeiss.com and *phone number*: 937-270-3316.

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 by calling 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call Your state agency or visit Your public library for other sources of information on franchising.

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

ISSUE DATE: November 1, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give You information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees, if any. You can find their names and contact information in Item 20 or Exhibit F.
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 ZEISS VISION CENTER 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 ZEISS VISION CENTER franchisee?	Item 20 or Exhibit F 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 I.

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 arbitration in San Diego, California. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate with franchisor in San Diego, California than in your own state.

2. **Franchisor's Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support you.

3. **Early Stage Development.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

ISSUANCE DATE: NOVEMBER 1, 2024

Table of Contents

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The name of the franchisor is Carl Zeiss Vision Business Services Inc. To simplify this Franchise Disclosure Document, "**We**", "**Our**" or "**Us**" means Carl Zeiss Vision Business Services Inc., a recently created Delaware corporation and a wholly owned subsidiary of Carl Zeiss Vision Inc., also a Delaware corporation. We were organized as a Delaware corporation on May 22, 2024. We and Our parent corporation do business under Our respective corporate names, and under the names "ZEISS" and "ZEISS VISION CENTERs". The principal business address of the franchisor and its U.S. parent corporation is 1040 Worldwide Boulevard, Hebron, Kentucky 41048. Our agents for service of process are disclosed in Exhibit H.

"**You**" means the person who buys the franchise. If You are a legal entity, **"You"** includes all owners of any equity interest in the entity. "**Franchised Business**" means the ZEISS VISION CENTER business You will operate under the Franchise Agreement providing vision care goods and services consisting of a variety of lenses, frames, contact lenses and other optical goods, and of finishing laboratory, fittings and other services.

Our Predecessors and Affiliates

We have no predecessors in terms of United States franchising sales or operations for ZEISS branded optical retail centers, nor do our current United States parent business entity or our German ultimate parent business entity have predecessors except as indicated below.

Our affiliates include the following: Our ultimate parent business entity, Carl Zeiss AG, a German company, and its foundation sole owner Carl-Zeiss-Stiftung (collectively "**ZEISS Parent**") Carl Zeiss AG's direct wholly owned subsidiary, Carl Zeiss Vision Holdings, GmbH, a German company; the latter's direct wholly owned subsidiary Carl Zeiss Vision International GmbH, a German company; and the latter's direct wholly owned US subsidiary, Carl Zeiss Vision Inc., a Delaware corporation, which is the direct 100% parent entity of the franchisor**.**

The franchisor entity was recently formed to act as franchisor for the ZEISS VISION CENTERs franchise system and intended chain of vision care retail stores to be introduced in the United States beginning in 2025 (although as of the date of this disclosure document there are more than 300 similar ZEISS VISION CENTERs franchised or licensed and operating in other countries). The franchisor's direct parent entity, Carl Zeiss Vision Inc., since December 1993 has conducted business in the United States manufacturing, marketing and selling consumer lenses and optical products to physicians, other healthcare industry participants and consumers. Carl Zeiss AG, the ultimate parent business entity of the franchisor, is through its subsidiaries a German manufacturer of optical systems and optoelectronics, founded in Jena, Germany in 1846 by optician Carl Zeiss. Together with Ernst Abbe (who joined the enterprise in 1866) and Otto Schott who (joined in 1884) Carl Zeiss laid the foundation for today's multi-national company. The current company emerged from a reunification of Carl Zeiss companies in East and West Germany with a consolidation phase in the 1990s. ZEISS is active in four business segments with approximately equal revenue (Industrial Quality and Research, Medical Technology, Consumer Markets and Semiconductor Manufacturing Technology) in approximately 50 countries. Carl Zeiss AG is the holding company for all subsidiaries within the ZEISS Group. The ZEISS Group has its headquarters in southern Germany, in the small town of Oberkochen, with its second largest and founding site being Jena in eastern Germany. Carl Zeiss AG is one of the oldest optics manufacturers in the world.

Our Business and The Franchises Offered

We offer franchises to individuals and entities who are licensed ophthalmologists, licensed optometrists, or other licensed vision care professionals or who employ such professionals or enter into premise-sharing joint ventures or other associations with such vision care professionals and whom We otherwise deem suitable to develop and operate a ZEISS VISION CENTER-branded optical retail center. Pursuant to Our standard **Franchise Agreement** in the form attached as Exhibit B, We license You to develop, own and operate a ZEISS VISION CENTER-branded optical retail center (a **"ZEISS VISION CENTER**") that sells prescription and non-prescription eyewear, including spectacle frames and lenses, eyeglasses, sunglasses, eyeglass cases, contact lenses, cleaning solutions, accessories, and supplies.

ZEISS VISION CENTERs will operate under the common law service mark and trade name "ZEISS VISION CENTER", the registered trademark and service mark "ZEISS" and variants thereof, and utilizing related product trademarks and logos and under distinctive business formats, including prescribed exterior and interior design, décor, color scheme and furnishings; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered; and advertising and marketing programs, as permitted by law, all of which We may improve, further develop or otherwise modify from time to time and as specified in the ZEISS VISION CENTER Operations Manual (the "**Operations Manual**") and other directives, all of which may be modified or updated from time to time (the "**ZVC System**"). We use, promote and license a variety of trademarks, service marks and other commercial symbols relating to ZEISS VISION CENTERs, including the above trade name and trademarks and associated logos, designs, artwork and trade dress, trademarks, service marks, commercial symbols, and e-names, which have gained and continue to gain public acceptance and goodwill, and We may create, use and license You to use additional trademarks, service marks, e-names and commercial symbols in conjunction with the operation of ZEISS VISION CENTERs (collectively, the "**ZEISS Marks**").

The ZVC System is designed to elevate the patient experience and appreciation for high quality ophthalmic products and includes a "consumer journey" document called "My Vision Experience by ZEISS." The licensing includes the use of the ZEISS brand as well as a proprietary store design that can be customized to the store location, available space, and aesthetic choices from a predefined set of options.

Through a Franchise Agreement, You are granted the contractual right to operate a single ZEISS VISION CENTER at an approved location. If You wish to franchise more than one licensed ZEISS VISION CENTER within a particular market area, You with Our consent may enter into an Area Development Agreement in the form attached as Exhibit C ("**Development Agreement**") that gives You, as a "Developer," the right to develop more than one ZEISS VISION CENTER in a specific period of time. You must pay Us a Development Fee equal to $5,000 multiplied by the number of ZEISS VISION CENTERs to be developed in Your agreed area (other than the first such ZEISS VISION CENTER for which You will pay the full $25,000 Initial Fee concurrently with the signing of the first Franchise Agreement). That $5,000 per-location portion of the Development Fee will then be allowed as a credit against the Initial Fee for each Franchise Agreement to be entered into under such Development Agreement as You begin to develop the particular related ZEISS VISION CENTER. Each Franchise Agreement You enter into under such Development Agreement will be Our then-current form of Franchise Agreement.

The optometric and ophthalmic services industries are longstanding and well-developed. If You become a ZEISS VISION CENTER franchisee, You will likely experience competition from other independent eye care professionals, national and regional optical chains, other national chains and department stores that provide optometric products and services, as well as mail order or internet-based suppliers. One or more of these may also be providers in the same managed vision care plans. Changes in the economy and population demographics affect this industry and are difficult to predict. There will also be other normal business risks that could result in adverse effects, including but not limited to competitor pricing maneuvers, changes to laws or regulations, changes in supply and demand, new technologies or substitutes, and/or legal limitations in Your jurisdiction.

ZEISS VISION CENTERs market their services to consumers of all ages and ZEISS VISION CENTER locations have unique features intended to visibly stand out to consumers. We do not expect ZEISS VISION CENTERs to experience particular seasonality in sales except for some increases during the back-to-school period each year and year-end claims of insurance benefits. There are many participants in the optometric and ophthalmic services industries to serve patients, and these will provide strong competition for a ZEISS VISION CENTER franchisee. These will include independent eye care professionals, national and regional optical chains, other national chains and department stores that provide optometric products and services, as well as mail order or internet-based suppliers. Aside from the quantity of competitors and substitutes, franchisees may also experience adverse effects from the dynamics within the industry and locality, including but not limited to competitor pricing maneuvers, changes to laws or regulations, changes in supply and demand, new technologies or substitutes, and/or legal limitations in Your jurisdiction.

A ZEISS VISION CENTER facility will usually occupy between 800 to 3,000 square feet in space that may be owned by the franchisee or leased from a third party. The size of Your ZEISS VISION CENTER may be particularly dependent upon Your state's practice of optometry laws, which may require a separate eye examination area and retail optical store space and may prohibit even an indoor walkway between the two spaces. All facilities will be constructed to Our general specifications for layout, décor, and the like. Desired locations of ZEISS VISION CENTERs are expected to be upscale or premium retail centers, including malls, medical office buildings, in-line strip centers or freestanding buildings in high traffic areas with ample parking, good visibility, and prominent signage. Metropolitan areas or surrounding suburbs are the preferred locales for ZEISS VISION CENTERs.

Neither the franchisor nor any ZEISS affiliated entity currently operates businesses of the type to be franchised in the United States and do not currently anticipate doing so, although We reserve the right to do so to the extent permitted by applicable law. However, other ZEISS-affiliated entities have since 2008 offered and sold franchises or licenses for similar ZEISS VISION CENTER retail stores in a substantial number of non-United States jurisdictions, with over 300 such ZEISS VISION CENTER retail stores worldwide in approximately 43 different countries, including the greatest concentrations in Brazil, South Africa, Germany, India, Mexico, Malaysia, Indonesia and Colombia. As of the issuance date of this Franchise Disclosure Document, we have not offered franchises for ZEISS VISION CENTERs in the United States.

Neither the franchisor, Carl Zeiss AG, Carl Zeiss Vision International GmbH nor other ZEISS affiliated entities have in the past offered or currently offer franchises for any other line of business.

Laws Affecting Your Franchised Business

You are required to conduct Your business in a lawful manner and to comply with all applicable federal, state, and local laws, as well as with the regulations of applicable licensing authorities (if any) in Your jurisdiction, including, without limitation, laws, rules, and regulations relating to: (1) federal health care programs; (2) accessibility requirements, including but not limited to, the Americans with Disabilities Act ("**ADA**"); (3) applicable state corporate practice of optometry laws; (4) the Health Insurance Portability and Accountability Act ("**HIPAA**"); (5) all applicable state privacy laws and regulations; (6) federal, state, and local wage and hours laws; (7) federal and state occupational safety and health laws; and (8) local building codes and zoning rules.

You should be aware that the practice of optometry (the practice or profession of examining the eyes for visual defects and prescribing corrective lenses) is regulated through optometric or medical boards, federal and state law, and, in some cases, may require additional licensure. For example, certain states do not permit the use of tele-consulting, and instead require that the optometrist be physically present to examine the patient and prescribe any necessary corrective lenses. Further, an optometrist can be employed by franchisees directly in some states, but in other states the medical practice must be wholly owned by a licensed practitioner. HIPAA and other state laws limit Your ability to use, share, and disclose health care information about Your patients. The practice of filling prescriptions for ophthalmic lenses, dispensing eyeglasses, and fitting contact lenses is regulated by federal and state law, and in some cases, may require licensure.

This is not intended to be an exhaustive list of laws and regulations that may affect operation of Your ZEISS VISION CENTER business. As the business owner, You are responsible for understanding these laws and making certain that Your ZEISS VISION CENTER is in full compliance with them. We encourage You to seek the advice of an attorney or other advisor to ensure compliance with these laws.

ITEM 2

BUSINESS EXPERIENCE

Sven Hermann – Director

Sven Hermann has been a Director of the franchisor since its May 2024 inception. He has served as a member of the Executive Board of Carl Zeiss AG, Germany and Head of the Consumer Markets segment since 2022. For eight years prior to that, Mr. Hermann was a member of the Management Board of Carl Zeiss Vision International GmbH in the capacity of Chief Sales & Marketing Officer.

Paul Bilsdorfer – Director

Paul Bilsdorfer has been a Director of the franchisor since its May 2024 inception. Since 2015, he has served as a member of the Management Board of Carl Zeiss Vision International GmbH, Germany, and Chief Financial Officer of the ZEISS Consumer Markets Segment. For eight years prior to that, Mr. Bilsdorfer served as Finance Manager at Carl Zeiss Vision International GmbH, Germany.

Jens Boy – Director, President & CEO

Jens Boy has been a Director of the franchisor since its May 2024 inception and is the President and Chief Executive Officer of the franchisor and of Carl Zeiss Vision Inc. and has served in such capacities for Carl Zeiss Vision Inc. since August 2015 (and for the franchisor since its May 2024 inception). Mr. Boy was previously the Vice President of Global Sales at Zimmer Dental from May 2008 to March 2015. From August 2004 to April 2008, he was the Vice President and General Manager of Cardiac Care/Surgical at Teleflex Incorporated, and from May 1994 until July 2004 he served as a Director of Business Development/Marketing for Draeger Medical Inc.

Rodrigo Vale – VP/Chief Financial Officer/Treasurer

Rodrigo Vale is the Chief Financial Officer of the franchisor and of Carl Zeiss Vision Inc. and has served in such capacity for Carl Zeiss Vision Inc. since June 2024 (and for the franchisor since June 2024). For six years prior to that, Mr. Vale was the Head of Finance for ZEISS Vision Care's Latin American finance team, located in Petropolis, Brazil.

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Nathan Cooper – VP/General Counsel/Secretary

Nathan Cooper is the VP/General Counsel/Secretary of the franchisor and of Carl Zeiss Vision Inc. and has served in such General Counsel capacity for Carl Zeiss Vision Inc. since October 2017 (and for the franchisor in all such capacities since its May 2024 inception). From April 2013 to September 2017, Mr. Cooper served as Assistant General Counsel to the San Diego County Regional Airport Authority, and from October 2008 until March 2013 was an associate attorney at the Morrison & Foerster law firm.

Robert Spirito - Head of Marketing

Robert Spirito is the Head of Marketing of the franchisor and of Carl Zeiss Vision Inc. and has served in such capacity for Carl Zeiss Vision Inc. since July 2023 (and for the franchisor since its May 2024 inception). Mr. Spirito served as Head of Product Marketing of Carl Zeiss Vision Inc. from May 2017 until July 2023 and has worked at Carl Zeiss Vision Inc. in multiple other product manager and brand manager positions since January 2009.

Tina Michel - Head of Human Resources

Tina Michel is the Head of Human Resources of the franchisor and of Carl Zeiss Vision Inc. and has served in such capacity for Carl Zeiss Vision Inc. since August 2018 (and for the franchisor since its May 2024 inception). From January 2015 to July 2018, Ms. Michel served as a Human Resources Business Partner and Senior Human Resources Business Partner at Carl Zeiss Vision Inc. Prior to that, she served as a Human Resources Generalist for d.e. Foxx and Associates, Inc. from March 2013 to January 2015 and for Pep, LLC from November 2009 to March 2013.

Kristina Masin - Director of Business-to-Business Marketing and Director of Consumer Marketing

Kristina Masin is the Director of Business-to-Business Marketing of the franchisor and has served in such capacity since January 2025. She has also served as Director of Consumer

Marketing of the franchisor and of Carl Zeiss Vision Inc., for Carl Zeiss Vision Inc. since October 2017 and for the franchisor since its May 2024 inception.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this Franchise Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item, and no bankruptcies are required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Fee: Franchise Agreement.

The Initial Fee for the ZEISS VISION CENTER franchise is $25,000.

Development Fee: Development Agreement.

If You are entering into a Development Agreement (which will be signed concurrently with the initial Franchise Agreement), then in addition to the Initial Fee for the first ZEISS VISION CENTER to be developed under the concurrent Franchise Agreement, You will pay a Development Fee equal to $5,000 for each subsequent ZEISS VISION CENTER that You will develop under the Development Agreement; that $5,000 per location portion of such Development Fee will be allowed as a credit against the Initial Fee upon the signing of the second and each subsequent Franchise Agreement contemplated by such Development Agreement as You begin to develop a related ZEISS VISION CENTER.

Payment of Initial Fee and Development Fee.

The Initial Fee of $25,000 under the Franchise Agreement and the Development Fee, if applicable, are payable in full, in cash, upon signing the initial Franchise Agreement and Development Agreement.

We currently charge the Initial Franchise Fee uniformly to all franchisees, and We currently charge the Development Fee uniformly to all franchisees in accordance with the number of ZEISS VISION CENTERs being developed, which will be determined by agreement between You and Us based upon the size and competitive circumstances in Your Development Area, although We reserve the right to increase or decrease such Fees in the future.

Refund of Initial Fee and Development Fee.

We will not refund the Initial Fee or the Development Fee.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
System Services Fee	$25,000 per annum	Payable annually after the first year not later than the anniversary of the effective date of Your Franchise Agreement.	The System Services Fee will reimburse Us in part for expenses of maintaining the ZVC System and compensate Us for services provided in supporting the ZVC System.
Transfer Fee	$5,000	Before completing transfer.	Payable if You sell Your franchise or any part of the Franchised Business to a third party. The Transfer Fee does not apply if You transfer to a corporation or other entity with identical ownership and control.
Interest on late payments	The lesser of (i) 1.5% per month or (ii) the highest rate permitted by applicable law as interest on amount of past due payments or underpayment (plus the amount of the past due payments or underpayment)	Within 15 days after invoicing.	Payable with respect to past due payments due to Us or with respect to any underpayments of an obligation under the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Renewal	$25,000	Before renewal.	Payable when and if You renew Your Franchise Agreement. There are other conditions to renewal.
Lenses or other inventory	Variable	When You purchase items from Us or Our affiliate(s)	Some items (for example, those bearing the ZEISS Marks) may be available only from Us or an affiliate. We or the affiliate expect to realize a profit on any such sales. You may elect to purchase other items from or through Us or an affiliate, in which case We or Our affiliate will generally realize a profit on the sale.
Insurance	You must reimburse any actual premium or related expenses We incur on Your behalf	Within 15 days after invoicing	You must generally cover Us as an additional named insured under liability policies for Your ZEISS VISION CENTER, and if You fail to maintain required insurance, We may obtain such insurance on Your behalf, and You must reimburse Us directly.
Indemnification	Actual losses or expenses incurred by Us as a result of any claims arising directly or indirectly from Your ZEISS VISION CENTER operations, to the extent required by the Franchise Agreement.	Within 15 days after invoicing	You must reimburse Us and Our officers, directors, managers, equity holders, employees, agents, successors and assigns for all costs, damages and expenses We incur as a result of any claims arising directly or indirectly from Your ZEISS VISION CENTER operations, to the extent required by the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Interim Management Fee	8% of Franchised Business Gross Revenues for the period of interim management.	By the 15th day of the following calendar month for each month the interim management services are provided	Payable for interim management services prior to closing on Our purchase in the event We elect to exercise Our option to purchase Your Franchised Business upon the termination or expiration of Your Franchise Agreement.

All such fees are imposed by and are payable to Us and are non-refundable.

ITEM 7

YOUR ESTIMATED INITIAL INVESTMENT

FOR A SINGLE FRANCHISE AGREEMENT:

	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM MADE
Initial Fee (Note A)	$25,000	$25,000	Lump Sum	On signing the Franchise Agreement	Us
Compensation and Other Expenses While Attending Initial Training	$1,000	$2,000	As Incurred	Before, During & After Training	Employee compensation during anticipated principally online training
Rent & Security Deposit (3 Months)(Note B)	$15,000	$21,000	As agreed with landlord	As Arranged	Landlord
Architectural Services and Leasehold Improvements (Note C)	$230,000	$350,000	As Incurred	As Arranged	Landlord, Lender or Contractor(s) and Vendors
Equipment (Note D)	$120,000	$240,000	As Incurred	As Arranged	Us and Vendors
Signage, Fixtures, Furniture and Decor	$90,000	$120,000	As Incurred	As Arranged	Vendors, Leasing Companies or Lender
Computers and Software (Note E)	$11,000	$38,000	As Incurred	As Arranged	Vendors or Leasing Companies or Lender

Insurance (Note F)	$8,000	$10,000	As Arranged	As Arranged	Insurance Companies
Opening Inventory of Supplies	$30,000	$90,000	As Arranged	As Arranged	Us and Vendors
Working Capital or Additional Funds (3 months) (Note G)	$75,000	$200,000	As Incurred	As Incurred	Employees, Vendors, Utilities, Taxing Agencies, Etc.
Total	$605,000	$1,096,000			

Notes Regarding Initial Investment:

Note A: Initial Fee.

The Initial Fee is payable in full, in cash, upon signing the Franchise Agreement.

Note B: Real Estate Rental.

You must obtain and maintain a commercial location that meets Our requirements (the **"Premises"**). If You already lease the Premises, You should review Your lease to evaluate the cost of real estate rental. If not, lease situations will vary in rental amounts, lease terms, amount of space required, tenant improvements required, security deposit and advance rental required. Location is a significant factor in the amount of rent required. You may elect to own Your own Premises, in which case it is not possible for Us to estimate the cost because of the wide variations in price and financing options. If You rent real estate for the Premises, You may be liable for the entire term of the lease whether or not You succeed in the Franchised Business. You should consult Your lease documents and Your attorney.

Note C: Architectural Services and Leasehold Improvements

The cost could be higher if You or Your landlord request changes from the standard design and materials.

If You already lease or own the Premises, You should review Your lease or purchase documents to evaluate the cost of real estate leasehold improvements. If not, lease situations will vary in rental amounts, lease terms, amount of space required, and tenant improvements required. Size, configuration and landlord requirements will be major factors in cost. Some landlords finance leasehold improvements by amortizing them over the lease term and charging a higher rental amount to cover the cost. You should attempt to determine Your costs and financing options before deciding on the Premises.

We will furnish You prototypical renderings for a ZEISS VISION CENTER developed by Our third party architect. However, the design plans and specifications we provide you shall not be used as construction plans or blueprints for your ZEISS VISION CENTER, but only as required design concepts which shall be adapted by you and your architect and contractor. You must hire an architect or engineer to engage in local code review, and you will be responsible for all permitting and code compliance. You will also have the option to purchase additional location-specific design services from our third party architect that may satisfy some of the needed architectural services that you will require.

You must maintain the Premises, at Your expense, including furniture, fixtures, interior and exterior paint and landscaping, in accordance with Our specifications, which includes replacing or updating the Premises at Your sole expense not more often than once every five years.

Note D: Equipment.

The cost of equipment could vary widely depending primarily upon Your circumstances. Some new franchisees will have existing businesses and will already own or lease some of the equipment they will need. This may or may not be Your situation. There are factors beyond Our control that could cause You to invest more in equipment.

If You lease the equipment, that may increase Your monthly fixed expenses. If You borrow money to purchase the equipment, that may increase Your monthly fixed expenses.

Note E: Computer Hardware and Software

Although We will not impose any requirements on Your selection of a point of sale computer system or other computer hardware or software for the Franchised Business, We do require that You provide Us advance notice and obtain our approval, not to be unreasonably withheld, for other practice management or accounting software programs that You use in connection with Your Franchised Business. Because we expect that many or most of our vision care franchisees will be vision care doctors or their affiliates with existing clinics and practices and computer hardware and software selections already utilized for such practices, we do not specify particular hardware and office practice software selections, but if You have no existing hardware and software that can be expanded to cover the operations of your Franchised Business, we estimate that your costs for such hardware and software will range between approximately $11,000 and $38,000.

Note F: Insurance.

We require You to purchase and maintain, at Your expense, throughout the term of the Franchise Agreement, commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, business interruption, and broad form contractual coverage for liability assumed under the Franchise Agreement. Such liability insurance must be on an occurrence basis and shall consist of combined single limit coverage of at least one million dollars ($1,000,000) per occurrence/three million dollars ($3,000,000) annual aggregate. We expect that You will also maintain appropriate and customary professional malpractice insurance for any related vision care clinic operated by You or Your affiliates; We do not impose requirements with respect to such malpractice insurance but may require that copies of such policies be provided to Us. You must purchase and maintain workers' compensation to the extent required by law and employer's liability insurance with a reputable insurer acceptable to Us or with a state agency. You must provide Us with one or more certificates of insurance evidencing such coverages and naming Us as an additional insured as to each applicable policy other than Your malpractice insurance. Such certificate(s) of insurance must provide that the coverages under the respective policy or policies may not be modified (except to increase coverage) or canceled unless at least 30 days' prior written notice of such cancellation or modification has been given to Us. Upon Our request, You must provide Us with a true copy of any insurance policy, including all endorsements. Every insurance policy must provide that coverage is primary/non-contributory. Every insurance policy other than Your malpractice insurance must be with an insurance company that meets Our criteria as set forth in the Operations Manual, as such criteria may be modified from time to time.

Keeping in mind that the price of insurance has varied widely in recent years, You should obtain a price quotation from Your insurance agent or broker and not rely solely upon Our or Your estimate in planning to purchase the Franchise. For workers' compensation and employer's liability insurance, You should obtain prices from Your state agencies or Your insurance agent or broker.

Note G: Additional Funds.

This estimates Your initial start-up expenses and a provision for working capital expenses for up to three months, assuming that it may require some period for the Franchised Business to acquire an adequate customer base to sustain operations. In addition, these estimates include payroll costs and various service costs such as utilities. These estimates do not include owner compensation or return on investment. Your costs will depend on factors such as: how closely You follow Our methods and procedures; Your management skill, experience and business acumen; local economic conditions; the local market for the products and services You offer; the prevailing wage rate; competition; and the sales level You reach during the initial period. You may need additional funds before Your Franchised Business breaks even.

No Financing.

We do not offer any direct or indirect financing for Your Initial Investment.

Going Concern Value Not Included.

If You purchase an existing business from another franchisee or other third party, You should expect to pay, in addition to the estimated initial investment, an amount representing the fair market going concern value of the business. That value might exceed the estimated initial investment. Any purchase of existing business assets and goodwill would be under a separate agreement negotiated between You and the seller.

No Refunds.

We will not refund any of the payments You make to Us.

YOUR ESTIMATED INITIAL INVESTMENT

FOR DEVELOPMENT OF 2 TO 5 ZEISS VISION CENTERS UNDER AN AREA DEVELOPMENT AGREEMENT

	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM MADE
Development Fee (Note A)	$5,000	$20,000	Lump Sum	On signing the Area Development Agreement	Us
Total	$5,000	$20,000 (Note B)			

Note A: Development Fee.

As described in Item 5, if You are entering into a Development Agreement (which will be signed concurrently with the initial Franchise Agreement), then in addition to the Initial Fee for the first ZEISS VISION CENTER to be developed under the concurrent Franchise Agreement, You will pay a Development Fee equal to $5,000 for each subsequent ZEISS VISION CENTER that You will develop under the Development Agreement; that $5,000 per location portion of such Development Fee will be allowed as a credit against the Initial Fee upon the signing of the second and each subsequent Franchise Agreement contemplated by such Development Agreement as You begin to develop a related ZEISS VISION CENTER. The Development Fee equals $5,000 multiplied by the number of ZEISS VISION CENTERs You agree to develop. Accordingly, the Development Fee will vary depending on the number of ZEISS VISION CENTERs you agree to develop under the Development Agreement. The low end of the Development Fee presented in this Item 7 is for two ZEISS VISION CENTERs and the high end is for five ZEISS VISION CENTERs (assuming that you sign an Development Agreement for no more than five ZEISS VISION CENTERs, although for franchisees who may be part of a larger vision care system, including any such systems backed by private equity investors, we reserve the right to grant Development Agreement rights for an even greater number of ZEISS VISION CENTERs, which would result in a proportionately higher fee and expenses of $5,000 per ZEISS VISION CENTER, all payable to Us).

Note B: Separate Franchise Agreement.

For each franchised ZEISS VISION CENTER You will operate under the Development Agreement, You must sign a separate Franchise Agreement and make the Initial Investment in described in the first table above in this Item 7 for each ZEISS VISION CENTER you open (and as noted above, the $5,000 per location portion of the Development Fee will be allowed as a credit against the Initial Fee upon the signing of the respective Franchise Agreement contemplated by the Development Agreement). The amounts in the first table above in this Item 7 may change (other than the Initial Fee payable to Us), depending upon when you begin operation of each of Your ZEISS VISION CENTER businesses, since costs of the other items on such table may rise with the passage of time.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase from Us or from one or more suppliers that We approve, including designated ZEISS affiliated entities, substantially all inventory necessary to start or operate the Franchised Business. Consistent with Your ZEISS VISION CENTER's principal retail brand, We will require that You stock and offer a full line of ZEISS-branded or manufactured finished and/or uncut prescription surfaced lenses, anti-reflecting coatings, stock lenses, and lens accessories. We anticipate that ZEISS affiliates will be Your primary sources of lenses and cleaning accessories, but We also have approved a limited number of alternative suppliers for high-quality lenses, coatings and accessories that may be used in certain circumstances. We have approved a selection of suppliers and manufacturers specified and to be updated from time to time in the Operations Manual for high-quality contact lenses, frames and other optical products and accessories not manufactured by ZEISS affiliates, although You will be permitted to submit and suggest other suppliers of high quality frames and other optical products consistent with the premium ZEISS brand and goodwill. You will ordinarily be required to provide frames from approved suppliers (or have such approved suppliers drop-ship such frames) to one of our ZEISS affiliated entities' United States lab locations (currently four such labs are operating) for fabrication with ZEISS lenses for your customers.

As for equipment and supplies, You may generally purchase them from the vendor(s) of Your choice, provided that, except for clinical diagnostic and other equipment which You may select in Your own discretion and professional judgment, the item(s) must meet Our specifications and We may in the Operations Manual indicate approved suppliers for certain categories of equipment and supplies. However, at the present time You will be required to purchase the ZEISS VISUFIT 1000 centration device, which is a premium lens fitting instrument used in the practice of opticianry. We issue specifications in writing and incorporate them in the Operations Manual. These specifications include quality, accuracy, preparation, installation, application, delivery, performance, design and appearance. In some instances, You must purchase items that comply with Our reasonable subjective determination of whether they meet the standards and comport with the ZVC System image. If We have not provided specifications as to any particular supplies or equipment, You may purchase any items that reasonably meet the requirements of the Franchised Business.

You must purchase from Us, Our affiliates or another vendor We approve all items used to start or operate Your Franchised Business that contain or bear the ZEISS Marks. Items that You purchase from approved suppliers must meet Our specifications, if any. This includes advertising and marketing materials, forms, and promotional items. In addition, You must purchase the signs used to identify the Franchised Business and Premises from a vendor We approve.

You must utilize the services of an architect/designer and contractor approved by Us to ensure Your ZEISS VISION CENTER conforms to Our standards and specifications. You must provide Your architect/designer with model plans and the ZEISS VISION CENTER Design Plans handbook, created by Our third-party architect based in Stuttgart, Germany, which provides prototype designs and CAD renderings to ensure Your ZEISS VISION CENTER conforms to Our standards for aesthetics and design once fully implemented by Your architect/designer. Your architect will be responsible for modifying such model plans and assuring compliance with state practice of optometry laws (including two-door design requirements, as applicable) and with local building codes and Americans with Disabilities Act requirements. You will have the option to purchase additional location-specific design services from our third party architect that may satisfy some of the needed architectural services that you will require.

We will publish and from time to time update or modify a list of approved vendors and order procedures in the Operations Manual. We may approve other vendors if You request it in writing, or if a vendor requests it, and if the vendor demonstrates to Our satisfaction that it is financially stable, that it can provide its products to all or substantially all of the ZEISS VISION CENTERs in the United States, and that it can provide product(s) or service(s) that meet Our specifications and that are consistent with Our image. We may consider it disadvantageous to the ZVC System from a cost and service basis to have multiple suppliers in any given market area and may consider the effect that such approval may have on our ability and that of our franchisees to obtain the lowest distribution costs and on the quality and uniformity of products offered systemwide. We may charge a reasonable fee to cover Our costs in evaluating a proposed vendor. If We require such a fee (which may be unnecessary for high quality premium brands already well known to Us), We will give You a good faith estimate of Our cost of evaluating a proposed vendor within a reasonable time after You make the request, but before We begin the evaluation process. We will normally make Our decision within 60 days. We reserve the right to disapprove any previously approved vendor whose performance falls below Our standards. We will make any approvals of new vendors or revoke approval of vendors in writing and will incorporate Our decision in the Operations Manual.

You will be free to join group purchasing organizations such as TEC and IDOC to source approved optical products and supplies at advantageous group prices, but You are not required to join any such group purchasing organization. While We may in the future negotiate purchase arrangements with approved or designated suppliers for the benefit of the ZVC System, We do not currently have any such systemwide supply agreements in effect other than with ZEISS-affiliated entities. Except as described in this Item, We do not currently provide any material benefits to You based upon Your use of designated or approved sources except the confidence that We believe that the designated or approved vendor can perform to Our specifications.

Because of Our recent franchise program inception, as of the date of this disclosure document, neither We nor Our affiliates have derived any revenue from vendors based on required purchases or leases by franchisees made in accordance with Our specifications. We have no current arrangements for and do not currently expect to receive rebates, discounts or allowances from vendors with whom You do business but reserve the right to do so in the future.

We estimate that Your purchases of prescription lenses, stock lenses and accessories from ZEISS affiliates will represent approximately 90% of Your total purchases of lenses and such products and 100% of Your purchases of ophthalmic lens cleaning supplies. We estimate that Your purchases of goods and services from required sources, including ZEISS affiliates, will represent approximately 60% to 85% of Your total purchases in connection with establishing Your Franchised Business and approximately 95% to 100% of your total purchases in connection with operating Your Franchised Business. Because 2024 is the first time We have offered ZEISS VISION CENTER franchises, Our information about how much You may be anticipated to spend on equipment, supplies and inventory from Us or required vendors is Our good faith estimate, based in part upon historic spending for the ZEISS VISION CENTERs and similar businesses operated internationally by franchisees or licensees of Our ZEISS international affiliates.

Both We and Our affiliate(s) expect to make a customary profit on items You purchase from Us or Our affiliate(s). Any profits will be within the range of customary mark-ups and profits in the industry for the items in question.

No officer of the franchisor owns any interest in any supplier.

ITEM 9

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS FRANCHISE DISCLOSURE DOCUMENT.

Obligation	Section in Franchise Agreement (FA) and Development Agreement (DA)	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	FA: Sections 2.1, 2.2, 4.1-4.4 ; 7.5 ; Exhibit A DA: Sections 2.1, 6.1, Exhibit A	Items 5, 11 & 12
b. Pre-opening purchases/leases	FA: Section 4.2, 4.4, 4.5, 7.1, 7.5 DA: Section 6.1	Items 5, 6, 7, 8 & 11
c. Site development and other pre-opening requirements	FA: Sections 4.1, 4.2, 4.3, 5.1, 5.3, Exhibit A DA: Sections 2.1, 6.1, 6.2, 7.1, 7.2, Exhibit A	Items 5, 6, 7, 8 & 11
d. Initial and ongoing training	FA: Section 5.1 DA: Not Applicable	Items 7, 11 & 15
e. Opening	FA: Sections 3.1, 4.5 DA: Sections 4.1, 7.1	Items 5, 7, 8 & 11
f. Fees	FA: Sections 6.1, 6.2, 6.3, 6.4 DA: Sections 5.1, 5.2	Items 5, 6 & 7
g. Compliance with standards and policies/operating manual	FA: Sections 4.3, 5.2, 7.1, 7.3, 7.5, 7.11, 7.12, 13.1 DA: Sections 9.1	Items 8, 11, 13, 14, 16 & 17
h. Trademarks and proprietary information	FA: Sections 10.1, 10.2, 10.4-10.8 DA: Sections 2.2, 2.3	Items 11, 13, & 14
i. Restrictions on products/services	FA: Sections 7.1, 7.5, 11.1 DA: Section 3.1	Items 8, 11 & 16

Obligation	Section in Franchise Agreement (FA) and Development Agreement (DA)	Item in Franchise Disclosure Document
j. Warranty and customer service requirements	FA: Sections 7.1, 7.5(d) DA: Not Applicable	Item 8
k. Territorial development and sales quotas	FA: Section 2.2 DA: Sections 2.1, 7.1, 7.2	Item 12
l. Ongoing product/service purchases	FA: Sections 7.1, 7.5, 7.11, 7.12 DA: Not Applicable	Items 6, 7, 8, 16 & 17
m. Maintenance, appearance and remodeling requirements	FA: Sections 4.3, 4.4, 7.1, 7.2, 7.5 DA: Not Applicable	Items 8,11 & 17
n. Insurance	FA: Section 7.10 DA: Not Applicable	Items 6, 7 & 17
o. Advertising	FA: Sections 7.12, 9.1, 9.2, 9.3 DA: Not Applicable	Items 11 & 16
p. Indemnification	FA: Sections 7.9, 10.5, 15.5, 17.9 DA: Section 11.5,	Items 6 & 17
q. Owner's participation/ management/staffing	FA: Sections 7.3, 7.8, 7.9 DA: Not Applicable	Items 15 & 17
r. Records/reports	FA: Sections 7.4, 8.1, 8.2, DA: Sections 2.6, 8.5, 12.3, 13.13	Item 17
s. Inspections/audits	FA: Sections 7.6, 7.7, 8.3 DA: Not Applicable	Items 17
t. Transfer	FA: Article 12, DA: Article 8	Items 6 & 17
u. Renewal	FA: Section 3.2 DA: Section 7.2	Items 6 & 17
v. Post-termination obligations	FA: Sections 14.1, 14.2, 14.3, 14.4, 14.5 and 14.6 DA: Article 10	Item 17
w. Non-competition covenants	FA: Sections 11.1, 11.2, 11.3, 11.4 DA: Sections 3.1, 3.2, 3.3, 3.4	Items 15 & 17

Obligation	Section in Franchise Agreement (FA) and Development Agreement (DA)	Item in Franchise Disclosure Document
x. Dispute resolution	FA: Article 16 DA: Article 12	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing for any purpose.

We do not guarantee any of Your notes, leases or other obligations.

We do not have any arrangements where We receive compensation for assisting You in obtaining financing.

ITEM 11

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

Except as listed below, We are not required to provide You with any assistance.

Pre-Opening Obligations

Before You open Your Franchised Business, We will:

1. License You to use Our ZEISS Marks and ZVC System in connection with Your Franchised Business (Franchise Agreement - Section 2.1).

2. Designate Your Protected Territory, which must be accepted by You by mutual agreement within the Franchise Agreement if You have already obtained an approved Premises at the time of signing the Franchise Agreement (Franchise Agreement - Section 2.2 and Appendix A). In determining Your Protected Territory, We will consider demographic and other factors that We deem appropriate, including the number of people living within the local market area and other market density factors, the number, location and size of competitors, traffic patterns, the competitive situation, and economic data. We will not necessarily give any single factor or combination of factors controlling weight.

3. Review and approve or disapprove Your selected business Premises (Franchise Agreement - Sections 4.1 & 4.2) as follows:

   a. You are responsible for securing the Premises. We do not own locations and rent them to You.

   b. We will generally consider such factors as: demographics of the surrounding area; the type of nearby development; zoning; physical characteristics of the proposed site; the status of nearby competition, including, but not limited to, other vision care retailers and health care providers; the economics of the proposed site; and access issues. No one factor or combination of factors will be determinative in every case.

   c. We have 30 days after receipt of the required site materials (including the proposed lease) to approve or disapprove Your proposed Premises. If You do not receive a written notice of approval within 30 days from Us, Your proposed Premises is considered disapproved. If You do not secure a location that We can reasonably approve within one year after signing the Franchise Agreement (or any extension to which We agree), You will forfeit Your Initial Fee and Your Franchise Agreement will be terminated. We expect You to communicate with Us about Your efforts to identify and obtain a suitable location for Your ZEISS VISION CENTER.

4. Provide You model design renderings for a ZEISS VISION CENTER from our third party architect (Franchise Agreement—Sections 4.3 and 4.4):

   a. You are responsible for customizing the model plans if needed, and for constructing and developing Your ZEISS VISION CENTER. You must construct Your ZEISS VISION CENTER using an architect and contractor approved by Us, with Our approval not to be unreasonably withheld, following ZVC System procedures, as set forth in the Operations Manual or otherwise, and diligently complete the construction in a good and workmanlike manner. We will furnish You prototypical plans and specifications for a ZEISS VISION CENTER, including CAD renderings and requirements for exterior and interior materials and finishes, dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings and color scheme. You must comply with these plans and specifications. You and Your architect are responsible for complying with all local ordinances and building permits and obtaining any required permits. You will have the option to purchase additional location-specific design services from our architect that may satisfy some of the needed architectural services that you will require.

b. We require You to construct, build out, equip, maintain and repair the Premises and equipment.

c. You must obtain and install the required equipment, signs, fixtures and supplies from approved suppliers, except that we do not impose requirements or specifications for vision care clinical diagnostic and/or treatment equipment and supplies, but at the present time You will be required to purchase the ZEISS VISUFIT 1000 centration device. Please refer to Item 8 for more information.

5. Lend You a copy of the Operations Manual (Franchise Agreement – Section 5.2), which contains specifications and mandatory and suggested standards and procedures. This Operations Manual is confidential and remains Our property. We may modify the Operations Manual from time to time in the future, but the modifications will not alter Your express status and rights under the Franchise Agreement. Exhibit G includes a copy of the Operations Manual's table of contents. The Operations Manual currently contains approximately 466 pages.

6. Provide initial training for You, Your manager(s), assistant manager(s) and other employee(s) who will interact directly with customers, most of which training will be made available online or provided at Your Premises, although You will be solely responsible for any compensation due to and expenses of Your employee(s) during any training period. (Franchise Agreement – Section 5.1)

Obligations after Opening

After You open Your Franchised Business, We will:

1. Take any actions We deem appropriate to protect or defend the ZEISS Marks or ZVC System (Franchise Agreement – Sections 10.3 and 10.4); and

2. Provide periodic training programs for You, Your manager(s), assistant manager(s) and other employee(s) who will interact directly with customers, (Franchise Agreement – Section 5.1). Please refer to the heading "Training" in this Item 11 for information regarding the frequency and number of training programs in which We may require You to participate.

After You open the Franchised Business, We expect to be in regular contact with You to review and discuss Your operation of the Franchised Business. We plan to provide some additional on-going training for You and Your manager(s) and employees. However, the Agreement does not obligate Us to provide such services, which We will do in Our sole discretion.

You may not engage in sales through alternative distribution channels or the internet or through any means other than sales within the Premises of Your retail ZEISS VISION CENTER without Our prior written approval. We are not required to give You such approval. (Franchise Agreement – Sections 7.5 and 7.11)

We currently do not have an advertising or marketing fund, any marketing cooperative or any franchisee advisory council.

Advertising

We may conduct marketing and advertising programs and activities for the ZVC System and ZEISS VISION CENTERs utilizing such media as We determine in our sole discretion and using Our own funds; however, We will have no obligation under the Franchise Agreement or otherwise to conduct any such national marketing or advertising or to apply any funds for such purposes and we will have no obligation to provide You reports of our advertising or marketing activities. You will not be required to contribute to any marketing or advertising fund nor be required to participate in any advertising cooperative or regional fund for such purposes.

You may advertise Your Franchised Business to the extent and in the media that seems most appropriate to You. You will not have any contractual requirement to advertise or expend any particular amounts for advertising, but all advertising, promotion and marketing by You must comply with Our requirements as to usage of ZEISS Marks, must be completely clear and factual and not misleading, and must conform to the highest standards of ethical marketing and promotion policies which may be prescribed by us. Further, all advertising must comply with applicable state practice of optometry laws. Prior to use, all press releases and policy statements, samples of local advertising, and marketing and related materials not prepared or previously approved by Us, must be submitted to Us for approval, not to be unreasonably withheld. You may only use pamphlets, brochures, cards or other promotional materials offering free or discounted ZEISS products if prepared by Us, unless otherwise approved in writing and in advance by Us. If We do not give You written approval of any advertising or other promotional materials within 15 days from the date of receipt by Us of the materials, We will be deemed to have disapproved the submission. You agree not to use any advertising, marketing or related materials that We have not approved in writing.

Time To Open

We anticipate the typical length of time between when You sign the Franchise Agreement or pay the Initial Franchise Fee and the time when Your Franchised Business opens will be approximately six months. The factors affecting this length of time include the time necessary for You to obtain the Premises and equipment, schedule Your initial training, and hire and train any necessary employees. There may be unusual circumstances in which, because of delays, construction schedules and other events beyond Your control it takes longer than six months. On the other hand, it could be less than six months. If You have not opened Your Franchised Business within 12 months after You sign the Franchise Agreement, We may declare You in default under the Franchise Agreement and terminate it.

Training

Before opening Your Franchised Business, You, Your manager(s), assistant manager(s) and other employees who will interact directly with customers must successfully complete Our initial training program. We will determine whether You successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively. We will ordinarily schedule the initial training program so that You will complete the pre-opening portions at least 7 days before the scheduled opening of Your

Franchised Business. We anticipate that many of the training programs will be made available in a video online format or can be conducted at Your Premises, although You are responsible for all salaries, compensation and other expenses of persons receiving training, both initial training and on-going training, which we estimate will cost between $1,000 and $2,000. For further information regarding expenses related to the initial training, please refer to Item 7. Because many or all of the training programs will be made available in a textual online format, training programs should generally be available on demand, including any refresher courses.

Because there is always uncertainty about if and when You will locate and develop acceptable franchise Premises, how long it will take to open Your Franchised Business, and whether You will successfully complete training, You should not terminate employment or cease other income-producing activity until after these events have occurred.

TRAINING PROGRAM

Subject	Hours of Classroom Training*	Hours of On-The-Job Training*	Location (including online, where indicated)
ZEISS Basic Brand Training	60 minutes	N/A	Online
ZEISS BlueGuard Lenses	30 minutes	N/A	Online
ZEISS ClearView FSV Lenses	30 minutes	N/A	Online
ZEISS Customer Journey	30 minutes	N/A	Online
ZEISS DriveSafe Lenses	45 minutes	N/A	Online
ZEISS DuraVision Platinum	15 minutes	N/A	Online
ZEISS DuraVision Premium	40 minutes	N/A	Online
ZEISS Experience	30 minutes	N/A	Online
ZEISS Office Lenses	40 minutes	N/A	Online
ZEISS Outdoor Lens Solutions	50 minutes	N/A	Online
ZEISS PhotoFusion X Lenses	30 minutes	N/A	Online
ZEISS Progressive Lens Light	30 minutes	N/A	Online
ZEISS SmartLife Portfolio	60 minutes	N/A	Online
ZEISS UVProtect Technology	25 minutes	N/A	Online
ZEISS VISUFIT 1000	20 minutes	N/A	Online
ZEISS VISUSTORE – Online Ordering Platform	30 minutes	N/A	Online
ZEISS In-Person Onboarding	180 minutes	N/A	Your Premises

* All times are approximate, and We may adjust them based upon Your experience and rate of learning.

The above training program was developed principally by Kristina Masin, who has seven years of experience in the vision care field, and four years of experience with similar ZEISS VISION CENTER retail stores in non-United States jurisdictions and by a predecessor in her position. Our training program and materials is intended to be conducted exclusively on an on-line textual basis, so there are no individual trainers other than Ms. Masin to identify.

We do not charge for the initial training for You or Your manager(s), assistant manager(s) and other employee(s), which will ordinarily be conducted either online or at Your Premises. But You must pay the compensation and any other expenses for You and Your employee(s). You, Your manager(s), assistant manager(s) and other employee(s) who will interact directly with customers must successfully complete the initial training program before Your Franchised Business may open.

Computer Hardware and Software

We require Your use of the MyZEISS platform (providing an array of tools and resources for managing Your Franchised Business), the ZEISS VISUSTORE ordering system and ZEISS' payment system for purchases from ZEISS affiliated entities and the ZEISS VISICONSULT 500 which is included as part of the required VISUFIT 1000 platform. Although We will not otherwise impose any requirements on Your selection of a point of sale computer system or other computer hardware or software for the Franchised Business, We do require that You provide Us advance notice and obtain our approval, not to be unreasonably withheld, for other practice management or accounting software programs that You use in connection with Your Franchised Business. Because we expect that many or most of our vision care franchisees will be vision care doctors or their affiliates with existing clinics and practices and computer hardware and software selections already utilized for such practices, we do not specify particular hardware and office practice software selections, but if You have no existing hardware and software that can be expanded to cover the operations of your Franchised Business, we estimate that your costs for such hardware and software will range between approximately $11,000 and $38,000. We reserve the right, under the Franchise Agreement, to require You and other franchisees to use other computer software systems designed for retail or retail healthcare businesses for such functions as We may otherwise require in the Operations Manual and as We may from time to time otherwise prescribe in writing. The required systems may include the use of remote servers, off-site electronic information storage and internet connections. In such events, You must use the computer systems providing such features and must sign any necessary licensing agreements with third-party developers or manufacturers of those systems. We will not have independent access to the information generated and stored in Your point of sale or computer system; however, We will have access to any information You provide to Us within the ZEISS VISUSTORE, ZEISS VISICONSULT 500 and VISUFIT 1000 platforms, primarily related to your ordering and payment history.

We may require You to sign a software license agreement in the form that We prescribe for the license of Our proprietary software to You in connection with Your operation of the Franchised Business; however, no additional license or fee is currently required in connection with Your use and license to use Our MyZEISS and VISUStore systems. We may, at Our option, upgrade, modify or replace the proprietary software for use in all ZEISS VISION CENTERs, and You must incorporate such modifications or additions within 90 days after receiving written notice from us, unless a longer time period is stated in the notice.

Neither We, Our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to Your computer system. Currently, there are no optional or required maintenance/upgrade contracts for Your computer system.

Social Media.

If you wish to design and maintain a website or a webpage for your Franchised Business, your website and webpage may only be accessed from Our own www.zeiss.com website, and we may prohibit links between your website or webpage and any other website (the foregoing may be subject to change over time as we further develop and modify our website for US franchise operations). If necessary, you must ensure cooperation with us by any website service provider or website hosting company with which You do business. Any advertising or promotion of your Franchised Business by means of any internet advertising, blogs, common social networks, professional networks (including "LinkedIn"), live blogging tools, virtual worlds, file, audio and video sharing stores, and other similar social networking media or tools (collectively, "**Social Media**"), must, at all times, comply with our Social Media policy, as modified periodically, to assure compliance with our ethical advertising requirements and policies on the use of ZEISS Marks. Additional information regarding the Social Media policy may be found in the Operations Manual.

ITEM 12

TERRITORY

We will grant You a geographic territory (a "**Protected Territory**") under Your Franchise Agreement which We will generally describe in Exhibit B to the Franchise Agreement if You have selected, and if We have approved, a location for Your Franchised Business at the time of signing the Franchise Agreement; otherwise, the Protected Territory will be determined at such time as You have proposed, and We have approved, a location for Your Franchised Business. The Protected Territory will generally consist of the area within a one- to ten-mile radius of Your approved location, or a territory described by particular boundary streets, highways or other landmarks surrounding Your approved location. Where the population density in Your market would be (i) 2,500 or fewer residents per square mile, the Protected Territory would ordinarily be that territory within a radius of ten miles of your approved location, (ii) between 2,500-7,000 residents per square mile, the Protected Territory would ordinarily be a radius of between 2-10 miles, and would be determined based on its actual population density approximately in proportion to such mileage range (for example, for a market with a population density of approximately 4,750 residents per square mile---halfway between 2,500 and 7,000---the territory radius would ordinarily be approximately 6 miles---halfway between 2 miles and 10 miles), (iii) between 7,000-12,000 residents per square mile, the Protected Territory would ordinarily be a radius of two miles; and (iv) in excess of 12,000 residents per square mile, the Protected Territory would ordinarily be reduced to a radius of one mile. In determining the original size and boundaries of Your Protected Territory, We will consider demographic and other factors that We deem appropriate, including the number of people living within the local market area and other market density factors; the number, location and size of competitors; traffic patterns; the competitive situation; and economic data. We will not necessarily give any single factor or combination of factors controlling weight. Your Protected Territory will not be identical to that of any other franchisee, and You must make Your decision whether to purchase the franchise based upon Your knowledge of Your proposed Protected Territory.

If You wish to franchise more than one licensed ZEISS VISION CENTER within a particular market area, generally a metropolitan area or a defined portion of a metropolitan area (the “**Development Area**”), You with Our consent may enter into a Development Agreement that gives You the right to develop more than one ZEISS VISION CENTER in a specific period of time, and You must pay Us a Development Fee equal to $5,000 multiplied by the number of ZEISS VISION CENTERs to be developed in Your agreed area (other than the first such ZEISS VISION CENTER, for which You will pay the full $25,000 Initial Fee concurrently with the signing of the first Franchise Agreement). In determining the size and boundaries of Your Development Area, We will consider demographic and other factors that We deem appropriate, including the number of people living within the proposed Development Area and other market density factors; the number and size of competitors; traffic patterns; the competitive situation; economic data; Your existing clinic operations, if any; and Your financial ability or resources available to develop a number of ZEISS VISION CENTERs within the Development Area at a pace and on a schedule that is acceptable to us. We will not necessarily give any single factor or combination of factors controlling weight.

YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY, AND 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, if You are not in breach of Your Franchise Agreement or Development Agreement, as the case may be, We will not locate or open a competitive ZEISS VISION CENTER business under the ZEISS Marks and using the ZVC System in Your Protected Territory or Development Area, whether company-owned or franchised, during the term of the Franchise Agreement or Development Agreement, without Your prior written consent. Under any particular Franchise Agreement, You are permitted to operate the Franchised Business covered by that Franchisee Agreement only at one location and only within Your Protected Territory. Although there are no restrictions on where Your customers may originate, You may engage in direct marketing and advertising only within Your Protected Territory or Development Area (or using media principally serving Your Protected Territory or Development Area and the surrounding metropolitan statistical area or area of dominant influence), except with Our prior approval.

You do not receive any rights under the Franchise Agreement to develop or operate additional ZEISS VISION CENTERs within Your Protected Territory or otherwise; only a Development Agreement will confer any such rights. Our prior written consent is required before You relocate Your Franchised Business or open any additional franchise location.

Both the Franchise Agreement and the Development Agreement exclude certain types of non-traditional venue sites from Your territorial rights, even if operations are conducted there under the ZEISS VISION CENTER brand and the ZVC System and there are no restrictions on Our activities at these sites, even though they may be located within the boundaries of Your Protected Territory or Development Area. Such exclusions from Your territorial rights will apply to ZEISS VISION CENTERs that may be operated within hospitals, assisted living centers, nursing homes or other healthcare provider facilities within Your Protected Territory or Development Area. We, or a person We designate, may directly or indirectly sell and distribute goods and services at those locations under the ZEISS VISION CENTER brand even if they are located within Your Protected Territory or Development Area, including the same goods and services You offer, and We, or a person We designate, may use the ZEISS Marks, without paying You or any other franchisee.

In addition, We may offer ZEISS products and services under the same or a different brand or trade name or trademark, including within Your Protected Territory or Development Area, through alternative distribution channels and methods, including through independent vision care clinics or retail outlets; competitor vision care franchise retail systems (although We have no current supply agreement with any such competitor vision care franchise retail systems in the United States); catalogs; mail order; and electronic media, including television, radio, the internet and other new or emerging commercial technological media, without paying You or any other franchisee. You may not market and sell Your goods and services over the internet or through other alternative distribution channels or methods without Our prior written approval.

If You are in good standing and We permit You to renew Your franchise at the end of the term of the Franchise Agreement, You may be required to sign Our then-current franchise agreement which may have materially different terms and conditions from Your expiring Franchise Agreement, including, but not limited to, changes to the size and scope of Your Protected Territory.

Except as described above, We and Our affiliates will not establish other franchised or company-owned ZEISS VISION CENTERs within Your Protected Territory or Development Area. Except as described above, We will not alter Your Protected Territory or Development Area. Your continued Protected Territory or Development Area rights will not be affected by Your sales volume, market penetration or any other contingency other than Your continuing compliance with Your obligations under Your Franchise Agreement or Development Agreement, as the case may be.

ITEM 13

TRADEMARKS

We grant You the right to use the name "**ZEISS VISION CENTER**," and other trade names, trademarks, service marks, trade dress and logos that We currently use or which We may adopt or approve in the Franchised Business. You must follow Our rules when You use the ZEISS Marks. You may only use the ZEISS Marks exactly as We specify. You may not use any of the ZEISS Marks in connection with the offer or sale of any unauthorized product or service.

We do not have a federal registration for our principal trademark under which you will do business as "**ZEISS VISION CENTER**". Therefore, our trademark "**ZEISS VISION CENTER**" does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark "**ZEISS VISION CENTER**" is challenged, you may have to change to an alternative trademark, which may increase your expenses. However, ZEISS affiliated entities own a number of ZEISS or ZEISS-related United States trademarks and service marks, including the principal trademark "**ZEISS**" which we have been authorized to license to You to use in connection with Your "**ZEISS VISION CENTER**", although We disclaim any rights to the term "Vision Center" separately.

We currently have registrations, or have applied for registration, of the following marks on the principal register of the USPTO:

Mark	Registration Number	Registration Date or Application Date	Use
ZEISS	1942223	December 19, 1995: 2nd Renewal: March 2, 2016	Spectacle lenses and other optical goods

Mark	Registration Number	Registration Date or Application Date	Use
ZEISS	7328461	March 12, 2024	Retail store services featuring spectacle frames and lenses, eyeglasses, sunglasses, eyeglass cases, contact lenses, contact lens cleaning solutions, ski goggles, sports glasses, reading glasses, and various other goods; Ophthalmology and optometry services; opticians' services; providing online eye exams and vision tests for ophthalmology and optometric purposes; medical eyecare services; fitting of eyeglasses; fitting of contact lenses
ZEISS Vision Experience	7328616	March 12, 2024	Retail store services featuring spectacle frames and lenses, eyeglasses, sunglasses, eyeglass cases, contact lenses, contact lens cleaning solutions, ski googles, sports glasses, reading glasses, magnifying loupes, 3D glasses, smart glasses, microfiber cleaning cloths, screen cleaning wipes impregnated with a cleaning preparation, lens cleaning wipes impregnated with a cleaning preparation, liquid cleaners and cleaning sprays for

Mark	Registration Number	Registration Date or Application Date	Use
			screens, optical and spectacle lenses, antifogging agents for optical and spectacle lenses, binoculars, carrying cases and straps for binoculars, spotting scopes, balance plates, tripod adapters, carrying cases, straps, astro, photo and camera adapters for spotting scopes, thermal imaging cameras, riflescopes, weather protection covers for riflescopes, camera lenses, filters for camera lenses, digital cameras, carrying cases for camera lenses and digital cameras; Ophthalmology services; optometry services; opticians' services; providing online eye exams and vision tests for ophthalmology and optometric purposes; medical eyecare services; fitting of eyeglasses; fitting of contact lenses
VISUSTORE	5389247	January 30, 2018	Software that enables users to choose and order spectacle lenses and to track and manage spectacle lens orders; Online wholesale and retail store services featuring opticians' goods; Providing a website featuring the

Mark	Registration Number	Registration Date or Application Date	Use
			use of non-downloadable software that enables users to choose and order spectacle lenses and to track and manage spectacle lens orders.
FOUNDATION	2698167	March 18, 2003: 2nd Renewal: September 1, 2023	Coatings for use by others in the further processing of spectacle lenses
CONTINUUM	2383550	September 5, 2000: 2nd Renewal: February 9, 2021	Ophthalmic lenses, namely, finished spectacle lenses and unfinished spectacle lens blanks
VISUSCREEN	5193568	May 2, 2017	Eye testing machines and apparatus
PURE Z	6503835	September 28, 2021	Spectacles, sunglasses
i.Scription	3425473	May 13, 2008: 1st Renewal: May 8, 2018	Spectacle lenses and parts thereof

Mark	Registration Number	Registration Date or Application Date	Use
MyoKids	5467756	May 15, 2018	Spectacle lenses and parts thereof
DuraVision	4163819	June 26, 2012 : 1st Renewal : November 17, 2022	Spectacle lenses and parts thereof
BlueProtect	6247108	January 12, 2021	Chemical coatings for spectacle lenses
Aberromic Digital Refraction	5815498	July 23, 2019	Ophthalmological devices, namely, aberrometers, keratometers and autorefractors; Ophthalmological services
Digital Inside	4864794	December 1, 2015	Spectacle lenses and parts thereof
BlueGuard	6570909	November 23, 2021	Spectacle lenses

Mark	Registration Number	Registration Date or Application Date	Use
BlueComfort	6067683	June 2, 2020	Chemical coatings for spectacle lenses; spectacle lenses and parts thereof
BIOCHROM	5849170	September 3, 2019	Coatings for spectacle lenses; spectacle lenses and component parts thereof
DURAVISION	7055098	May 16, 2023	Protective coatings sold as an integral component of spectacle lenses
VISUSTAR go	7130852	August 8, 2023	Downloadable software for opticians and optometrists that creates an avatar of the patient and enables the virtual try-on of spectacle frames
C-UVProtect	6222816	December 15, 2020	Hand-held tablet computers designed to illustrate the amount of protection against ultraviolet light present in a pair of eyeglasses
GT2	3735678	January 12, 2010: 1st Renewal January 23, 2020	Spectacle lenses for correction and improvement of vision and parts thereof

Mark	Registration Number	Registration Date or Application Date	Use
RI-PEL	4060543	November 22, 2011: 1st Renewal February 28, 2022	Spectacles; sunglasses; goggles, namely, ski goggles; coated lenses, namely, eyeglass lenses and optical lenses; lens blanks, namely, spectacle lens blanks; lens wafers, namely, optical lenses; ophthalmic lenses of all types, namely, coated lenses, spectacle lenses, sunglasses lenses and progressive lenses
i.Profiler^{plus}	3776027	April 13, 2010: 1st Renewal June 25, 2020	Auto refractometers, keratometers and cornea topographers for medical use
ACCESS	2027748	December 31, 1996: 2nd Renewal February 2, 2017	Spectacle lenses
Zeiss Individual	3634195	June 9, 2009: 1st Renewal July 13, 2019	Spectacle lenses and parts thereof

Mark	Registration Number	Registration Date or Application Date	Use
LightPro Technology	5861028	September 17, 2019	Coatings for spectacle lenses
IndividualFit	5139085	February 7, 2017	Spectacle lenses and parts thereof
UV Protection. Clearly Defined.	5746924	May 7, 2019	Eyeglass lenses
SUPER ET	1059078	February 15, 1977: 3rd Renewal June 15, 2017	Spectacle lenses
VISUCONSULT	5442606	April 10, 2018	Software used to demonstrate spectacle lenses and to control devices used by opticians and ophthalmologists
GrowSafe	5473376	May 22, 2018	Spectacle lenses and parts thereof

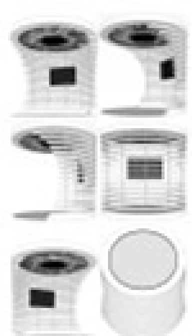
Mark	Registration Number	Registration Date or Application Date	Use
i.Profiler	3491136	August 26, 2008: 1st Renewal August 13, 2018	Auto refractometers, keratometers and cornea topographs for medical use
i.demo	4647294	December 2, 2014	Software for demonstrating the features of spectacle lenses
SPEXAN	5451122	April 24, 2018	Spectacle lens analyzers
BlueProtect	6110321	July 28, 2020	Spectacle lenses and parts thereof
VISU360	6280175	March 2, 2021	Providing temporary use of a non-downloadable web-based software for remote eye examination and refraction that connects eye doctors or optometrists with ophthalmic devices, enables them to control the devices and video chat with patients

Mark	Registration Number	Registration Date or Application Date	Use
	1184536	January 5, 1982: 3rd Renewal March 16, 2022	Spectacle Lenses
VISUFIT	5533515	August 7, 2018	Optical apparatus and instruments, namely, centration devices
YoungVision	5563629	September 18, 2018	Spectacle lenses and parts thereof
PhotoFusion	3956979	May 10, 2011: 1st Renewal: June 3, 2021	Spectacle lenses
EXECUTIVE	2193165	October 6, 1998: 2nd Renewal :June 13, 2019	Ophthalmic lenses
MyoLife	5527739	July 31, 2018	Spectacle lenses and parts thereof

Mark	Registration Number	Registration Date or Application Date	Use
MyoConsult	7139050	August 15, 2023	Software as a service (SAAS) services featuring software for use by doctors and other eyecare professionals in the administration of data of myopic patients
HYBRIDDESIGN	6188925	November 3, 2020	Spectacle lenses and parts thereof
Skylet	5363021	December 26, 2017	Spectacle lenses, also coloured and such made of plastics
TRI-PEL	4060544	November 22, 2011: 1st Renewal: February 28, 2022	Spectacles; sunglasses; goggles, namely, ski goggles; coated lenses, namely, eyeglass lenses and optical lenses; lens blanks, namely, spectacle lens blanks; lens wafers, namely, optical lenses; ophthalmic lenses of all types, namely, coated lenses, spectacle lenses, sunglasses lenses and progressive lenses

Mark	Registration Number	Registration Date or Application Date	Use
sunglass-level	6044207	April 28, 2020	Clear prescription eyeglass lenses
TRIFLECTION	2820231	March 2, 2004: 1st Renewal: October 2, 2014	Optical goods and apparatus; coated lenses, including reflective lenses, scratch resistant lenses, anti-stain lenses and anti-smudge lenses; ophthalmic lenses of all types, including coated lenses, spectacle lenses, sunglass lenses and progressive lenses; lens blanks, lens wafers, spectacles, sunglasses and goggles; parts and accessories for all the aforesaid goods.
Vivify	6671259	March 15, 2022	Spectacle lenses and parts thereof
MyoCare	5474193	May 22, 2018	Spectacle lenses and parts thereof

Mark	Registration Number	Registration Date or Application Date	Use
i.Terminal	3421430	May 6, 2008: 1st Renewal: April 10, 2018	Centring apparatus comprising a digital camera, computerized system and display module used to take precise measurements for fitting eyeglass lenses and frames on patients; and software used with centring apparatus to process images and take measurements for fitting eyeglass lenses and frames on patients
Luminance Design	4894345	February 2, 2016	Spectacle lenses and parts thereof
SmartLife	6136659	August 25, 2020	Spectacle lenses and parts thereof
VISUCORE	7238018	December 5, 2023	Refractive devices, namely, eye testing apparatus utilizing objective and subjective refraction to determine the optimal corrective lens prescription.

Mark	Registration Number	Registration Date or Application Date	Use
Dynamic AgeFit	7310351	February 20, 2024	Spectacle lenses
IAD Technology	7477921	August 20, 2024	Spectacle lenses
ClearFocus Design	Application pending; Serial # 97570901	August 30, 2022 (Application Date)[1]	Spectacle lenses
	Application pending; Serial # 97799504	February 17, 2023 (Application Date)[1]	Advertising, marketing and sales promotion; Provision of business assistance and commercial information and advice for consumers in the choice of products and services; Business assistance, management and administrative services; Human healthcare services
C.A.R.E.	Application pending; Serial # 97519902	July 26, 2022 (Application Date)[1]	Spectacle lenses

Mark	Registration Number	Registration Date or Application Date	Use
Intelligence Augmented Design	Application pending; Serial # 97663676	November 4, 2022 (Application Date)[1]	Spectacle lenses
Virtual Centration @cloud	Application pending; Serial # 97316747	March 17, 2022 (Application Date)[1]	Providing temporary use of non-downloadable cloud-based software that provides centration data for virtual try-on software used by opticians and optometrists
	Application pending; Serial # 98109197	July 31, 2023 (Application Date)[1]	Advertising, marketing and sales promotion; Provision of business assistance and commercial information and advice for consumers in the choice of products and services; Business assistance, management and administrative services; Human healthcare services

Note 1: We do not have a federal registration for the trademarks referenced by this footnote. Therefore, such trademarks do not have many legal benefits and rights as federally registered trademarks. If our right to use any such trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We are not aware of any opposition to Our registrations and none has been filed with the United States Patent and Trademark Office.

There presently is not any active determination of the Patent Office or the trademark administrator of any state or any court; any pending interference, opposition or cancellation proceeding; or any pending material litigation, involving the ZEISS Marks that is material to Your ability to use the ZEISS Marks in connection with the Franchised Business.

There are no agreements that significantly limit Our rights to use or license You to use the ZEISS Marks in any manner material to the Franchised Business.

You must inform Us if You become aware of any misuse or misappropriation of the ZEISS Marks or any use of a mark that is confusingly similar to the ZEISS Marks. You may not start any litigation relating to the wrongful use of the ZEISS Marks without Our prior written approval. We may take whatever action We deem appropriate to protect or defend the ZEISS Marks or ZVC System, but We need not take any action.

If a third party sues You or threatens to sue You claiming that You are infringing the trademark or trade name of the third party by using the ZEISS Marks, You must inform Us immediately. We will indemnify You as to such claim only to the extent that You have utilized the ZEISS Marks at issue in the manner directed by Us and provide prompt notice to Us of any such lawsuit or allegations. We will have the right to control any such litigation.

If it becomes necessary, in Our sole discretion, because of trademark litigation, a decision of the Patent and Trademark Office, or otherwise, to change certain of the ZEISS Marks, You must immediately adopt the new or revised ZEISS Marks. Our maximum liability relating to any such change, including for any purported goodwill, is to reimburse You for the actual out-of-pocket costs of changing the principal signs identifying Your Premises.

We do not know of any person claiming or having superior rights to any of the ZEISS Marks or of any infringing uses of the ZEISS Marks that could materially affect Your use of the ZEISS Marks.

All required affidavits of use have been filed with respect to our trademarks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

ZEISS affiliated entities currently own the patents identified in the following table that may be used or practiced by You in Your Franchised Business or that are material to Your operation of a ZEISS VISION CENTER and which we have been authorized to license to you pursuant to the Franchise Agreement; the patented display structures may be purchased from certain approved suppliers indicated in the Operations Manual but You may also have local contractors identified and sourced by You and approved by Us fabricate such patented display structures for You. In addition, ZEISS lenses and certain other ZEISS-branded optical products are manufactured using or incorporating additional patents.

Title	Patent No.	Issuance Date	Type	Duration	Notes
i.Scription: Apparatus and Method for Determining an Eyeglass Prescription for a Vision Defect of an Eye	US 7,744,217	June 29, 2010	Utility	20 years	
Display Structure	US D815,865 S	April 24, 2018	Utility	15 years	Round Eye
Display Structure	US D815,866 S	April 24, 2018	Utility	15 years	Shelving
Display Structure	US D817,042 S	May 8, 2018	Utility	15 years	Shelving

We claim common law copyrights in the Operations Manual and all revisions of the Operations Manual, and in handbooks and construction plans loaned to You, and in all training materials We provide or sell to You and Your personnel. We have not registered any copyrights but may, in Our discretion, do so in the future.

The Operations Manual and its contents, and certain other information We will provide to You, are each confidential trade secrets. All information We provide to You or which You develop in the course of performing under the Franchise Agreement which is not generally available to the public and which a competitor might find valuable are trade secrets. If We designate something as a “trade secret”, You must treat it as a ZEISS trade secret whether or not it would otherwise meet the definition of “trade secret”. You are responsible for protecting all such ZEISS trade secrets and You cannot transfer them or sell them to anyone at any time. You must require Your manager(s) and other personnel who have access to ZEISS trade secrets to comply with Your obligations under the Franchise Agreement to protect Our ZEISS trade secrets.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require, but do recommend, that You (or Your managing owner) personally supervise Your Franchised Business. However, if You do not do so, You must designate a full-time, on-premises manager who (a) devotes his or her full working time and best efforts to the day-to-day, on-premises operations of Your ZEISS VISION CENTER and Franchised Business, (b) has satisfactorily completed Our training program, and (c) is not engaged in any other business endeavor (except passive investments which do not interfere with his or her duties as manager). You must ensure that Your managers agree to comply with the Franchise Agreement's confidentiality and noncompetition provisions. Unless We approve otherwise, no independent consultant or management company may manage Your Franchised Business. Your manager is not required to have any equity interest in the Franchised Business (or in You).

We have the right to require You to obtain covenants against the use and disclosure of any confidential information and, to the extent legally permissible in Your state or under other applicable law, covenants not to compete from You and Your owners (and any adult member of their immediate families or households who provide material services to Your Franchised Business), officers, directors, executives, managers or members of the professional staff and employees of Your Facility who have received or will have access to Our training or confidential information (in the case of post-employment covenants applicable to managerial or other employees, such covenants to apply to the extent permissible under FTC regulations and other applicable laws). This nondisclosure and noncompetition agreement will prohibit them from directly or indirectly engaging in activities that compete with the operations of Your Franchised Business or any other ZEISS VISION CENTER Facility and from disclosing Our confidential and proprietary information and trade secrets and, to the extent such restriction is permissible under applicable law, from soliciting Our employees and employees of other ZEISS VISION CENTER franchisees.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct Your Franchised Business operated at Your Premises as required by the Operations Manual and the Franchise Agreement. All vision care inventory products and related services (other than the professional vision care services which You offer at the affiliated clinic, which remain subject to Your complete discretion and professional expertise) must be sourced from approved suppliers, including ZEISS affiliates, and must conform to Our standards and specifications. You must offer all products and services that We require for ZEISS VISION CENTERs at any particular time, including a full line of ZEISS-branded or manufactured prescription lenses, stock lenses and accessories, and other optical goods identified from time to time in the Operations Manual, and You may not offer any other goods and services for sale within Your ZEISS VISION CENTER without Our prior written consent. We have the right to add additional authorized products and services that You must offer. This means that We have the right to require You to offer the required products and services that We prescribe and that We determine are appropriate for ZEISS VISION CENTERs. Except as otherwise described below, there is no limit on Our right to do so. In addition, upon request, We may consider Your request to offer appropriate ancillary products or services that are complementary to the product and service offerings of a ZEISS VISION CENTER, although We are under no obligation to approve Your offering of any such ancillary products or services. Our approval of any such ancillary products or services will be in Our sole discretion.

You must comply with all applicable laws and regulations and obtain all appropriate governmental approvals for Your Franchised Business. You must operate Your Franchised Business in conformity with the methods, standards and specifications We prescribe in order to maintain uniformity within Our ZVC System and to provide the highest degree of quality and service. You must not deviate from Our standards and specifications without Our prior written consent.

We do not impose any restrictions in the Franchise Agreement or otherwise as to the customers to whom You may offer such goods or services, except that You may deal with only such customers as patronize and are served at Your Premises, and You may engage in direct marketing and advertising only within Your Protected Territory or, if applicable, Your Development Area (or using media principally serving Your Protected Territory or Development Area and the surrounding metropolitan statistical area or area of dominant influence), except with Our prior approval.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE AGREEMENT

This table lists certain important provisions of the Franchise Agreement.

You should read these provisions in the agreements attached to this Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Section 3.1	Ten years.
b.	Renewal or extension of the term	Section 3.2	If You are not in default and have provided the proper notice of Your desire to renew, We will permit You to renew for another term under the then-current agreement, which may be materially different than the Franchise Agreement We are now offering.

	Provision	Section in Franchise Agreement	Summary
c.	Requirements for You to renew or extend	Section 3.2	You (i) have complied in all material respects with the terms and conditions of the Franchise Agreement and other agreements between You and Us, (ii) sign Our then-current form of franchise agreement (which may contain materially different terms and conditions from Your original Franchise Agreement), (iii) update or refurbish the Premises and equipment at Our request, (iv) have the right to retain or occupy the Premises for the duration of Your renewal term, (v) give Us 6 months prior written notice of intent to renew, (vi) have satisfied all of Your monetary obligations related to the Franchise Agreement prior to renewal and have timely paid Your monetary obligations throughout the initial term, (vii) execute a general release of any and all claims against Us, Our affiliates and Our and their respective officers, directors, attorneys, shareholders and employees at Our request and (viii) pay a fee of not more than 100% of the then-current Initial Fee. Additionally, You must not have engaged during the term in dishonest or unethical business practices or have been in default under Your Franchise Agreement during the term, after notice and opportunity to cure, if applicable. “Renewal” under our current form of Franchise Agreement contemplates one additional ten-year term as a renewal period.
d.	Termination by You	Section 13.4	You may terminate the Franchise Agreement if We materially breach a provision related to one or more of Our obligations contained in the Franchise Agreement, in each case after 60 days’ written notice and opportunity to cure (subject to an extension of such notice and opportunity to cure period for defaults which cannot reasonably be cured within 60 days, but which will in no event be longer than 90 days after We receive written notice of default from You).

	Provision	Section in Franchise Agreement	Summary
e.	Termination by Franchisor without cause	Not Applicable	Not Applicable.
f.	Termination by Franchisor with cause	Sections 13.1, 13.2 and 13.3	We may terminate only for cause.
g.	"Cause" defined--defaults which can be cured	Sections 13.1(j)-(n) and 13.2	You have 10 days to cure the following types of default: failure to pay required payments to Us or any of Our affiliates; failure to maintain insurance or mandatory workers' compensation coverage; violation of any law or regulation (including any health codes, rules or regulations), unless an even shorter period of time is permitted for cure under such law or regulation, in which case such shorter period shall apply. You have 30 days to cure for failure to comply with other obligations under Your Franchise Agreement or for any other breach of the Franchise Agreement for which the Franchise Agreement does not specify a shorter period (other than non-curable defaults specified in Item 17.h).

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined--defaults which cannot be cured	Section 13.1(a)-(i), 13.2 and 13.3	Non-curable defaults are: assignment of Your Franchise Agreement or transfer of more than a 10% equity interest in Your franchisee entity without Our prior written consent and approval; You are in breach your lease or sublease after expiration of any cure opportunity or you're your occupancy rights for the Premises; abandonment for more than four consecutive business days during normal business hours (except as a result of natural disaster, casualty or major renovations approved ahead of time by Us); unauthorized use of the ZEISS Marks or unauthorized use or disclosure of Confidential Information; repeated defaults within a 12-month period, even if cured; You are adjudged bankrupt or file a voluntary petition in bankruptcy or have an involuntary petition filed against You; assignment for benefit of creditors; You fail to pay any federal or state income, sales or other taxes due with respect to Your Franchise's operations unless You are contesting Your liability for such taxes in good faith; You or a 10% or greater beneficial owner is convicted or pleads guilty to violating a criminal law relating to the Franchised Business or is convicted of, or pleads guilty or "nolo contendere" to, a felony of any kind, or otherwise makes any material misrepresentation or omission in the application for the Franchise; You fail to complete the initial training described in Section 5.1 of the Franchise Agreement; or You fail to commence operation of Your ZEISS VISION CENTER within one year after the execution of the Franchise Agreement.

	Provision	Section in Franchise Agreement	Summary
i.	Your obligations on termination/nonrenewal	Sections 14.1 – 14.5.	Your rights to use the ZEISS Marks and all other rights and licenses granted to You under the terms and conditions of the Franchise Agreement and to conduct business under the ZEISS Marks at Your ZEISS VISION CENTER and on Your ZEISS VISION CENTER Premises revert to Us; You must pay all amounts owed to Us under the Franchise Agreement within 15 days of termination or expiration of the Franchise Agreement; You must discontinue all use of the ZEISS Marks, return all ZEISS signage and all copies of the Operations Manual in Your possession to Us, and allow Us to remove all such items from Your ZEISS VISION CENTER; You must take action to cancel all fictitious or assumed names or equivalent registrations relating to Your use of any ZEISS Mark; if We or Our Assignee do not purchase Your ZEISS VISION CENTER, You must change the exterior and interior of Your Premises to de-identify it and distinguish it from the ZVC trade dress; You must de-list or otherwise transfer to Us any telephone numbers listed in directories (paper or online) in connection with the ZEISS Marks; You must discontinue use of any Confidential Information disclosed to You pursuant to the Franchise Agreement; We have an assignable option to lease or assume the lease for Your Premises; and We have an assignable option to purchase any part of Your Franchised Business assets. If We (or Our Assignee) elect to assume Your lease and to operate Your ZEISS VISION CENTER business from Your Premises, You must cooperate in a changeover procedure, including notifying the landlord of the change of tenant, and, if applicable, either permitting Our appointed manager to run Your ZEISS VISION CENTER prior to the closing of any such purchase, or closing Your ZEISS VISION CENTER during such period.

	Provision	Section in Franchise Agreement	Summary
j.	Assignment of contract by Franchisor	Section 12.1	There is no restriction on Our right to assign. We shall be permitted to perform any transfer of the Franchise Agreement and related agreements without liability or obligation to You.
k.	"Transfer" by You--definition	Section 1.2	Includes any voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, encumbrance, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a transfer) of any of Your interest in the Franchise Agreement, the assets in Your Franchised Business (other than the sale of ZEISS Products in the ordinary course), or of a controlling interest in You, if applicable.
l.	Franchisor's approval of transfer by franchisee	Section 12.2	We have the right to approve or disapprove all transfers.

	Provision	Section in Franchise Agreement	Summary
m.	Conditions for Franchisor's approval of transfer	Sections 12.3, 12.4 and 12.5	You, and the owners/guarantors of the Franchisee, if it is an entity, must be in full compliance with Your respective obligations under the Franchise Agreement and any other material agreements related to the Franchised Business, including the payment of all monetary obligations owed to Us or Our affiliates; if You, or Your Entity Owners are licensed optometrists or ophthalmologists then the proposed transferee and/or its owners must also be licensed optometrists or ophthalmologists and the proposed transferee and/or the individuals ultimately owning the transferee must be individuals of good moral character and otherwise meet our then-applicable standards for owners of ZEISS VISION CENTERs; the transferee (and/or its owner(s)) must have sufficient business experience, aptitude and financial resources to operate a ZEISS VISION CENTER and comply with the Franchise Agreement; the transferee and/or its senior management personnel must have completed Our Training Program prior to the effective date of such transfer; the transferee must have agreed to be bound by and assumed all of Your obligations under the Franchise Agreement, and, if applicable, each entity Owner of the transferee must execute a guarantee in Our favor; You or the transferee must have paid Our transfer fee of $5,000 (unless such transfer is to an entity wholly owned by You); You (and Your entity owners, if applicable) must have executed a general release in favor of Us; We must have approved the material terms and conditions of any such transfer; each Restricted Person must have executed a non-competition agreement in Our favor and in favor of the transferee; if required, the lessor of the Premises must have consented to the assignment or sublease of the Premises to the transferee; You (and Your entity owners, if applicable) must have agreed in writing not to identify Yourself with or use any ZEISS Mark for

	Provision	Section in Franchise Agreement	Summary
			any purpose; at Our request, You or the transferee refurbish, remodel, redecorate and renovate Your ZEISS VISION CENTER; and, if You also entered into an Area Development Agreement with Us, all other franchise agreements executed pursuant to such Area Development Agreement must be concurrently transferred or assigned to the same transferee, except as otherwise approved in writing by Us. If You are in full compliance with the Franchise Agreement, You may transfer Your rights in the Franchise Agreement to an entity over which You own and control 100% of the equity and voting power. If any transfer is not to an entity wholly owned by You, We or Our assignee have a right of first refusal with respect to any such transfer.
n.	Franchisor's right of first refusal to acquire Your business	Section 12.5	We or Our affiliates or Our assignee may match any offer for Your business.

	Provision	Section in Franchise Agreement	Summary
o.	Franchisor's option to purchase Your business	Section 14.5	Upon termination of the Franchise Agreement for any reason other than Our default or the expiration of the term of the Agreement, for a period of 60 days We (or Our assignee) may purchase Your business at the lesser of: (i) the net book value of Your business' assets, other than inventory, plus the lesser of cost and then-current wholesale market value of inventory, or (ii) the product of Your Franchised Business' average cash flow for the two most recently completed fiscal years, multiplied by six.
p.	Your death or disability	Section 12.6	In the event of Your death or disability (if an individual Franchisee or an owner of more than 10% equity interest of an entity franchisee), You or Your heirs or personal representative must, within 180 days, either (i) request the right to continue to operate the Franchised Business, except that no transfer fee will be payable and certain other standard transfer provisions, such as the right of first refusal, will not apply, or (ii) sell the Franchised Business to a third party, subject to the standard transfer and assignment conditions of the Franchise Agreement. If We deny a request to continue to operate the Franchised Business, the 120 days to sell begins on the date of Our denial. "Disability" is defined in the Franchise Agreement as a mental or physical disability, impairment or condition which is reasonably expected to prevent or actually does prevent You or an owner of a controlling interest in You from supervising the operation of Your Franchised Business for a period of 180 consecutive days or more from the onset of such disability, impairment or condition.

	Provision	Section in Franchise Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Section 11.1	You (and, as specified, other restricted owners and family members and managers) may not have any involvement, either directly or indirectly, as a director, officer, manager, employee, consultant, representative, agent or otherwise, in any competing optical retail store business anywhere in which sales of lenses, frames, contact lenses and optical goods represent 30% or more of the business's gross sales, nor may You (and such other restricted owners and family members and managers) have any direct or indirect interest in any such competing business. In addition, to the extent applicable law then permits this restriction, You (and such other restricted owners and family members and managers) may not recruit or hire any employee who, within the immediately preceding six-month period, was employed at any ZEISS VISION CENTER operated by anyone other than You without Our prior written permission or the permission of the affected franchisee or licensee.

	Provision	Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 11.2	For two years following the effective date of any termination other than as a result of Our default (or a period of three years if We approve a transfer by You or complete a purchase of You pursuant to the Franchise Agreement), You (and such other restricted owners and family members and managers) must not compete with Us by having any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any competitive business located or operating within 10 miles of Your ZEISS VISION CENTER or within 10 miles of any other ZEISS VISION CENTER franchise or company-owned location (except in either case for any interest in ZEISS VISION CENTERs that You operate under other agreements with Us) and except that in the case of post-employment covenants applicable to managerial or other employees such covenants shall apply only to the extent permissible under FTC regulations and other applicable laws. In addition, to the extent applicable law then permits this restriction, and for the same period described above, as the case may be, You (and such other restricted owners and family members and managers) may not recruit or hire any employee who, within the immediately preceding six-month period, was employed at any ZEISS VISION CENTER operated by anyone other than You without Our prior written permission or the permission of the affected franchisee or licensee.
s.	Modification of the agreement	Section 18.7	The Franchise Agreement may be amended or modified only by written agreement of the parties.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 18.14	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises or agreements are not enforceable.
u.	Dispute resolution by arbitration or mediation	Section 17.4	Except for actions brought to obtain specific performance, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, all disputes between You and Us will be subject to and settled through arbitration. Any arbitration proceedings shall be on an individual basis, and not a class-wide basis, nor will any arbitration proceeding between You and Us be consolidated with any other arbitration proceeding between Us and any other person or entity.
v.	Choice of forum	Section 17.4, 17.6	Litigation or arbitration must be in state district court or federal district court located in San Diego, California (subject to applicable state law).
w.	Choice of law	Section 17.5	The laws of the State of California shall govern and apply (other than to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 or other federal law, and exclusive of California conflict of law provisions; additionally, the California Franchise Relations Act and any other state law relating to (i) the offer and sale of franchises, (ii) franchise relationships or (iii) business opportunities, will not apply unless applicable jurisdictional requirements are independently met) (subject to applicable state law).

THE DEVELOPMENT AGREEMENT

This table lists certain important provisions of the Development Agreement:

	Provision	Section in Development Agreement	Summary
a.	Term of the Development Agreement	Section 4.1	To be negotiated but typically 3 to 6 years, depending upon extent of Development Area and agreed pace of development.
b.	Renewal or extension of the term	Section 4.2	By mutual agreement only; You will have no specific right to renew Your development rights.

	Provision	Section in Development Agreement	Summary
c.	Requirements for You to renew or extend	Section 7.2	No right to renew or extend development rights is conferred, but if You desire to do so You must so advise Us by the earlier of (i) 180 days prior to the end of the scheduled development term or (ii) the date on which acceptance of the proposed site for Your last scheduled ZEISS VISION CENTER under the current Development Agreement is issued; and You must at that same time advise Us of Your proposed extended development rights in terms of the number of additional ZEISS VISION CENTERs and proposed deadlines for the development of each. If there is agreement on such a development plan, Your extension will also be conditioned upon: (i) You and Your permitted affiliates which operate ZEISS VISION CENTERs in the Development Area having fully performed all obligations under the Development Agreement and all other agreements between us, (ii) demonstration of Your financial capacity to perform the additional development plan, (iii) Your having timely met all of Your development obligations throughout the term of the Development Agreement, and thereafter having continued to operate in the Development Area not less than the aggregate number of ZEISS VISION CENTERs then required by the development obligations; and (iv) prior to the expiration of the term of the Development Agreement, Your executing a new area development agreement on our then-current form (which may contain materially different terms and conditions from Your original Development Agreement), and You and Your affiliates signing a general release of any claims You or they may then have against Us or Our affiliates.

	Provision	Section in Development Agreement	Summary
d.	Termination by You	Section 9.3	You may terminate the Development Agreement if We materially breach an obligation and fail to either cure such default within 60 days from the date of a written notice of default delivered to Us or, if such default cannot reasonably cured within 60 days, provide proof to You of efforts which are reasonably calculated to cure such default within a reasonable time (which will in no event be more than 90 days after notice).
e.	Termination by Franchisor without cause	Not Applicable	Not Applicable
f.	Termination by Franchisor with cause	Sections 9.1, 9.2	We may terminate only for cause.
g.	"Cause" defined--defaults which can be cured	Section 9.1(h)-(j)	You have 10 days to cure the following types of default: failure to pay required payments to Us or to any of Our affiliates under the Development Agreement or other agreements between You and Us. You have 30 days to cure for failure to comply with other obligations under Your Development Agreement; for breaches of other agreements, including Franchise Agreements, You have such time to cure, if any, as is permitted under such other agreements (other than non-curable defaults specified in Item 17.h below).

	Provision	Section in Development Agreement	Summary
h.	"Cause" defined--defaults which cannot be cured	Sections 9.1(a)-(g)	Non-curable defaults are: You are adjudged bankrupt or file a voluntary petition in bankruptcy or have an involuntary petition filed against You; assignment of Your Development Agreement or more than a 10% equity interest in Your franchisee entity without Our prior written consent and approval (which in the case of the Development Agreement may be given or not in Our sole discretion); material misrepresentation or omission in Your application for or under the Development Agreement; You are convicted or plead no contest to a felony or to any other crime or offense that may adversely affect the goodwill associated with the ZEISS Marks; You engage in any conduct which may materially adversely affect the reputation of any ZEISS VISION CENTER or the goodwill associated with the ZEISS Marks; unauthorized use of the ZEISS Marks; failure to comply with Your development schedule or obligations or non-compete obligations.

	Provision	Section in Development Agreement	Summary
i.	Your obligations on termination/nonrenewal	Section 10	The termination of the Development Agreement will immediately terminate Your further development rights and Your right to execute any additional Franchise Agreements, but: (a) will not affect or diminish the effect of any provision of the Development Agreement which expressly or by implication comes into force or continues in force after termination; (b) will not release You from any obligation to pay any sums owed under the Development Agreement or to pay franchise fees, System Service Fees, or other sums owed to Us under Franchise Agreements or other agreements; and (c) will not terminate any Franchise Agreements between You and Us for the operation of ZEISS VISION CENTERs unless such event of default also by its terms serves as an event of default under the Franchise Agreement.
j.	Assignment of contract by Franchisor	Section 8.1	There is no restriction on Our right to assign, except that if Our assignee assumes all of Our obligations to You, then We are free of further liability to You.
k.	"Transfer" by You--definition	Section 1.2	Includes any assignment, transfer, sale, sublease or encumbrance of the Development Agreement, Your Franchised Businesses, or of any record or beneficial ownership interest in the Franchisee if You are a corporation, partnership or limited liability company, or similar equity or ownership interest if You are any other form of entity.

	Provision	Section in Development Agreement	Summary
l.	Franchisor's approval of transfer by franchisee	Sections 8.2, 8.3	Because Your rights and duties created by the Development Agreement are personal to You and granted in reliance upon Our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of You and, if You are not an individual, Your entity owners, no transfer will be made without Our prior written approval, which may be given or withheld in Our sole discretion.
m.	Conditions for Franchisor's approval of transfer	Sections 8.2, 8.3	Except for transfers to wholly owned entities, in the event that We do permit any transfer of Your development rights You will not be permitted to make a transfer with respect to the Development Agreement or substantially all of the Franchise Agreements executed pursuant to the Development Agreement except in conjunction with a concurrent transfer to the same transferee of all such Franchise Agreements or, at Our election, the execution by the transferee of new Franchise Agreements on Our then-current form for each of such ZEISS VISION CENTERs then developed or under development by You, and otherwise in accordance with the terms and conditions applicable to transfers under each of such Franchise Agreements.
n.	Franchisor's right of first refusal to acquire Your business	Section 8.5	Not applicable.
o.	Franchisor's option to purchase Your business	Section 8.5	Not applicable.

	Provision	Section in Development Agreement	Summary
p.	Your death or disability	Sections 8.6	If You are an individual, upon Your death or disability or, if You are an entity, upon the death or disability of an individual owner of a controlling interest in You, the executor, administrator, conservator or other personal representative of that person may either, within 180 days from the date of death or disability, (i) request the right on behalf of designated heirs or family members reasonably acceptable to Us to continue to develop and operate Your ZEISS VISION CENTERs pursuant hereto and the related Franchise Agreements or (ii) propose a transfer of his or her interest in this Development Agreement and Your franchised ZEISS VISION CENTERs or of his or her Controlling Interest in You to a third party approved by Us. However, We are under no obligation to approve a transfer of all such development rights to any third party.

	Provision	Section in Development Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Section 3.1	You (and such other restricted owners and family members and managers) may not have any involvement, either directly or indirectly, as a director, officer, manager, employee, consultant, representative, agent or otherwise, in any competing optical retail store business anywhere in which sales of lenses, frames, contact lenses and optical goods represent 30% or more of the business's gross sales, nor may You (and such other restricted owners and family members and managers) have any direct or indirect interest in any such competing business. In addition, to the extent applicable law then permits this restriction, You (and such other restricted owners and family members and managers) may not recruit or hire any employee who, within the immediately preceding six-month period, was employed at any ZEISS VISION CENTER operated by anyone other than You without Our prior written permission or the permission of the affected franchisee or licensee.

	Provision	Section in Development Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 3.2	For two years following the effective date of any termination other than as a result of Our default (or a period of three years if We approve a transfer by You), You (and such other restricted owners and family members and managers) must not compete with Us, commencing on the effective date of termination, the date of such transfer by You, or the cessation of a restricted person's relationship with You, as the case may be, by having any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any competitive business located or operating within (i) the Development Area or, if greater, the metropolitan area in which Your Development Area is located, or (ii) 10 miles of any ZEISS VISION CENTER wherever located (except in either case for any interest in ZEISS VISION CENTERs operated by You or such restricted person under Franchise Agreements with us), and except that in the case of post-employment covenants applicable to managerial or other employees such covenants shall apply only to the extent permissible under FTC regulations and other applicable laws. In addition, to the extent applicable law then permits this restriction, and for the same period described above, as the case may be, You (and such other restricted owners and family members and managers) may not recruit or hire any employee who, within the immediately preceding six-month period, was employed at any ZEISS VISION CENTER operated by anyone other than You without Our prior written permission or the permission of the affected franchisee or license.

	Provision	Section in Development Agreement	Summary
s.	Modification of the Development Agreement	Section 13.2	The Development Agreement may be amended or modified only by written agreement of the parties.
t.	Integration/merger clause	Sections 13.14	Only the terms of the Development Agreement are binding (subject to state law). Any other promises or agreements are not enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 12.1, 12.4	Except for actions brought to obtain specific performance, temporary restraining orders, and temporary or preliminary injunctive relief from a court of competent jurisdiction, all disputes between You and Us will be subject to and settled through arbitration. Any arbitration proceedings shall be on an individual basis, and not a class-wide basis, nor will any arbitration proceeding between You and Us be consolidated with any other arbitration proceeding between Us and any other person or entity.
v.	Choice of forum	Sections 12.6	Litigation or arbitration must be in state district court or federal district court located in San Diego, California (subject to applicable state law).
w.	Choice of law	Sections 12.5	The laws of the State of California shall govern and apply (other than to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 or other federal law, and exclusive of California conflict of law provisions; additionally, the California Franchise Relations Act and any other state law relating to (i) the offer and sale of franchises, (ii) franchise relationships or (iii) business opportunities, will not apply unless applicable jurisdictional requirements are independently met) (subject to applicable state law).

ITEM 18

PUBLIC FIGURES

We do not currently use any public figure to promote Our franchise.

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 this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet You are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize Our employees or representatives to make any such representations either orally or in writing. If You are purchasing an existing outlet, however, We may provide You with the actual records of that outlet. If You receive any other financial performance information or projections of Your future income, You should report it to the franchisor's management by contacting Kristina Masin, Director of Business-to-Business Marketing, at 937-270-3316, and the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary

For years 2022 to 2024 (1)(2)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

NOTES

(1) While other ZEISS affiliates have offered franchises or substantially similar commercial arrangements in a substantial number of non-United States jurisdictions since 2008, neither We nor any of Our affiliates have previously opened or operated, or have sold or developed, ZEISS VISION CENTER franchises in the United States. Our franchisor entity was organized only on May 22, 2024.

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

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024 (1)(2)

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

NOTES

(1) While other ZEISS affiliates have offered franchises or substantially similar commercial arrangements in a substantial number of non-United States jurisdictions since 2008, neither We nor any of Our affiliates have previously opened or operated, or have sold or developed, ZEISS VISION CENTER franchises in the United States. Our franchisor entity was organized only on May 22, 2024.

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

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024 (1)(2)

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

NOTES

(1) While other ZEISS affiliates have offered franchises or substantially similar commercial arrangements in a substantial number of non-United States jurisdictions since 2008, neither We nor any of Our affiliates have previously opened or operated, or have sold or developed, ZEISS VISION CENTER franchises in the United States. Our franchisor entity was organized only on May 22, 2024.

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

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024 (1)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

NOTES

(1) While other ZEISS affiliates have offered franchises or substantially similar commercial arrangements in a substantial number of non-United States jurisdictions since 2008, neither We nor any of Our affiliates have previously opened or operated, or have sold or developed, ZEISS VISION CENTER franchises in the United States. Our franchisor entity was organized only on May 22, 2024.

Table No. 5
Projected Openings As of Fiscal Year Commencing October 1, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Fiscal Year
CA	0	1	0
NJ	0	1	0
NY	0	1	0
TX	0	1	0
Total	0	4	0

During the last three years, no franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

ITEM 21

FINANCIAL STATEMENTS

Exhibit A contains Our audited financial statements consisting of an audited balance sheet as of August 23, 2024 and the related statement of operations, statement of cash flows, and statement of changes in shareholder's equity for the period from inception (May 22, 2024) through August 23, 2024. We were organized to conduct franchising activities by Our parent corporation only on May 22, 2024 and did not conduct any operations prior to that. Our fiscal year ends on September 30. We have not been in business for three years or more and cannot include three fiscal years of financial statements required by the FTC Rule.

ITEM 22

CONTRACTS

We urge You to read all of the contracts and agreements carefully. It is important that You understand all of those terms. We have attached the following contracts and agreements:

Exhibit B - Franchise Agreement

with:

Exhibit A: Premises and Protected Territory

Exhibit C - Area Development Agreement

Exhibit D - Form of Personal Guaranty

Exhibit E - Form of Confidentiality Agreement/Covenant Not to Compete

ITEM 23

RECEIPT

A receipt for this Franchise Disclosure Document is attached at the end of this document. You must remove one copy, sign it, and return it to Us.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBITS

EXHIBIT A

FINANCIAL STATEMENTS

Rödl & Partner

CARL ZEISS VISION BUSINESS SERVICES INC.

FINANCIAL STATEMENTS
AS OF AUGUST 23, 2024
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

CARL ZEISS VISION BUSINESS SERVICES INC.
TABLE OF CONTENTS
AUGUST 23, 2024

Rödl Langford de Kock – VL, LLC
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of
Carl Zeiss Vision Business Services Inc.:

Opinion

We have audited the financial statements of Carl Zeiss Vision Business Services Inc. (the "Company"), which comprise the balance sheet as of August 23, 2024, and the related statements of operations, changes in shareholder's equity, and cash flows for the period from inception (May 22, 2024) through August 23, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of August 23, 2024, and the results of its operations and its cash flows for the period from inception through August 23, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and, therefore, it is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout our audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Rödl Langford de Kock – VL, LLC

Cincinnati, Ohio,
September 25, 2024.

CARL ZEISS VISION BUSINESS SERVICES INC.
BALANCE SHEET
AUGUST 23, 2024
(In U.S. Dollars)

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	100,000

LIABILITIES AND SHAREHOLDER'S EQUITY

SHAREHOLDER'S EQUITY		
Common stock; par value $0.01 per share; 100 shares authorized, issued and outstanding	$	1
Additional paid-in capital		99,999
Retained earnings		-
Total shareholder's equity	$	100,000

The accompanying notes are an integral part of this financial statement.

CARL ZEISS VISION BUSINESS SERVICES INC.
STATEMENT OF OPERATIONS
FOR THE PERIOD FROM INCEPTION (MAY 22, 2024) THROUGH AUGUST 23, 2024
(In U.S. Dollars)

SALES	$	-
COST OF GOODS SOLD		-
GROSS PROFIT		-
OPERATING EXPENSES		-
NET INCOME FROM OPERATIONS		-
INCOME TAX BENEFIT		-
NET INCOME	$	-

The accompanying notes are an integral part of this financial statement.

CARL ZEISS VISION BUSINESS SERVICES INC.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE PERIOD FROM INCEPTION (MAY 22, 2024) THROUGH AUGUST 23, 2024
(In U.S. Dollars)

	Common stock	Additional paid-in capital	Retained earnings	Total shareholder's equity
Inception on May 22, 2024	$ -	$ -	$ -	$ -
Capital contributions on August 23, 2024	1	99,999	-	100,000
Net income	-	-	-	-
Balance at August 23, 2024	$ 1	$ 99,999	$ -	$ 100,000

The accompanying notes are an integral part of this financial statement.

CARL ZEISS VISION BUSINESS SERVICES INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION (MAY 22, 2024) THROUGH AUGUST 23, 2024
(In U.S. Dollars)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ -
Net cash from operating activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital contributions	99,999
Issuance of common stock	1
Net cash from financing activities	100,000
NET CHANGES IN CASH AND CASH EQUIVALENTS	100,000
CASH AND CASH EQUIVALENTS - BEGINNING	-
CASH AND CASH EQUIVALENTS - END	$ 100,000

The accompanying notes are an integral part of this financial statement.

1. ORGANIZATION AND INDUSTRY

Carl Zeiss Vision Business Services Inc. (the “Company”) is a wholly-owned subsidiary of Carl Zeiss Vision Inc., a member of the Carl Zeiss Group based in Oberkochen, Germany. The Company was incorporated in Kentucky on May 22, 2024 and is engaged in franchising services in the United States for the Carl Zeiss Group and its related trademarks, brands, and vision center franchise system. Carl Zeiss Vision Inc. is engaged in the development, manufacture, and marketing of products and systems as well as the rendering of services for diagnosis and treatment in the field of medical technology, specifically as it relates to vision and the human eye.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents
Cash and cash equivalents are defined as investments having a maturity, when purchased, of three months or less. The Company maintains bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Revenue recognition
As of August 23, 2024, the Company had not yet entered into any contracts that will produce future revenues and thus had no revenues or expenses for the period then ended.

3. SUBSEQUENT EVENTS

The date to which events occurring after August 23, 2024, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or additional disclosures is September 25, 2024, which is the date the financial statements were available to be issued.

EXHIBIT B

FRANCHISE AGREEMENT

[EXHIBIT B]

ZEISS VISION CENTER
FRANCHISE AGREEMENT

BETWEEN

CARL ZEISS VISION BUSINESS SERVICES INC.
1040 Worldwide Boulevard
Hebron, Kentucky 41048
(859) 689-1243

AND

____

____

____
Name(s) of Franchisee

____
Street

____
City State Zip Code

( )___________________________________
Area Code Telephone

Franchised Business Location:

____
Street

____
City State Zip Code

( )___________________________________
Area Code Telephone

Date of Franchise Agreement

________________________________**, 20**___

ZEISS VISION CENTER
FRANCHISE AGREEMENT

TABLE OF CONTENTS

ZEISS VISION CENTER FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is executed this __ day of ______, 20__ (the "**Effective Date**") between **Carl Zeiss Vision Business Services Inc.**, a Delaware corporation, with its principal business address at 1040 Worldwide Boulevard, Hebron, Kentucky 41048 (generally referred to in this Agreement as "**we**" or by similar terms), and _____ _______________________________________, a ____ ___________________, whose principal business address is _________________________________ _____________(generally referred to in this Agreement as "**you**" or by similar terms).

OUR AGREEMENT WITH YOU: By signing this Agreement, you and we agree to all of the terms and provisions in this Agreement and in the Appendices and Schedules to this Agreement. By signing this Agreement, you are also affirming that you understand and accept the Preambles in Article 1 of this Agreement. Finally, by executing this Agreement, you are affirming your timely receipt of our Franchise Disclosure Document and this Agreement at least 14 days before the date hereof and that you understand and accept that there are risks associated with the vision care business venture contemplated by this Agreement, particularly if you are conducting business as a small business owner.

ARTICLE 1
DEFINITIONS; PREAMBLES; AND ACKNOWLEDGMENTS

1.1 Preambles.

(a) Our ultimate parent business entity, Carl Zeiss AG and its foundation sole owner Carl-Zeiss-Stiftung (collectively "**ZEISS Parent**") and its directly and indirectly owned subsidiaries (together with ZEISS Parent, "**ZEISS Affiliated Entities**") have authorized us to develop and offer and sell franchises for a ZEISS-branded franchise system in the United States, and as a result of our expenditure of time, skill, effort and money, and such expenditures of ZEISS Affiliated Entities, we have developed a comprehensive system, methods, and procedures (collectively, the "**ZVC System**") consisting of a business format, systems, methods, procedures, inventory selection and supply arrangements, designs, layouts and specifications for the development and operation of ZEISS-branded optical retail centers (the "**ZEISS VISION CENTERs**") operating under the name and common law trademark "**ZEISS VISION CENTER**" and other trademarks, service marks, commercial symbols and trade dress designated by us from time to time (the "**ZEISS Marks**") featuring an extensive selection of high quality lenses, frames, contact lenses, other optical goods, and cleaning accessories, all of which we may improve, modify or further develop in the future. The distinguishing features of the ZVC System include but are not limited to the ZEISS Marks and to distinctive ZEISS-branded lenses and other optical goods and other products and services which are offered in the ZEISS VISION CENTERs; distinctive interior and exterior building designs, signs, trade dress, color schemes and décor, furnishings and equipment; uniform standards, specifications, methods, and procedures for establishing and operating the ZEISS VISION CENTERs and for providing goods and services under the ZEISS Marks and for quality control, training and ongoing operational assistance and advertising and promotional programs, including but not limited to those set forth in the ZEISS VISION CENTER Operations Manual (the "**Operations Manual**"), all of which ZVC System features and aspects may be changed, improved, and further developed by us from time to time.

(b) ZEISS Parent has granted us the right to sublicense the ZEISS Marks and to franchise the ZVC System throughout the United States.

(c) We, by reason of the maintenance of high standards for quality and service set by ZEISS Parent and ZEISS Affiliated Entities dating back to Carl Zeiss AG's formation in 1846, have established a favorable public reputation and created significant goodwill for the ZEISS brand, ZEISS VISION CENTERs operated around the world, and ZEISS VISION CENTERs to be operated under the ZVC System in the United States, and we use the ZEISS Marks for our benefit and in order to identify for the public the source of products and services marketed in conformity with the ZVC System's standards of quality and service.

(d) We do not currently operate ZEISS VISION CENTERs, but other ZEISS-Affiliated Entities have since 2008 offered and sold franchises or licenses for similar ZEISS VISION CENTERs in a substantial number of non-United States jurisdictions, with more than 300 ZEISS VISION CENTERs worldwide. We have begun to franchise and license and, in the future, expect to continue to franchise and license others to operate ZEISS VISION CENTERs in the United States.

(e) You desire to operate a ZEISS VISION CENTER business under the ZVC System and the ZEISS Marks and wish to obtain a license for that purpose, as well as to receive the training and other assistance provided by us in connection therewith, and you have applied for a franchise to own and operate a ZEISS VISION CENTER, and we have approved your application relying on all of your representations, warranties and acknowledgments contained in the application and in this Agreement.

(f) You have received a copy of the ZEISS VISION CENTER Franchise Disclosure Document ("**FDD**"), have had an opportunity to review it for at least 14 days before signing this Agreement, and have had an opportunity to consult with financial and legal counsel of your own choosing with respect to the FDD and this Agreement. You are entering into this Agreement after making an independent investigation of our business and the ZVC System and not upon any representation or promises by us that are not contained in this Agreement or in the FDD.

(g) You understand and acknowledge the importance of maintaining our standards of quality and service and the necessity of operating the business licensed hereunder in strict accordance with our standards and specifications.

NOW THEREFORE, the parties agree as follows:

1.2 Definitions. In addition to other terms particularly defined herein, the following capitalized terms used in this Agreement shall have the following meanings:

(a) "**Affiliate**" as used in relation to a specified person or entity, means any person or entity that directly or indirectly owns or controls such person or entity, is directly or indirectly owned or controlled by such person or entity, or is under common control with such person or entity.

(b) "**Alternative Distribution Channel**" means a sale of ZEISS Products outside of a branded ZEISS VISION CENTER operating under the ZEISS Marks, including, without limitation, sale of ZEISS-branded products by distribution through independent vision care clinics or retail outlets; competitor vision care franchise retail systems operating under non-ZEISS brand names; catalogs; mail order; electronic media, including television, radio, the internet and other new or emerging commercial technological media; or other sales occurring outside of a branded ZEISS VISION CENTER.

(c) "**Area Development Agreement**", if applicable, means an agreement between you and us under which you have agreed to open multiple ZEISS VISION CENTERs and pursuant to which you have executed this Agreement.

(d) "**Assignee**", means an existing ZEISS VISION CENTER franchisee, a practicing vision care professional, or a professional legal entity owned by one or more practicing vision care professional(s) approved by us in writing.

(e) "**Competitive Business**" means any business operating, or granting franchises or licenses to others to operate, an optical retail store business in which sales of lenses, frames, contact lenses and optical goods represent 30% or more of the business's gross sales, except for any existing similar optical retail center business owned and operated by you or such other Restricted Person, which has been disclosed to and acknowledged and approved by us in writing prior to execution of this Agreement and is described in Schedule 1.2(e) attached hereto; provided, however, Competitive Business shall not be deemed to include a professional optometry or ophthalmology clinic.

(f) "**Confidential Information**" means any information relating to the ZEISS Products or the development or operation of ZEISS VISION CENTERs that is proprietary to us or other ZEISS Affiliated Entities and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including, but not limited to, any information that can reasonably be considered proprietary, confidential, a trade-secret, or otherwise valuable and uncommon information and/or knowledge, and including without limitation site selection criteria; processes and methods for the preparation of ZEISS Products; methods, techniques, formats, specifications, systems, procedures, sales and marketing techniques, and knowledge of and experience in the development and operation of ZEISS VISION CENTERs; marketing programs for ZEISS VISION CENTERs; and knowledge of specifications for and suppliers of certain ZEISS Products, materials, supplies, equipment, furnishings and fixtures; notwithstanding anything in the foregoing to the contrary, Confidential Information shall not include information which (a) has entered the public domain or was demonstrably known to you prior to our disclosure of such information, other than by the breach of an obligation of confidentiality owed by anyone to us or to ZEISS Affiliated Entities; (b) becomes known from a source other than us or ZEISS Affiliated Entities and other than by the breach of an obligation of confidentiality owed by anyone to us or to ZEISS Affiliated Entities; or (c) was demonstrably independently developed by you without the use or benefit of any of our Confidential Information (but information developed by you that is within the scope of Section 10.7 shall be regarded as Confidential Information). The burden of proving the applicability of the foregoing exclusions will reside with you.

(g) "**Controlling Interest**" means an interest, the ownership of which empowers the holder or holders to exercise a controlling influence over the management, policies or personnel of an Entity. Ownership of 10% or more in the aggregate of the equity or voting securities of a corporation, limited liability company or limited liability partnership or similar entity, or ownership of any general partnership interest in a general or limited partnership, will be deemed conclusively to constitute a Controlling Interest in the corporation, limited liability company, other entity or partnership, as the case may be.

(h) "**Entity**" means a corporation, general partnership, joint venture, limited partnership, limited liability partnership, limited liability company, trust, estate or other entity.

(i) "**Entity Owner**" means, with respect to an Entity, any shareholder or other person owning directly or beneficially 10% or more of any class of equity or ownership securities of the Entity; any general partner or co-venturer in the Entity; any partner in a limited liability partnership or member in a limited liability company owning directly or beneficially 10% or more of the ownership interests in the limited liability partnership or limited liability company; the trustees or administrators of any trust or estate; and any beneficiary of a trust or estate owning, directly or beneficially, 10% or more of the interests in the trust or estate. If any Entity Owner within the scope of this definition is itself an Entity (including an Entity Owner that is an Entity Owner because of this sentence), the term "Entity Owner" also includes Entity Owners (as defined in the preceding sentence) in the Entity, and so on. It is the intent of this definition to "trace back" and include within the definition of Entity Owner all natural persons owning the requisite interests to qualify as Entity Owners.

(j) "**Gross Revenues**" means the aggregate amount of all sales of products (including all ZEISS Products), other items and non-professional services made and rendered in connection with the operation of the Franchised Business (as defined in Section 2.1 below), including sales made at or away from the premises of your ZEISS VISION CENTER, whether for cash or credit, but excluding (i) any revenues for professional vision care services, and (ii) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

(k) "**Initial Franchise Fee**" shall have the meaning set forth in Section 6.1.

(l) "**Non-Traditional Venue**" is a ZEISS VISION CENTER or any other ZEISS-branded retail unit that sells ZEISS Products located within another principal healthcare business or in conjunction with another healthcare business (other than an optometrist's or ophthalmologist's clinic) or at institutional healthcare settings, including ZEISS VISION CENTERs that may be operated within hospitals, assisted living centers or nursing homes within Your Territory.

(m) "**Restricted Person**" means you; each of your Entity Owners, if you are an Entity; your Affiliates; and the spouses, natural and adopted children and siblings of any of you, your Entity Owners and Affiliates that are individuals and that, in the case of any such spouses, natural and adopted children and siblings, perform any material services for you in connection with the Franchised Business.

(n) "**Transfer**" means the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, encumbrance, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interest in this Agreement, the assets in your Franchised

Business (other than the sale of ZEISS Products in the ordinary course), or of a Controlling Interest in you.

(o) "**ZEISS Marks**" means the trademarks, trade names, service marks, logos and other commercial symbols which we authorize franchisees to use to identify the ZEISS Products and/or services offered by ZEISS VISION CENTERs, including the registered or common law trademarks and service marks "ZEISS", "ZEISS VISION CENTER" and "ZEISS Vision Experience" and the ZVC Trade Dress (defined below) and the goodwill associated therewith; provided that such trademarks, trade names, service marks, logos and other commercial symbols and the ZVC Trade Dress are subject to modification and discontinuance at our sole discretion, and additional or substitute trademarks, trade names, service marks, logos, commercial symbols or ZVC Trade Dress may be established by us in the future.

(p) "**ZEISS Parent**" means collectively our ultimate parent business entity, Carl Zeiss AG, a German stock corporation, and its foundation sole owner Carl-Zeiss-Stiftung. ZEISS Parent is the owner and developer of the ZEISS Marks and ZVC Trade Dress and has exclusively licensed us to use the ZEISS Marks and ZVC Trade Dress in the offer and sale of franchises in the United States, including all of its territories and possessions.

(q) "**ZEISS Products**" means products and services approved or required by us from time to time in our sole discretion for sale at or from ZEISS VISION CENTERs, including both ZEISS-branded and approved non-ZEISS-branded products and including without limitation, finished and/or uncut prescription surfaced lenses, anti-reflecting coatings, stock lenses, lens accessories, cleaning accessories, and other products and services approved by us from time to time; provided that the foregoing products are subject to modification or discontinuance in our sole discretion from time to time and may include additional or substitute products and services.

(r) "**ZEISS VISION CENTER**" means a ZEISS VISION CENTER-branded retail optical store doing business under the ZEISS Marks and selling ZEISS Products and other products and services specified by us.

(s) "**ZVC System**" means our business format, signs, equipment, methods, procedures, designs, layouts and specifications, including the use of the ZEISS Marks and the ZVC Trade Dress, including as we may modify them in the future.

(t) "**ZVC System Standards**" means the operating procedures, standards, requirements and specifications, whether contained in the Operations Manual or elsewhere, which we may improve, further develop or modify from time to time and which are mandatory in nature (unless otherwise specified in writing by us) so as to comprise the requirements to be followed with respect to ZEISS VISION CENTERs and the use of the ZEISS Marks in connection therewith.

(u) "**ZVC Trade Dress**" means the designs, color schemes, décor and images which we authorize and require our franchisees to use in connection with the operation of ZEISS VISION CENTERs, as may be revised and further developed by us from time to time.

ARTICLE 2
GRANT OF FRANCHISE; YOUR CONTROL

2.1 Grant of Franchise and Trademark License. You have applied for a franchise to own and operate a ZEISS VISION CENTER (the "**Franchised Business**" or "**your ZEISS VISION CENTER**") at and only at ____ (the "**Premises**"). If no Premises have been inserted in the foregoing blank space at the time of execution of this Agreement, you shall promptly, following execution hereof, locate one or more proposed sites which meet our standards and specifications and submit such site(s) and such information as we deem necessary for approval by us in accordance with Section 4.1 and the selected Premises shall then be identified in Exhibit A by subsequent amendment. Subject to the terms and conditions of this Agreement, including Section 2.2 hereof, we grant you a non-exclusive license and franchise (the "**Franchise**") to operate your ZEISS VISION CENTER at the Premises and to use the ZVC System, ZEISS Marks and ZVC Trade Dress in the operation of your ZEISS VISION CENTER, subject in each case to changes therein that we direct from time to time. You hereby accept the Franchise and undertake the obligation to operate your ZEISS VISION CENTER using the ZVC System in accordance with the ZVC System Standards. The Franchise granted herein is limited to the right to operate one franchised ZEISS VISION CENTER at the Premises. You have no right to construct or operate any additional, expanded or modified facilities on the Premises, nor any right to construct or operate a ZEISS VISION CENTER at any location other than the Premises. In addition, you have no right to sublicense pursuant to this Agreement.

2.2 Protected Territory; Reservation of Certain Rights. During the term of this Agreement and except as otherwise provided or reserved in this Section 2.2, neither we nor any ZEISS Affiliated Entities nor any other Affiliate shall open or operate any ZEISS VISION CENTER, nor license or franchise others to do so, within the geographic area described on Exhibit A (the "**Protected Territory**"). If no Premises have been identified in Section 2.1 above and if no Protected Territory is identified on Exhibit A as of the date of signing this Agreement, then when such Premises are approved by us in accordance with Section 4.1, the Protected Territory shall also be approved and set forth on Exhibit A, with the approximate size and shape of such Protected Territory to comply with our current standards for minimum population, number of qualified households, and age range, population density, demographic and psychographic criteria, market and development trends, traffic flow and territorial radius and/or streets and highways and other natural and/or man-made boundaries and such a Protected Territory will generally consist of the area within a 2-to-10-mile radius of Your approved Premises, depending upon population density and other factors noted in this Section, or shall be a Protected Territory described by particular boundary streets, highways or other landmarks surrounding Your approved Premises. In determining the original size and boundaries of your Protected Territory, we will consider demographic and other factors that we deem appropriate, including the number of people living within the local market area, the number and size of competitors, traffic patterns, the competitive situation, and economic data. Upon our provision to you by written notice of the completed Exhibit A, this Agreement shall be deemed to be amended to include such revised Exhibit A, without further action of either party.

Except to the limited extent expressly provided in the initial paragraph of this Section 2.2, the Franchise is non-exclusive, and we and our Affiliates reserve the right to, directly or indirectly, ourselves and through our employees, licensees, franchisees, assigns, agents and others: (1) establish ZEISS VISION CENTERs, including ZEISS VISION CENTER franchises, licenses or businesses owned by us or ZEISS Affiliated Entities, at any locations we deem appropriate outside the Protected Territory; (2) establish ZEISS VISION CENTERs or other retail units selling ZEISS Products at Non-Traditional Venues within or outside the Protected Territory and regardless of proximity to your Franchised Business; (3) distribute ZEISS Products and any other products or services through Alternative Distribution Channels using the ZEISS Marks within or outside the Protected Territory and regardless of proximity to your Franchised Business; (4) establish businesses which are franchised, licensed or owned by us or ZEISS Affiliated Entities at any locations we deem appropriate, or distribute products or services which are similar to the ZEISS Products, in each case under trade names, trademarks, service marks, trade dress or other commercial symbols other than the ZEISS Marks within or outside the Protected Territory and regardless of proximity to your Franchised Business; and (5) advertise and promote the ZVC System and ZEISS Products through any means, including the internet, within or outside the Protected Territory and regardless of proximity to your Franchised Business.

2.3 If A Licensed Professional. During the term of this Agreement, in the event that you or any of your Entity Owner(s) are an optometrist or ophthalmologist licensed to practice within the state where your ZEISS VISION CENTER is located (or a professional corporation or other professional legal entity owned by such duly licensed optometrist(s) or ophthalmologist(s)), to the extent required by state law and ethical codes, you or your Entity Owner(s), officers or directors must supervise the Franchised Business. In such event, we will not interfere with your or any Entity Owner's professional judgment in any manner, and you acknowledge we are not, in any way, engaging in the corporate practice of medicine or optometry. We will not assert any ownership in your or any Entity Owner's optometry practice, patient medical records or medical equipment. You and your Entity Owner(s) will be fully responsible for all aspects of the optometry practice, including the selection of employees or other personnel, contractors, inventory and medical equipment, coding and billing procedures, decisions regarding any patient's need for referrals to other health care practitioners, and your clinic hours of practice.

2.4 Your Control. You acknowledge and agree that you will have the sole right and responsibility for the manner and means by which the day-to-day operation of your ZEISS VISION CENTER is determined and conducted, consistent with the ZVC System Standards, and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us, this right and responsibility includes the employment, supervision, setting the conditions of employment, compensation, and discharge of your employees or other personnel at your ZEISS VISION CENTER; daily maintenance; safety concerns; and the achievement of conformity with the ZVC System Standards.

ARTICLE 3
INITIAL TERM AND RENEWAL

3.1 Initial Term of the Franchise Agreement. The initial term of this Agreement will be ten years, commencing on the Effective Date of this Agreement. This Agreement may be renewed as provided in Section 3.2 below. This Agreement may be terminated prior to expiration of its term if: (i) the lease or sublease of the Premises is terminated as provided in Section 4.2(b) and 13.1(f) below; (ii) the lease or sublease of the Premises expires and you are unable to obtain a replacement lease or sublease, as provided in Sections 4.2(c) and 13.1(f) below; or (iii) this Agreement is otherwise terminated in accordance with Article 13 below. References in this Agreement to the term of this Agreement mean the initial term and any renewal term.

3.2 Renewal. If you are not in default at the time of exercise of a renewal option and at the time the prior term expires, you may renew this Agreement for one additional ten-year term, provided that:

(a) You give us written notice of your intention to renew at least 180 days prior to expiration of the then-current term;

(b) You sign our then-current form of Franchise Agreement which may include a different System Services Fee (as defined below), marketing fees or other fees and charges, and changes in performance criteria and in other terms and conditions, although the Initial Franchise Fee payable under Section 6.1, or the corresponding section of the then-current form, shall not exceed $25,000 (and no Systems Services Fee shall be payable for the year in which the renewal fee is paid but, in accordance with Section 6.2, only upon the anniversary thereof and for subsequent years during the renewal term);

(c) At our request, you refurbish, remodel, redecorate, and renovate your Franchised Business at the commencement of the renewal term to meet our then-current standards for ZEISS VISION CENTERs, including ZVC Trade Dress;

(d) At our request, you execute a general release, in a form satisfactory to us, of any and all claims against us or our Affiliates and our and their respective officers, directors, attorneys, shareholders and employees;

(e) You shall have complied in all material respects with each of the terms and conditions of this Agreement or any other agreement between you and us during the initial term, and no default or noncompliance shall exist at the time of such renewal;

(f) All monetary obligations owed by you to us, our Affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise, have been satisfied prior to renewal, and have been paid in timely manner throughout the initial term; and

(g) You have the right to retain and occupy the Premises for the duration of the renewal term.

Following receipt of your election to renew, we will provide you with an execution copy of the form of Franchise Agreement to be entered into for the renewal term. If you do not execute and return the renewal Franchise Agreement to us within 30 days of receipt, then you will be deemed to have withdrawn your notice of renewal, and this Agreement will terminate at the end of the current term.

ARTICLE 4
SITE SELECTION, LEASE OF PREMISES AND DEVELOPMENT OF YOUR FRANCHISED BUSINESS

4.1 Site Selection. It will be your sole responsibility to locate and propose the Premises for your Franchised Business but You must obtain our written approval of the Premises before you sign a new lease, sublease or purchase agreement for, or otherwise contractually commit to, or begin construction of, the Premises. If a Protected Territory has not been agreed to and described on Exhibit A at the time of signing this Agreement, a Protected Territory will also be determined by us concurrently with approval of your Premises, consistent with our standards therefor, and will be identified on Exhibit A at that time, in accordance with the amendment process set forth in Section 2.2. Our approval of the Premises is based, in our discretion, and made in reliance upon information you are required to furnish to us and representations you make to us (all of which we assume you have carefully and fully considered in proposing the Premises to us) with respect to the size, appearance and other physical characteristics of the Premises, photographs of the Premises, and demographic characteristics, traffic patterns, competition from other businesses in the area (including other ZEISS VISION CENTERs) and other commercial characteristics (including the purchase price, rental obligations, and other lease terms). We may elect to physically visit a site proposed by you, or you may request us to do so, for the purposes of evaluating such site, and if we do so at your request, in our discretion, you must, if we so request, pay all our cost and expenses incurred with respect to such evaluation, including travel, lodging and meals. We shall have 30 days after receipt of the required site materials to approve or disapprove your proposed Premises. Our approval of your proposed Premises will be by delivery of written notice to you. If you do not receive a written notice of approval within 30 days from us, your proposed Premises is considered disapproved.

Your acceptance of a Franchise for the operation of a ZEISS VISION CENTER at the Premises is based on your own independent investigation of the suitability of the Premises. Our approval of the Premises and any information communicated to you regarding the Premises do not constitute an express or implied representation or warranty of any kind as to the suitability of the Premises for a ZEISS VISION CENTER or for any other purpose. Our approval of the Premises indicates only that we believe that the Premises falls within our criteria as of the time that our approval is given. Both you and we acknowledge that application of criteria that have been effective with respect to other sites and premises may not predict the potential results for a specific site and that, subsequent to our approval of a site and Premises, demographic and/or economic factors, including competition from other ZEISS VISION CENTERs and retail outlets and similar businesses, included in or excluded from our criteria, could change, thereby altering the potential of a site. The uncertainty and instability of the factors included in the criteria are beyond our control, and we will not be responsible to you for the failure of the Premises to meet expectations as to potential revenue or operational criteria.

4.2 Acquisition of the Premises.

(a) Your Obligation to Obtain Lease. Unless you own the Premises, you agree to obtain any necessary lease or sublease for the Premises. You agree to obtain our approval of the terms of the lease or sublease for the Premises related to the issues identified hereunder prior to your execution of the lease or sublease or, as applicable, to obtain our approval of the terms of a modification or amendment related to the issues identified hereunder for any existing lease with respect to which you are a lessee for a location that you propose to use as the Premises. You agree not to execute a lease or sublease which we have disapproved, and you must deliver a copy of the signed, approved lease to us within 15 days after its execution. Any lease or sublease or amendment thereto must be in a form satisfactory to us and must:

(i) Provide for notice to us of any default by you under the lease or sublease and provide us with a right (but no obligation) to cure the default. If we cure any default, the total amount of all costs and payments incurred by us in curing the default will be immediately due and owing to us by you;

(ii) Provide that upon expiration or termination of the lease for any reason, you shall, upon our demand, remove all of the ZEISS Marks and ZVC Trade Dress features from the Premises and modify the décor of the Premises so that it no longer resembles, in whole or in part, a ZEISS VISION CENTER and, if you fail to do so, we will be given written notice and the right to enter the Premises for at least a 15-day period following your termination to make such alterations without damage to the Premises at your cost and expense;

(iii) Provide that you may assign your interest under the lease or sublease to us or our Assignee and with the lessor's or sublessor's consent, not to be unreasonably withheld in the case of a proposed assignment to an Assignee; and

(iv) Provide that we, one of our Affiliates, or our Assignee may assume the lease or sublease:

(1) Upon expiration or termination of this Agreement (to the extent within the then-current term of the lease or sublease, subject to any extension or renewal rights), or

(2) If you fail to exercise any options to renew or extend the lease or sublease, or

(3) If you commit a default that gives the lessor or sublessor the right to terminate the lease or sublease, or

(4) If we or one of our Affiliates or our Assignee purchases your Franchised Business as permitted by Section 14.5 below.

(b) Expiration or Termination of Lease. If a current lease or sublease will expire prior to expiration of this Agreement, you may attempt to obtain a replacement lease or sublease. We will have the right to approve any proposed replacement lease or sublease as otherwise provided in this Article 4. If you are unable to obtain a replacement lease or sublease that meets our approval prior to the expiration of the current lease or sublease, we may terminate this Agreement in accordance with Section 13.1(f) below. In addition, if the current lease or sublease is terminated for any reason prior to its expiration, we may terminate this Agreement in accordance with Section 13.1(f) below.

(c) Effect of our Approval of Lease. Our approval of a lease or sublease for the Premises does not constitute an express or implied warranty by us of the successful operation or profitability of a ZEISS VISION CENTER operated at the Premises. The approval indicates only that we believe the Premises and the terms of the lease fall within the acceptable criteria established by us as of the time the approval is given.

4.3 Franchised Business Development.

(a) Plans and Specifications. You are responsible for constructing and developing your ZEISS VISION CENTER. You must construct your ZEISS VISION CENTER using an architect and a contractor approved by us, with our approval not to be unreasonably withheld, following ZVC System procedures, as set forth in the Operations Manual or otherwise, and diligently complete the construction related thereto in a good and workmanlike manner. We will furnish you prototypical renderings for a ZEISS VISION CENTER developed by our third party architect, including CAD renderings and requirements for exterior and interior materials and finishes, dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings and color scheme. You must comply with these plans and specifications. However, the design plans and specifications we provide you shall not be used as construction plans or blueprints for your ZEISS VISION CENTER, but only as required design concepts which shall be adapted by you and your architect and contractor. You agree to have prepared all required construction plans and specifications to suit the shape and dimensions of the Premises and to ensure that the plans and specifications comply with applicable state and local practice of optometry laws, ordinances, building codes and permit requirements and with lease requirements and restrictions. You must hire an architect or engineer to engage in local code review, and you will be responsible for all permitting and code compliance, including the submission of stamped construction plans acceptable for permit filings. You acknowledge that construction plans must be based on the ZVC System prototypical plans and specifications. You will also have the option to purchase additional location-specific design services from our third party architect that may satisfy some of the needed architectural services that you will require. You agree to submit construction plans and specifications to us for our approval in writing before construction of your ZEISS VISION CENTER is commenced, and you agree to submit all revised plans and specifications to us for our approval in writing during the course of construction. Upon completion of construction, you also agree to provide us with a set of "as built" plans and specifications. Further, you acknowledge and agree that you assume all risk relating to the construction and development of your ZEISS VISION CENTER, and our approval of your construction plans and specifications does not constitute an express or implied representation or warranty of any kind as to the quality of such construction or development or the success of your Franchised Business.

(b) Development Obligations. You agree to do each of the following:

(i) Secure all financing required to develop and operate your Franchised Business;

(ii) Obtain all required healthcare, optometry, building, utility, sign, health, sanitation, business, environmental and any other permits and licenses required for construction and operation of your ZEISS VISION CENTER;

(iii) Construct all required improvements to the Premises and decorate your ZEISS VISION CENTER in compliance with plans and specifications that we approve;

(iv) Purchase and install all fixtures, furnishings, equipment and signs required for your Franchised Business in accordance with Section 4.4 below; and

(v) Purchase an opening inventory of required ZVC System materials and supplies, including, but not limited to, ZEISS Products, as well as any other inventory from Approved Suppliers (as defined in Section 7.1) necessary to begin operation of your Franchised Business.

4.4 Fixtures, Furnishings, Equipment and Signs. In developing and operating your Franchised Business, you agree to use only fixtures, furnishings, equipment and signs that we have approved as consistent with the ZVC System for ZEISS VISION CENTERs and as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display at the Premises (interior and exterior) only the signs (consistent with local practice of optometry laws), emblems, lettering, logos and display materials that we approve in writing. You agree that all fixtures, furnishings and equipment used in connection with the operation of your Franchised Business will be free and clear of all liens, claims and encumbrances, except for third party purchase money security interests.

4.5 Franchised Business Opening. You will not open your Franchised Business for business until:

(a) We approve in writing your ZEISS VISION CENTER for opening;

(b) Pre-opening training of you, if applicable, and your store manager(s) and personnel has been completed to our satisfaction;

(c) The Initial Franchise Fee and all other amounts then due to us have been paid in full;

(d) The lease documentation has been executed and all other documentation has been completed in connection with the development of your Franchised Business; and

(e) We have been furnished with copies of all insurance policies required by this Agreement and evidence of payment of premiums.

You shall complete construction or renovation, as the case may be, of the Premises and all improvements therein, including installation of all fixtures, signs, equipment and furnishings, as soon as possible. In any event, the operation of the Franchised Business by you shall commence not later than one year following the date the Agreement is executed by us. You agree to open your Franchised Business for business within 15 days after we notify you that the conditions set forth in this Section 4.5 have been satisfied. **The time periods for the commencement and completion of construction and the installation of fixtures, signs, machinery and equipment as referred to in this Article 4 are of the essence of this Agreement**. If you fail to perform your obligations contained in this Article, we may deem your failure to so perform your obligations to constitute a material breach of this Agreement, and we may terminate this Agreement pursuant to Section 13.3(b) hereof.

ARTICLE 5
TRAINING AND GUIDANCE

5.1 Training for You and Your Store Manager(s) and Employee(s). Prior to your ZEISS VISION CENTER's opening, we will provide you access to a training program (the "**Training Program**") on the operation of, and ZEISS Products provided by, ZEISS VISION CENTERs which you, your operating partner(s), your senior management member(s), any other members of your initial store management team and your employee(s) who will interact directly with customers, will be required to complete to our satisfaction. We will furnish the Training Program to any applicable participants without additional charge beyond your payment of the Initial Franchise Fee. The management team for your Franchised Business that you select (and any successor or replacements) shall have a skill level, training and experience commensurate with the demands of the position, and in keeping with our high standards for quality products, courteous service, and cleanliness of operations. The Training Program will generally be furnished online or at your ZEISS VISION CENTER. We shall determine the contents and manner of conducting the Training Program in our discretion. The training course will be structured to provide practical training in certain key phases of the operation of a ZEISS VISION CENTER, including service skills, equipment operation and maintenance, basic management techniques and product information concerning ZEISS Products. You (and/or your operating partner(s) or senior management member(s)), member(s) of your management team and your employee(s) who will interact directly with customers agree to complete all phases of the Training Program to our satisfaction and to participate in all other activities required to open your Franchised Business.

We may, in our discretion, waive the pre-opening training requirements hereunder for subsequent ZEISS VISION CENTERs opened by you or your Affiliates if an existing supervisor or assistant manager will be supervising such subsequent ZEISS VISION CENTER in a senior management position. This determination is at our sole discretion based on such individual's previous management experience and experience with the ZVC System, and review of your and management's recent performance at your existing ZEISS VISION CENTER.

Subsequent members of your management team and employees hired after the opening of your store will also be required to satisfactorily complete all phases of our Training Program. Under no circumstances shall you permit management of the Franchised Business by a person who has not completed all phases of our Training Program to our satisfaction.

(a) Refresher Training. You, members of your management team and your employees who interact directly with customers must undertake and complete continuing training programs from time to time as we may direct in order to implement current operational standards or introduce changes to the ZVC System. Such programs will generally be offered online or at your ZEISS VISION CENTER.

(b) Other Optional Programs. In addition to required training programs, we may in our discretion provide orientation meetings for management personnel, general manager meetings, and various other ongoing educational seminars. Attendance at these functions will be voluntary.

(c) Training Costs. You shall be solely responsible for (i) all compensation and other expenses for you and your employee(s) while you and/or your employee(s) attend the Training Program, and (ii) workers' compensation insurance in connection with any training programs, meetings and seminars.

(d) Non-Management Employees and Other Personnel. To the extent that we from time to time create and make accessible training programs with respect to ZVC System Standards for your store employees, regular independent contractors or other persons regularly performing services for you in connection with your Franchised Business (collectively your "**Personnel**"), you must make such training programs accessible to your Personnel and require them to complete such training programs in accordance with training standards and procedures prescribed by us. At all times during the term of this Agreement, you shall employ or otherwise retain an adequate staff of Personnel working at your ZEISS VISION CENTER who shall have been fully and adequately trained.

5.2 Operations Manual. We will make available to you during the term of this Agreement one copy of our Operations Manual, either by loaning one copy of the Operations Manual to you or by making the Operations Manual available electronically. The Operations Manual contains mandatory and suggested specifications, standards and operating procedures that we prescribe for ZEISS VISION CENTERs (related to the retail optical store aspects of the Franchised Business, but not to any ophthalmology or optometry clinic that may be operated by you in conjunction with such retail optical store) and contains information relating to your other obligations under this Agreement. The Operations Manual may be modified in the future to reflect changes in the image, specifications, standards, procedures, ZEISS Products, ZVC System and ZVC System Standards. You may not at any time copy any part of the Operations Manual, either physically or electronically. If your copy of the Operations Manual is lost, destroyed or significantly damaged, you will be obligated to obtain from us, at our then applicable charge, a replacement copy of the Operations Manual. If a dispute develops relating to the contents of the Operations Manual, our master copy shall be controlling.

5.3 Guidance and Operating Assistance. Although we do not have an obligation to do so, we may advise you from time to time of operating problems of your Franchised Business which come to our attention. At your request we may furnish to you guidance and operating assistance as it relates to your ZEISS VISION CENTER (related to the retail optical store aspects of the Franchised Business, but not to any ophthalmology or optometry clinic that may be operated by you in conjunction with such retail optical store) in connection with:

(a) Methods, standards, specifications and operating procedures utilized by ZEISS VISION CENTERs;

(b) Purchasing and utilization of required ZEISS Products, fixtures, furnishings, equipment, signs, materials and supplies; and

(c) Advertising and promotional programs.

The guidance and assistance may, in our discretion, be furnished in the form of references to the Operations Manual, bulletins and other written materials, electronic computer messages and programs, telephonic conversations and/or consultations at our offices or at your ZEISS VISION CENTER. Any such guidance and operating assistance will be provided in consideration of the System Services Fee, without additional consideration except to the extent we advise you in advance of any out of pocket or other charges likely to be associated with such assistance.

You may request additional training support and, if training resources are available, we will comply with this request and you will reimburse us in full for all related expenses, including transportation, wages, lodging and food, of any agent or Personnel who assists at the Franchised Business. We retain the option of sending representatives to your ZEISS VISION CENTER opening to the extent we deem advisable with reimbursement by you to us of related expenses, including transportation, wages, lodging and food.

You agree that we will not be liable to you or any other person, and you waive all claims for liability or damages of any type (whether direct, indirect, incidental, consequential or exemplary), on account of any guidance or operating assistance offered by us in accordance with this Section 5.3, except to the extent caused by our gross negligence or intentional misconduct.

ARTICLE 6
FEES

6.1 Initial Franchise Fee. You agree to pay us an initial franchise fee (the "**Initial Franchise Fee**") in the amount of $25,000 upon execution of this Agreement. This Initial Franchise Fee will be fully earned by us when paid and is not refundable, except as provided in Section 13.3(a).

6.2 System Services Fee. You agree to pay us an annual system services fee (the "**System Services Fee**") in the amount of $25,000 per year for years subsequent to the initial year following the Effective Date. You agree to pay the annual System Services Fee to us on or before the anniversary of the Effective Date.

6.3 Other Payments. In addition to all other payments provided herein, you shall pay to us, our Affiliates and designees, as applicable, promptly when due:

(a) All amounts advanced by us or which we have paid, or which we have become obligated to pay, on your behalf for any reason whatsoever. You must pay all business debts, liens and taxes incurred by your Franchised Business promptly when due. If you fail to do so, we may, but need not, pay the same and require you to reimburse us, including interest accrued at the Applicable Rate (as defined in Section 6.4) on our payments from the date of such payment by us until your reimbursement payment to us;

(b) The amount of all sales taxes, use taxes, personal property taxes and similar taxes, which shall be imposed upon you and required to be collected or paid by us (i) on account of your own financial performance or your operation of the Franchised Business, or (ii) on account of the System Services Fees or Initial Franchise Fee collected by us from you (but your payment obligation hereunder shall exclude ordinary income taxes or franchise or margin taxes paid or payable by us with respect to amounts paid by you to us pursuant to such clause (ii)). We, in our discretion, may collect the taxes in the same manner as the System Services Fee is collected herein and promptly pay the tax collections to the appropriate governmental authority; provided, however, that unless we so elect, it shall be your responsibility to pay all sales, use or other taxes, if any, now or hereafter imposed by any governmental authorities on the System Services Fee or Initial Franchise Fee; and

(c) Any amounts due on account of purchases of goods, supplies or services relating to your Franchised Business, including without limitation amounts due on account of purchases of goods, supplies or services purchased from us or our Affiliates.

6.4 Interest on Late Payments. If not timely paid, the System Services Fee and amounts due for purchases by you from us or ZEISS Affiliated Entities and other amounts which you owe to us or ZEISS Affiliated Entities will bear interest from their due date until paid at a rate equal to the lesser of (i) the highest applicable legal rate for open account business credit, and (ii) 1.5% per month (as applicable from time to time, the "**Applicable Rate**"). Any such accrued interest shall be due and payable when the corresponding delinquent payment is made. You agree that this Section does not constitute our or ZEISS Affiliated Entities' agreement to accept payments after they are due, or a commitment by us or ZEISS Affiliated Entities to extend credit to you or otherwise to finance the operation of your Franchised Business.

6.5 Application of Payments. Regardless of any designation by you, we have sole discretion to apply any payments by you to any of your past due obligations or indebtedness for the System Services Fee, purchases from us or ZEISS Affiliated Entities, interest or any other obligations or indebtedness or amounts owed by you to us or ZEISS Affiliated Entities. In addition, to the extent not prohibited by applicable law and in addition to any other remedy, you hereby agree that we and each of the ZEISS Affiliated Entities has the right but not the obligation to offset any amount that we or the ZEISS Affiliated Entity, respectively, owes to you against any undisputed amounts you owe under this Agreement or relating to purchases of ZEISS Products.

6.6 No Right of Offset. You have no right of offset and will not withhold payment for any reason of the System Services Fee or any other payment due to us under this Agreement or any other agreement.

ARTICLE 7
OBLIGATIONS RELATING TO OPERATIONS

7.1 ZVC System Standards. You acknowledge and agree that the operation of your Franchised Business in accordance with the ZVC System Standards is the essence of this Agreement and is essential to preserve the goodwill of the ZEISS Marks and all ZEISS VISION CENTERs. Therefore, you agree that, at all times during the term of this Agreement, you will maintain and operate your Franchised Business in accordance with each of the ZVC System Standards. You agree that the ZVC System Standards may be modified by us from time to time and acknowledge that the modifications may obligate you to invest additional capital in your Franchised Business and to incur higher operating costs. Without limiting the foregoing:

(a) Adequate Inventory. You must purchase and maintain inventory, including all required ZEISS Products, to meet reasonably anticipated consumer demand;

(b) Offer and Sale of Products. In operating your ZEISS VISION CENTER, you must offer for sale those ZEISS Products that we approve from time to time for you to sell at the Premises, you may not offer other lens products except as otherwise approved by us, and you may only offer other inventory, services and products from suppliers approved by us ("**Approved Suppliers**"). The ZEISS Products that you are authorized to offer at your ZEISS VISION CENTER, and additional information regarding Approved Suppliers, are explained in the Operations Manual referred to in Section 5.2 of this Agreement. We will require that you stock and offer a full line of ZEISS-branded or manufactured finished and/or uncut prescription surfaced lenses, anti-reflecting coatings, stock lenses, and lens accessories and we anticipate that ZEISS Affiliated Entities will be Approved Suppliers and your primary sources of lenses and cleaning accessories. We have approved a selection of suppliers and manufacturers that are specified and updated from time to time in the Operations Manual for high-quality contact lenses, frames and other optical products and accessories not manufactured by ZEISS Affiliated Entities, although you will be permitted to submit and suggest other suppliers of high quality frames and other optical products and services consistent with the premium ZEISS brand and goodwill. You will ordinarily be required to provide frames from Approved Suppliers (or have such Approved Suppliers drop-ship such frames) to United States lab locations operated by one of our ZEISS Affiliated Entities' for fabrication with ZEISS lenses for your customers. In the future, we may change or add to the ZEISS Products that you are authorized to offer at the Premises and may change criteria for supplier approval and notify you of such changes or additions, at our discretion, through references to the Operations Manual, bulletins and other written materials, electronic computer messages, telephonic conversations, and/or consultations at our offices or at your ZEISS VISION CENTER. All ZEISS Products shall be distributed under the specific name designated by us and shall be offered and, as applicable, fabricated strictly in accordance with our specifications, but subject to your professional judgment with respect to the suitability and fabrication of any ZEISS Products involving professional healthcare decisions.

All products sold by you, whether ZEISS-branded products or otherwise, shall be of the highest quality, and the composition, specifications and preparation of such products shall comply with the ZVC System Standards and other requirements communicated by us or contained in our Operations Manual from time to time. Although the ZEISS Products sold at ZEISS VISION CENTERs may vary from store to store, you may only sell those ZEISS Products that are authorized to be sold from ZEISS VISION CENTERs, as specified in the Operations Manual or other written directives from us, as modified from time to time. You are required to maintain in sufficient supply and to use at all times only the products, inventory, materials, and supplies that conform to our ZVC System Standards and specifications, and to refrain from deviating from those ZVC System Standards by using or offering non-conforming items, without first obtaining our written consent. We may designate certain non-ZEISS-branded products, uniforms, supplies, packaging, forms and other items which you may or must use or sell at your ZEISS VISION CENTER ("**Non-Proprietary Products**"). You may use, offer or sell only those Non-Proprietary Products that we expressly authorize. We may also specify certain ZEISS-branded products, which are manufactured in accordance with proprietary patents, specifications and/or formulas ("**Proprietary Products**") that must be carried in your inventory;

(c) Purchase and Installation of Furniture, Fixtures, Equipment. Subject to the limitations of Section 7.5(c), at your expense you are required to purchase and install fixtures, furnishings, décor and signs that are in accordance with specifications set out as part of our ZVC System Standards or that we may reasonably direct in the Operations Manual or otherwise in writing; and to refrain from installing on the Premises, without first obtaining our written consent, any fixtures, furnishings, equipment, décor, signs, or other items not previously approved as meeting our standards and specifications, although you will be permitted to suggest and submit for our approval alternative types or specifications of such fixtures, furnishings, décor and signs and we will ordinarily render our decision on such request within 60 days;

(d) Staffing and Personnel Appearance. You shall employ such number of employees or other Personnel as you determine but such as to permit you at all times to satisfy minimum store staffing requirements during particular business hours as may be reasonably required by us, and you shall be solely responsible for compliance and shall comply with all applicable laws and regulations with respect to employees or other Personnel. You shall maintain a competent staff and ensure that your Personnel keep a neat and clean appearance and comply with such dress code as we require from time to time;

(e) Supervision. You shall ensure that the operation of your Franchised Business is at all times under the direct control of you or a store manager, in each case fully trained by us in accordance with Section 5.1. Each store manager and any assistant or other manager(s) shall be principally dedicated to the operation of your Franchised Business and/or as applicable any adjacent optometry or ophthalmology clinic;

(f) Compliance with Laws. You shall be solely responsible for compliance, and shall at your own expense comply, with all applicable federal, state and local laws, ordinances and regulations affecting the operation of the Franchised Business, including, without limitation: (1) those relating to federal health care programs (such as Medicare and Medicaid), including but not limited to the federal Anti-Kickback Statute; (2) those relating to accessibility requirements, including but not limited to the Americans with Disabilities Act ("**ADA**"); (3) all applicable state corporate practice of optometry laws; (4) the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**"); (5) all applicable state privacy laws and regulations; (6) federal, state, and local wage and hours laws; (7) federal and state occupational safety and health laws; and (8) local building codes and zoning rules. In addition, you shall promptly execute upon request a Business Associate Agreement in such form as we, or a ZEISS Affiliated Entity, as applicable, reasonably provides to you when required for you, us or a ZEISS Affiliated Entity to comply with HIPAA.

(g) Hours of Operation. You shall ensure that, subject to applicable law or any subsequent written agreement between us and you to the contrary, your Franchised Business (your retail optical store) shall be open and operational at least nine hours per business weekday, five days per week (excluding holidays), and generally for a half day on Saturday (but such minimum store hour requirements shall not apply to any ophthalmology or optometry clinic that may be operated by you in conjunction with such retail optical store).

7.2 Maintenance of Your Franchised Business; Refurbishment. You shall maintain your ZEISS VISION CENTER in the highest degree of repair and condition, and otherwise in a manner consistent with such standards as we may reasonably require, and in connection therewith shall promptly make such additions, alterations, modifications, repairs and replacements thereto as may be reasonably required, including, without limitation, periodic cleaning and repainting and repairs to equipment, and replacement of obsolete equipment and signs. At our request, which shall not be more often than once every five years, you shall remodel and refurbish your ZEISS VISION CENTER at your expense to conform to the ZVC Trade Dress and presentation of ZEISS Marks consistent with the design concepts then in effect for new ZEISS VISION CENTERs. If your ZEISS VISION CENTER is damaged or destroyed by fire or any other casualty, you, within 30 days thereof, shall initiate such repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) such repairs or reconstruction, in order to restore the Premises of your ZEISS VISION CENTER to substantially its original condition prior to such casualty; any such repair and reconstruction shall be completed as soon as reasonably practicable but in any event within six months following the event causing the damage or destruction. If, in our reasonable judgment, the damage or destruction is of such a nature or to such extent that it is feasible for you to repair or reconstruct your ZEISS VISION CENTER operated pursuant hereto in conformity with the then standard ZVC Trade Dress, we may require that you repair or reconstruct your ZEISS VISION CENTER operated pursuant hereto in conformity with the then standard ZVC Trade Dress specifications. We agree not to obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of this Agreement.

7.3 Performance of Duties and Obligations. You shall at all times faithfully, honestly and diligently perform your obligations under this Agreement and you shall continuously exert your best efforts to promote and enhance the business of your ZEISS VISION CENTER. You shall not engage in any other business or activity that may conflict with your obligations under this Agreement; provided, however, your activities with respect to any adjacent optometry or ophthalmology clinic shall under no circumstances be deemed to conflict with your obligations under this Agreement.

7.4 Notification of Legal Proceedings. You shall notify us in writing within 10 days after you receive actual notice of the commencement of any investigation, action, suit or other proceeding, or the issuance of any order, writ, injunction, award or other decree of any court, agency or other governmental authority that pertains to your Franchised Business or that may adversely affect your operation of your Franchised Business or ability to meet your obligations hereunder.

7.5 Restrictions on Operations.

(a) Location. You may not operate your ZEISS VISION CENTER at any site other than the Premises or provide any special event or off-site service without our prior written consent. If we consent to any relocation, you shall de-identify the former location in the manner described in Article 14 with respect to your obligations upon termination and expiration and shall reimburse and indemnify and hold us harmless from any direct and indirect losses, costs and expenses, including attorney’s fees, arising out of your failure to do so.

(b) Restrictions Upon Certain Sales Activities. You may only offer and sell ZEISS Products and products of Approved Suppliers that have been approved for sale, as provided in Section 7.1(b) above, to retail customers from your ZEISS VISION CENTER, and may not sell approved ZEISS Products or any materials, supplies, or inventory bearing the ZEISS Marks or products of Approved Suppliers at any other location without our prior written consent, which restriction shall include, without limitation, the operation of a kiosk, sales through the internet (or any other form of electronic commerce), mail order sales and sales pursuant to 1-800 telephone numbers. You may not sell to anyone any materials, supplies or inventory used in the preparation of any ZEISS Products (except for sales of ZEISS Products to store customers in the ordinary course of business). Further, you may not sell any ZEISS Products to any person or entity purchasing the ZEISS Products for resale.

(c) Approved Suppliers. You shall purchase all inventory, supplies, services and other products and materials required for the operation of your ZEISS VISION CENTER, including all products bearing any of our trademarks, solely from Approved Suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items, as prescribed in the Operations Manual or promulgated from time to time by us; who possess adequate quality controls and capacity to supply you reliably; who comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure; who satisfy us that such supplier will supply products meeting our specifications (which may include particular brand names, quality, and compliance with governmental standards) and reliably deliver consistent quality products and services; and who have been approved in writing by us prior to any purchases by you and not thereafter disapproved.

If you desire to purchase any Non-Proprietary Products from an unapproved supplier, you must submit to us a written request for approval or must request the supplier itself to do so. However, we reserve the right to require you to purchase Proprietary Products from us or our designees, and we shall not be obligated to reveal any proprietary or trade secret specifications for such Proprietary Products. You may not purchase from any supplier we have not approved in writing. We have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the proposed supplier be delivered, either to us or to an independent third party designated by us for testing. You or the proposed supplier will be required to pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the test. We will give you a good faith estimate of our cost of evaluating a proposed vendor within a reasonable time after you make the request, but before we begin the evaluation process. We will normally make our decision within 60 days. We reserve the right, at our option, to re-inspect the facilities and products of any Approved Supplier and to revoke our approval if such Approved Supplier fails to continue to meet any of our then-current criteria. Nothing in the procedure described above obligates us to approve any particular supplier.

You must allow us, or our agents, at any reasonable time, to remove samples of items from your inventory, or from your ZEISS VISION CENTER, without paying for the samples, in amounts reasonably necessary for testing by us or an independent third party designated by us, to determine whether the samples meet our then-current standards and specifications. We may require you to bear the cost of testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications.

Nothing in this Section shall require us to approve any supplier, and without limiting our right to approve or disapprove a supplier in our discretion, you acknowledge that it is generally disadvantageous to the ZVC System from a cost and service basis to have multiple suppliers in any given market area and that, among the other factors we may consider in deciding whether to approve a proposed supplier, we may consider the effect that such approval may have on our ability and that of our franchisees to obtain the lowest distribution costs and on the quality and uniformity of products offered system-wide. We may also determine that certain Non-Proprietary Products shall be limited to a designated brand or brands set by us. You agree that at such times as we establish a regional or national purchasing program or other contract for any of the ZEISS Products or other products used in the operation of the Franchised Business, which may benefit you by reduced price, lower labor costs, production of improved products, increased reliability in supply, improved distribution, improved operations by you, or other tangible benefits to you, as determined by us in our sole discretion, you may be required to participate in such purchasing program in accordance with the terms of such program.

For the avoidance of doubt, nothing in this Section, Article or Agreement regarding Approved Suppliers, Proprietary Products, Non-Proprietary Products or any other obligations we impose on you regarding restrictions on products and services offered and sold at your ZEISS VISION CENTER is meant or shall be deemed to limit your selection of suppliers for medical equipment purchases related to the practice of optometry, which need not be approved by us.

(d) Purchases From Us or ZEISS Affiliated Entities. All lenses and other optical products and supplies purchased from us or ZEISS Affiliated Entities shall be purchased in accordance with the purchase order format issued from time to time by us or such ZEISS Affiliated Entity, as applicable. We or such ZEISS Affiliated Entities may change the prices, delivery terms and other terms relating to the sale of lenses and other optical products and supplies to you on prior written notice from time to time.

We or such ZEISS Affiliated Entities, in our discretion, may discontinue the sale of any ZEISS Products at any time if in our judgment its continued sale becomes unfeasible, unprofitable, or otherwise undesirable. We shall not be liable to you for unavailability of, or delay in shipment or receipt of, merchandise for any reason, including because of temporary product shortages, order backlogs, production difficulties, delays, unavailability of transportation, fire, strikes, work stoppages or other causes beyond our reasonable control.

We or such a ZEISS Affiliated Entity may act as a supplier of goods, services, products, and/or supplies purchased by you, and we may designate ourselves or such a ZEISS Affiliated Entity as the sole supplier of any such ZEISS Products, and we or such ZEISS Affiliated Entity shall be entitled to a reasonable mark-up. You agree to pay promptly the purchase price set forth in our then-current published price list, or in the Operations Manual, on all ZEISS Products purchased from us or such ZEISS Affiliated Entity. On the expiration or termination of this Agreement, or in the event of any material default by you of this Agreement, we shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by you.

All rebates, if any, owing to you with respect to purchases of ZEISS Products from us or from a ZEISS Affiliated Entity (in accordance with rebate or volume discounts indicated from time to time in the Operations Manual) shall be paid in the form of ACH or, if your account is past due, by credit memo, within forty-five (45) days after the end of the calendar month, calendar quarter, or calendar year, as applicable to the particular rebate; provided, however, that notwithstanding any provision of this Agreement to the contrary: (i) neither we nor any ZEISS Affiliated Entity shall owe any rebate to you if, at the time a rebate payment otherwise would be due, your account is not current and in good standing; and (ii) in the event that earned rebates total less than $50 for a particular reimbursement period, the rebate shall be paid in the form of a credit to your account instead of in the form of a check.

In order to receive the prices and discounts offered with respect to purchases of ZEISS Products (as indicated from time to time in the Operations Manual), you must purchase ZEISS Products through laboratories owned by us or a ZEISS Affiliated Entity (the "ZEISS Lab Network"). ZEISS Products purchased outside of the ZEISS Lab Network are not eligible for any rebates or other discounts from us or from a ZEISS Affiliated Entity.

If you accept EyeMed insurance, then in order for you to receive rebates or other discounts with respect to the purchase of ZEISS Products that are reimbursed by EyeMed insurance (each an "**EyeMed Job**"), you must register and purchase the EyeMed Jobs through a ZEISS-designated laboratory specified in the Operations Manual. EyeMed Jobs ordered outside the indicated ZEISS-designated laboratory are not eligible for any rebates or other discounts from us or from a ZEISS Affiliated Entity. For clarity, purchases made through the ZEISS-designated laboratory other than for EyeMed Jobs also are not eligible for any rebates or other discounts from us or from a ZEISS Affiliated Entity.

The standard method for you to place orders for ZEISS Products is electronically. You shall pay to us or the applicable ZEISS Affiliated Entity the then-current service fee (as indicated from time to time in the Operations Manual) for each non-electronic order, including orders made by phone, fax, mail-in, or overnight courier.

You shall pay for purchases of ZEISS Products within 30 days after the date of invoice or, if a monthly statement is also provided, payment must be postmarked by the 20th day of the applicable month and received by the end of the month; provided, however, that final payment shall be due upon your receipt of a final invoice. All late payments are subject to a finance charge at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, which shall accrue from the due date of the payment. Any good faith disputes regarding invoices or monthly statements shall be made in writing within 30 days after the date of the invoice or, if applicable, the date of the monthly statement. You hereby agree that failure to dispute within such time periods shall constitute your waiver of the right to dispute, and the disputed invoice or monthly statement amount shall be deemed final and binding on you. Your failure to make payment as required under this Agreement shall constitute a material breach of your obligations under this Agreement and shall entitle us to either terminate this Agreement or to suspend the provision of any ZEISS Product. You shall reimburse us and ZEISS Affiliated Entities for all costs incurred by us or such ZEISS Affiliated Entities related to efforts to collect from you payments for ZEISS Products, including, without limitation, attorneys' fees, court costs, other legal costs, and collection agency fees. This obligation shall survive termination of this Agreement.

In addition: (i) you shall forfeit any invoice discount to which you otherwise may have been entitled with respect to your purchases of ZEISS Products if you do not timely pay for ZEISS Products in accordance with the requirements of this Agreement and, in the event you are placed on a credit hold two or more times during any 12-month period, we or the applicable ZEISS Affiliated Entity may, in our sole discretion, entirely eliminate invoice discounts to which you otherwise may have been entitled upon notice to you; and (ii) you shall forfeit any statement discount to which you otherwise may have been entitled with respect to your purchases of ZEISS

Products if your payments are not postmarked by the 20th day of the applicable month and received in the lockbox of the applicable ZEISS Affiliated Entity before 6:00 a.m. CST on the last business day of the month.

ZEISS' Lens Policies and Warranties (the "**Warranties**"), located at https://zeiss.secure.force.com/ZeissTermsConditions, as modified from time to time in accordance with industry custom, will apply to the ZEISS Products you purchase. The Warranties do not apply where the ZEISS Products have: (a) been subjected to abuse, misuse, neglect, negligence, accident, improper testing, improper installation, improper storage, improper handling, abnormal physical stress, abnormal environmental conditions or use contrary to any instructions issued by ZEISS; (b) been reconstructed, repaired, or altered by persons other than ZEISS or a ZEISS-authorized representative; or (c) been used with any product that has not been previously approved in writing by ZEISS. EXCEPT AS SET FORTH IN THE WARRANTIES, WE AND THE ZEISS AFFILIATED ENTITIES MAKE NO WARRANTIES, CONDITIONS OR REPRESENTATIONS, WRITTEN, ORAL, EXPRESS OR IMPLIED, IN FACT OR IN LAW, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES, CONDITIONS OR REPRESENTATIONS OF MERCHANTABILITY OR FITNESS FOR ANY SPECIFIC OR GENERAL PURPOSE, ALL OF WHICH ARE, TO THE EXTENT PERMISSIBLE BY LAW, HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED.

(e) Signs. You shall maintain approved signs at, on, or near the front of the Premises, identifying your Franchised Business as a ZEISS VISION CENTER, which shall conform in all respects to our specifications and requirements and the layout and design plan approved for your Franchised Business, subject only to restrictions imposed by applicable law, including local practice of optometry laws. On receipt of notice by us of a requirement to alter any existing sign on your Premises, you will at your cost make the required changes within 60 days, subject to the approval of the lessor if required by your lease.

7.6 Our Right to Inspect Your Franchised Business. To determine whether you are complying with this Agreement and with all ZVC System Standards and whether your Franchised Business is in compliance with the terms of this Agreement, we and our designated agents may, at any reasonable time and without prior notice to you:

(a) Inspect the Premises;

(b) Observe, photograph and videotape your ZEISS VISION CENTER's operations for such consecutive or intermittent periods as we deem necessary, subject to compliance with any applicable privacy laws;

(c) Remove samples of any ZEISS Products, materials or supplies for testing;

(d) Interview Personnel of your ZEISS VISION CENTER;

(e) Interview customers of your ZEISS VISION CENTER; and

(f) Inspect and copy any books, records and documents relating to the operation of your Franchised Business, other than patient or customer health records subject to HIPAA or other applicable laws protecting the confidentiality thereof.

You agree to cooperate fully with us in connection with any of our inspections, observations, photographing, videotaping, product removal and interviews.

7.7 Surveys. You will present to your customers such evaluation forms as we periodically require and will participate in, and request your customers to participate in, any surveys performed by or on our behalf.

7.8 Entity Owners. You agree, for the entire term of this Agreement, to identify your Entity Owners, if any, on the Ownership Addendum attached to this Agreement as Schedule 7.8, and to update any changes in the Addendum within 10 days and subject in all cases to the limitations on Transfers set forth herein.

7.9 Guaranties by Entity Owners. If you are an Entity, you represent and warrant to us that you are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation, are qualified to do business in the state in which the Franchised Business will be operated and in all other states in which you are required to qualify, and have the authority to execute, deliver and carry out all of the terms of this Agreement. If you are an Entity, we may require each of your Entity Owners at any time during the term of this Agreement to execute a guarantee in our favor in which the Entity Owner guarantees, jointly and severally with other Entity Owners, payment of all amounts owed by you under this Agreement and performance by you of the terms and conditions of this Agreement, and assume full and unconditional liability for the payment and performance of all of your obligations and covenants and agreements under this Agreement. You agree to furnish us upon request, in such form as we may require, a list of all of your Entity Owners, now and in the future, reflecting their respective interests in you.

7.10 Insurance.

(a) Casualty Insurance. You agree, at your sole cost and expense, at all times during the term of this Agreement to keep all of your goods, fixtures, furniture, equipment and other personal property located on your Premises insured to the extent of 100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage.

(b) Liability Insurance. You agree, at your sole cost and expense, at all times during the term of this Agreement to maintain in force an insurance policy or policies which will name both us and ZEISS Parent and you as insureds, insuring against all liability resulting from damage, injury, or death occurring to persons or property in or about your Franchised Business or Premises (including products liability insurance), the liability under such insurance to be not less than $1,000,000 for one person injured, $1,000,000 for any one accident, $3,000,000 for annual aggregate coverage, and $1,000,000 for property damage. The original of such policy or policies shall remain in your possession, however, you agree to give us a copy of the policy upon our request.

(c) Workers' Compensation Insurance. You also agree to maintain and keep in force all workers' compensation insurance on your employees or other Personnel, if any, required under the applicable workers' compensation laws of the state in which your Franchised Business is located.

(d) Other Insurance Policies. At your sole cost, you agree at all times during the term of this Agreement to maintain in force such other and additional insurance policies as a prudent franchisee in your position would maintain or as we may reasonably require, including advertising injury and business interruption insurance. We expect that you will also maintain appropriate and customary professional malpractice insurance for any related vision care clinic operated by you or your affiliates; we do not impose requirements with respect to such malpractice insurance but may require that copies of such policies be provided to us.

(e) Policy Requirements. All insurance policies required under this Section 7.10 will contain provisions to the effect that the insurance will not be canceled or modified without at least 30 days' prior written notice to us and that no modification will be effective unless approved in writing by us. All such policies will be issued by a company or companies, rated "A-XII" or better by Best's Insurance Guide, responsible and authorized to do business in the state in which your Franchised Business is located, as such insurance company may be determined by you, subject to approval by us, which approval will not be unreasonably withheld. We reserve the right to obtain any insurance policies required under this Section 7.10 for your Franchised Business at your expense if you fail to obtain such policies or furnish us with satisfactory evidence regarding your coverage and, if we elect to obtain policies on your behalf, you agree to reimburse us within 15 days after invoicing therefor for our costs and the cost of the insurance, and to sign any related documentation required by us.

(f) Release of Insured Claims. You release and relieve us and our Affiliates, and all of our and their officers, directors, shareholders, employees, agents, successors, assigns, contractors and invitees, and waive your entire right of recovery against us and our Affiliates and all of our officers, directors, shareholders, employees, agents, successors, assigns, contractors and invitees, for loss or damage arising out of or incident to the perils required to be insured against under this Section 7.10, which perils occur in, on or about your Premises or relate to your Franchised Business on the Premises. **THIS RELEASE SHALL APPLY WHETHER SUCH LOSS OR DAMAGE IS DUE TO THE NEGLIGENCE OF US OR OF OUR AFFILIATES OR YOU OR ANY OF OUR OR YOUR RELATED PARTIES.**

7.11 POS System.

(a) We require your use of our MyZEISS platform (providing an array of tools and resources for managing Your Franchised Business) and the ZEISS VISUStore ordering system and related payment system for purchases from us or ZEISS Affiliated Entities. We will not otherwise initially impose any requirements on your selection of computer hardware and software for the Franchised Business but do require that you provide us advance notice and obtain our approval, not to be unreasonably withheld, for other practice management or accounting software programs that You propose to use in connection with your Franchised Business. We reserve the right, upon not less than 90 days' prior written notice from us, to require you and other franchisees to use other computer software systems designed for retail or retail healthcare businesses for such functions as we may otherwise require in the Operations Manual and as we may from time to time otherwise prescribe in writing (any such required software, including MyZEISS and VISUStore, being referred to as the "**POS System**"). The required systems may include the use of remote servers, off-site electronic information storage and internet connections. In such events you must use the computer systems providing such features and must sign any necessary licensing agreements with third party developers or manufacturers of those systems. Within a reasonable time upon our request, you shall apply for and maintain debit cards, credit cards or other non-cash systems existing or developed in the future to enable customers to purchase ZEISS Products via such procedures or platforms, as specified by us. To the extent we require you to purchase, use and maintain the POS System, we may require you to update, upgrade or replace the POS System, including hardware and/or software, from time to time upon written notice in order to ensure compatibility with our ZVC System.

(b) If we designate certain computer software ("**Proprietary Software**") used in the operation of the POS System and/or Computer System (as defined below) which is owned or licensed by us, you shall at our request license or sublicense such software from us or our designee and execute a software license or sublicense agreement on our or such designee's then-current form; however no additional license or fee is currently required in connection with your use and license to use our MyZEISS and VISUStore systems. From time to time as required by us, you shall purchase any upgrades, enhancements or replacements to the Proprietary Software. We will provide to you, for a reasonable fee, substantially uniform for all similarly situated franchisees, such support services relating to the Proprietary Software as we deem advisable. You must incorporate any required modifications or additions within 30 days after receiving written notice from us, unless a longer time period is stated in the notice.

7.12 Website, Internet Advertising and Social Media. If you wish to design and maintain a website or a webpage for your Franchised Business, your website and webpage may only be accessed from our own www.zeiss.com website, and we may prohibit links between your website or webpage and any other website (the foregoing may be subject to change over time as we further develop and modify our website for US franchise operations). Any copyright in your sites or pages on Social Media will be deemed to be owned by us, and you agree to sign any documents that we reasonably deem necessary to affirm our ownership of the copyright. If necessary, you must ensure cooperation with us by any website service provider or website hosting company with which you do business. Any advertising or promotion of your Franchised Business by means of any internet advertising, blogs, common social networks, professional networks (including "LinkedIn"), live blogging tools, virtual worlds, file, audio and video sharing stores, and other similar social networking media or tools (collectively, "**Social Media**"), must, at all times, comply with our Social Media policy, as modified periodically, to assure compliance with our ethical advertising requirements and policies on the use of ZEISS Marks under Articles 9 and 10 of this Agreement. You must also ensure that all advertising practices comply with applicable state practice of optometry laws. You must have or obtain the lawful right to use any proprietary materials of others that appear on your websites or pages on Social Media. We periodically may provide to you content for your sites and pages on Social Media, including copy, news stories and photographs.

ARTICLE 8
REPORTS AND RECORD KEEPING

8.1 Accounting, Reports and Financial Statements. You agree to establish and maintain a bookkeeping, accounting, record keeping and data processing system conforming to the requirements and formats that we prescribe. You agree to furnish to us reports relating to your Franchised Business in such form and content as we may prescribe from time to time. These reports include, but are not limited to, the following:

(a) Monthly Financial Reports. Within 15 days after the end of each calendar month, an income statement for your Franchised Business for the previous month and year-to-date, including Gross Revenues for such periods, and a balance sheet statement of financial condition as of the end of the previous month, prepared in accordance with generally accepted accounting principles;

(b) Semi-Annual Reports. Within 15 days after the end of each 6-calendar month period, a balance sheet and income statement for your Franchised Business for that semi-annual period, including Gross Revenues for such period, prepared in accordance with generally accepted accounting principles; and

(c) Sales Tax Returns; Annual Financial Statements. Within 10 days after the returns are filed, exact copies of sales and any other similar tax returns (other than federal or state income tax returns) and such other forms, records, books and other information as we may periodically require. In addition, you shall provide us with copies of audited or reviewed annual financial statements, if any, related to the Franchised Business which you obtain for each fiscal year during the term hereof within 10 days after such audit or review, if any, is completed, and if no such audit or review has been prepared or if such audit or review has not been completed by the 90th day after the end of such fiscal year, you shall provide us an unaudited balance sheet and income statement for your Franchised Business for each fiscal year during the term hereof, prepared in accordance with generally accepted accounting principles not later than the 90th day after the end of such fiscal year.

Each report and financial statement shall be signed and verified by you in the manner we specify. We may disclose deidentified data derived from the financial or sales reports to other franchisees and licensees and in our FDD.

8.2 Retention of Records. You agree to keep full, complete and proper books, records and accounts of Gross Revenues and of your operations at your ZEISS VISION CENTER. All the books, records and accounts will be kept in the English language and will be retained for a period of at least three years following the end of each fiscal year. The books and records will include daily cash reports; cash receipts journal and general ledger; cash disbursements journal and weekly payroll register; monthly bank statements; tax returns (sales and income); supplier invoices; and such other records as we may reasonably require.

8.3 Our Right to Audit. At any time during business hours and without prior notice to you, we or our representatives may inspect and audit the business records, bookkeeping and accounting records, and other records of your ZEISS VISION CENTER as well as your books and records, to the extent consistent with applicable privacy laws. You agree to fully cooperate with representatives and independent accountants hired by us to conduct any such inspection or audit. Further, if inspection or audit is made necessary by your failure to furnish reports, supporting records or other information as required by this Agreement, or to furnish the reports, records or information on a timely basis, after written notice and 15 days' opportunity to cure any such delay in delivery, then within 15 days after receipt of the inspection or audit report, you will reimburse us for the cost of the audit or inspection, including the charges of attorneys and any independent accountants and the travel expenses, room and board and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement or applicable law, and our right to audit will continue for two years following termination of this Agreement.

ARTICLE 9
MARKETING AND PROMOTION

9.1 Advertising and Promotional Activities by You. You agree that all advertising, promotion and marketing by you will comply with the requirements of Article 10, will be completely clear and factual and not misleading, and will conform to the highest standards of ethical marketing and promotion policies which may be prescribed by us. All advertising, promotion and marketing by you also must comply with applicable state practice of optometry laws. Prior to use, all press releases and policy statements and samples of all local advertising, marketing and related materials not prepared or previously approved by us must be submitted to us for approval. Our approval will not be unreasonably withheld. Without limiting the foregoing, you may only use pamphlets, brochures, cards or other promotional materials offering free or discounted ZEISS Products if prepared by us, unless otherwise approved in writing and in advance by us. If we do not give you written approval of any advertising or other promotional materials within 15 days from the date of receipt by us of the materials, we will be deemed to have disapproved the submission. You agree not to use any advertising, marketing or related materials that we have not approved in writing.

9.2 Our Advertising Materials. From time to time, we may provide you with copies of advertising, marketing and promotional formats and materials for use in your Franchised Business. You may be required to pay us for customizing any such items for your Franchised Business, together with any related shipping and handling and storage charges for these items. In addition to these items, we may also offer you the option of purchasing other advertising, marketing and promotional formats and materials that we have prepared and that are suitable for use at local ZEISS VISION CENTERs. We may provide samples, copies or information explaining these items to you from time to time. If you elect to purchase any such items from us or ZEISS Affiliated Entities, we will provide them to you at a reasonable charge, including any related shipping, handling and storage charges. You acknowledge and agree that all payments to us or ZEISS Affiliated Entities for the items described in this Section 9.3 are nonrefundable.

9.3 Promotional Campaigns. From time to time during the term hereof, we shall have the right to establish and conduct promotional campaigns on a national or regional basis, which may, by way of illustration and not limitation, promote particular products or marketing themes. You agree to participate in such promotional campaigns upon such terms and conditions as we may establish. You acknowledge and agree that such participation may require you to purchase reasonable point of sale advertising material, posters, flyers, product displays and other promotional materials.

ARTICLE 10
USE OF THE ZEISS MARKS AND CONFIDENTIAL INFORMATION

10.1 Ownership and Goodwill of ZEISS Marks. You acknowledge that the ZEISS Marks are and will remain the sole property of ZEISS Parent and its Affiliates, including us, and that your right to use the ZEISS Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable standards, specifications and operating procedures that we require. Any unauthorized use of the ZEISS Marks by you will constitute a breach of this Agreement and an infringement of our rights in the ZEISS Marks. You agree that your usage of the ZEISS Marks and any goodwill established by that use will be for the exclusive benefit of ZEISS Parent and us. This Agreement does not confer any past, present or future goodwill or other interests in the ZEISS Marks upon you, other than the right to operate a ZEISS VISION CENTER in compliance with this Agreement. All provisions of this Agreement applicable to the ZEISS Marks will apply to any additional proprietary trademarks and service marks and commercial symbols we may authorize for your use in the future.

10.2 Limitations on Your Use of ZEISS Marks. You agree to use the ZEISS Marks as the sole identification of your ZEISS VISION CENTER, provided you shall identify yourself as the independent owner thereof in the manner we prescribe and, if applicable, you shall identify any adjacent optometry or ophthalmology vision care clinic under your professional name or otherwise in accordance with applicable law. You will not use any ZEISS Mark as part of any corporate or legal entity name or otherwise use any ZEISS Mark with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form, nor may you use any ZEISS Mark in connection with the performance or sale of any unauthorized services or products or in any other manner not expressly authorized in writing by us. You agree to display the ZEISS Marks prominently at your ZEISS VISION CENTER, on supplies or materials designated by us and in connection with packaging materials, forms, labels and advertising and marketing materials. All ZEISS Marks will be displayed in the manner we require. You agree to use the registration symbol "®" in connection with your use of the ZEISS Marks that are registered. You agree to refrain from any business or marketing practice which may be injurious to our business and to the goodwill associated with the ZEISS Marks and other ZEISS VISION CENTERs. You agree to give such notices of trademark and service mark registrations as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law.

10.3 Discontinuance of Use of ZEISS Marks. If it becomes advisable at any time in our sole discretion for us or you to modify or discontinue use of any ZEISS Mark or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions to modify or discontinue the use of the ZEISS Mark or use one or more additional or substitute trademarks or service marks within a reasonable time after notice from us, at your expense.

10.4 Notification of Infringements and Claims. You agree to immediately notify us of any apparent infringement of or challenge to your use of any ZEISS Mark or claim by any person of any rights in any ZEISS Mark, and you will not communicate with any person other than us or our counsel in connection with the infringement, challenge or claim. We will have sole discretion to take such actions as we deem appropriate and the right to control exclusively any litigation, United States Patent and Trademark Office proceeding or any other administrative or court proceeding arising out of any such infringement, challenge or claim or otherwise relating to any ZEISS Mark. We are not obligated to take any such action, however. You agree to execute any instruments and documents, render such assistance and do such things as, in our opinion or the opinion of our legal counsel, may be necessary or advisable to protect and maintain our interests in any litigation or United States Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the ZEISS Marks.

10.5 Our Indemnification of You. We agree to indemnify you against and to reimburse you for all damages for which you are held liable in any proceeding arising out of your authorized use of any ZEISS Mark in the manner directed in the Operations Manual or otherwise expressly directed by us and in compliance with this Agreement, provided that you have timely notified us of the claim or proceeding and have otherwise complied with this Agreement. We and our Affiliates shall control the defense of any proceeding arising out of your authorized use of any ZEISS Mark.

10.6 Copyrights. We or ZEISS Affiliated Entities claim copyrights in the Confidential Information, the Operations Manual, our construction plans, specifications and materials, printed advertising and promotional materials and in related items used in operating the Franchise. You may use the Operations Manual and other materials only during the term of this Agreement. The provisions of Sections 10.1, 10.3, 10.4 and 10.5 of this Agreement relating to ZEISS Marks also apply to copyrights owned by us, as if such copyrights were included within the definition of ZEISS Marks.

10.7 Concepts Developed by You. We and our Affiliates will have the perpetual right to own and use and authorize other ZEISS VISION CENTERs to use, on a fee-free basis, and you will fully and promptly disclose to us, all ideas, concepts, formulas, methods, techniques and inventions relating in any way to the development or operation of a retail optical business or your ZEISS VISION CENTER conceived or developed by you or your ZEISS VISION CENTER employees or other Personnel during the term of this Agreement; provided, however, the foregoing fee-free license right shall not apply to any such inventions or other matters as you may independently develop in your or your Affiliate's optometry or ophthalmology professional clinic that have no applicability to the retail operations of your ZEISS VISION CENTER. You may not test, offer, or sell any new products without our prior written consent.

10.8 Confidential Information. We may disclose certain Confidential Information to you and others associated with you in training, in the Operations Manual and in guidance furnished to you and others associated with you during the term of the Franchise. You and the other Restricted Persons are not acquiring any interest in such Confidential Information, other than the right to utilize Confidential Information disclosed in the operation of your Franchised Business during the term of this Agreement. Your use and the other Restricted Persons' use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of this Agreement. The Confidential Information is proprietary, includes our trade secrets and is disclosed to you and other Restricted Persons solely on the condition that you and the other Restricted Persons agree:

(a) Not to use such Confidential Information in any other business or capacity or disclose the Confidential Information;

(b) To maintain as confidential the Confidential Information and to use all reasonable efforts to keep such information confidential during and after the term of this Agreement;

(c) Not to make unauthorized copies of all or any portion of such Confidential Information disclosed in written or other tangible form, and to grant access to all or any portion of the Confidential Information to store employees or other Personnel only on a need-to-know basis;

(d) To adopt and implement all reasonable procedures that we prescribe to prevent unauthorized use or disclosure of Confidential Information, including restrictions on disclosure of Confidential Information to store employees or other Personnel, and to comply with requirements we may impose that certain key employees or other Personnel execute confidentiality agreements as a condition of employment (and if you have any reason to believe that any employee or other Personnel has violated the provisions of such confidentiality agreement, you shall promptly notify us and shall cooperate with us to protect us against infringement or other unlawful use including, but not limited to, the prosecution of any lawsuits if, in our judgment, such action is necessary or advisable); and

(e) That we may seek injunctive relief and/or specific performance to enforce the covenants and agreements in this Agreement, in addition to any other relief to which we may be entitled at law or in equity, in view of the importance of the ZEISS Marks and the Confidential Information and the incalculable and irreparable harm that would result to us if you were to breach the covenants and agreements in connection with these matters.

10.9 Confidentiality and Press Releases. You shall not disclose the substance of this Agreement to any third party except as necessary to inform lessors from which you are seeking leases or lessors which are parties to leases in order to obtain renewals of, or avoid terminations of, such leases or as necessary to obtain any governmental permits, licenses or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction or federal, state, or local agency having jurisdiction over you, provided that you shall give us prior notice of such disclosure. Unless disclosure is required by applicable law, no public communication, press release or announcement regarding this Agreement, the transactions contemplated hereby or the operation of your Franchised Business shall be made by you without our written approval in advance of such press release or announcement.

ARTICLE 11
COVENANTS NOT TO COMPETE

11.1 In-Term Non-Compete. You agree and acknowledge that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among ZEISS VISION CENTERs if owners of franchised ZEISS VISION CENTERs or the manager of your Franchised Business were permitted to hold interests in or perform services for a Competitive Business. You also acknowledge and agree that we have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us, if you are an Entity, and exclusively with us with respect to the Competitive Business segment, if you are an individual or Entity Owner. Therefore, during the term of this Agreement, no such Restricted Person and no manager of your ZEISS VISION CENTER will:

(a) Have any direct or indirect interest in a Competitive Business, except other ZEISS VISION CENTERs operated by you or such permitted Restricted Person under franchise agreements with us;

(b) Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, except other ZEISS VISION CENTERs operated by you or such permitted Restricted Person under franchise agreements with us; or

(c) to the extent applicable law then permits this restriction, recruit or hire any employee or other Personnel who, within the immediately preceding six-month period, was employed by us or any ZEISS VISION CENTERs operated by us, our Affiliates or another of our franchisees or licensees, without obtaining our prior written permission or the permission of the affected franchisee or licensee, as the case may be.

11.2 Post-Term Non-Compete. In the event of termination of this Agreement for any reason (other than as a result of our default), or if any Restricted Person's relationship with you ceases, you agree that, for a period of two years (or for three years if we approve a transfer as provided in Section 12.3 below, we exercise our right of first refusal as provided in Section 12.5 below, or we purchase your Franchised Business as provided in Section 14.5 below), commencing on the effective date of termination, or the date of cessation of a Restricted Person's relationship with you, as the case may be, no Restricted Person who was a Restricted Person before such event will:

(a) have any direct or indirect interest in a Competitive Business or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business in either case located or operating within (i) 10 miles of your ZEISS VISION CENTER, or (ii) 10 miles of any other ZEISS VISION CENTERs (except in either case for any interest in ZEISS VISION CENTERs that you operate under other agreements with us); or

(b) to the extent applicable law then permits this restriction, recruit or hire any employee or other Personnel who, within the immediately preceding six-month period, was employed by us or any ZEISS VISION CENTERs operated by us, our Affiliates or another of our franchisees or licensees, without obtaining our prior written permission or the permission of the affected franchisee or licensee, as the case may be.

You agree that you will obtain a signed agreement in a form prescribed by us from each such Restricted Person and your ZEISS VISION CENTER managers to comply with the preceding covenants and obligations in this Article 11, except that in the case of post-employment covenants applicable to managerial or other employees such covenants shall apply only to the extent permissible under FTC regulations and other applicable laws. You expressly acknowledge that you and the other Restricted Persons possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, enforcement of the covenants made in this Section will not deprive you or any of the other Restricted Persons of your or their personal goodwill or ability to earn a living.

11.3 Shareholder Exception. The restrictions of Sections 11.1 and 11.2 above do not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of the number of shares of that class of securities issued and outstanding.

11.4 Enforcement of Non-Competes. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all of the covenant, you and we agree that the covenant will be enforced to the fullest extent permissible under applicable laws and public policies.

ARTICLE 12
TRANSFERS

12.1 Transfers by Us. This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interest in this Agreement. Without limiting the foregoing, we may (i) assign any or all of our rights and obligations under this Agreement to an Affiliate; (ii) sell our assets, our ZEISS Marks, or our ZVC System outright to a third party; (iii) engage in a public offering of our securities; (iv) engage in a private placement of some or all of our securities; (v) merge, acquire other entities, or be acquired by another entity, including those operating Competitive Businesses; or (vi) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. We shall be permitted to perform such actions without liability or obligation to you, and you hereby expressly and specifically waive any claims, demands or damages arising from or related to any or all of the above actions (or variations thereof).

12.2 Restrictions on Transfers by You. Your rights and duties created by this Agreement are personal to you, and we have granted this Agreement to you in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and, if you are not an individual, your Entity Owners. Accordingly, no Transfer will be made without our prior written approval. Any Transfer without our approval will constitute a breach of this Agreement and will be void and of no effect.

12.3 Conditions for Approval of Transfers by You. If you are in full compliance with this Agreement, we will not unreasonably withhold our approval of a Transfer that meets all of the following requirements, as determined in our discretion:

(a) Professional Qualifications and Character. If you, or if you are an Entity, your Entity Owners, are optometrists or ophthalmologists licensed to practice within the state where your ZEISS VISION CENTER is located, then the proposed transferee and/or the individuals ultimately owning the transferee, if the transferee is an Entity, must also be optometrists or ophthalmologists licensed to practice within the state where your ZEISS VISION CENTER is located (or must be a professional corporation or other professional legal entity owned by such duly licensed optometrist(s) or ophthalmologist(s)), and the proposed transferee and/or the individuals ultimately owning the transferee, if the transferee is an Entity, must be individuals of good moral character and otherwise meet our then-applicable standards for owners of ZEISS VISION CENTERs;

(b) Business Experience and Financial Resources. The transferee and, if the transferee is an Entity, its Entity Owners, must have sufficient business experience, aptitude and financial resources to operate its business and comply with this Agreement;

(c) Training. The transferee and/or its senior management personnel must have agreed to complete our Training Program to our satisfaction and must have satisfactorily completed such Training Program prior to the effective date of the transfer;

(d) Satisfaction of Obligations. You must have paid all amounts then due and payable and owed for purchases by you from us and our Affiliates, and all other amounts then due and payable and owed to us or ZEISS Affiliated Entities and third-party creditors, and any such accrued obligations that are not then due and payable must be either paid or expressly assumed by such transferee;

(e) Assumption of Agreement. The transferee must have agreed to be bound by and expressly assume all of the terms and conditions of this Agreement for the remainder of its term (or, in our discretion, agreed to execute a franchise agreement in our then-current form), and if the transferee is an Entity, each Entity Owner of the transferee must have executed a guarantee in our favor in which each Entity Owner of the transferee guarantees performance by the transferee of the terms and conditions of this Agreement (or successor franchise agreement) and assumes full and unconditional liability for the performance of all of your obligations, covenants and agreements of you contained in this Agreement (or successor franchise agreement);

(f) Payment of Transfer Fees. You or the transferee must have paid our transfer fee of $5,000. However, no transfer fee will be required if the Transfer is (i) under Section 12.4 of this Agreement to an Entity wholly owned by you, or if the Transfer is solely among your existing Entity Owners, or (ii) under clause (i) of Section 12.6 to the heirs or family members of a deceased or disabled Entity Owner;

(g) Release. You and your transferring Entity Owners, if you are an Entity, must have executed a general release, in a form satisfactory to us, of any and all claims against us and our Affiliates and our and their respective officers, directors, employees and agents;

(h) Approval of Terms of Transfer. We must have approved the material terms and conditions of the Transfer, including, without limitation, the price and terms of payment. However, our approval of a Transfer does not ensure the transferee's success as a ZEISS VISION CENTER franchisee nor should the transferee rely upon our approval of the Transfer in determining whether to acquire your Franchised Business, and such transferee must so acknowledge;

(i) Non-Competition Agreement. Each Restricted Person must have executed a non-competition agreement in our favor and in favor of the transferee agreeing that, for a period of three years commencing on the effective date of the transfer, no such Restricted Person will acquire or hold any direct or indirect interest as an owner, investor, partner, director, officer, manager, employee, consultant, representative or agent, or in any other capacity, in a Competitive Business located within (i) 10 miles of your ZEISS VISION CENTER or (ii) 10 miles of any ZEISS VISION CENTER (except in either case for any interest in ZEISS VISION CENTERs that you operate under other agreements with us). The restrictions of this Section 12.3(j) will not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of the number of shares of that class of securities issued and outstanding;

(j) Landlord Consent. If consent is required, the lessor of the Premises must have consented to the assignment or sublease of the Premises to the transferee;

(k) Non-Use of ZEISS Marks. You and your Entity Owners must have agreed in writing and in a form satisfactory to us that you and they will not directly or indirectly at any time or in any manner (except with respect to other ZEISS VISION CENTERs owned and operated by you or them) identify yourself or themselves or any of your or their businesses as a current or former ZEISS VISION CENTER, or as a franchisee, licensee or dealer of us or ZEISS Affiliated Entities, use any ZEISS Mark, any colorable imitation of any of the ZEISS Marks or other indicia of a ZEISS VISION CENTER in any manner or for any purpose, or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with us or ZEISS Affiliated Entities;

(l) Refurbishment of Premises. At our request, you or your transferee must refurbish, remodel, redecorate, and renovate your Franchised Business to meet our then-current standards for ZEISS VISION CENTERs, including ZVC Trade Dress;

(m) Transfer of All Franchise Agreements. If this Agreement has been executed pursuant to an Area Development Agreement (whether or not such agreement remains in effect), this Agreement and all other franchise agreements executed pursuant to such Area Development Agreement must be concurrently transferred/or assigned to the same transferee, except as we may otherwise expressly approve in writing.

In connection with any assignment permitted under this Section 12.3, you will provide us with all documents to be executed by you and the proposed transferee at least 30 days prior to execution.

12.4 Transfer to a Wholly-Owned Entity. If you are in full compliance with this Agreement, you may transfer your rights in this Agreement to an Entity which will conduct no business other than the business contemplated by this Agreement, which you actually manage and in which you maintain management control and own and control 100% of the equity and voting power of all issued and outstanding capital stock (or equivalent membership interests). Transfers of shares (or equivalent membership interests) of such Entity will be subject to the provisions of Section 12.2 and Section 12.3 of this Agreement, other than the transfer fee payment requirement of Section 12.3(f). Even though a Transfer is made under this Section, you will remain personally liable under this Agreement as if the Transfer to such Entity had not occurred. You hereby represent, warrant and covenant that the articles of incorporation, certificate of formation, by-laws, company or partnership agreement or other organizational documents of the Entity will recite that the issuance and assignment of any interest in the Entity is restricted by the terms of this Article 12, and that all issued and outstanding stock certificates (or certificates representing equivalent membership interests) of such entity will bear a legend reciting or referring to these restrictions.

12.5 Our Right of First Refusal.

(a) Submission of Offers to Us. If you or one or more of your Entity Owners desires to make a Transfer (other than a Transfer from one Entity Owner to another existing Entity Owner holding an equal or greater equity position in the Entity or a Transfer under

Section 12.4), you or the Entity Owner will obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and will immediately submit to us a true and complete copy of such offer, which will include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price and a list of the owners of record and beneficially of any offeror that is an Entity and the individuals ultimately owning or controlling the offeror. If the offeror or an owner of the offeror is a publicly-held Entity, you will instead of such ultimate ownership information submit to us copies of the most current annual and quarterly reports of the publicly-held Entity. To be a valid, bona fide offer, the proposed purchase price must be denominated in a U.S. dollar amount. The offer must apply only to an interest in this Agreement and of substantially all assets of your Franchised Business or a Controlling Interest in you and may not include an offer to purchase any other property or rights of you or your Entity Owners. However, if the offeror proposes to buy any other property or rights from you or your Entity Owners under a separate, contemporaneous offer, the price and terms of purchase offered to you or your Entity Owners for the interest in this Agreement and your Franchised Business assets or the Controlling Interest in you will reflect the bona fide price offered for that interest and will not reflect any value for any other property or rights.

(b) Our Right to Purchase. We, our Affiliates or any Assignee that we designate will have the right, exercisable by written notice delivered to you or your Entity Owners within 30 days from the date of delivery of an exact copy of the offer to us, to elect to purchase the interest in this Agreement and your Franchised Business assets or such Controlling Interest in you for the price and on the terms and conditions contained in the offer. However, we (or such Affiliate or Assignee) may substitute cash for any form of payment proposed in the offer, our credit will be deemed equal to the credit of any proposed purchaser, and we (or such Affiliate or Assignee) will have not less than 60 days to close the purchase. Without regard to the representations and warranties demanded by the proposed purchaser, if any, we (or such Affiliate or Assignee) will be entitled to purchase the interest, receiving from you all customary representations and warranties given by the seller of the assets of a business or equity interest in an Entity, as applicable, including representations and warranties as to ownership, condition of and title to assets, absence of liens and encumbrances relating to the ownership interest and assets, and validity of contracts and liabilities affecting the assets being purchased, contingent or otherwise.

(c) Non-Competition Restriction. If we (or such Affiliate or Assignee) exercise our right of first refusal, you and each other Restricted Person agree that, for a period of three years commencing on the date of the closing, no Restricted Person will acquire or hold any direct or indirect interest as an owner, investor, partner, director, officer, manager, employee, consultant, representative or agent, or in any other capacity, in a Competitive Business located within (i) within 10 miles from your ZEISS VISION CENTER, or (ii) 10 miles of any other ZEISS VISION CENTER (except in either case for any interest in ZEISS VISION CENTERs that you operate under other agreements with us). The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of the number of shares of that class of securities issued and outstanding. If we exercise our right of first refusal, you and your Entity Owners further agree that you will abide by the restrictions of Section 12.3(k).

(d) Non-Exercise by Us of Our Right of First Refusal. If we (or such Affiliate or Assignee) do not exercise our right of first refusal, you (or your Entity Owners) may complete the sale to such offeror pursuant to and on the terms of such offer, subject to our approval as provided in Sections 12.2 and 12.3 above. However, if the sale to the offeror is not completed within 120 days after delivery of the offer to us, or if there is a material change in the terms of the sale, our right of first refusal will be extended for 30 days after the expiration of the 120-day period or after the material change in the terms of the sale.

12.6 Death or Disability. If you are an individual, upon your death or disability or, if you are an Entity, upon the death or disability of an individual owner of a Controlling Interest in you, the executor, administrator, conservator or other personal representative of that person may either, within 180 days from the date of death or disability, (i) request the right on behalf of designated heirs or family members reasonably acceptable to us to continue to operate the business, except that no transfer fee will be payable in such event, or (ii) propose a transfer of his or her interest in this Agreement or of his or her Controlling Interest in you to a third party approved by us. A transfer under this Section, including, without limitation, transfer by devise or inheritance, will be subject to the terms and conditions for Transfers contained in Sections 12.2 and 12.3 of this Agreement, and unless transferred pursuant to clause (i) above, subject to the terms of Section 12.5 above. Failure to dispose of such interest within the specified period of time will constitute a breach of this Agreement. For purposes of this Agreement, the term "**disability**" will mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a Controlling Interest in you from supervising the operation of your Franchised Business for a period of six months from the onset of such disability, impairment or condition.

12.7 Effect of Consent to Transfer. Our consent to a Transfer will not constitute a waiver of any claims we may have against the transferor nor be deemed a waiver of our right to demand full compliance by the transferee with the terms or conditions of this Agreement.

12.8 Preparation of a Financial Report by You. We may require you to prepare and furnish to a prospective transferee and/or to us such actual, historical financial reports and other data relating to your Franchised Business and its operations as we, in our sole and exclusive judgment, may deem necessary or appropriate for the prospective transferee and/or us to evaluate the Franchised Business and the proposed transfer. You agree that we have the right to confer with prospective transferees and furnish them with information concerning your Franchised Business and proposed transfer without being held liable to you, except for intentional misstatements made to any such transferee. Any such information furnished by us to prospective transferees is for the sole purpose of permitting the transferees to evaluate your Franchised Business, and the proposed transfer and shall not be construed in any manner or form whatsoever as earnings claims or financial performance representations or claims of success or failure.

12.9 Restrictions on Public and Other Offerings. Securities, partnership or other ownership interests in you may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with our prior written consent, which consent shall not be unreasonably withheld. All materials required for any such private offering by federal or state law shall be submitted to us for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to us for such review prior to their use.

No offering by you shall represent or imply that we are participating in an underwriting, issuance or offering of securities, and our review of any offering materials shall be limited solely to the subject of the relationship between us and you and our Affiliates. We may, at our option, require your offering materials to contain a written statement prescribed by us concerning the limitations described in the preceding sentence. You, your Entity Owners and the other participants in the offering must fully defend and indemnify us, and our Affiliates, our and their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of us and them, from and against any and all losses, costs and liability in connection with the offering. For each proposed offering, you shall pay to us a non-refundable fee of $15,000, or such greater amount as is necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. You shall give us written notice at least 30 days prior to the date of commencement of any offering or other transaction covered by this Section.

ARTICLE 13
DEFAULT AND TERMINATION

13.1 Your Defaults. You will be in default under the terms of this Agreement if any of the following occur:

(a) Insolvency. You file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or are adjudicated a bankrupt or make an assignment for the benefit of creditors, or admit in writing your inability to pay your debts generally as they become due, or if a petition or answer proposing the adjudication of you as a bankrupt or your reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law is filed in any court and you consent to or acquiesce in the filing thereof, or such petition or answer is not discharged or denied within 60 days after the occurrence of any of the foregoing, or if a receiver, trustee or liquidator of you or of all or substantially all of your assets or your interest in this Agreement is appointed in any proceeding brought by you, or if any such receiver, trustee or liquidator is appointed in any proceeding brought against you and is not discharged within 60 days after the occurrence thereof, or if you consent to or acquiesce in such appointment (any such event described in this Section 13.1(a) being referred to as an "**Insolvency Event**");

(b) Unauthorized Transfer. A Transfer occurs in violation of the provisions of Article 12 of this Agreement;

(c) Misstatements and Other Adverse Developments. You (or, if you are an Entity, any Entity Owner of you) have made any material misrepresentation or omission in your application for the rights conferred by this Agreement, are convicted by a trial court of or plead no contest to a felony or to any other crime or offense that may adversely affect the goodwill associated with the ZEISS Marks, or if you engage in any conduct which may materially adversely affect the reputation of any ZEISS VISION CENTER or the goodwill associated with the ZEISS Marks;

(d) Unauthorized Use of ZEISS Marks or Confidential Information. You, an Entity Owner, or Affiliate of you make any unauthorized use of the ZEISS Marks or any unauthorized use or disclosure of Confidential Information;

(e) Abandonment. You abandon or fail actively to operate your ZEISS VISION CENTER for four consecutive business days unless your ZEISS VISION CENTER has been closed for a purpose approved in advance by us in writing or because of fire, flood or other casualty or government order;

(f) Failure to Pay Taxes. You fail to pay any federal or state income, sales or other taxes due with respect to your Franchised Business's operations unless you are in good faith contesting your liability for the taxes;

(g) Failure to Comply with Non-Compete Obligations. You or any Restricted Person fail to fully comply with the requirements of Section 11.1 of this Agreement;

(h) Repeated Breaches. You fail on two or more separate occasions within any period of 12 consecutive months or on three occasions during the term of this Agreement to submit when due reports or other data, information or supporting records, or to pay when due any payments due to us or ZEISS Affiliated Entities, or otherwise fail to comply with any one or more provisions of this Agreement, whether or not the failures to comply are corrected after notice thereof is delivered to you; or

(i) Breach of Lease: Loss of Right of Possession. You are in breach of any of your obligations under your lease or sublease of the Premises, after expiration of any opportunity to cure, or you lose the right to possession of the Premises;

(j) Failure to Make Payments. You fail to make payments, when due, of any amounts due to us or ZEISS Affiliated Entities under this Agreement or any other agreement with us or ZEISS Affiliated Entities and you do not correct the failure within 10 days after written notice of the failure is delivered to you;

(k) Failure to Maintain Insurance. You fail to maintain insurance or mandatory workers' compensation coverage required by this Agreement and you do not correct the failure within 10 days after written notice of the failure is delivered to you;

(l) Failure to Comply with Laws or Regulations. You fail to comply with or violate any law or regulation (including any health codes, rules or regulations) and you do not correct the failure within 10 days after written notice of the failure is delivered to you, unless an even shorter period of time is permitted for cure under such law or regulation, in which case such shorter period shall apply;

(m) Other Breaches. You fail to comply with any other provision of this Agreement or any ZVC System Standard and do not correct the failure within 30 days after written notice of the failure to comply is delivered to you or provide proof acceptable to us of efforts which are reasonably calculated to correct the failure within a reasonable time, which will in no event be more than 60 days after the notice, if the failure cannot reasonably be corrected within 30 days after written notice of the failure to comply is delivered to you;

(n) Default of Any Other Agreement. You default in the performance or observance of any of your obligations under any other agreement with us or ZEISS Affiliated Entities, after expiration of any notice and cure period, if any, except for a default or termination under an Area Development Agreement consisting solely of your failure to meet your development obligations thereunder.

13.2 Our Right to Terminate if You Default. Except as otherwise provided in this Section 13.2 and in Section 13.3 below, your failure to cure a default under this Agreement within 30 days from the date written notice of default is delivered to you (or within the cure period specified above, if any, with respect to such default, as the case may be) will give us good cause to terminate this Agreement; provided, however, that in the case of a breach or default in the performance of your obligations under another agreement with us or ZEISS Affiliated Entities, the notice and cure provisions of such agreement shall control, except in those instances below where termination is immediate and without opportunity to cure. In all instances, termination will be accomplished by delivering to you written notice of termination, which notice will state the grounds for the termination and will be effective: (i) immediately without any opportunity to cure in the case of the defaults described in Sections 13.1(a)-(i) above; or (ii) immediately upon the date of such notice of termination delivered after expiration of any available cure period, if any (as specified in Section 13.1(j)-(n)). If you cure any default after the applicable cure period has expired, we retain the right to terminate this Agreement. In any event, our right to terminate this Agreement is in addition to whatever other rights and remedies are available to us. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this Franchise will supersede any provision of this Agreement that is less favorable to you than such law or regulation.

13.3 Our Right to Terminate in Certain Other Circumstances.

(a) Failure to Complete Training. If you and/or your operating partner or senior management member, as the case may be, or the initial member of your management team selected to undergo training, fails to complete all phases of the Training Program required for the initial opening of your ZEISS VISION CENTER to our satisfaction, we will have the right to terminate this Agreement effective upon delivery of notice of termination to you.

(b) Failure to Commence Operations. If you fail to commence operation of your ZEISS VISION CENTER within one year after the execution of this Agreement, we will have the right to terminate this Agreement effective upon delivery of notice of termination to you. No refund of the Initial Franchise Fee will be made in these circumstances.

13.4 Your Right to Terminate if We Default. We will be in default under this Agreement if we materially breach a provision related to one of our obligations contained herein. Our failure to either cure such a default within 60 days from the date of a written notice of default delivered to us or, if such default cannot reasonably be cured within 60 days, to provide proof to you of efforts which are reasonably calculated to cure such default within a reasonable time (which will in no event be more than 90 days after notice), will give you good cause to terminate this Agreement, provided you are in compliance with this Agreement. Termination will be accomplished by delivering to us written notice of termination, which notice will state the grounds for the termination and will be effective 10 days after delivery to us. Your right to terminate this Agreement is in addition to whatever other rights and remedies are available to you.

ARTICLE 14
POST-TERM OBLIGATIONS

14.1 Reversion of Rights. You agree that upon termination or expiration of this Agreement, all of your rights to use the ZEISS Marks and all other rights and licenses granted herein and the right and license to conduct business under the ZEISS Marks at your ZEISS VISION CENTER and on the Premises shall revert to us without further act or deed of any party. All right, title and interest of you in, to and under this Agreement shall become our property.

14.2 Payment of Amounts Owed to Us and Others following Termination or Expiration. You agree to pay us within 15 days after the date of termination or expiration of this Agreement, or such later date as the amounts due to us are determined, any past due System Services Fee, amounts owed for purchases by you from us or ZEISS Affiliated Entities, interest due on any of the foregoing and all other amounts owed to us or ZEISS Affiliated Entities which are then unpaid.

14.3 Discontinuance of the Use of the ZEISS Marks Following Termination or Expiration. You agree that, upon termination or expiration of this Agreement, you will:

(a) Not directly or indirectly at any time or in any manner (except with respect to other ZEISS VISION CENTERs owned and operated by you) identify yourself or any business as a current or former ZEISS VISION CENTER, or as a franchisee, licensee or dealer of us or ZEISS Affiliated Entities, use any ZEISS Mark, any colorable imitation of a ZEISS Mark or other indicia of a ZEISS VISION CENTER in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us or ZEISS Affiliated Entities;

(b) Deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, invoices and other materials containing any ZEISS Mark or otherwise identifying or relating to a ZEISS VISION CENTER and all copies in your possession of the Operations Manual and allow us, without liability, to remove all such items from your ZEISS VISION CENTER;

(c) Take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any ZEISS Mark;

(d) If we or our Assignee do not purchase your ZEISS VISION CENTER as provided in Section 14.5 below, make the changes to the exterior and interior appearance of your Premises to de-identify it and distinguish it from the ZVC Trade Dress as are reasonably required by us;

(e) Notify the telephone company of the termination of your right to use any telephone and telecopy numbers and any regular, classified or other telephone directory listings they maintain associated with any ZEISS Mark and to authorize transfer of those rights to us or at our direction. You agree that, as between you and us, we have the sole rights to and interest in all such telephone and telecopy numbers and directory listings associated with any ZEISS Mark.

You authorize us and appoint us and any of our officers as your attorney in fact to direct the telephone company to transfer any telephone and telecopy numbers and directory listings relating to your Franchised Business to us or our Assignee or at our direction, should you fail or refuse to do so, and the telephone company may accept such direction or this Agreement as conclusive evidence of our exclusive rights in such telephone and telecopy numbers and directory listings and our authority to direct their transfer; and

(f) Furnish us, within 30 days after the effective date of termination, with evidence satisfactory to us of your compliance with the obligations in this Section 14.3.

You agree that if you fail to fulfill any of the obligations contained in this Section 14.3 upon termination or expiration of this Agreement, we may (but are not obligated to) perform such obligations at your expense.

14.4 Discontinuance of Use of Confidential Information Following Termination or Expiration. You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any Confidential Information disclosed to you pursuant to this Agreement in any business or otherwise, and you will promptly return to us all copies of the Operations Manual and any other confidential materials which we have loaned to you.

14.5 Our Option to Purchase Your Franchised Business.

(a) Option to Purchase. Upon termination or expiration of this Agreement other than as a result of our default, and if no renewal or successor franchise agreement has been executed, we will have the option (but not the obligation), exercisable by giving written notice thereof within 60 days from the date of such termination or expiration, to acquire from you the inventory of ZEISS Products, materials, and supplies that are in good and saleable condition and not obsolete or discontinued (the "**Inventory**"), and the equipment, furnishings, signs, and the other tangible assets of your ZEISS VISION CENTER (collectively, with the Inventory, the "**Assets**"). We will also have the unrestricted right to assign this option to purchase and our rights under this Section 14.5 to an Assignee. We or such Assignee will be entitled to all customary warranties and representations in connection with our purchase, including, without limitation, representations and warranties as to ownership, condition of and title to the Assets, absence of liens and encumbrances on the Assets, and validity of contracts and agreements and liabilities benefiting us or affecting the Assets, contingent or otherwise.

(b) Purchase Price. The purchase price for the Assets will be equal to the lesser of:

(i) The sum of the net book value of your ZEISS VISION CENTER's Assets, other than Inventory, amortized on a straight-line basis in accordance with generally accepted accounting principles, plus the lesser of cost and the then-current wholesale market value of the Inventory, or

(ii) The product of your ZEISS VISION CENTER's average cash flow for the two most recently completed fiscal years, multiplied by six. "**Cash flow**" means your ZEISS VISION CENTER's Gross Revenues less all ZEISS VISION CENTER-related costs (i.e., cost of goods sold, labor, occupancy and other ZEISS

VISION CENTER expenses) as well as the System Services Fees paid or owed by you in such period, but not including interest, income taxes, depreciation and amortization.

We will have the right to set off against and reduce the purchase price by any and all amounts owed by you to us or ZEISS Affiliated Entities. We may, in our discretion, exclude from the Assets purchased any equipment, furnishings, signs, and usable inventory of ZEISS Products, materials, or supplies of your ZEISS VISION CENTER that we have not approved as meeting our standards for ZEISS VISION CENTERs, and, if the purchase price has been determined under Section 14.5(b)(ii), the purchase price will be reduced by the replacement cost of such excluded items which are required in the operation of your ZEISS VISION CENTERs being purchased.

(c) Payment of Purchase Price. The purchase price will be paid in cash at the closing of the purchase, which will take place no later than 90 days after your receipt of our notice of exercise of this option to purchase your ZEISS VISION CENTER, at which time you will deliver instruments transferring to us (or our Assignee) good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances and with all sales and other transfer taxes paid by you, and with all licenses or permits of your ZEISS VISION CENTER which may be assigned or transferred. Prior to closing, you and we will comply with the applicable bulk sales provisions, if any, of the Uniform Commercial Code as enacted in the state where your ZEISS VISION CENTER is located.

(d) Lease of Premises. In connection with the purchase of the Assets of your ZEISS VISION CENTER, you will also deliver to us (or our Assignee) an assignment of the lease for your Premises (or, if assignment is prohibited, subleases for the full remaining term on the same terms and conditions as your lease). If you own the Premises of your ZEISS VISION CENTER, you agree to lease the Premises to us (or our Assignee), for a term of five years with a five-year renewal option at fair market rental during the initial and renewal terms.

(e) Interim Management. If we exercise the option to purchase your ZEISS VISION CENTER, pending the closing of such purchase, we may appoint a manager to maintain the operation of your ZEISS VISION CENTER or, at our option, require you to close your ZEISS VISION CENTER during such time period without removing any assets. If we appoint a manager to maintain the operation of your ZEISS VISION CENTER pending closing of such purchase, all funds from the operation of your ZEISS VISION CENTER during the period of management by our appointed manager will be kept in a separate fund, and all expenses of your ZEISS VISION CENTER, including compensation, other costs, and travel and living expenses of our appointed manager, will be charged to such fund. As compensation for such management services, we will charge such fund 8% of the Gross Revenues of your Franchised Business during the period of our management, payable to us by the 15th day of each month with respect to Gross Revenues realized during the preceding calendar month. Operation of your ZEISS VISION CENTER during any such period will be on your behalf, provided that we will have a duty only to utilize our good faith efforts and will not be liable to you for any debts or obligations incurred by your ZEISS VISION CENTER or to any of your creditors for any merchandise, materials, supplies or services purchased by your ZEISS VISION CENTER during any period in which your ZEISS VISION CENTER is managed by our appointed manager. You will maintain in force for your ZEISS VISION CENTER all insurance policies required by this Agreement until the date of closing.

(f) Termination of Franchise Agreement. Upon the closing of the purchase of the Assets and satisfaction by you of all of your obligations under this Agreement accruing through the closing, this Agreement will terminate.

14.6 Continuing Obligations. All obligations of us and you which expressly or by their nature survive the termination of this Agreement will continue in full force and effect subsequent to and notwithstanding termination and until they are satisfied in full or by their nature expire. Included in the obligations that will continue following termination of this Agreement are the provisions of Sections 6.4, 7.9, 7.10, 8.2, 8.3, 10.5, 10.8, 10.9, 11.2, 11.4, 12.5(c), 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 15.5, 15.6, 16.1, 16.2, the indemnification provisions of Sections 7.5(a) and 12.9, and the provisions of Articles 17 and 18 of this Agreement.

ARTICLE 15
RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

15.1 Independent Contractors. This Agreement does not create a fiduciary relationship between the parties. We and you are independent contractors and nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. You will conspicuously identify yourself in all dealings as the owner of your ZEISS VISION CENTER under a franchise granted by us and will place such other notices of independent ownership on the forms, business cards, stationery, marketing and other materials as we may require from time to time.

15.2 No Liability for the Act of Other Party. You will not employ any of the ZEISS Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for any indebtedness or obligations of you, nor may you use the ZEISS Marks in any way not expressly authorized by us. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other or be obligated by or have any liability under any agreements or representations made by the other. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your business authorized by or conducted pursuant to this Agreement.

15.3 Our Approval and Enforcement. Our retention and exercise of the right to approve certain matters, to inspect your ZEISS VISION CENTER and its operation, and to enforce our rights, exist principally to the extent necessary to protect our interest in the ZVC System and the ZEISS Marks for the benefit of us and the ZVC System. Neither the retention nor the exercise of any such rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor shall they be construed to do so.

15.4 Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon you or your assets or upon us, arising in connection with your sales or the business conducted by you pursuant to this Agreement, except for taxes that we are required by law to collect from you with respect to purchases from us and except for our own income taxes. Subject to the specified exceptions, payment of all such taxes will be your sole responsibility, and you shall promptly pay all taxes and duties of any kind (including but not limited to sales, use and withholding taxes) associated with this Agreement and with purchases of ZEISS Products, except for taxes based on our income. All fees payable for ZEISS Products are net amounts and are payable in full, without deduction for taxes or duties of any kind. In order for ZEISS to extend tax-exemption status to you with respect to purchases of ZEISS Products, you must provide a tax-exemption certificate valid in the jurisdiction of the Premises location prior to ZEISS' acceptance of the purchase order.

15.5 Indemnification. You agree to indemnify, defend and hold harmless us, ZEISS Parent, ZEISS Affiliated Entities and other of our Affiliates, and each of our respective shareholders or other equity holders, directors, officers, employees, agents, successors and assigns (the "**Indemnified Parties**"), against, and within 15 days after invoicing therefor to reimburse the Indemnified Parties for, any claims, liabilities, lawsuits, demands, actions, damages and expenses arising from or out of (a) any breach of your agreements, covenants, representations, or warranties contained in this Agreement, (b) any damages or injury to any person, including, but not limited to, your employees or other Personnel, our employees and agents, your customers, and members of the public, suffered or incurred on or about any ZEISS VISION CENTER owned or operated by you, (c) product liabilities claims or defective lens finishing or frame assembly claims related to ZEISS Products related to your conduct, or (d) the activities under this Agreement of you or any of your officers, owners, directors, employees or other Personnel, agents or contractors. For purposes of this indemnification, claims will mean and include all obligations; actual, consequential, and incidental damages; costs reasonably incurred in the defense of any claim against the Indemnified Parties, including reasonable accountants', arbitrators', attorneys' and expert witness fees; costs of investigation and proof of facts; court costs; other litigation expenses; and travel and living expenses. We will have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the termination of this Agreement.

15.6 Waiver of Claims. You agree to waive all claims against us for damages to property or injuries to persons arising out of the operation of your ZEISS VISION CENTER.

ARTICLE 16
DISPUTE RESOLUTION

16.1 Injunctive Relief. Notwithstanding anything to the contrary contained in Section 16.4 below, we and you will each have the right in a proper case to obtain specific performance, temporary restraining orders, and temporary or preliminary injunctive relief from a court of competent jurisdiction. However, unless we elect otherwise as permitted herein, the parties will contemporaneously submit their dispute for binding arbitration on the merits. You agree that we may have temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

16.2 Rights of Parties Are Cumulative. Our and your rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement which it is entitled by law or this Agreement to exercise or enforce.

16.3 Costs and Attorneys' Fees. If a claim for amounts owed by you to us or ZEISS Affiliated Entities is asserted in a judicial proceeding or appeal, or if we or you are required to enforce this Agreement in arbitration or other proceeding or appeal, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable arbitrators', accounting and legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement. If we incur expenses in connection with your failure to pay when due amounts owing to us, to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, including, but not limited to legal, arbitrators' and accounting fees, you will reimburse us for any such costs and expenses which we incur.

16.4 Arbitration.

(a) All Disputes Subject to Arbitration. EXCEPT AS DESCRIBED IN SECTION 16.1 ABOVE, ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN US (AND OUR SUBSIDIARIES AND AFFILIATES, AND EACH OF OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND ATTORNEYS) AND YOU (AND YOUR ENTITY AND OTHER EQUITY OWNERS, GUARANTORS AND EMPLOYEES, OTHER PERSONNEL, RESTRICTED PERSONS, OFFICERS, DIRECTORS, AGENTS, AND ATTORNEYS) ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US WILL BE SUBMITTED FOR ARBITRATION TO THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO OUR PRINCIPAL OFFICES AT THE TIME OF DEMAND, ON DEMAND OF EITHER YOU OR US. HOWEVER, WE MAY, IN OUR SOLE DISCRETION, ELECT TO HAVE ANY CONTROVERSIES, DISPUTES OR CLAIMS RESOLVED BY MEANS OTHER THAN ARBITRATION. YOU SHALL PROVIDE WRITTEN NOTICE TO US AT LEAST 10 DAYS BEFORE SUBMITTING ANY CONTROVERSY, DISPUTE OR CLAIM FOR ARBITRATION. IF WE DO NOT WISH TO RESOLVE THE DISPUTE BY ARBITRATION, WE SHALL DELIVER A NOTICE OF SUCH ELECTION WITHIN FIVE DAYS AFTER RECEIVING WRITTEN NOTICE THAT THE MATTER WILL BE SUBMITTED FOR ARBITRATION. SUCH ARBITRATION PROCEEDINGS WILL BE CONDUCTED IN SAN DIEGO, CALIFORNIA AND WILL BE HEARD BY ONE ARBITRATOR IN ACCORDANCE WITH THE THEN-CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. SUCH ARBITRATOR WILL BE A LAWYER OF RECOGNIZED STANDING AND EXPERTISE IN THE AREA OF BUSINESS LAW.

(b) Awards. THE ARBITRATOR WILL HAVE THE RIGHT TO AWARD ANY RELIEF WHICH THE ARBITRATOR DEEMS PROPER IN THE CIRCUMSTANCES, INCLUDING MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM THE DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF AND ATTORNEYS' FEES AND COSTS, IN ACCORDANCE WITH SECTION 16.3 OF THIS AGREEMENT, EXCEPT THAT THE ARBITRATOR WILL NOT HAVE THE AUTHORITY TO AWARD EXEMPLARY OR PUNITIVE DAMAGES. THE AWARD AND DECISION OF THE

ARBITRATOR WILL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION. EACH PARTY WAIVES ANY RIGHT TO CONTEST THE VALIDITY OR ENFORCEABILITY OF SUCH AWARD. THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF ANY LIMITATION ON THE PERIOD OF TIME BY WHICH CLAIMS MUST BE BROUGHT. THE PARTIES AGREE THAT, IN CONNECTION WITH ANY SUCH ARBITRATION PROCEEDING, UNLESS WE ELECT OTHERWISE, EACH WILL SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTER-CLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDINGS AS THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM BY YOU WHICH IS NOT SUBMITTED OR FILED IN SUCH PROCEEDING WILL BE BARRED.

(c) Permissible Parties. YOU AND WE AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT A CLASS-WIDE BASIS, AND THAT ANY ARBITRATION PROCEEDING BETWEEN YOU AND US WILL NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING INVOLVING US AND ANY OTHER PERSON OR ENTITY.

(d) Survival. THE PROVISIONS OF THIS SECTION 16.4 WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

16.5 Governing Law. ALL MATTERS RELATING TO ARBITRATION AND WITHIN THE SCOPE OF THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 *ET SEQ.*) WILL BE GOVERNED BY SUCH ACT. EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, EXCLUSIVE OF ITS CONFLICT OF LAWS PROVISIONS, EXCEPT THAT THE CALIFORNIA FRANCHISE RELATIONS ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

16.6 Consent to Jurisdiction. ANY ACTION (WHICH IS NOT REQUIRED TO BE ARBITRATED HEREUNDER) MUST BE INSTITUTED IN A STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN SAN DIEGO COUNTY, CALIFORNIA, AND YOU IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTION YOU MAY HAVE TO EITHER THE JURISDICTION OF OR VENUE IN SUCH COURTS.

16.7 Waiver of Punitive Damages. EACH PARTY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREES THAT, IN THE EVENT

OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

16.8 Limitation of Claims. Any and all claims arising out of or relating to this Agreement or the relationship between the parties to this Agreement will be barred unless an action or proceeding is commenced by a party within the earlier of: (i) two years from the day immediately after the date of the first act or omission giving rise to such claim by such party; (ii) two years from the day immediately after the date such party knew or should have known of the facts giving rise to such claim by such party; or (iii) the time period for bringing an action under any applicable state or federal statute of limitations.

ARTICLE 17
GENERAL PROVISIONS

17.1 Severability. Each article, section, paragraph, term and provision of this Agreement will be considered severable and if, for any reason, any provision of this Agreement is held to be invalid, contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise independently enforceable, and such other portions will continue to be given full force and effect and bind the parties, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt of a notice of non-enforcement thereof from us.

17.2 Rights Provided by Law. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions of this Agreement, and we will have the right in our sole discretion to modify the invalid or unenforceable provision to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order or arbitration award. Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

17.3 Waivers by Either Party. Either we or you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice of waiver to the other or such other effective date stated in the notice of waiver. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of 10 days' prior written notice.

17.4 Certain Acts Not to Constitute Waivers. Neither we nor you will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other ZEISS VISION CENTERs or franchise agreements; or (iii) our acceptance of any payments due from you after any breach of this Agreement.

17.5 Excusable Non-Performance. Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform obligations (other than your payment obligations to us) results from transportation shortages; inadequate supplies of equipment, merchandise, supplies, labor, material or energy or the voluntary suspension of the right to acquire or use any of those items in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any governmental department or agency; compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any governmental department or agency; acts of God; fires, strikes, embargoes, war or riot; or any other similar event or cause beyond the reasonable control of the party. Any delay resulting from any of those causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

17.6 Notice of Potential Profit to Us. We hereby advise you that we and/or ZEISS Affiliated Entities may from time to time make available to you goods, products and/or services for use in your ZEISS VISION CENTER on the sale of which we and/or ZEISS Affiliated Entities may make a profit. We further advise you that we and/or ZEISS Affiliated Entities may from time to time receive consideration from suppliers and/or manufacturers related (directly or indirectly) to sales of goods, products or services to you, the promotion of goods, products or services by the ZVC System or in consideration of services rendered or rights licensed to such persons. You agree that we and/or ZEISS Affiliated Entities shall be entitled to said profits and/or consideration.

17.7 Binding Effect. Subject to the restrictions on Transfers contained in this Agreement, this Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest and will not be modified except by written agreement signed by both you and us.

17.8 Compliance with Laws. In the performance of its obligations under and related to the matters addressed by this Agreement, each party shall comply with all applicable laws.

17.9 Anti-Kickback Statute Discount Safe Harbor Regulation Compliance. In connection with your purchase of ZEISS Products, each party shall take all actions required to comply with applicable standards of 42 C.F.R. § 1001.952(h) (the Anti-Kickback Statute discount safe harbor regulations). In addition, to the extent required to comply with the Anti-Kickback Statute discount safe harbor regulations or other applicable laws and regulations, you shall fully and accurately reflect in submissions to federal health care programs all discounts (including, without limitation, rebates) by us or any ZEISS Affiliated Entity in connection with your purchase of ZEISS Products and, upon request by the Secretary of the U.S. Department of Health and Human Services or a state agency, shall make available information provided to you by us or any ZEISS Affiliated Entity concerning the discounts. You shall pay any and all reasonable costs, including reasonable attorneys' fees, incurred by us or any ZEISS Affiliated Entity as a result of your failure to comply with this Section.

17.10 Third-Party Beneficiaries. Except as otherwise expressly provided, including for indemnitees of a party hereto and provisions relating to sales of ZEISS Products to you by ZEISS Affiliated Entities, nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

17.11 Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval.

17.12 Headings. The headings of the several articles, sections and paragraphs of this Agreement are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

17.13 Joint and Several Liability. If you consist of two or more persons or Entities, whether or not as partners, joint venturers, or co-owners, the obligations and liabilities of each person and Entity to us are joint and several.

17.14 Counterparts. This Agreement may be executed in multiple copies, each of which will be deemed an original.

17.15 Notices and Payments. All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered at the time delivered by hand; one business day after transmission by telegraph, facsimile, or other electronic system; one business day after being placed in the hands of a commercial courier service for next business day delivery; upon acknowledgement of receipt if transmitted by electronic mail; or three business days after placement in the United States Mail by registered or certified mail, return receipt requested, postage prepaid, and will be addressed to the parties at the addresses set forth on the first page of this Agreement or to such other address as a party may specify in a written notice to the other party. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least two days prior thereto) will be deemed delinquent.

17.16 Entire Agreement. The preambles, appendices, and schedules are a part of this Agreement. This Agreement constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the Effective Date.

CARL ZEISS VISION BUSINESS SERVICES INC.,
a Delaware corporation

____
____

By:________________________________
Name:______________________________
Title: ______________________________

By:________________________________
Name:______________________________
Title: ______________________________

By:________________________________
Name:______________________________
Title: ______________________________

EXHIBIT A TO FRANCHISE AGREEMENT

PREMISES AND PROTECTED TERRITORY

Premises: ____

[ ] A radius of ______ miles surrounding the Premises

[ ] The area outlined on the attached map and described as follows:

SCHEDULE 1.2(e)
EXISTING COMPETITIVE BUSINESS INTERESTS

SCHEDULE 7.8
OWNERSHIP ADDENDUM TO
FRANCHISE AGREEMENT

1. Entity Owners. You represent and warrant to us that your Entity Owners are as follows:

NAME	ADDRESS	PERCENTAGE OF INTEREST
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________

2. Change. You agree to immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

3. Date of Addendum. The date of this Addendum is ________________, 20__.

____ ____
Your Initials Our Initials

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

[EXHIBIT C]

ZEISS VISION CENTER
AREA DEVELOPMENT AGREEMENT

BETWEEN

CARL ZEISS VISION BUSINESS SERVICES INC.
1040 Worldwide Boulevard
Hebron, Kentucky 41048
(859) 689-1243

AND

____

____

____
Name(s) of Developer

____
Street

____
City State Zip Code

( )_____________________________________
Area Code Telephone

Date of Area Development Agreement

____________________________________**, 20**____

ZEISS VISION CENTER
AREA DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

ZEISS VISION CENTER

AREA DEVELOPMENT AGREEMENT

THIS AGREEMENT (this "**Agreement**") is made and entered into as of ______, 20__ (the "**Effective Date**"), by and between **CARL ZEISS VISION BUSINESS SERVICES INC.**, a Delaware corporation, with its business address at 1040 Worldwide Boulevard, Hebron, Kentucky 41048 (generally referred to as "**we**" or by similar terms), and _____________, a ___________, with a principal business address at _____________ (generally referred to as "**you**" or similar terms).

OUR AGREEMENT WITH YOU: By signing this Agreement, you and we agree to all of the terms and provisions in this Agreement. By signing this Agreement, you are also affirming that you understand and accept the Preambles in Article 1 of this Agreement.

ARTICLE 1
DEFINITIONS; PREAMBLES; AND ACKNOWLEDGEMENTS

1.1 Preambles.

(a) Our ultimate parent business entity, Carl Zeiss AG and its foundation sole owner Carl-Zeiss-Stiftung (collectively "**ZEISS Parent**") and its directly and indirectly owned subsidiaries (together with ZEISS Parent, "**ZEISS Affiliated Entities**") have authorized us to develop a ZEISS-branded franchise system in the United States, and as a result of our expenditure of time, skill, effort and money, and such expenditures of ZEISS Affiliated Entities, we have developed a comprehensive system, methods, and procedures (collectively, the "**ZVC System**") consisting of a business format, systems, methods, procedures, inventory selection and supply arrangements, designs, layouts and specifications for the development and operation of ZEISS-branded optical retail centers (the "**ZEISS VISION CENTERs**") operating under the name and trademark "**ZEISS VISION CENTER**" and other trademarks, service marks, commercial symbols and trade dress designated by us from time to time (the "**ZEISS Marks**") featuring an extensive selection of high quality lenses, frames, contact lenses, other optical goods, and cleaning accessories, all of which we may improve, modify or further develop in the future. The distinguishing features of the ZVC System include but are not limited to the ZEISS Marks and to distinctive ZEISS-branded lenses and other optical goods and other products and services which are offered in the ZEISS VISION CENTERs; distinctive interior and exterior building designs, signs, trade dress, color schemes and décor, furnishings and equipment; uniform standards, specifications, methods, and procedures for establishing and operating the ZEISS VISION CENTERs and for providing goods and services under the ZEISS Marks and for quality control, training and ongoing operational assistance and advertising and promotional programs, including but not limited to those set forth in the ZEISS VISION CENTER Operations Manual (the "**Operations Manual**"), all of which ZVC System features and aspects may be changed, improved, and further developed by us from time to time.

(b) ZEISS Parent has granted us the right to sublicense the ZEISS Marks and to franchise the ZVC System throughout the United States.

(c) We, by reason of the maintenance of high standards for quality and service set by ZEISS Parent and ZEISS Affiliated Entities dating back to Carl Zeiss AG's formation in 1846, have established a favorable public reputation and created significant goodwill for the ZEISS brand, ZEISS VISION CENTERs operated around the world, and ZEISS VISION CENTERs to be operated under the ZVC System in the United States, and we use the ZEISS Marks for our benefit and in order to identify for the public the source of products and services marketed in conformity with the ZVC System's standards of quality and service.

(d) We do not currently operate ZEISS VISION CENTERs, but other ZEISS-Affiliated Entities have since 2008 offered and sold franchises or licenses for similar ZEISS VISION CENTERs in a substantial number of non-United States jurisdictions, with more than 300 ZEISS VISION CENTERs worldwide. We have begun to franchise and license and, in the future, expect to continue to franchise and license others to operate ZEISS VISION CENTERs in the United States.

(e) We desire to expand and develop the ZVC System and ZEISS VISION CENTERs in the Development Area (as defined below), and you desire to operate ZEISS VISION CENTERs under the ZVC System in the Development Area, and we have approved your application relying on all of your representations, warranties and acknowledgments contained in the application and in this Agreement.

(f) You have received a copy of the ZEISS VISION CENTER Franchise Disclosure Document ("**FDD**"), have had an opportunity to review it for at least 14 days before signing this Agreement, and have had an opportunity to consult with financial and legal counsel of your own choosing with respect to the FDD and this Agreement. You are entering into this Agreement after making an independent investigation of our business and the ZVC System and not upon any representation or promises by us that are not contained in this Agreement or in the FDD.

(g) You understand and acknowledge the importance of maintaining our standards of quality and service and the necessity of operating the franchised businesses licensed hereunder and under the related Franchise Agreements in strict accordance with our standards and specifications.

1.2 Definitions.

(a) "**Affiliate**" as used in relation to a specified person or entity, means any person or entity that directly or indirectly owns or controls such person or entity, is directly or indirectly owned or controlled by such person or entity, or is under common control with such person or entity.

(b) "**Alternative Distribution Channel**" means a sale of ZEISS Products outside of a branded ZEISS VISION CENTER operating under the ZEISS Marks, including, without limitation, sale of products by distribution through independent vision care clinics or retail outlets; competitor vision care franchise retail systems operating under non-ZEISS brand names; catalogs; mail order; electronic media, including television, radio, the internet and other new or emerging commercial technological media; or other sales occurring outside of a branded ZEISS VISION CENTER.

(c) “**Competitive Business**” means any business operating, or granting franchises or licenses to others to operate, an optical retail center business in which sales of lenses, frames, contact lenses and optical goods represent 30% or more of the business’s gross sales, except for any existing similar optical retail center business owned and operated by you or such other Restricted Person, which has been disclosed to and acknowledged and approved by us in writing prior to execution of this Agreement and is described in Schedule 1.2(c) attached hereto; provided, however, Competitive Business shall not be deemed to include a professional optometry or ophthalmology clinic.

(d) “**Confidential Information**” means any information relating to the ZEISS Products or the development or operation of ZEISS VISION CENTERs that is proprietary to us or other ZEISS Affiliated Entities and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including, but not limited to, any information that can reasonably be considered proprietary, confidential, a trade-secret, or otherwise valuable and uncommon information and/or knowledge, and including without limitation site selection criteria; processes and methods for the preparation of ZEISS Products; methods, techniques, formats, specifications, systems, procedures, sales and marketing techniques and knowledge of and experience in the development and operation of ZEISS VISION CENTERs; marketing programs for ZEISS VISION CENTERs; and knowledge of specifications for and suppliers of certain ZEISS Products, materials, supplies, equipment, furnishings and fixtures; notwithstanding anything in the foregoing to the contrary, Confidential Information shall not include information which (a) has entered the public domain or was demonstrably known to you prior to our disclosure of such information, other than by the breach of an obligation of confidentiality owed by anyone to us or to ZEISS Affiliated Entities; (b) becomes known from a source other than us or ZEISS Affiliated Entities and other than by the breach of an obligation of confidentiality owed by anyone to us or to ZEISS Affiliated Entities; or (c) was demonstrably independently developed without the use or benefit of any of our Confidential Information (but information developed by you that is within the scope of Section 10.7 of the Franchise Agreement shall be regarded as Confidential Information). The burden of proving the applicability of the foregoing exclusions will reside with you.

(e) “**Controlling Interest**” means an interest, the ownership of which empowers the holder or holders to exercise a controlling influence over the management, policies or personnel of an Entity. Ownership of 10% or more in the aggregate of the equity or voting securities of a corporation, limited liability company, limited liability partnership or similar entity, or ownership of any general partnership interest in a general or limited partnership, will be deemed conclusively to constitute a Controlling Interest in the corporation, limited liability company, other entity or partnership, as the case may be.

(f) “**Development Period**” means each of the time periods indicated in the Development Schedule in Section 7.1 during which you shall have the right and obligation to (i) construct, equip, open and thereafter continue to operate ZEISS VISION CENTERs and (ii) execute Franchise Agreements therefor in accordance with the Development Obligations.

(g) "**Entity**" means a corporation, general partnership, joint venture, limited partnership, limited liability partnership, limited liability company, trust, estate or other business entity.

(h) "**Entity Owner**" means, with respect to an Entity, any shareholder owning directly or beneficially 10% or more of any class of securities of the Entity; any general partner or co-venturer in the Entity; any partner in a limited liability partnership or member in a limited liability company owning directly or beneficially 10% or more of the ownership interests in the limited liability partnership or limited liability company; the trustees or administrators of any trust or estate; and any beneficiary of a trust or estate owning, directly or beneficially, 10% or more of the interests in the trust or estate. If any Entity Owner within the scope of this definition is itself an Entity (including an Entity Owner that is an Entity Owner because of this sentence), the term "Entity Owner" also includes Entity Owners (as defined in the preceding sentence) in the Entity, and so on. It is the intent of this definition to "trace back" and include within the definition of Entity Owner all natural persons owning the requisite interests to qualify as Entity Owners.

(i) "**Franchise Agreement**" means the form of agreement prescribed by us used to grant the right to own and operate a single ZEISS VISION CENTER, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

(j) "**Gross Revenues**" means the aggregate amount of all sales of products (including all ZEISS Products), other items and non-professional services made and rendered in connection with the operation of the Franchised Businesses, including sales made at or away from the premises of your ZEISS VISION CENTERs, whether for cash or credit, but excluding (i) any revenues for professional vision care services, and (ii) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

(k) "**Non-Traditional Venue**" is a ZEISS VISION CENTER or any other ZEISS-branded retail unit that sells ZEISS Products located within another principal healthcare business or in conjunction with another healthcare business (other than an optometrist's or ophthalmologist's clinic) or at institutional healthcare settings, including ZEISS VISION CENTERs that may be operated within hospitals, assisted living centers or nursing homes within Your Territory.

(l) "**Restricted Person**" means you; each of your Entity Owners, if you are an Entity; your Affiliates; and the spouses, natural and adopted children, and siblings of any of you, your Entity Owners and Affiliates that are individuals and that, in the case of any such spouses, natural and adopted children and siblings, perform any material services for you in connection with any one or more of your ZEISS VISION CENTERs.

(m) "**Transfer**" means the voluntary or involuntary, direct or indirect, transfer, assignment, sale, gift, pledge, mortgage, encumbrance, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interest in this Agreement, the assets in your Franchised Businesses (other than the sale of ZEISS Products in the ordinary course), or of a Controlling Interest in you.

(n) "**ZEISS Marks**" means the trademarks, trade names, service marks, logos and other commercial symbols which we authorize franchisees to use to identify the ZEISS Products and/or services offered by ZEISS VISION CENTERs, including the registered or common law trademarks and service marks "ZEISS", "ZEISS VISION CENTER" and "ZEISS Vision Experience" and the ZVC Trade Dress (defined below) and the goodwill associated therewith; provided that such trademarks, trade names, service marks, logos and other commercial symbols and the ZVC Trade Dress are subject to modification and discontinuance at our sole discretion, and additional or substitute trademarks, trade names, service marks, logos, commercial symbols or ZVC Trade Dress may be established by us in the future.

(o) "**ZEISS Parent**" means collectively our ultimate parent business entity, Carl Zeiss AG, a German stock corporation, and its foundation sole owner Carl-Zeiss-Stiftung. ZEISS Parent is the owner and developer of the ZEISS Marks and ZVC Trade Dress and has exclusively licensed us to use the ZEISS Marks and ZVC Trade Dress in the offer and sale of franchises in the United States, including all of its territories and possessions.

(p) "**ZEISS Products**" means products and services approved or required by us from time to time in our sole discretion for sale at or from ZEISS VISION CENTERs, including, without limitation, finished and/or uncut prescription surfaced lenses, anti-reflecting coatings, stock lenses, lens accessories, cleaning accessories, and other products and services approved by us from time to time; provided that the foregoing products are subject to modification or discontinuance in our sole discretion from time to time and may include additional or substitute products and services.

(q) "**ZEISS VISION CENTER**" means a ZEISS VISION CENTER-branded retail optical store doing business under the ZEISS Marks and selling ZEISS Products and other products and services specified by us.

(r) "**ZVC System**" means our business format, signs, equipment, methods, procedures, designs, layouts and specifications, including the use of the ZEISS Marks and the ZVC Trade Dress, including as we may modify them in the future.

(s) "**ZVC System Standards**" means the operating procedures, standards, requirements and specifications, whether contained in the Operations Manual or elsewhere, which we may improve, further develop or modify from time to time and which are mandatory in nature (unless otherwise specified in writing by us) so as to comprise the requirements to be followed with respect to ZEISS VISION CENTERs and the use of the ZEISS Marks in connection therewith.

(t) "**ZVC Trade Dress**" means the designs, color schemes, décor and images which we authorize and require our franchisees to use in connection with the operation of ZEISS VISION CENTERs, as may be revised and further developed by us from time to time.

ARTICLE 2
GRANT

2.1 Grant of Area Development Franchise.

(a) In consideration of the payment described in Article 5 herein and the commitments made by you in this Agreement, we hereby grant to you the right to develop and operate [number] ZEISS VISION CENTERs at locations to be determined, subject to our approval, within [area], consisting of those areas indicated on Exhibit A (the "**Development Area**"), subject to the terms and conditions of this Agreement and the Franchise Agreement which shall be entered into by you and us for each ZEISS VISION CENTER. You hereby accept the grant of such development rights and undertake the obligation to develop and operate your ZEISS VISION CENTERs using the ZVC System in accordance with the ZVC System Standards. An increase or decrease in the size or the municipal limits of the cities included within these boundaries shall have no effect on the Development Area as it is described in Exhibit A. In the event of any dispute concerning geographical limits, our sole decision shall control as to the exact boundaries of the Development Area. Subject to your compliance with the terms of this Agreement, we agree not to operate or grant to any other person or entity other than you a license or franchise for the operation of a ZEISS VISION CENTER within the Development Area during the term of this Agreement, except as otherwise provided or reserved in Section 2.1(b).

(b) Except to the limited extent expressly provided in Section 2.1(a), the grant of the area development franchise in Section 2.1(a) above is non-exclusive, and we and our Affiliates reserve the right to, directly or indirectly, ourselves and through our employees, licensees, franchisees, assigns, agents and others: (1) establish ZEISS VISION CENTERs, including ZEISS VISION CENTER franchises, licenses or businesses owned by us or ZEISS Affiliated Entities, at any locations we deem appropriate outside the Development Area; (2) establish ZEISS VISION CENTERs or other retail units selling ZEISS Products at Non-Traditional Venues within or outside the Development Area and regardless of proximity to your ZEISS VISION CENTERs; (3) distribute ZEISS Products and any other products or services through Alternative Distribution Channels using the ZEISS Marks within or outside the Development Area and regardless of proximity to your ZEISS VISION CENTERs; (4) establish businesses which are franchised, licensed or owned by us or ZEISS Affiliated Entities at any locations we deem appropriate, or distribute products or services which are similar to the ZEISS Products, in each case under trade names, trademarks, service marks, trade dress or other commercial symbols other than the ZEISS Marks within or outside the Development Area and regardless of proximity to your ZEISS VISION CENTERs; and (5) advertise and promote the ZVC System and ZEISS Products through any means, including the internet within or outside the Development Area and regardless of proximity to your ZEISS VISION CENTERs.

2.2 No Right or License to Use the ZEISS Marks or Trade Dress. No right or license is granted to you hereunder to use any of the ZEISS Marks or the ZVC Trade Dress, such right and license being granted solely pursuant to Franchise Agreements executed by you pursuant hereto. Without limiting the generality of the foregoing, nothing in this Agreement shall permit you to own or operate a ZEISS VISION CENTER, except pursuant to a duly executed and subsisting Franchise Agreement, and you shall not use the ZEISS Marks or the ZVC Trade Dress without our prior express written approval which we may withhold or condition in our discretion.

2.3 No Right to Sublicense. You shall have no right to and shall not sublicense any right granted under this Agreement. To enforce this intent, you may not transfer less than all of your rights under this Agreement and may transfer any such rights only to the extent permitted and in accordance with Article 8 hereof. You shall not execute any Franchise Agreement with us or construct or equip any ZEISS VISION CENTER in either case with a view to offering or assigning such Franchise Agreement or ZEISS VISION CENTER to any third party.

2.4 No Right to Conduct Other Business. If you are an Entity, you agree to conduct no business other than the business contemplated hereunder and under any effective Franchise Agreement between us and you.

2.5 If A Licensed Professional. During the term of this Agreement, in the event that you or any of your Entity Owner(s) are an optometrist or ophthalmologist licensed to practice within the state where your ZEISS VISION CENTERs are to be located (or a professional corporation or other professional legal entity owned by such duly licensed optometrist(s) or ophthalmologist(s)), to the extent required by state law and ethical codes, you or your Entity Owner(s), officers or directors must supervise your ZEISS VISION CENTERs. In such event, we will not interfere with your or any Entity Owner's professional judgment in any manner, and you acknowledge we are not, in any way, engaging in the corporate practice of medicine or optometry. We will not assert any ownership in your or any Entity Owner's optometry practice, patient medical records or medical equipment. You and your Entity Owner(s) will be fully responsible for all aspects of the optometry practice, including the selection of employees or other personnel, contractors, inventory and medical equipment, coding and billing procedures, decisions regarding any patient's need for referrals to other health care practitioners, and your clinic hours of practice.

2.6 Your Control. You acknowledge and agree that you will have the sole right and responsibility for the manner and means by which the day-to-day operation of your ZEISS VISION CENTERs is determined and conducted, consistent with the ZVC System Standards, and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us, this right and responsibility includes the employment, supervision, and setting the conditions of employment, compensation, and discharge for your employees or other personnel at your ZEISS VISION CENTERs; daily maintenance; safety concerns; and the achievement of conformity with the ZVC System Standards.

ARTICLE 3
COVENANTS NOT TO COMPETE

3.1 In-Term Non-Compete. You agree and acknowledge that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among ZEISS VISION CENTERs if you and other Restricted Persons were permitted to hold interests in or perform services for a Competitive Business. You also acknowledge and agree that we have entered into this Agreement with you in consideration of and reliance upon your agreement to deal exclusively with us, if you are an Entity, and exclusively with us with respect to the Competitive Business segment if you are an individual or Entity Owner. Therefore, during the term of this Agreement, neither you nor any other Restricted Person will:

(a) Have any direct or indirect interest in a Competitive Business, except other ZEISS VISION CENTERs operated by you or such permitted Restricted Person under Franchise Agreements with us;

(b) Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, except for ZEISS VISION CENTERs operated by you or such permitted Restricted Person under Franchise Agreements with us; or

(c) to the extent applicable law then permits this restriction, recruit or hire any employee or other personnel who, within the immediately preceding six-month period, was employed by us or any ZEISS VISION CENTERs operated by us, our Affiliates or another franchisee or licensee of us, without obtaining the prior written permission of us or the franchisee or licensee, as the case may be.

3.2 Post-Term Non-Compete. In the event of termination of this Agreement for any reason (other than as a result of our default) or if any Restricted Person's relationship with you ceases, you agree that for a period of two years (or in the event of a Transfer of this Agreement or of a Controlling Interest of you, for a period of three years), commencing on the effective date of termination, the date of such Transfer, or the date of cessation of a Restricted Person's relationship with you, as the case may be, no Restricted Person who was a Restricted Person before such event will:

(a) have any direct or indirect interest in a Competitive Business or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business in either case located or operating within (i) the Development Area or, if greater, the metropolitan area in which your Development Area is located, or (ii) ten miles of any ZEISS VISION CENTER wherever located (except in either case for any interest in ZEISS VISION CENTERs operated by you or such permitted Restricted Person under Franchise Agreements with us); provided, however, in the case of post-employment covenants applicable to managerial or other employees such covenants shall apply only to the extent permissible under FTC regulations and other applicable laws; or

(b) to the extent applicable law then permits this restriction, recruit or hire any employee or other personnel who, within the immediately preceding six-month period, was employed by us or any ZEISS VISION CENTERs operated by us, our Affiliates or another of our franchisees or licensees, without obtaining our prior written permission or the permission of the affected franchisee or licensee, as the case may be.

You expressly acknowledge that you and the other Restricted Persons possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, enforcement of the covenants made in this Section 3.2 will not deprive you or any of the other Restricted Persons of your or their personal goodwill or ability to earn a living.

3.3 Shareholder Exception. The restrictions of Sections 3.1 and 3.2 above do not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of the number of shares of that class of securities issued and outstanding.

3.4 Enforcement of Non-Competes. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all of the covenant, you and we agree that the covenant will be enforced to the fullest extent permissible under applicable laws and public policies.

ARTICLE 4
TERM

4.1 Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to Article 9 hereof, shall terminate at the earlier of the opening of the last ZEISS VISION CENTER set forth on the Development Schedule in Section 7.1 or the expiration of the last Development Period in Section 7.1.

4.2 Upon Expiration of Term. Unless Additional Development Obligations shall have been agreed upon, and a new area development agreement shall have been executed by the parties pursuant to Section 7.2, following the expiration of the term of this Agreement, or the sooner termination of this Agreement: (1) you shall have no further right to construct, equip, own, open or operate additional ZEISS VISION CENTERs which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between you (or a permitted Affiliate of you) and us which is in then in full force and effect; and (2) we and our Affiliates may thereafter construct, equip, open, own or operate, and license others to construct, equip, open, own or operate, ZEISS VISION CENTERs at any location (within or outside of the Development Area), without any restriction, subject to any territorial rights granted for any then-existing ZEISS VISION CENTER developed pursuant hereto under a validly subsisting Franchise Agreement executed for such ZEISS VISION CENTER.

ARTICLE 5
CONSIDERATION

5.1 Initial Development Fee. In consideration of the rights granted herein, you shall pay to us a fee of $__________ upon execution of this Agreement. This sum represents a development fee of $5,000 for each ZEISS VISION CENTER to be opened pursuant hereto after the first such ZEISS VISION CENTER (such development fee is earned and non-refundable by us at the time received) and, in addition to the development fee, the sum of $25,000, as payment in full of the initial franchise fee under the first Franchise Agreement, which is due and payable concurrently with the simultaneous signing of this Agreement and first Franchise Agreement.

5.2 Initial Franchise Fee. A Franchise Agreement must be signed for each ZEISS VISION CENTER at the time you are prepared to begin developing the ZEISS VISION CENTER; this Agreement confers only the right to develop a specified number of ZEISS VISION CENTERs in the Development Area, not the right to operate any particular one or more ZEISS VISION CENTERs. From the development fee, $5,000 shall be credited against the initial franchise fee for each of the ZEISS VISION CENTERs to be opened hereunder after the first such ZEISS VISION CENTER (for up to that number of ZEISS VISION CENTERs upon which the initial development fee was calculated). After allowance for such $5,000 credit, the balance of the initial franchise fee under the Franchise Agreements for such subsequent ZEISS VISION CENTERs will be due and payable upon execution of the Franchise Agreement for such ZEISS VISION CENTER.

ARTICLE 6
DEVELOPMENT PROCEDURE AND COORDINATION WITH FRANCHISE AGREEMENTS

6.1 Site Review. You must apply for and obtain license and site approval from us for each ZEISS VISION CENTER to be established pursuant to this Agreement in compliance with our then current license and site approval criteria and procedures. YOU ACKNOWLEDGE THAT OUR APPROVAL OF A SITE DOES NOT CONSTITUTE ANY REPRESENTATION OR GUARANTEE BY US THAT SUCH SITE WILL BE A SUCCESSFUL LOCATION FOR A ZEISS VISION CENTER. Failure to obtain any such approval or our withdrawal of any such approval once obtained shall not extend or modify the Development Schedule in Section 7.1. After your proposed site has been accepted by us pursuant to this Section 6.1, you shall proceed to negotiate a lease or purchase agreement for the site and shall submit to us a copy of the proposed lease relating to such site prior to execution by you for our approval. You shall not execute any lease or purchase agreement for any ZEISS VISION CENTER until we have delivered to you a fully executed Franchise Agreement as contemplated below and such lease agreement has been reviewed by us for conformity to lease requirements established in the Franchise Agreement and has been accepted by us. You shall not, except at your own risk, enter into any legally binding commitments with vendors or lessors until we have given you in writing both license and site approval. All ZEISS VISION CENTERs shall be constructed, equipped and furnished in accordance with then-current ZVC System approved plans and specifications for ZEISS VISION CENTERs and in accordance with System Standards.

6.2 Execution of Franchise Agreement. Not less than 90 days before the commencement of construction on any ZEISS VISION CENTER, you and we shall enter into our then-current form of Franchise Agreement. You acknowledge that a new Franchise Agreement may vary substantially from the current Franchise Agreement. However, each Franchise Agreement to be executed pursuant to this Agreement shall require payment of an initial franchise fee equal to $25,000 and an annual System Services Fee of $25,000 per year for years subsequent to the initial year following the effective date of such Franchise Agreement. A credit of $5,000 from the development fee under this Agreement will be available in partial satisfaction of such initial franchise fee for each Franchise Agreement after the first such Franchise Agreement (for up to that number of ZEISS VISION CENTERs upon which the initial development fee was calculated) and the balance will be due and payable upon the execution of the Franchise Agreement for such ZEISS VISION CENTER.

Nothing in this Agreement shall be construed as obligating us to enter into a Franchise Agreement in the event you are in default of any obligation contained herein or in any Franchise Agreement between us and you.

ARTICLE 7
DEVELOPMENT SCHEDULE

7.1 Development Schedule.

(a) You shall develop and operate ________________ ZEISS VISION CENTERs within the Development Area and execute a Franchise Agreement for each such ZEISS

VISION CENTER (the "**Development Obligations**") in strict accordance with the following Development Schedule:

ZEISS VISION CENTER opening required by this period after the Effective Date:	Franchise Agreement executed no later than this period after the Effective Date:	Aggregate No. of ZEISS VISION CENTERs open:
12 months	Concurrently	1
_____ months	_____ months	
_____ months	_____ months	
_____ months	_____ months	
_____ months	_____ months	
_____ months	_____ months	

(b) You shall have the right to accelerate the Development Obligations. If you fail to meet your Development Obligations within any Development Period because of flood, fire, acts of God or other similar events beyond your control ("**force majeure**"), the time period in which the Development Obligations may be met may be extended for the period of the delay, up to a maximum of six months, in our sole discretion. Any such extension shall not affect any other Development Period or the remainder of the Development Schedule or any other provisions of this Agreement.

(c) In the event of the occurrence of an event constituting force majeure, you shall notify us in writing within five days following commencement of the alleged force majeure of the specific nature and extent of the force majeure and how it has impacted your performance hereunder. You shall continue to provide us with updates and all information as may be requested by us, including your progress and diligence in responding to and overcoming the force majeure.

7.2 Limited Additional Development Rights.

(a) If you determine that you desire to engage in further development of the Development Area in excess of your Development Obligations, you shall at the earlier of (i) 180 days prior to the scheduled expiration of the term of this Agreement or (ii) the date on which acceptance of the proposed site for the last ZEISS VISION CENTER required to meet your Development Obligations is issued, notify us in writing ("**Additional Development Notice**") of your desire to develop additional ZEISS VISION CENTERs in the Development Area and a plan for such development over a new term, setting forth the number of proposed ZEISS VISION CENTERs and the deadlines for the development of each of them within such proposed term. This opportunity for additional development by you shall be exercised only in accordance with this Section 7.2 and is subject to the conditions set forth in this Section 7.2. This Agreement is not otherwise renewable.

(b) We have the right, acting in our sole discretion, to decline to extend to you any additional development rights. If we determine that we are willing to grant you additional development rights, but the additional development obligations proposed by the Additional Development Notice is unacceptable in any respect(s), we and you shall (subject to this Section 7.2) negotiate during the following 60 days in an effort to reach mutually agreeable additional development obligations. Both you and we may negotiate to protect our own respective interests as each party deems appropriate in its discretion. If we determine that we are willing to grant you additional development rights, then we shall deliver to you a copy of our then-current franchise disclosure document, if required by applicable law, and copies of the then-current area development agreement, which may vary substantially from this Agreement.

(c) If the additional development obligations proposed by the Additional Development Notice is acceptable to us, or if we and you reach agreement on alternative additional development obligations (in either case, the "**Additional Development Obligations**") within such 60-day period, then we shall deliver to you copies of the then-current area development agreement, which may vary substantially from this Agreement, setting forth the agreed upon Additional Development Obligations. Within 30 days after our delivery of such area development agreement, but no sooner than immediately after any applicable waiting periods prescribed by applicable law have passed, you shall execute two copies of the area development agreement and return them to us together with the applicable development fee for the ZEISS VISION CENTERs required by the Additional Development Obligations. If you have so executed and returned the copies and have satisfied the conditions set forth below, we will execute the copies and return one fully executed copy to you.

(d) Your right to additional development described in this Section 7.2 shall be subject to your fulfillment of the following conditions precedent:

(i) You (and each of your permitted Affiliates which have developed or operate ZEISS VISION CENTERs in the Development Area) shall have fully performed all of your (and its) obligations under this Agreement and all other agreements between us and you (or the applicable Affiliate).

(ii) You shall have demonstrated to us your financial capacity to perform the Additional Development Obligations set forth in the new area development agreement. In determining if you are financially capable, we will apply the same criteria to you as we apply to prospective area developers at that time.

(iii) At the expiration of each Development Period set forth on the Development Schedule and at the expiration of the term of this Agreement, you shall have met your Development Obligations, and you shall thereafter have continued to operate, in the Development Area, not less than the aggregate number of ZEISS VISION CENTERs then required by the Development Obligations set forth on the Development Schedule.

(iv) Prior to the expiration of the term of this Agreement, we and you shall have executed a new area development agreement pursuant to this Agreement, and you and all permitted Affiliates of you who then have a currently effective Franchise Agreement or area development agreement with us must sign a general release of any claims they may then have against us or our Affiliates, on a form prescribed by us.

ARTICLE 8
TRANSFERABILITY

8.1 Transfer by Us. This Agreement and each Franchise Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interest in this Agreement. Without limiting the foregoing, we may (i) assign any or all of our rights and obligations under this Agreement or any Franchise Agreement to an Affiliate; (ii) sell our assets, our ZEISS Marks or our ZVC System outright to a third party; (iii) engage in a public offering of our securities; (iv) engage in a private placement of some or all of our securities; (v) merge, acquire other entities, or be acquired by another entity, including those operating Competitive Businesses; or (vi) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. We shall be permitted to perform such actions without liability or obligation to you, and you hereby expressly and specifically waive any claims, demands or damages arising from or related to any or all of the above actions (or variations thereof).

8.2 Restrictions on Transfer by You. Your rights and duties created by this Agreement are personal to you, and we have granted this Agreement to you in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and, if you are not an individual, your Entity Owners. If you are an Entity, you agree to furnish us upon request, in the form of an Ownership Addendum attached to this Agreement, a list of all of your Entity Owners, now and in the future, reflecting their respective interests in you. No Transfer will be made without our prior written approval, which may be given or withheld in our sole discretion. Any Transfer without our approval will constitute a breach of this Agreement and will be void and of no effect. Except as provided below for transfers to wholly owned entities, you acknowledge and agree that you will not be permitted to make a Transfer, with respect to this Agreement or substantially all of the Franchise Agreements executed pursuant to this Agreement, except in conjunction with a concurrent Transfer to the same transferee of all such Franchise Agreements or, at our election, the execution by the transferee of new Franchise Agreements on our then-current form for each of such ZEISS VISION CENTERs then developed or under development by you, and otherwise in accordance with the terms and conditions applicable to transfers under each such Franchise Agreement.

8.3 Transfer to a Wholly-Owned Entity. If you are in full compliance with this Agreement, you may transfer your rights in this Agreement or a Franchise Agreement entered into pursuant hereto to a corporation (or other recognized limited liability Entity) which will conduct no business other than the development and operation of ZEISS VISION CENTERs, which you actually manage and in which you maintain management control and own and control 100% of the equity and voting power of all issued and outstanding capital stock (or equivalent membership interests). Transfers of shares (or equivalent membership interests) of such Entity will be subject to the transfer provisions of this Agreement. Even though a transfer is made under this Section 8.3, you will remain personally liable under this Agreement and each Franchise Agreement as if the transfer to such Entity had not occurred. You hereby represent, warrant and covenant that the articles of incorporation, by-laws or other organizational documents of the Entity will recite that the issuance and assignment of any interest in the entity is restricted by the terms of this Article 8, and that all issued and outstanding stock certificates (or certificates representing equivalent membership interests) of such Entity will bear a legend reciting or referring to these restrictions.

8.4 Restrictions on Public and Other Offerings. Securities, partnership or other ownership interests in you may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with our prior written consent, which consent shall not be unreasonably withheld. All materials required for any such private offering by federal or state law shall be submitted to us for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to us for such review prior to their use.

No offering by you shall represent or imply that we are participating in an underwriting, issuance or offering of securities, and our review of any offering materials shall be limited solely to the subject of the relationship between us and you and our Affiliates. We may, at our option, require your offering materials to contain a written statement prescribed by us concerning the limitations described in the preceding sentence. You, your Entity Owners and the other participants in the offering must fully defend and indemnify us, and our Affiliates, our and their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of us and them, from and against any and all losses, costs and liability in connection with the offering. For each proposed offering, you shall pay to us a non-refundable fee of $15,000, or such greater amount as is necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. You shall give us written notice at least 30 days prior to the date of commencement of any offering or other transaction covered by this Section 8.4.

8.5 Death or Disability. If you are an individual, upon your death or disability or, if you are an Entity, upon the death or disability of an individual owner of a Controlling Interest in you, the executor, administrator, conservator or other personal representative of that person may either, within 180 days from the date of death or disability, (i) request the right on behalf of designated heirs or family members reasonably acceptable to us to continue to develop and operate your ZEISS VISION CENTERs pursuant hereto and the related Franchise Agreements, except that no transfer fee will be payable in such event, or (ii) propose a transfer of his or her interest in this Development Agreement and your franchised ZEISS VISION CENTERs or of his or her Controlling Interest in you to a third party approved by us. A transfer under this Section, including, without limitation, transfer by devise or inheritance, will be subject to the terms and conditions for Transfers contained in Article 8 of this Agreement. Failure to dispose of such interest within the specified period of time will constitute a breach of this Agreement. For purposes of this Agreement, the term "**disability**" will mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a Controlling Interest in you from supervising the operation of your ZEISS VISION CENTER for a period of six months from the onset of such disability, impairment or condition.

8.6 Non-Waiver of Claims. Our consent to a transfer of any interest in the rights granted hereunder shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

ARTICLE 9
DEFAULT AND TERMINATION

9.1 Your Defaults. You will be in default under the terms of this Agreement if any of the following occur:

(a) Insolvency. You file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or are adjudicated a bankrupt or make an assignment for the benefit of creditors or admit in writing your inability to pay your debts generally as they become due, or if a petition or answer proposing the adjudication of you as a bankrupt or your reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law is filed in any court and you consent to or acquiesce in the filing thereof, or such petition or answer is not discharged or denied within 60 days after the occurrence of any of the foregoing, or if a receiver, trustee or liquidator of you or of all or substantially all of your assets or your interest in this Agreement is appointed in any proceeding brought by you, or if any such receiver, trustee or liquidator is appointed in any proceeding brought against you and is not discharged within 60 days after the occurrence thereof, or if you consent to or acquiesce in such appointment (any such event described in this Section 9.1(a) being referred to as an "**Insolvency Event**");

(b) Unauthorized Transfer. A Transfer occurs in violation of the provisions of Article 8 of this Agreement;

(c) Misstatements and Other Adverse Developments. You (or, if you are an Entity, any Entity Owner of you) have made any material misrepresentation or omission in your application for the rights conferred by this Agreement or in the representations under this Agreement, are convicted by a trial court of or plead no contest to a felony or to any other crime or offense that may adversely affect the goodwill associated with the ZEISS Marks, or if you engage in any conduct which may materially adversely affect the reputation of any ZEISS VISION CENTER or the goodwill associated with the ZEISS Marks;

(d) Unauthorized Use of ZEISS Marks or Confidential Information. You, an Entity Owner or Affiliate of you make any unauthorized use of the ZEISS Marks or any unauthorized use or disclosure of Confidential Information;

(e) Failure to Meet Development Obligations. Subject to Section 7.1(b), you fail to meet the Development Obligations within any Development Period set forth on the Development Schedule.

(f) Failure to Follow Development Procedures. You fail to open any ZEISS VISION CENTER in the Development Area in strict accordance with the procedures set forth in Sections 6.1 and 6.2 of this Agreement;

(g) Failure to Comply with Non-Compete Obligations. You fail to fully comply with the requirements of Section 3.1 of this Agreement;

(h) Failure to Make Payments. You fail to make payments, when due, of any amounts due to us or our Affiliates under this Agreement or any other agreement with us or our

Affiliates and you do not correct this failure within 10 days after written notice of such failure is delivered to you;

(i) Other Breaches. You fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of the failure to comply is delivered to you or provide proof acceptable to us of efforts which are reasonably calculated to correct the failure within a reasonable time, which will in no event be more than 60 days after the notice, if the failure cannot reasonably be corrected within 30 days after written notice of the failure to comply is delivered to you; or

(j) Default of any Other Agreement. You default (after the expiration of notice and cure opportunity, if any is provided in such other agreement related to such default) in the performance or observance of any of your obligations under any other agreement with us or our Affiliates.

9.2 Our Right to Terminate if You Default. Except as otherwise provided in this Section 9.2, your failure to cure a default under this Agreement within 30 days from the date of written notice of default delivered to you (or within the cure period, if any, specified above with respect to such default, as the case may be) will give us good cause to terminate this Agreement; provided, that in the case of a breach or default in the performance of your (or your permitted Affiliates') obligations under any Franchise Agreement or other written agreement, the notice and cure provisions of the Franchise Agreement or other agreement shall control, except in those instances below where termination is immediate and without opportunity to cure. In all instances, termination will be accomplished by delivering to you written notice of termination, which notice will state the grounds for the termination and will be effective; (i) immediately without any opportunity to cure in the case of the defaults described in Sections 9.1(a)-(g) above; or (ii) immediately upon the date of such notice of termination delivered after expiration of any available cure period, if any (as specified in Section 9.1), in all other cases. If you cure any default after the applicable cure period has expired, we retain the right to terminate this Agreement. In any event, our right to terminate this Agreement is in addition to whatever other rights and remedies are available to us. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this Agreement will supersede any provision of this Agreement that is less favorable to you than such law or regulation.

9.3 Your Right to Terminate if We Default. We will be in default under this Agreement if we materially breach a provision contained herein. Our failure to either cure such a default within 60 days from the date of a written notice of default delivered to us or, if such default cannot reasonably cured within 60 days, to provide proof to you of efforts which are reasonably calculated to cure such default within a reasonable time (which will in no event be more than 90 days after notice), will give you good cause to terminate this Agreement, provided you are in compliance with this Agreement. Termination will be accomplished by delivering to us written notice of termination, which notice will state the grounds for the termination and will be effective 10 days after delivery to us. Your right to terminate this Agreement is in addition to whatever other rights and remedies are available to you.

ARTICLE 10
POST-TERM OBLIGATIONS

The termination of this Development Agreement shall immediately terminate your further development rights and your right to execute any additional Franchise Agreements, but:

(a) Shall not affect or diminish the effect of any provision of this Agreement which expressly or by implication shall come into force or continue in force after termination; and

(b) Shall not release you from any obligation to pay any sums owed under this Agreement or to pay franchise fees, System Service Fees, or other sums owed to us under Franchise Agreements or other agreements; and

(c) Shall not terminate any Franchise Agreements between you and us for the operation of ZEISS VISION CENTERs unless such event of default also by its terms serves as an event of default under the Franchise Agreement.

ARTICLE 11
RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 Independent Contractors. This Agreement does not create a fiduciary relationship between the parties. We and you are independent contractors and nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. You will conspicuously identify yourself in all dealings as the owner of your ZEISS VISION CENTERs under a franchise granted by us and will place such other notices of independent ownership on the forms, business cards, stationery, marketing and other materials as we may require from time to time.

11.2 No Liability for the Act of Other Party. You will not employ any of the ZEISS Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for any indebtedness or obligations of you, nor may you use the ZEISS Marks in any way not expressly authorized by us. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other or be obligated by or have any liability under any agreements or representations made by the other. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your ZEISS VISION CENTERs authorized by or conducted pursuant to Franchise Agreements entered into pursuant to this Agreement.

11.3 Our Approval and Enforcement. Our retention and exercise of the right to approve certain matters, to inspect your ZEISS VISION CENTERs and their operations, and to enforce our rights, exist principally to the extent necessary to protect our interest in the ZVC System and the ZEISS Marks for the benefit of us and the ZVC System. Neither the retention nor the exercise of any such rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor shall they be construed to do so.

11.4 Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon you or your assets or upon us, arising in connection with your sales or the ZEISS VISION CENTER businesses conducted by you under Franchise Agreements entered into pursuant to this Agreement, except for taxes that we are required by law to collect from you with respect to purchases from us and except for our own income taxes. Subject to the specified exceptions, payment of all such taxes will be your sole responsibility, and you shall promptly pay all taxes and duties of any kind (including but not limited to sales, use and withholding taxes) associated with this Agreement and any Franchise Agreement executed pursuant hereto and with purchases of ZEISS Products, except for taxes based on our income. All fees payable for ZEISS Products are net amounts and are payable in full, without deduction for taxes or duties of any kind. In order for ZEISS to extend tax-exemption status to you with respect to purchases of ZEISS Products, you must provide a tax-exemption certificate valid in the jurisdiction of the Premises location prior to ZEISS' acceptance of the purchase order.

11.5 Indemnification. You agree to indemnify, defend and hold harmless us, ZEISS Parent, ZEISS Affiliated Entities and our other Affiliates, and each of our respective shareholders or other equity holders, directors, officers, employees, agents, successors and assigns (the "**Indemnified Parties**"), against, and within 15 days after invoicing therefor to reimburse the Indemnified Parties for, any claims, liabilities, lawsuits, demands, actions, damages and expenses arising from or out of (a) any breach of your agreements, covenants, representations, or warranties contained in this Agreement, (b) any damages or injury to any person, including, but not limited to, your employees or other personnel, our employees and agents, your customers, and members of the public, suffered or incurred on or about any ZEISS VISION CENTER owned or operated by you, (c) product liabilities claims or defective lens finishing or frame assembly claims related to ZEISS Products related to your conduct, or (d) the activities under this Agreement or under any Franchise Agreement entered into pursuant hereto of you or any of your officers, owners, directors, employees or other personnel, agents or contractors. For purposes of this indemnification, claims will mean and include all obligations; actual, consequential, and incidental damages; costs reasonably incurred in the defense of any claim against the Indemnified Parties, including reasonable accountants', arbitrators', attorneys' and expert witness fees; costs of investigation and proof of facts; court costs; other litigation expenses; and travel and living expenses. We will have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the termination of this Agreement.

11.6 Waiver of Claims. You agree to waive all claims against us for damages to property or injuries to persons arising out of the operation of your ZEISS VISION CENTERs.

ARTICLE 12
DISPUTE RESOLUTION

12.1 Injunctive Relief. Notwithstanding anything to the contrary contained in Section 12.4 below, we and you will each have the right in a proper case to obtain specific performance, temporary restraining orders, and temporary or preliminary injunctive relief from a court of competent jurisdiction. However, unless we elect otherwise as permitted herein, the parties will contemporaneously submit their dispute for binding arbitration on the merits. You agree that we may have temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

12.2 Rights of Parties Are Cumulative. Our and your rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement which it is entitled by law or this Agreement to exercise or enforce.

12.3 Costs and Attorneys' Fees. If a claim for amounts owed by you to us or ZEISS Affiliated Entities is asserted in a judicial proceeding or appeal, or if we or you are required to enforce this Agreement in arbitration or other proceeding or appeal, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable arbitrators', accounting and legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement. If we incur expenses in connection with your failure to pay when due amounts owing to us, to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, including, but not limited to legal, arbitrators' and accounting fees, you will reimburse us for any such costs and expenses which we incur.

12.4 Arbitration.

(a) All Disputes Subject to Arbitration. EXCEPT AS DESCRIBED IN SECTION 12.1 ABOVE, ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN US (AND OUR SUBSIDIARIES AND AFFILIATES, AND EACH OF OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND ATTORNEYS) AND YOU (AND YOUR ENTITY AND OTHER EQUITY OWNERS, GUARANTORS AND EMPLOYEES, OTHER PERSONNEL, RESTRICTED PERSONS, OFFICERS, DIRECTORS, AGENTS, AND ATTORNEYS) ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US WILL BE SUBMITTED FOR ARBITRATION TO THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO OUR PRINCIPAL OFFICES AT THE TIME OF DEMAND, ON DEMAND OF EITHER YOU OR US. HOWEVER, WE MAY, IN OUR SOLE DISCRETION, ELECT TO HAVE ANY CONTROVERSIES, DISPUTES OR CLAIMS RESOLVED BY MEANS OTHER THAN ARBITRATION. YOU SHALL PROVIDE WRITTEN NOTICE TO US AT LEAST TEN (10) DAYS BEFORE SUBMITTING ANY CONTROVERSY, DISPUTE OR CLAIM FOR ARBITRATION. IF WE DO NOT WISH TO RESOLVE THE DISPUTE BY ARBITRATION, WE SHALL DELIVER A NOTICE OF SUCH ELECTION WITHIN FIVE (5) DAYS AFTER RECEIVING WRITTEN NOTICE THAT THE MATTER WILL BE SUBMITTED FOR ARBITRATION. SUCH ARBITRATION PROCEEDINGS WILL BE CONDUCTED IN SAN DIEGO, CALIFORNIA AND WILL BE HEARD BY ONE ARBITRATOR IN ACCORDANCE WITH THE THEN-CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. SUCH ARBITRATOR WILL BE A LAWYER OF RECOGNIZED STANDING AND EXPERTISE IN THE AREA OF BUSINESS LAW.

(b) Awards. THE ARBITRATOR WILL HAVE THE RIGHT TO AWARD ANY RELIEF WHICH THE ARBITRATOR DEEMS PROPER IN THE CIRCUMSTANCES,

INCLUDING MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM THE DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF AND ATTORNEYS' FEES AND COSTS, IN ACCORDANCE WITH SECTION 12.3 OF THIS AGREEMENT, EXCEPT THAT THE ARBITRATOR WILL NOT HAVE THE AUTHORITY TO AWARD EXEMPLARY OR PUNITIVE DAMAGES. THE AWARD AND DECISION OF THE ARBITRATOR WILL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION. EACH PARTY WAIVES ANY RIGHT TO CONTEST THE VALIDITY OR ENFORCEABILITY OF SUCH AWARD. THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF ANY LIMITATION ON THE PERIOD OF TIME BY WHICH CLAIMS MUST BE BROUGHT. THE PARTIES AGREE THAT, IN CONNECTION WITH ANY SUCH ARBITRATION PROCEEDING, UNLESS WE ELECT OTHERWISE, EACH WILL SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTER-CLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDINGS AS THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM BY YOU WHICH IS NOT SUBMITTED OR FILED IN SUCH PROCEEDING WILL BE BARRED.

(c) Permissible Parties. YOU AND WE AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT A CLASS-WIDE BASIS, AND THAT ANY ARBITRATION PROCEEDING BETWEEN YOU AND US WILL NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING INVOLVING US AND ANY OTHER PERSON OR ENTITY.

(d) Survival. THE PROVISIONS OF THIS SECTION 12.4 WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

12.5 Governing Law. ALL MATTERS RELATING TO ARBITRATION AND WITHIN THE SCOPE OF THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 *ET SEQ.*) WILL BE GOVERNED BY SUCH ACT. EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, EXCLUSIVE OF ITS CONFLICT OF LAWS PROVISIONS, EXCEPT THAT THE CALIFORNIA FRANCHISE RELATIONS ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

12.6 Consent to Jurisdiction. ANY ACTION (WHICH IS NOT REQUIRED TO BE ARBITRATED HEREUNDER) MUST BE INSTITUTED IN A STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN SAN DIEGO COUNTY, CALIFORNIA, AND YOU IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTION YOU MAY HAVE TO EITHER THE JURISDICTION OF OR VENUE IN SUCH COURTS.

12.7 Waiver of Punitive Damages. EACH PARTY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREES THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

12.8 Limitation of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the parties to this Agreement will be barred unless an action or proceeding is commenced by a party within the earlier of: (i) two years from the day immediately after the date of the first act or omission giving rise to such claim by such party; (ii) two years from the day immediately after the date such party knew or should have known of the facts giving rise to such claim by such party; or (iii) the time period for bringing an action under any applicable state or federal statute of limitations.

ARTICLE 13
GENERAL PROVISIONS

13.1 Severability. Each article, section, paragraph, term and provision of this Agreement will be considered severable and if, for any reason, any provision of this Agreement is held to be invalid, contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise independently enforceable, and such other portions will continue to be given full force and effect and bind the parties, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt of a notice of non-enforcement thereof from us.

13.2 Rights Provided by Law. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions of this Agreement, and we will have the right in our sole discretion to modify the invalid or unenforceable provision to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order or arbitration award. Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

13.3 Waivers by Either Party. Either we or you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice of waiver to the other or such other effective date stated in the notice of waiver. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of 10 days' prior written notice.

13.4 Certain Acts Not to Constitute Waivers. Neither we nor you will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to any ZEISS VISION CENTERs or with respect to any Franchise Agreements executed pursuant hereto; or (iii) our acceptance of any payments due from you after any breach of this Agreement.

13.5 Excusable Non-Performance. Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform obligations (other than your payment obligations to us) results from transportation shortages; inadequate supplies of equipment, merchandise, supplies, labor, material or energy or the voluntary suspension of the right to acquire or use any of those items in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any governmental department or agency; compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any governmental department or agency; acts of God; fires, strikes, embargoes, war or riot; or any other similar event or cause beyond the reasonable control of the party. Any delay resulting from any of those causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

13.6 Notice of Potential Profit to Us. We hereby advise you that we and/or our ZEISS Affiliated Entities may from time to time make available to you goods, products and/or services for use in your ZEISS VISION CENTERs on the sale of which we and/or our ZEISS Affiliated Entities may make a profit. We further advise you that we and/or our ZEISS Affiliated Entities may from time to time receive consideration from suppliers and/or manufacturers related (directly or indirectly) to sales of goods, products or services to you, the promotion of goods, products or services by the ZVC System or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our ZEISS Affiliated Entities shall be entitled to said profits and/or consideration.

13.7 Binding Effect. Subject to the restrictions on Transfers contained in this Agreement, this Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest and will not be modified except by written agreement signed by both you and us.

13.8 Compliance with Laws. In the performance of its obligations under and related to the matters addressed by this Agreement, each party shall comply with all applicable laws.

13.9 Anti-Kickback Statute Discount Safe Harbor Regulation Compliance. In connection with your purchase of ZEISS Products, each party shall take all actions required to comply with applicable standards of 42 C.F.R. § 1001.952(h) (the Anti-Kickback Statute discount safe harbor regulations). In addition, to the extent required to comply with the Anti-Kickback Statute discount safe harbor regulations or other applicable laws and regulations, you shall fully and accurately reflect in submissions to federal health care programs all discounts (including, without limitation, rebates) by us or any ZEISS Affiliated Entity in connection with your purchase of ZEISS Products and, upon request by the Secretary of the U.S. Department of Health and Human Services or a state agency, shall make available information provided to you by us or any ZEISS Affiliated Entity concerning the discounts. You shall pay any and all reasonable costs, including reasonable attorneys' fees, incurred by us or any ZEISS Affiliated Entity as a result of your failure to comply with this Section.

13.10 Third Party Beneficiaries. Except as otherwise expressly provided, including for indemnitees of a party hereto and provisions relating to sales of ZEISS Products to you by ZEISS Affiliated Entities,, nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

13.11 Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval.

13.12 Headings. The headings of the several articles, sections and paragraphs of this Agreement are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

13.13 Joint and Several Liability. If you consist of two or more persons or Entities, whether or not as partners, joint venturers, or co-owners, the obligations and liabilities of each person and Entity to us are joint and several.

13.14 Counterparts. This Agreement may be executed in multiple copies, each of which will be deemed an original.

13.15 Notices and Payments. All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered at the time delivered by hand; one business day after transmission by telegraph, facsimile, or other electronic system; one business day after being placed in the hands of a commercial courier service for next business day delivery; upon acknowledgement of receipt if transmitted by electronic mail; or three business days after placement in the United States Mail by registered or certified mail, return receipt requested, postage prepaid, and will be addressed to the parties at the addresses set forth on the first page of this Agreement or to such other address as a party may specify in a written notice to the other party. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least two days prior thereto) will be deemed delinquent.

13.16 Entire Agreement. The preambles and exhibits are a part of this Agreement. This Agreement constitutes the entire agreement of the parties except as provided below in this Section, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement.

Signature Page Follows.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the Effective Date.

CARL ZEISS VISION BUSINESS SERVICES INC., a Delaware corporation	______________________________
By:______________________________	By:______________________________
Title:______________________________	Title:______________________________
Date:______________________________	Date:______________________________
By:______________________________	
Title:______________________________	
Date:______________________________	

EXHIBIT A

DEVELOPMENT AREA

[ ] __________ County [elaborate as appropriate]

[ ] The area on the attached map and described as follows:

OWNERSHIP ADDENDUM TO ZEISS VISION CENTER AREA DEVELOPMENT AGREEMENT

1. Entity Owners. You represent and warrant to us that your Entity Owners are as follows:

NAME	ADDRESS	PERCENTAGE OF INTEREST
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________
______________________________	______________________________	___________________

2. Change. You agree to immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

3. Date of Addendum. The date of this Addendum is ________________, 20__.

____ ____

Your Initials Our Initials

EXHIBIT D

FORM OF PERSONAL GUARANTY

[EXHIBIT D]

PERSONAL GUARANTY

In consideration of, and as an inducement to, the signing and delivery of the Franchise Agreement ("Agreement") dated, 202__, by and between **Carl Zeiss Vision Business Services Inc.**, a Delaware corporation, with its principal business address at 1040 Worldwide Boulevard, Hebron, Kentucky 41048 ("Franchisor"), and ____________________________, a ____________________, with its principal business address at ____________________________ ("Franchisee"), each of the undersigned (each a "Guarantor"), in consideration of its interests in the Franchisee and the benefits that such Guarantor expects to derive therefrom and for other good and valuable consideration, agrees as follow (capitalized terms not defined in this Guaranty have the same meaning as in the Agreement):

1. Guarantee of Payment Obligations

Each of the undersigned Guarantor guarantees, jointly and severally, to Franchisor that the Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Accordingly, Franchisor, its successors and assigns, may from time to time, without notice to the undersigned (i) resort to the undersigned for payment of the liabilities and obligations of Franchisee to Franchisor (the "Obligations"), whether or not Franchisor or its successors have proceeded against any other of the undersigned or any other party primarily or secondarily liable on the Obligations, (ii) release or compromise any liability of the undersigned or any liability of any party or parties primarily or secondarily liable on the Obligations, and (iii) extend, renew or credit the Obligations for any period (whether or not longer than the original period); (iv) alter, amend or exchange the Obligations; or (v) give any other form of indulgence, whether under the Agreement or not.

2. Other Obligations

The undersigned agrees to comply with and abide by all of the covenants and provisions of the Agreement, as they relate to the Entity Owners of Franchisee, to the same extent as and for the same time as Franchisee must comply with and abide by those covenants and provisions, including without limitation the covenants and provisions of Article 6 (Fees), Article 10 (Confidential Information), Article 11 (Covenants Not to Compete), Article 12 (Transfers), Article 14 (Post-Term Obligations), Article 15 (Indemnification) and Article 17 (Dispute Resolution). These obligations of the undersigned will survive any expiration or termination of the Agreement or this Guaranty. Nothing in this Guaranty: (i) limits a person's liability under or otherwise affects any separate noncompete agreement, confidentiality agreement, or other written agreement executed in a personal capacity by any Guarantor in favor of Franchisor; or (ii) precludes Franchisor from seeking injunctive or other equitable relief against a Guarantor.

3. Waivers

Each of the undersigned waives: **(1)** acceptance and notice of acceptance by Franchisor of the foregoing undertakings; **(2)** notice of demand for payment of any indebtedness or nonperformance of any Obligations hereby guaranteed; **(3)** protest and notice of default to any party with respect to the indebtedness or nonperformance of any Obligations hereby guaranteed;

(4) any right he/she/it may have to require that an action be brought against Franchisee or any other person as a condition of liability; **(5)** all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; **(6)** any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; **(7)** any and all other notices and legal or equitable defenses to which he/she/it may be entitled; and **(8) any and all right to have any legal action under this Guarantee decided by a jury**.

4. Enforcement Costs

The undersigned agrees to pay all expenses paid or incurred by Franchisor in enforcing the Agreement and this Guaranty against Franchisee and against the undersigned and in collecting or attempting to collect any amounts due by Franchisee or the undersigned, including reasonable attorneys' fees if enforcement or collection is by or through an attorney-at-law.

5. Continuing Effect

Any waiver, extension of time or other indulgence granted from time to time by Franchisor, its agents, its successors or assigns, regarding the Agreement will in no way modify or amend this Guaranty, which will be continuing, absolute, unconditional and irrevocable.

6. Joint and Several Liability

If more than one person signs this Guaranty, the term "the undersigned," as used herein will refer to each person, and the liability of each of the undersigned will be joint and several and primary.

7. Survival of Obligations

Upon the death of a Guarantor, the Guarantor's estate will be bound by this Guaranty, but only for obligations existing at the time of death. The obligations of the surviving Guarantors will continue in full force and effect.

IN WITNESS TO THE FOREGOING, the Parties to this guaranty have duly signed and delivered this Guaranty of Franchise Agreement on the dates indicated next to their signatures in multiple counterparts, each of which will be an original for all purposes and will be effective on the day the Agreement is signed by Franchisor.

GUARANTOR(S):

____
Print Name:
Date:

____
Print Name:
Date:

____
Print Name:
Date:

EXHIBIT E

FORM OF CONFIDENTIALITY AGREEMENT/COVENANT NOT TO COMPETE

[EXHIBIT E]

CONFIDENTIALITY AND COVENANT NOT TO COMPETE AGREEMENT

This Confidentiality and Covenant Not to Compete Agreement ("**Agreement**") is dated ____________________________ (the "**Effective Date**") and executed by _____________________________________ ("**Individual**"). Capitalized terms used and not otherwise defined in this Agreement have the meanings ascribed to them in that certain Franchise Agreement ("**Franchise Agreement**") by and between Franchisee (as defined below) and Carl Zeiss Vision Business Services Inc., a Delaware corporation ("**Franchisor**").

Recitals

A. ______________________ ("**Franchisee**") is a party to the Franchise Agreement relating to the ZEISS VISION CENTER located at ______________________________________ ("**Franchisee's ZEISS VISION CENTER**").

B. Individual is either an owner of or a managerial employee of Franchisee, and Franchisee desires Individual to have access to certain Confidential Information (as defined below) provided by Franchisor to Franchisee in connection with operation of Franchisee's ZEISS VISION CENTER.

C. Individual desires to have access to the Confidential Information in the course of Individual's relationship or involvement with Franchisee's ZEISS VISION CENTER.

D. Individual understands the proprietary, confidential and restricted nature of the Confidential Information, the need to ensure such information is kept confidential from both the general public and any Competitive Business (as defined below), and that Franchisor would be unable to encourage free exchange of ideas and information among ZEISS VISION CENTERs if Individual were permitted to hold an interest in or perform services for any Competitive Business.

In consideration of the Confidential Information being provided by Franchisor to Franchisee, and intending to be legally bound, Individual agrees as follows:

Agreement

1. **<u>Confidentiality/Non-Disclosure</u>**. Individual acknowledges and agrees that Franchisor has disclosed and will disclose certain Confidential Information to Franchisee, and that Franchisee desires to disclose certain Confidential Information to Individual in connection with Individual's involvement with Franchisee's ZEISS VISION CENTER. In connection with the foregoing, Individual agrees:

    a. not to use such Confidential Information in any other business or capacity or to disclose the Confidential Information;

b. to maintain as confidential the Confidential Information and to use all reasonable efforts to keep such information confidential during and after the term of the Franchise Agreement;

c. not to make unauthorized copies of all or any portion of such Confidential Information disclosed in written or other tangible form to Individual, and to grant access to all or any portion of the Confidential Information to store employees or other Personnel (as defined below) only on a need-to-know basis; and

d. to adhere to all reasonable procedures prescribed by Franchisor to prevent unauthorized use or disclosure of Confidential Information, including restrictions on disclosure of Confidential Information to store employees or other Personnel, and to comply with requirements Franchisor may impose in connection with disclosure of Confidential Information to key employees or other Personnel.

2. **<u>In-Term Non-Compete</u>**. Individual agrees and acknowledges that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure if Individual is permitted to hold interests in or perform services for a Competitive Business. Therefore, during the term of the Franchise Agreement, Individual shall not:

a. have any direct or indirect interest in a Competitive Business, except other ZEISS VISION CENTERs operated by Franchisee or any other franchisee in which Individual has an interest under franchise agreements with Franchisor;

b. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, except other ZEISS VISION CENTERs operated by Franchisee or any other franchisee in which Individual has an interest under franchise agreements with Franchisor; or

c. to the extent applicable law then permits this restriction, recruit or hire any employee or other Personnel who, within the immediately six-month period, was employed by Franchisor or any ZEISS VISION CENTERs operated by Franchisor, Franchisor's Affiliates or another of Franchisor's franchisees or licensees, without obtaining Franchisor's prior written permission or the permission of the affected franchisee or licensee, as the case may be.

3. **<u>Post-Term Non-Compete</u>**. In the event of termination of the Franchise Agreement for any reason (other than as a result of Franchisor's default), or if Individual's relationship with Franchisee ceases, Individual agrees that, for a period of two years (or for three years if Franchisor approves a transfer as provided in Section 12.3 of the Franchise Agreement, Franchisor exercises its right of first refusal as provided in Section 12.5 of the Franchise Agreement, or Franchisor purchases Franchisee's Franchised Business as provided in Section 14.5 of the Franchise Agreement), commencing on the effective date of Individual's termination or the date of cessation of Individual's relationship with Franchisee, as the case may be, Individual shall not:

a. have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within (i) 10 miles of Franchisee's ZEISS VISION CENTER, or (ii) 10 miles of any other ZEISS VISION CENTERs (except in either case for any interest in ZEISS VISION CENTERs that Franchisee or another franchisee in which Individual has an interest operates under other franchise agreements with Franchisor); provided, however, in the case of this post-employment covenant applicable to managerial or other employees such covenant shall apply only to the extent permissible under FTC regulations and other applicable laws; or

b. to the extent applicable law then permits this restriction, recruit or hire any employee or other Personnel who, within the immediately preceding six-month period, was employed by Franchisor or any ZEISS VISION CENTERs operated by Franchisor, Franchisor's Affiliates or another of Franchisor's franchisees or licensees, without obtaining Franchisor's prior written permission or the permission of the affected franchisee or licensee, as the case may be.

Individual expressly acknowledges that Individual possesses skills and abilities of a general nature and has opportunities for exploiting those skills. Consequently, enforcement of the covenants made herein will not deprive Individual of Individual's personal goodwill or ability to earn a living.

4. **Miscellaneous**.

a. **Certain Definitions**. For purposes of this Agreement, the following terms shall have the meanings indicated (substantially identical to the defined meanings in the Franchise Agreement, and with the included capitalized terms not otherwise defined herein having the meanings ascribed to them in the Franchise Agreement):

"**Competitive Business**" means any business operating, or granting franchises or licenses to others to operate, a non-ZEISS-branded, optical retail center business in which sales of lenses, frames, contact lenses and optical goods represent 30% or more of the business's gross sales, except for any existing similar optical retail center business owned and operated by Franchisee or Individual or which has been disclosed to and acknowledged by Franchisor in writing prior hereto and is described on Schedule 1 attached hereto; provided, however, Competitive Business shall not be deemed to include a professional optometry or ophthalmology clinic.

"**Confidential Information**" means any information relating to the ZEISS products or the development or operation of ZEISS VISION CENTERs, that is proprietary to Franchisor or other ZEISS Affiliated Entities and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including, but not limited to, any information that can reasonably be considered proprietary, confidential, a trade-secret, or otherwise valuable and uncommon information and/or knowledge, and including without limitation site selection criteria; processes and methods for the preparation of ZEISS products; methods, techniques, formats, specifications, systems, procedures, sales and marketing techniques, and knowledge of and experience in the development and operation of ZEISS VISION CENTERs; marketing programs for ZEISS VISION CENTERs; and knowledge of specifications for and suppliers of certain ZEISS products, materials, supplies, equipment, furnishings and fixtures. Notwithstanding anything in the foregoing to the contrary, Confidential Information shall not include information which (a) has entered the public domain or was demonstrably known to Franchisee or Individual prior to the disclosure of such information by Franchisor, other than by the breach of an obligation of confidentiality owed by anyone to Franchisor or to ZEISS Affiliated Entities; (b) becomes known from a source other than Franchisor or ZEISS Affiliated Entities and other than by the breach of an obligation of confidentiality owed by anyone to Franchisor or to ZEISS Affiliated Entities; or (c) was demonstrably independently developed by Franchisee or Individual without the use or benefit of any of Franchisor's Confidential Information. The burden of proving the applicability of the foregoing exclusions will reside with Individual.

"**Personnel**" means Franchisee's store employees, regular independent contractors or other persons regularly performing services for Franchisee in connection with Franchisee's ZEISS VISION CENTER.

"**ZEISS Marks**" means the trademarks, trade names, service marks, logos and other commercial symbols which Franchisor authorizes franchisees to use to identify the ZEISS Products and/or services offered by ZEISS VISION CENTERs, including the registered or common law trademarks and service marks "ZEISS", "ZEISS VISION CENTER" and "ZEISS Vision Experience" and the ZVC Trade Dress and the goodwill associated therewith; provided that the undersigned Individual recognizes that such trademarks, trade names, service marks, logos and other commercial symbols and the ZVC Trade Dress are subject to modification and discontinuance at Franchisor's sole discretion, and additional or substitute trademarks, trade names, service marks, logos, commercial symbols or ZVC Trade Dress may be established by Franchisor in the future.

"**ZVC System**" means Franchisor's business format, signs, equipment, methods, procedures, designs, layouts and specifications, including the use of the ZEISS Marks and the ZVC Trade Dress, including as Franchisor may modify them in the future.

"**ZVC Trade Dress**" means the designs, color schemes, décor and images which Franchisor authorizes and requires its franchisees to use in connection with the operation of ZEISS VISION CENTERs, as may be revised and further developed by Franchisor from time to time.

b. **Immediate Family Members**. Individual acknowledges and agrees that any conduct prohibited to Individual under this Agreement also applies to Individual's spouse or other immediate family member (including spouses and natural and adopted children and siblings of Individual) and that, in the case of any such spouses, natural and adopted children, siblings or other immediate family members, perform any material services for Franchisee in connection with the Franchised Business.

c. **Irreparable Harm to Franchisor**. Individual acknowledges and agrees that Franchisor and its affiliates will suffer incalculable and irreparable harm if Individual violates or threatens to violate any of the covenants contained in this Agreement. Accordingly, Franchisor may seek injunctive relief or specific performance to enforce the covenants and agreements in this Agreement, in addition to any other relief to which Franchisor may be entitled at law or in equity, in view of the importance of the ZEISS Marks and the Confidential Information.

d. **Reasonableness of Restrictions**. Individual acknowledges that each of the covenants and agreements set forth herein is fair and reasonable and is reasonably necessary for the protection of Franchisee, Franchisor, Franchisor's Confidential Information, the ZVC System, the ZEISS VISION CENTER network of franchises, and ZEISS Marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all of such covenant, Individual agrees that the covenant will be enforced to the fullest extent permissible under applicable laws and public policies.

e. **Governing Law**. The validity of this Agreement will be governed by the laws of the State where Franchisee's ZEISS VISION CENTER is located. If any provision of this Agreement is void or unenforceable in such State, the remainder of this Agreement will be fully enforceable in accordance with its terms.

f. **Successors**. This Agreement shall be binding upon the heirs, executors, successors and assigns of Individual as though originally signed by them.

g. **Third-Party Beneficiary**. Individual acknowledges that Franchisor is a third-party beneficiary to this Agreement and that it shall be entitled to enforce this Agreement against Individual without the cooperation of Franchisee.

Signature Page Follows.

IN WITNESS WHEREOF, Individual has executed and delivered this Agreement to be effective as of the Effective Date.

INDIVIDUAL:

Signature: ________________________________

Printed Name: _____________________________

Date: ____________________________________

EXHIBIT F

LIST OF CURRENT AND FORMER FRANCHISEES

None.

EXHIBIT G – MANUAL TABLE OF CONTENTS

OPERATIONS MANUAL

TABLE OF CONTENTS

Operations Manual Table of Contents
As of November 1, 2024

EXHIBIT H – AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

California:

California Commissioner of the Department
of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Hawaii:

Commissioner of Securities
Dep’t of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
King Kalakaua Building
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois:

Illinois Attorney General
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Indiana:

Franchise Section
Indiana Securities Division
Secretary of State
302 W. Washington Street
Room E-111
Indianapolis, IN 46204

Maryland:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202

Michigan:

Michigan Department of Commerce Corporations and Securities Bureau

525 W. Allegan Street
Lansing, MI 48913

Minnesota:

Commissioner of Commerce
Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
Saint Paul, MN 55101

New York:

Attn: New York Secretary of State New York Department of State The Division of Corporations One Commerce Plaza
99 Washington Avenue, 6th Floor Albany, NY 12231-0001

North Dakota:

Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fifth Floor
Bismarck, ND 58505-0510

Rhode Island:

Director of Rhode Island Department of
Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

South Dakota:

Department of Labor and Regulations
Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

EXHIBIT I – STATE AGENCIES

STATE AGENCIES

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

California:

Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834

Connecticut:

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800

Florida:

Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, FL 32314-6700

Hawaii:

Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, HI 96810

Illinois:

Illinois Attorney General
Office of Attorney General
500 S Second
Springfield, IL 92796

Indiana:

Franchise Section
Secretary of State
302 West Washington Street
Indianapolis, IN 46204

Iowa:

Director of Regulated Industries Unit
Iowa Securities Bureau
340 East Maple
Des Moines, IA 50319-0066

EXHIBIT I – STATE AGENCIES

Maryland:

Office of the Attorney General
Securities Division
200 St. Paul Place, 20th Floor
Baltimore, MD 21202-2020

Michigan:

Franchise Administrator
Michigan Department of Attorney General
670 Law Building
Lansing, MI 48913

Minnesota:

Franchise Examiner
Minnesota Department of Commerce
133 East Seventh Street
St. Paul, MN 55101

Nebraska:

Department of Banking and Finance
1200 N Street, Suite 311
PO Box 95006
Lincoln, NE 68509

New York:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005

North Dakota:

Franchise Examiner
Office of Securities Commissioner
600 East Boulevard, Fifth Floor
Bismarck, ND 58505

Oregon:

Director
Department of Consumer and Business Services
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310

Rhode Island:

Chief Securities Examiner
Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota:

Franchise Administrator

EXHIBIT I – STATE AGENCIES

Division of Securities
118 West Capitol
Pierre, SD 57501

EXHIBIT I – STATE AGENCIES

Texas:

Statutory Document Section
PO Box 12887
Austin, TX 78711

Utah:

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
PO Box 45804
Salt Lake City UT 84145-0804

Virginia:

State Corporations Commission
Division of Securities and Retail Franchising
1300 E Main Street, 9th Floor
Richmond, VA 23219

Washington:

Director
Department of Financial Institutions
Securities Division
PO Box 9033
Olympia, WA 98507-9033

Wisconsin:

Franchise Administrator
Division of Securities
Department of Financial Institutions
PO Box 1768
Madison, WI 53701

EXHIBIT I – STATE AGENCIES

The Address of the United States Federal Trade Commission is:

Federal Trade Commission
Washington, D.C. 20580

EXHIBIT J – STATE SPECIFIC ADDENDA

ADDITIONAL DISCLOSURE AND ADDENDA FOR CALIFORNIA

ADDITIONAL DISCLOSURES FOR CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. See the cover page of the disclosure document for ZEISS' website address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

3. **Item 3, Additional Disclosure**. The following statement is added to Item 3:

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

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

California Business and Professions Code Sections 20000 through 20043 (the Franchise Relations Act) provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the agreements contain a provision that is inconsistent with the law, the law will control. In particular, Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act.

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

The franchise agreements contain a covenant not to compete which extends beyond the expiration or termination of the franchise. These provisions may not be enforceable under California law.

The franchise agreements provide that you must sign a general release if you transfer or renew your franchise or development rights. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professional Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

5. Section 31125 of the California Corporation Code requires us to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

6. The franchise agreement requires binding arbitration. The arbitration will occur at San Diego, California with the prevailing party in any such arbitrated dispute entitled to recovery of reasonable attorneys' fees and costs.

7. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

8. The highest interest rate allowed by law in California is 10% annually.

9. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: (A) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (B) 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.

FRANCHISE AGREEMENT ADDENDUM FOR CALIFORNIA

This Addendum to the ZEISS VISION CENTER Franchise Agreement dated as of ___________ between Carl Zeiss Vision Business Services Inc. (“Franchisor”, “we” or “us”) and _____________________ (“Franchisee,” “you” or “your”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of California; **(B)** Franchisee is a resident of the State of California; and/or **(C)** the Franchised Restaurant will be located or operated in the State of California.

2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

3. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Franchise Agreement.

4. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Franchise Investment Law are met independently of this Addendum.

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

FRANCHISEE:	**CARL ZEISS VISION BUSINESS SERVICES INC.**
By:______________________________	By:_________________________________
Print Name: _______________________	Print Name: _________________________
Title: ____________________________	Title: _______________________________
Date: ____________________________	Date: ______________________________
	By:_________________________________
	Print Name: _________________________
	Title: _______________________________
	Date: ______________________________

AREA DEVELOPMENT AGREEMENT ADDENDUM FOR CALIFORNIA

This Addendum to the ZEISS VISION CENTER Area Development Agreement dated as of ____________________ between Carl Zeiss Vision Business Services Inc. ("Franchisor", "we" or "us") and ____ ("Area Developer", "you" or "your") is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Area Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Area Developer was made in the State of California; **(B)** Area Developer is a resident of the State of California; and/or **(C)** part or all of the Development Area is located in the State of California.

2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will have the effect of: **(A)** waiving any claims under any applicable state franchise law, including fraud in the inducement; or **(B)** 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.

3. Any capitalized terms that are not defined in this Addendum will have the meaning given them in the Area Development Agreement.

4. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Franchise Investment Law are met independently of this Addendum.

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

FRANCHISEE:	**CARL ZEISS VISION BUSINESS SERVICES INC.**
By:______________________________	By:___________________________________
Print Name: _______________________	Print Name: ___________________________
Title: _____________________________	Title: _________________________________
Date: ____________________________	Date: _________________________________
	By:____________________________________
	Print Name: ____________________________
	Title: __________________________________
	Date: _________________________________

ADDITIONAL DISCLOSURE AND ADDENDA FOR NEW YORK

ADDITIONAL DISCLOSURES FOR NEW YORK

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

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

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

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

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

6. Franchise Questionnaires and Acknowledgments--No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship will 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. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, 10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

RECEIPT

[Retain This Copy For Your Records]

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If Carl Zeiss Vision Business Services Inc. offers You a franchise, it must provide this disclosure document to You 14 calendar-days before You sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Carl Zeiss Vision Business Services Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, C.C. 20580 and the appropriate state administrator listed in Exhibit I.

Franchise Seller Information: Name – Kristina Masin, Director of Business-to-Business Marketing; Address - Carl Zeiss Vision Business Services Inc., 1040 Worldwide Boulevard, Hebron, Kentucky 41048; and Telephone Number - 937-270-3316

Issuance Date: November 1, 2024

The Franchisor's Registered Agent is listed on Exhibit E of this Document.

I have received a Franchise Disclosure Document, dated as of Issuance Date November 1, 2024. This disclosure document includes the following exhibits:

A. Financial Statements
B. Franchise Agreement
C. Area Development Agreement
D. Form of Personal Guaranty
E. Form of Confidentiality Agreement/Covenant Not to Compete
F. List of Current and Former Franchisees
G. Operations Manual Table of Contents
H. Agents for Service of Process
I. State Agencies

Date:______________________

____
Signature

____
Printed Name

____
Address

____
City State Zip

Please return your signed copy of this Receipt to:

Carl Zeiss Vision Business Services Inc.
Attention: Kristina Masin
1040 Worldwide Boulevard
Hebron, Kentucky 41048

RECEIPT

[Return This Copy To Us]

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If Carl Zeiss Vision Business Services Inc. offers You a franchise, it must provide this disclosure document to You 14 calendar-days before You sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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If Carl Zeiss Vision Business Services Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, C.C. 20580 and the appropriate state administrator listed in Exhibit I.

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F. List of Current and Former Franchisees
G. Operations Manual Table of Contents
H. Agents for Service of Process
I. State Agencies

Date:_________________________

____
Signature

____
Printed Name

____
Address

____
City State Zip

Please return your signed copy of this Receipt to:

Carl Zeiss Vision Business Services Inc.
Attention: Kristina Masin
1040 Worldwide Boulevard
Hebron, Kentucky 41048