

FRANCHISE DISCLOSURE DOCUMENT



BUMPER MAN, INC.

A Texas Corporation
1432 Airport Boulevard
Mesquite, Texas 75181
972-889-1986

Brandon@bumberman.com
www.bumperman.com

We offer Bumper Man bumper repair service franchises that provide mobile automotive bumper repair services on site at the customer's place of business ("Bumper Business").

The total investment necessary to begin operation of a Bumper Man repair service franchise ranges from \$73,025 to \$104,800. This includes \$50,000 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Administration, Bumper Man, Inc., 1432 Airport Boulevard, Mesquite, Texas 75181, 972-889-1986.

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

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

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

Date of Issuance: April 8, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
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 B 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 Bumper Man 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 Bumper Man franchisee?	Item 20 or Exhibit E 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 A.

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **Spousal Liability.** Your spouse may be required to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

**THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS
GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise Section
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 335-7567

Notwithstanding paragraph (f) above, we intend to enforce fully the provisions of the arbitration section of our Franchise Agreement. We believe that paragraph (f) is unconstitutional because it is preempted by United States federal law and therefore cannot preclude us from enforcing our arbitration provision. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

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EXHIBITS TO FDD:

- A State Administrators and Agents for Service of Process
- B Financial Statements
- C Franchise Agreement (inclusive of exhibits and Certified Technician Addendum to Franchise Agreement)

- D Operations Manual Table of Contents
- E List of Bumper Man Franchisees
- F General Release
- G Promissory Note and Personal Guaranty
- H Franchisee Questionnaire
- I State Addenda to FDD

State Effective Dates

Receipts

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Bumper Man, Inc. For ease of reference, Bumper Man, Inc. will be referred to as “we” or “us” in this Disclosure Document. The term “you” means the person buying the franchise, the franchisee. If the franchisee is a general partnership (or if we allow you to assign your rights as franchisee to a general partnership), the term “you” refers to all partners. If the franchisee is a corporation, limited liability company or other business entity (or if we allow you to assign your rights as franchisee to a corporation, limited liability company or other business entity), the term “you” refers to the franchisee and the term “principals” refers to any individual or entity with a controlling ownership in the franchisee (including shareholders of a corporation, members of a limited liability company, general and limited partners of a limited partnership, etc.).

The Franchisor, Its Parent, Predecessors and Affiliates.

We are a Texas corporation incorporated on April 3, 2000, under the name Bumper Man Franchising Company, Inc. as a wholly-owned subsidiary of Bumper Man, Inc. (“BMI”). BMI was formed July 2, 1997. On March 20, 2008, the shareholders of BMI approved a merger with Bumper Man Franchising Company, Inc. whereby Bumper Man Franchising Company, Inc. was the surviving company and subsequently changed its name to “Bumper Man, Inc.” The Certificate of Merger was filed with the Texas Secretary of State on April 1, 2008. We have since offered “Bumper Man” franchises under the name Bumper Man, Inc. We operate one location in Dallas, Texas. We maintain our principal business address at 1432 Airport Boulevard, Mesquite, Texas 75181.

We do business under our corporate name and “Bumper Man.” Our agents for service of process in the states that require franchise registration are listed in Exhibit A.

We offer franchises granting the right to operate an automotive bumper repair service under our trade name of “Bumper Man.” Operating and franchising Bumper Man bumper repair businesses are our only businesses. Although we concentrate on providing and marketing bumper repair services through a network of Bumper Man franchisees, we reserve the right to develop alternative methods of providing bumper repair services and related automotive products.

Prior Business Experience.

The late Jeff Bramblett founded “Bumper Man” in 1993 and operated it as a sole proprietorship until 1997, when BMI was formed to grant business opportunities for the right to operate Bumper Man bumper repair businesses. BMI continued to operate one company owned Bumper Business until 2010.

Bumper Man Franchising, Inc., a wholly owned subsidiary of BMI, was formed on April 3, 2000, to grant franchises for the right to develop and operate Bumper Businesses, and the existing Bumper Business operators converted their business opportunities to franchises. Thereafter, BMI and Bumper Man Franchising, Inc. merged on April 1, 2008, and BMI was the surviving company. Since such date, BMI has served as franchisor, granting franchises for the right to develop and operate Bumper Businesses.

The Franchise Business Offered.

The franchise we offer is for the operation of a mobile automobile bumper repair business (“Bumper Business”) using our trade names, trademarks, service marks and related logos, including the trademarks “Bumper Man” and “Bumper Man You Bend’em – I’ll Mend’em” (collectively, the “Marks”) and a distinctive method of repairing plastic and metal bumpers and automobile exterior surfaces utilizing our proprietary tools and trade secrets developed by us to achieve results that minimize the appearance of dents and other damage to bumpers, fenders and other exterior surfaces of automobiles (the “System”). Our current form of Franchise Agreement is attached as Exhibit C. Also attached to this disclosure document (as part of Exhibit C) is the form of addendum to the Franchise Agreement which we currently use if a franchisee wishes to utilize a certified technician in connection with the operation of its franchise.

We offer qualified applicants who satisfy our financial, business experience and related criteria for new Bumper Man franchisees, a franchise agreement to operate a Bumper Man bumper repair service. Each franchisee works alone and independently within a territory we designate. If the designated territory satisfies our criteria for a certified technician (e.g. number of Major Dealerships (as defined below), geographic size of the territory), we may grant you the right to retain the services of a certified technician to provide bumper repair and refinishing services to Bumper Man customers within your designated territory, provided you and the certified technician sign our then-current form of certified technician addendum to the franchise agreement and the certified technician satisfies our then-current training requirements to our satisfaction and pays the required fees to become a certified technician. If you utilize the services of a certified technician, you are solely responsible for the services performed by your certified technician.

A franchise applicant may be an individual, corporation, partnership, or other form of legal entity. However, if a franchisee applicant is an individual, we recommend you form a legal business entity to act as franchisee. Such individual franchisee applicant must have the sole authority to direct the day-to-day operations of the Bumper Business and hold majority voting rights (“Controlling Interest”) in the franchisee entity. When you form the franchise entity, you and we will enter into a transfer agreement for the convenience of ownership transferring ownership of the franchise to the franchisee entity and you will be required to personally guaranty the obligations of the franchise entity.

The franchisee will perform the bumper repair and refinishing services at the customer’s place of business, working from an approved vehicle which contains all the necessary tools. The Bumper Business will repair all types of bent, twisted, or dented bumpers but will emphasize repairing bumpers of automobiles, pick-up trucks, vans, and sports utility vehicles. At present, the Bumper Business does not carry parts, re-chrome or sell new or refurbished bumpers. Occasionally, a franchisee may replace a bumper at a customer’s request.

We provide a complete tool equipment package for the Bumper Man franchisee to start business during training. A portion of the initial franchise fee is applied to the cost of the initial set of tools and supplies that we will loan to you. We may, at our option, provide template invoices and business cards and sample marketing materials. In addition, we provide invoicing and collections services that relieve you of much of the administrative and recordkeeping burdens typical of small businesses. Because running a Bumper Business has minimal administrative requirements that do not require

separate operating space, you may establish a home office. Generally, a Bumper Business is conducted primarily out of the approved vehicle.

Other Lines of Business; Affiliates.

We are not engaged in any other business and do not have any affiliates.

Competition.

Bumper Man franchisees generally compete with mobile auto repair services that offer bumper repair services as part of the suite of services provided. The bumper repair market is well-developed and these providers may be national, regional, or independent mobile bumper repair service providers. Automobile and truck dealerships, rental car facilities and related businesses in your designated territory may already be customers of these competitive service providers. In addition, you also may face competition from collision repair centers and body shops located within your designated territory that may offer a limited selection of bumper repair services. However, no major automotive service provider has emerged as national, mobile, on-site bumper repair service provider. In addition, depending upon where you operate your Bumper Business, your Bumper Business may experience a decrease in sales volume in winter months.

Applicable Laws and Regulations.

To operate a Bumper Business, you will have to comply with various state and local laws such as those relating to driver's licensing, vehicle licensing, vendor licensing and automobile insurance requirements, zoning and parking restrictions and any applicable hazardous material transportation and pollution laws. You also must also pass a physical examination and drug test before the interview process. We recommend that you consult with your business advisors for further information about applicable laws and also check your state's official web site (typically the secretary of state) for information about applicable laws and regulations that may affect your Business.

In addition to other due diligence (e.g., financial condition and credit worthiness) we will conduct a detailed criminal background check of all prospective Bumper Man franchisees. Each prospective Bumper Man franchisee must consent to the background check, or we will not proceed with the evaluation of the prospective franchisee's application. We will bear the cost of conducting the background check.

You must also comply with all applicable laws, rules and orders of any governmental authority concerning any pandemic or public health crisis, which may require businesses in the auto repair industry to materially modify, limit or suspend operations for an indefinite period.

The information in this disclosure document is current as of the issuance date identified on the cover page of this disclosure document.

ITEM 2
BUSINESS EXPERIENCE

Tanya Bramblett - Director and President

Ms. Bramblett has been our president and director since March 2013.

Brandon Webb, CFE - Chief Executive Officer

Mr. Webb has been our Chief Executive Officer since October 2015. Prior to becoming our Chief Executive Officer, Mr. Webb served as our Vice President from January 2015 through September 2015 and served as our Franchise Representative from September 2009 until December 2014.

Elizabeth Witcher – Secretary and Director of Finance

Ms. Witcher has been our Secretary since January 2025 and Director of Finance since February 2025. Ms. Witcher served as our Director of Accounting from 2016 to January 2025.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

You must pay us an Initial Franchise Fee of \$50,000 when you sign the Franchise Agreement. Most franchisee operators pay in a lump sum. However, for qualified candidates who meet our credit criteria, we may accept one half (\$25,000) of the Initial Franchise Fee upon execution of the Franchise Agreement and the second half of the Initial Franchise Fee at the date we specify in the financing agreement. See Item 10 for an explanation of financing terms.

We will refund part of the Initial Franchise Fee if we determine in our sole discretion that you have not satisfactorily completed initial training, less our costs and expenses in providing training and support to you (which costs and expenses will not exceed \$15,000). Other than this single exception, the Initial Franchise Fee is fully earned by us upon receipt and non-refundable.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing Service Fee ⁽¹⁾	25% of Gross Sales ⁽²⁾	Each month for the preceding month.	We will deduct amounts owed to us for the Continuing Service Fee from the amounts we collect from Bumper Man customers for whom you provide bumper repair services in connection with the operation of your Bumper Business and invoice through our invoicing system.
Additional Training ⁽³⁾	\$100-\$200 per day per person.	Before attending training.	We currently train and offer refresher training without charge but reserve the right to charge for refresher training in the future. Training spaces are available for participants on a limited basis. To the extent we implement fees for additional training, the amount of any training fee will be determined by the type and extent of training provided.
Certified Technician Fee	\$25,000	Upon the execution of the certified technician addendum to your Franchise Agreement	If you elect (or we request that you) retain the services of a certified technician to perform bumper repair services in your Designated Area, then your certified technician will pay to us a certified technician fee in connection with the execution of the certified technician addendum to your franchise agreement.
Transfer Fee	20% of the sales price for your Bumper Business	At closing of transfer and sale of Bumper Business	Payable when the Franchise Agreement is signed and before we train the transferee.
Audit Costs	Cost of audit.	Upon receipt of invoice.	Includes all costs incurred in connection with the inspection and audit, including without limitation reasonable accounting and attorney fees.

Type of Fee	Amount	Due Date	Remarks
Replacement Costs for Invoicing Equipment and Manual	Will vary under circumstances with a maximum of approximately \$2,400 for invoicing equipment during the initial term of the Franchise Agreement and replacement copy of the Manual and iPad	As incurred	The equipment is loaned to you and payment is required only as damages or wear-and-tear occur.
Late Fees ⁽⁴⁾	\$150 per late notice	Upon receipt of invoice.	We may charge a late fee for each notice on any payment you owe us and for which there are insufficient funds in the account that you designate to withdraw such payment.
Costs and Attorney's Fees	Will vary under the circumstances	As incurred.	Payable upon your failure to comply with the Franchise Agreement or because of other claims involving our relationship.
Renewal Fee	The greater of 3% of the then-current initial franchise fee and \$1,000	6 months before expiration of term of Franchise Agreement.	We will waive the renewal fee provided you promptly sign and return the Receipt for the current FDD when provided and sign and return the current form of franchise agreement 30 days prior to expiration.
Indemnification	Will vary by circumstance	As incurred	You have to reimburse us if we are held liable for claims, damages, or lawsuits from your operation of the Bumper Business.

Notes:

Payments are non-refundable unless otherwise noted.

1. “Continuing Service Fee” means the monthly service fee Franchisee must pay to Franchisor.
2. “Gross Sales” means the total selling price of all Designated Services and all income of every other kind and nature related to the Bumper Business, whether for cash, cash equivalents, or credit, and regardless of collection in the case of credit. In the case of promotional discounts implemented by Franchisor and for which participation in the promotion is required of Franchisee, the amount actually paid by the customer after the discount for the Designated Services, rather than the original amount, will be considered for purposes of calculating Gross Sales. Gross Sales does not

include amounts collected by Franchisee for performance of the Designated Services for an individual consumer on a single vehicle at the request of such consumer.

3. Currently, we provide initial training and refresher training at no charge to you, provided you are solely responsible for all costs you incur in attending training, including travel, accommodations, meals, and other expense. If additional training is provided in your Designated Area, then we may charge for our representatives actual expenses incurred for travel, accommodations, and meals.
4. Interest begins to accrue from the date of non-payment.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$50,000	Lump sum	Upon signing Franchise Agreement	Us
Truck with Tonneau Cover or Camper Shell ⁽²⁾	\$15,000 - \$40,000	As arranged	Monthly payments over the life of the finance contract unless purchased outright (see note 5)	Lender, Dealership or Seller
Computer Hardware, Software ⁽³⁾	\$750 - \$1,500	As arranged	As arranged	Vendor
Training-related Expenses ⁽⁴⁾	\$2,000 - \$4,000	As incurred	As arranged	Transportation, Service, and Lodging Providers
Telephone and Mobile Phone	\$75 - \$300	As incurred	Monthly	Vendors
Insurance ⁽⁵⁾	\$1,700 - \$3,000	As arranged	As arranged; before opening	Insurance Broker

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Professional Fees; Licenses	\$1,000 - \$2,000	As incurred	As arranged	Lawyers, Accountants, Governmental Authorities, other Professional Advisors
Additional Funds-3 months ⁽⁶⁾	\$2,500 - \$4,000	As incurred	As incurred	Suppliers, Phone Service Providers, Lenders
TOTAL ⁽⁷⁾	\$73,025 to \$104,800			

Unless otherwise noted, the expenses listed in the table above are non-refundable.

Notes:

1. The initial franchise fee includes the initial set of Bumper Man tools and equipment required to establish your Bumper Business provided to you on loan and the initial supply of certain products and materials (e.g., invoices, business cards, stationery, and marketing materials). The initial franchise fee may be partially refunded if we determine you have not satisfactorily completed training. We do not finance the initial franchise fee except for franchisee operators that meet certain criteria (as described in Item 10) and in connection with the purchase of a new Bumper Man franchise.
2. If you already own an approved truck in satisfactory condition, then your costs could be significantly less. Otherwise, your cost for obtaining a Bumper Man-approved truck will vary greatly, depending on whether you purchase it outright or obtain financing in some form. A Tonneau cover or camper shell is required on each truck to cover and lock the tools and equipment.
3. You are not required to purchase specific hardware or financial software, but you are required to meet our minimum hardware and software requirements of purchasing a computer or laptop capable of running basic business function software, such as a word processing office suite (such as Microsoft Office) and basic financial recordkeeping software (such as QuickBooks or Quicken). You will use the iPad Mini or tablet we loan to you which will be pre-loaded with the Bumper Man software to input your customer invoice and billing information and to transmit your billing information to us. The accessories necessary for using the iPad Mini or tablet for invoicing, including a printer, will also be a part of the billing equipment loan arrangement. You must acquire, install, and maintain such anti-virus and anti-spyware software as we may require and must comply with such data security and consumer privacy policies we may prescribe from time to time as set forth in the Manual.

4. You must pay for your travel and lodging costs while attending training in Dallas, Texas or another city with a designated trainer.
5. At least two weeks prior to the date you commence operations of your Bumper Business, you must obtain the required insurance. Insurance costs are highly dependent on the geographical location of your Bumper Business, the dollar amount of your inventory, the type of vehicle you own and other factors. Within 30 days prior to the expiration of any such policy, you will deliver to us evidence of renewal of such insurance in the form of certificates evidencing coverage. The insurance carrier must be rated A+ or better by A.M. Best Company and be authorized to transact business in the state where the Bumper Business premises is located. All policies must be primary and non-contributory to any other insurance that we have procured for ourselves and provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of such policy. Such endorsements must not contain language that limits the liability afforded to us to any amount less than stated on the declarations page of each policy. No insurance policy will contain a provision that in any way limits or reduces coverage for you in the event of a claim by us. Such insurance coverage will not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. All insurance coverage will include a separation of insureds provision. All insurance coverage will identify as an additional insured Bumper Man, Inc., 1432 Airport Blvd, Mesquite, TX, 75181. Required and recommended coverages include the following:

- Garage Liability Insurance policy with a minimum each occurrence policy limit of \$1,000,000.
- Garage Keepers Insurance policy with a required limit per vehicle of \$50,000.
- Commercial Vehicle Insurance policy with a combined single policy limit of \$500,000.

We also recommend (but do not require) that you obtain business risk and casualty insurance, in limits and on terms adequate to protect your interest in your continuing operation of the Bumper Business.

6. This item estimates your initial startup expenses for a 3-month period. Your requirement for additional funds will vary. We recommend you have initial operating capital of \$2,500 to \$4,000 to provide operating cash and miscellaneous costs. The amount required may fluctuate due to expenses of the Bumper Business such as the efficiency of your operation, the local market for your services, and the length of time it takes to establish, perform services and submit invoices for new accounts. Many suppliers, utilities and tradesmen require you pay their fees and deposits before providing services (e.g., sales tax deposits, business license fees). In addition, you will incur costs such as gasoline, insurance, monthly phone bills, vehicle purchase payments and related expenses before we have collected and paid you for the initial work you perform for new accounts. Operating capital is calculated solely for your Bumper Business expenses and does not include any funds you may need for personal use or salary. As part of your financial planning, you must take your personal living expenses into account during periods of insufficient cash flow.

7. We base the estimated initial investment on our experience and that of our recent franchisees. We anticipate identifying more variables in expenses as we gain experience through establishing franchise business in different regions of the country.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

We currently are the only approved supplier for Bumper Man tools and equipment. We provide to you on loan the initial set of Bumper Man tools and equipment for use in the operation of the Bumper Business for the duration of the term of your Franchise Agreement. If any such Bumper Man tools and equipment are lost or damaged, you must purchase replacement tools or equipment, as applicable, from us or our designated supplier; provided, upon expiration, termination, or transfer of the Franchise Agreement, you must return all such Bumper Man tools and equipment to us.

You must follow the standards and specifications we establish for the supplies, equipment, tools, computer hardware and software required for the operation of the Bumper Business. You must purchase from us or from suppliers we approve or designate: (1) Bumper Man tools and equipment; (2) iPad or tablet; (3) software programs used for invoicing and operations of the Bumper Business; (4) advertising, marketing, and promotional materials; (5) stationary; (6) stickers bearing our Marks; and (7) all other goods and services as we may require from time to time. Information concerning approved and designated suppliers will be communicated to you via the Manual, which may include the standards and specification for certain non-proprietary products, services, and equipment.

We are currently the only approved supplier for the trademarked and logo items used in the operation of the Bumper Business, including uniforms, advertising, promotional and marketing items. We provide to you at no additional cost (except for reimbursement of shipping costs and expenses incurred by us) your initial supply of such uniforms, advertising, promotional and marketing items. You may (and we recommend but do not require you to) purchase supplemental advertising, promotional and marketing items, some of which you will purchase from us at our cost. In addition, you may, at your option purchase apparel and other Bumper Man branded merchandise from us at our cost. We control the purchase of these items to assure protection of our trademarks, trade secret rights and for quality control and uniformity of products and services within the Bumper Man system.

You must purchase a vehicle that meets the standards and specifications set forth in the Franchise Agreement and Manual for the operation of your Bumper Business. The vehicle from which you perform bumper repair and refinishing services is integral to the Bumper Man brand as a mobile bumper repair service provider, and any modifications to your vehicle must be approved by us in advance in writing.

At least two weeks prior to the date upon which we approve you to commence operation of your Bumper Business, you must obtain all required insurance policies. The insurance carrier must be rated A+ or better by A.M. Best Company and be authorized to transact business in the state where the Designated Area is located and the policies must: (1) include a waiver of subrogation provision or endorsement in favor of us; (2) be primary and non-contributory to any other insurance that we have procured for ourselves; and (3) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of such policy. The endorsements must not contain language that limits the liability afforded to us to any amount less than the amount stated on the declarations page of each policy. No insurance policy will contain a provision that in any way limits or reduces

coverage for you in the event of a claim by us. Such insurance coverage will not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. All insurance coverage will include a separation of insureds provision. All insurance coverage will identify as an additional insured Bumper Man, Inc., 1432 Airport Blvd, Mesquite, TX, 75181.

As of the issuance date of this disclosure document, you are required to obtain the following insurance policies: (1) Garage Liability Insurance policy with a minimum each occurrence policy limit of \$1,000,000; (2) Garage Keepers Insurance policy with a required limit per vehicle of \$50,000; and (3) Commercial Vehicle Insurance policy with a combined single policy limit of \$500,000. You must provide certificates of insurance, copies of insurance and other related documentation that we may request evidencing that you have the required insurance prior to beginning operation of your Bumper Business, annually upon the renewal of each policy and in the event of any change to any policy. We reserve the right to modify the insurance requirements at any time, and any such modifications will be described in the Manual.

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval, and must include pertinent information about the supplier as required in the Manual. You may not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities and to have samples from the supplier delivered to us or to any independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We may re-inspect the facilities and products of any approved supplier, and we may revoke our approval upon the suppliers' failure to continue to meet any of our then-current criteria. You must reimburse us for the costs that we incur in the supplier approval process. We are not required to approve any particular supplier. We will notify you of our approval or disapproval within 30 days. Our specifications for products and services and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

We do not derive revenue from your purchases and leases to the extent you purchase or lease products or services from us. We further do not receive material benefits from suppliers based on your purchases or leases. During our 2024 fiscal year, we did not receive any income from franchisees' purchases of products or services or from leases by franchisees. We do not receive any money, rebates, or advertising allowances from approved suppliers. Neither we nor any of our officers owns an interest in any approved supplier.

We anticipate that the required purchases and leases from approved suppliers will constitute the substantial majority of all purchases by you to establish the Bumper Business, with approximately 80% of your initial investment comprised of required purchases and leases of equipment, tools, vehicle, products, and services. We estimate the up to 1% of your expenditures to operate the Bumper Business will be comprised of required purchases and leases of products and services.

We have no purchasing or distribution cooperatives serving our Bumper Man system, although we retain the right to establish them.

We have not negotiated any arrangements with designated suppliers based upon volume purchase commitments of the Bumper Man system.

We do not provide you with, nor do we receive, any material benefit based upon your use of designated or approved suppliers. However, we may, at our sole option, negotiate system-wide discounts available to Bumper Man franchisees for purchases of tools and supplies from suppliers that you may, but are not required, to use. We reserve the right to disallow you from participation in such discount programs if you fail to comply with the terms and conditions of your Franchise Agreement or the standards.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Not applicable.	Items 7 and 11
b. Pre-opening purchases/leases	Sections 6(d), 7(a)-7(b), and 13	Items 7 and 8
c. Site development and other pre-opening requirements	Section 13	Items 6, 7 and 11
d. Initial and ongoing training	Section 5	Item 11
e. Opening	Sections 5(b)	Item 11
f. Fees	Sections 4, and 16(d)(vi)	Items 5, 6 and 7
g. Compliance with standards and policies/ Manual	Sections 6(a) and 9	Items 8 and 11
h. Trademarks and proprietary information	Sections 2(e), 14 and 17(b)	Items 13 and 14
i. Restrictions on products/services offered	Sections 2(e), 6(a), 6(f), 7(d), 9(a), 9(g), and 9(i)	Items 11 and 16
j. Warranty and customer service requirements	Section 6(a)	Item 8
k. Territorial development and sales quotas	Section 2 and Exhibit D	Item 12
l. Ongoing product/service purchases	Sections 6, 7, and 9(g)	Item 8

Obligation	Section in Franchise Agreement	Item in Disclosure Document
m. Maintenance, appearance and upgrading requirements	Sections 6 and 7	Item 8
n. Insurance	Section 13	Item 6, 7 and 8
o. Advertising	Section 8	Item 6, 7 and 11
p. Indemnification	Section 16(g) and 20	None
q. Owner's participation/ management/ staffing	Sections 6(a), 9(a) and 11	Items 11 and 15
r. Records and reports	Sections 4(f), 12(a) and 12(c)	Item 8 and 11
s. Inspections and audits	Sections 7(a) and 12(b)	Item 6
t. Transfer	Section 16	Items 6 and 17
u. Renewal	Section 3(b)	Item 17
v. Post-termination obligations	Section 19	Item 17
w. Non-competition covenants	Section 17(a) and Exhibit B	Item 17
x. Dispute resolution	Section 24	Item 17

ITEM 10 FINANCING

We do not offer, directly or indirectly, any financing arrangements to any franchisee, except for a portion of the initial franchise fee to qualified franchisee operators as discussed below. We will not guarantee any franchisee's note, lease, or other obligation. We do not have any past or present practice, or any intention, to sell, assign or discount to any third party any note, contract, or other instrument you execute.

New franchise operators who purchase a new Bumper Man franchise and who meet our current credit criteria may pay us half of the initial franchise fee upon the execution of the Franchise Agreement and pay the remaining half (up to \$25,000) in 120 equal semi-monthly installments during a five-year term at an interest rate of 10% per annum, secured by your right, title and interest in the Franchise Agreement. Default of your payment obligations under the note constitutes a default under the Franchise Agreement for which we may terminate the Franchise Agreement if you fail to cure your default of your payment obligations under the note.

Summary of Financing Offered to Franchisee Operator

Financing Term	Description
Amount financed	\$25,000
Source of Financing	Bumper Man, Inc.
Down Payment	\$25,000 (One half of \$50,000 Initial Fee)

Financing Term	Description
Term (years)	Five
Interest Rate	10% per annum during the loan term; 15% per annum following the loan maturity date
Semi-Monthly Payment	\$265.59
Prepayment Penalty	None
Security Required	Your right, title, and interest in the Franchise Agreement. In addition, if you own your franchise in a legal entity, then each owner of the legal entity will be required to personally guarantee the note. We may offset from any amounts that we collect from Bumper Man customers for bumper repair services that you perform and for which distributions to you for such services are owed any note payments that are not received by us by the due date.
Liability upon default	Principal and interest, accelerated to date of default, and all costs of enforcement of the note, including without limitation attorneys' fees and court costs.
Loss of legal right upon default	Waiver of defenses; termination of Franchise Agreement.

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 begin operating your Bumper Business, we, or our designated affiliate or third party, will:

- (1) Designate your protected territory. (Franchise Agreement – Sections 2(b) and 2(c) and Exhibit D).
- (2) Assist you with initial marketing of your Bumper Business, including planning and implementation and promotional campaigns and review of all promotional materials and advertising. (Franchise Agreement – Section 8).
- (3) Loan you a set of the Bumper Man tools and equipment that you will need to perform Bumper Man bumper repairs and related services as well as an iPad mini or tablet and printer for invoicing (“Operating Assets”). (Franchise Agreement – Section 6(e)).
- (4) Train you in our proprietary and trade secret methods and techniques for repair and refinishing of truck and automobile bumpers. (Franchise Agreement – Section 5(a)).

- (5) At training, provide you with access to our Manual, as applicable, which will include operating procedures and standards, rules and regulations for the Bumper Man system. (Franchise Agreement – Section 9(a)).
- (6) Provide you with a list of approved suppliers and preferred vendors, as set forth in our confidential operating and training manuals related to the Bumper Man system, including our standards and specifications for the operation of Bumper Man repair services business and all bulletins, supplements, and ancillary materials and directives that we establish, as may be amended by us from time to time (“Manual”). (Franchise Agreement – Section 6(d)).
- (7) Provide you with on-site assistance in marketing your Bumper Business to local automobile dealerships for at least three days. (Franchise Agreement – Section 5(b) and Section 8).

During the operation of your Bumper Business, we will:

- (1) Provide additional training programs as Franchisor determines necessary. (Franchise Agreement – Section 5(c)).
- (2) Provide you with advice and guidance on business operations, including interpretation and implementation of the policies and procedures in the Manual. (Franchise Agreement – Section 6).
- (3) Conduct, at our option, meetings, seminars, and other related activities regarding the operation of Bumper Man repair services business for franchisees generally, which you may attend. Except as approved by us, any costs you incur in attending such events will be your responsibility. (Franchise Agreement – Section 5(d)).
- (4) Inspect the operations of your Bumper Business and evaluate your performance of bumper repair services to ensure consistency with our standards and specifications at such times as we may deem advisable to maintain the high standards of quality, appearance and service of the Bumper Man system, in person or remotely by telephone where possible. (Franchise Agreement – Section 12(b)).
- (5) Provide, as we deem appropriate, advice and written materials concerning techniques of managing and operating the Bumper Business, including new developments and improvements in equipment, tools, supplies, methods, and operational procedures. (Franchise Agreement – Sections 6 and 9).
- (6) Approve or disapprove of any advertising, marketing or promotional materials and programs you propose. (Franchise Agreement – Section 8(a)). For additional information, see this Item 11, “Advertising.”
- (7) Evaluate alternate designated suppliers you may propose for our approval. (Franchise Agreement – Section 6(f)).
- (8) Provide you with invoice processing, billing and collections services for bumper repair services performed for your customers. (Franchise Agreement – Section 4(e)).

Except as described above, we may, but are not obligated to, provide you with assistance in the development and operation of your Bumper Business.

Designated Area and Commencement of Operations:

We grant a Designated Area (as defined in Item 12) for the operation of your Bumper Business within which you will perform mobile bumper repair services to Bumper Man customers. You will select the market area for your Bumper Business subject to availability and our agreement and we will provide a Designated Area within such market area. We may offer suggestions of available markets meeting our general criteria for a Designated Area. The selection criteria for the Designated Area are described in Item 12. The Designated Area is defined and agreed between Bumper Man and you before you purchase the franchise. We will determine the Designated Area by the specific geographic and market factors affecting the market and by our overall plan for development of the market. These market factors may include: the number of Major Dealerships, the number of regional and local dealerships, and the size and demographics of the local population. “Major Dealerships” means authorized dealers of a nationally recognized automobile brand (e.g., General Motors, Ford, Toyota, Honda, FCA US Brands (e.g. Dodge, Chrysler, Jeep) and any automobile or truck dealerships stocking an average of at least 50 used vehicles each month).

The period of time between the signing of the Franchise Agreement (or the payment of any consideration for the franchise) and the opening of your Bumper Business varies depending upon when you schedule initial training. Because you commence operations of your Bumper Business immediately upon completing initial training to our satisfaction, we estimate that you will commence operations three to five weeks following the execution of the Franchise Agreement and payment of the initial franchise fee.

Advertising:

We have no obligation to conduct advertising, although we reserve the right to advertise nationally through our website and social media platforms. We also reserve the right to conduct regional or local advertising. Any such advertising will be conducted at our sole cost and expense. We retain sole control over the creative concepts, materials and endorsements used to promote the Bumper Man system and their geographic, market and media placement and allocation. At present, we do not require you to contribute to any advertising fund. We reserve the right to establish an advertising fund in the future. You must participate in any advertising fund we establish. In our experience, Bumper Man franchisees have experienced the highest return on investment by engaging in local marketing by making personal sales calls and establishing Bumper Man brand recognition in their Designated Areas. We will provide, upon your request and at your cost and expense, promotional materials to be used in connection with such local marketing efforts. You may create and use your own advertising materials only with our prior written approval.

Advertising Cooperatives:

Currently, there is no established advertising council comprised of franchisees that advise us on advertising policies although we may informally consult franchisees in connection with marketing, promotional or advertising initiatives.

Technology:

Before commencement of operation of your Bumper Business, you must purchase a computer or tablet capable of running basic business function software, such as a word processing office suite and basic financial recordkeeping software (such as QuickBooks or Quicken). The estimated cost of this equipment is \$750 to \$1,500. We do not require you to grant us independent access to your computer systems.

You will use the iPad Mini or tablet we loan to you which will be pre-loaded with the Bumper Man software to input your customer invoice and billing information and to transmit your billing information to us. The accessories necessary for using the iPad Mini or tablet for invoicing, including a printer, will also be a part of the billing equipment loan arrangement. You must acquire, install, and maintain such anti-virus and anti-spyware software as we may require and must comply with such data security and consumer privacy policies we may prescribe from time to time as set forth in the Manual.

As described in our invoice processing procedures set forth in the Manual, you will send us copies of all customer invoices for bumper repair services you perform for Bumper Man customers. We will bill the customers directly and collect amounts owed according to the invoices you provide. We are not obligated to independently verify your invoices for accuracy or completeness. The invoice submission software requires you to verify that each invoice you submit is true and accurate. We will bill the Bumper Man customers you service directly and collect amounts due as specified in each invoice. If the Bumper Man customer does not pay invoiced amounts when due, we may, at our sole option, attempt to collect such past due amounts, but you are ultimately responsible for ensuring your customers pay invoiced amounts for the services you provide.

We will disburse amounts collected for bumper repair services that you provide during the previous month on the 1st and 16th day of each month based upon the invoices you submit to us, less the Continuing Service Fee and any other amounts due to us under the Franchise Agreement. (Franchise Agreement – Section 4(e)).

If a Bumper Man customer does not meet our standards for creditworthiness, we may decline to process invoices for such customer. You will cooperate with us in collecting past-due amounts and facilitate bringing the Bumper Man customer's account current so that you may resume performing bumper repair services for such Bumper Man customer.

You must: (a) use any proprietary software programs, system documentation manuals and other proprietary materials that we require in connection with the operation of the Bumper Business; and (b) purchase new or upgraded software programs, system documentation manuals and other proprietary materials at then-current prices whenever we adopt new or upgraded programs, manuals and materials system-wide. You must enter into all software license agreements, "terms of use" agreements and software maintenance agreements, in the form and manner prescribed by our approved vendors, and pay all fees imposed under the agreements, as set forth in the Manual. (Franchise Agreement – Section 7). Neither we nor any third party is obligated to provide ongoing maintenance repairs upgrades or updates to any computer hardware, software, or related equipment. Costs of any optional or mandatory upgrades or maintenance that you may incur is unpredictable and determined by independent third-party vendors and will vary according to the computer system you choose to use.

Confidential Manual.

After you sign your Franchise Agreement and pay the initial franchise fee, we will give you access to our Manual. The Manual may be in electronic format. A copy of the Manual Table of Contents is attached to this disclosure document as Exhibit D. We consider the contents of the Manual to be proprietary and confidential and you are bound by the restrictive covenants regarding our confidential information set forth in the Franchise Agreement with respect to use of the Manual. The Manual for development and operation of the Bumper Business contains 69 pages. (Franchise Agreement – Section 9(a)).

Training:

After you sign the Franchise Agreement and pay the initial franchise fee, you will complete our initial training program during which you will work with two certified trainer Bumper Man franchisees and/or our corporate personnel from the list of trainers which follows the chart below. The initial training program includes the development, promotion and operation of a Bumper Man repair services business and management of business functions related to the Bumper Man repair services business. The initial training program requires you to perform bumper repair services on approximately 100-150 bumpers, as determined by us based upon a number of factors (e.g., the complexity of the damage to the bumper). The initial training program takes approximately two weeks to complete, but may be more or less depending upon the time it takes you to complete the required bumper repair services in accordance with our then-current standards and as determined by us and our certified trainers. We will try to make training available as necessary for you but cannot guarantee that an initial training program will be available immediately following the execution of your Franchise Agreement. There currently are no fixed (e.g., monthly or bi-monthly) training schedules. We do not charge a fee for initial training, but you are solely responsible for all costs and expenses that you incur in attending training, including travel, accommodations, meals, and other miscellaneous costs. You may not commence performing bumper repair services until you complete the initial training program to our satisfaction, and our training personnel has assisted you in commencing operations of the Bumper Business.

You will spend one week with each trainer working within their Designated Area. Our initial training program is conducted in Dallas, Texas and Fort Worth, Texas. Once you complete the initial training program to our satisfaction, we will send a representative who will provide to you, at our cost and expense, with at least three days of on-site training and marketing guidance in your Designated Area. The total length of on-site training will be determined by us in our sole discretion and is not required to be provided in consecutive days.

We may require, or you may request additional refresher or retraining courses. This training is subject to availability of training personnel and limited space in scheduled classes. We do not currently charge for refresher training but reserve the right to charge a fee. We may provide refresher training at our option for a charge we will determine at that time. As of the date of this disclosure document, we provided the following training:

Training Program

Subject	Hours of Classroom Training	Hours of on-the-Job Training	Location (Note 1)
Bumper repair techniques, processes, and trade secret methods	0 hrs.	Approximately 70 hrs.	Corporate Office and Dallas, Texas or Fort Worth, Texas
Accounting, Reports, Invoicing and Billing Procedures, Customer Service	4 hrs.	0 hrs.	Corporate Office and Dallas, Texas or Fort Worth, Texas
Establishing Customer Accounts, Quality Check on Training, Bumper Repair Training, Marketing	0 hrs.	Approximately 24 hrs.	On site

The following certified Bumper Man trainers have the following experience in performing bumper repair services and have been part of the Bumper Man system for the same time period, as follows:

Todd Arnold	23 years	Kristian Gohlkey	11 years
Steven Akins	12 years	Mike Richardson	4 years
Bob Clark	22 years	Chris Tyler.....	15 years
Bill DiCesare	20 years	Nick Vitale, Jr.	5 years
Bob DiCesare	22 years	Nick Vitale	26 years
Daren DuBose.....	18 years	Randy Walker.....	22 years
Blaine Greeson	11 years	Sean Mulkern	3 years

ITEM 12 TERRITORY

Your Bumper Business will be located within a designated geographic area (“the Designated Area”) as described in Exhibit D of the Franchise Agreement. We determine the Designated Area by the specific geographic and market factors affecting the Designated Area and by our overall plan for development of the Designated Area. These factors may include: the number of Major Dealerships, number of local and regional dealerships and the size and demographics of the local population. You do not have the right to use alternative channels of distribution (as further described below) in connection with offering bumper repair services and related products of the Bumper Man system unless otherwise approved by us.

We will not, during the term of your Franchise Agreement, operate or grant others the right to operate a Bumper Man repair services business in the Designated Area. Subject to certain rights reserved to us (as described below), only you will be authorized to market and perform Bumper Man bumper repair services in the Designated Area. If the demographics substantially change within your Designated Area, and we determine that the Designated Area may no longer be adequately serviced in accordance with our standards for customer service by a single Bumper Man franchisee, we: (i) may reduce the size of the Designated Area, so long as your Designated Area contains a minimum of

35 Major Dealerships; or (ii) offer the opportunity for you to retain the services of a certified technician that satisfies our then-current criteria for certified technicians and is approved by us in writing within 30 days of our notice of intent to modify the Designated Area. If we offer you the opportunity to retain the services of a certified technician, then within 60 days following our approval of your certified technician, you and the certified technician will execute our then-current form of certified technician addendum and the certified technician will pay the certified technician fee and complete Initial Training. Your Franchise Agreement does not give you any options, rights of first refusal or similar rights to acquire additional franchises. You are permitted only to operate one Bumper Business according to the terms of a single Franchise Agreement, although you may request our consent to transfer your Franchise Agreement subject to satisfying the conditions for consent to transfer and acquire the right to operate a Bumper Business in a new Designated Area (subject to availability).

You will not relocate your Bumper Business. With our prior written consent, you may transfer the Bumper Business to another Person and enter into our then-current Franchise Agreement for a new Designated Area, subject to your compliance with the terms and conditions for transfer set forth in the Franchise Agreement and the Manual.

We will not, except as provided below, and as long as you are in full compliance with the Franchise Agreement, establish and operate or license or authorize any other party to establish or operate a Bumper Business within the Designated Area for the term of the Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to Bumper Businesses, the Marks, the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire. Specifically, we and our affiliates reserve the following rights:

- (1) Advertise and promote the Bumper Man system within and outside the Designated Area;
- (2) Operate, and license others to operate, a Bumper Business at any location outside the Designated Area, including locations that are adjacent to the Designated Area;
- (3) Establish and operate, and license others to establish and operate, any business other than a Bumper Man business, including other automotive repair businesses, under the Marks or under other marks; and
- (4) Establish and operate and license others to establish and operate any auto repair businesses or other businesses that Franchisor or its Affiliates may operate as a result of any acquisition, consolidation, or merger.

You will not receive an exclusive territory. You may face competition from other businesses, from outlets that we own or from other channels of distribution or competitive brands that we control. As of the issuance date of this disclosure document, we do not own any outlets or control any other channels of distribution or competitive brands. In addition, you will receive a Designated Area in which we will not operate or grant others the right to operate a Bumper Man business, subject to the conditions set forth in this Item 12.

We may, at our option, solicit orders for bumper repair services in any area, including without limitation your Designated Area, provided that if such solicitations are accepted by customers in your Designated Area, then we will refer the customer to you to provide such bumper repair services. We are not required to compensate you for soliciting such services in your Designated Area. The restrictions on our right to operate in your Designated Area do not apply to any Bumper Business existing on the date the Franchise Agreement is signed.

Because the Bumper Man business is based on an owner-operator model where the operator does not have personnel, a Bumper Man franchisee may not operate a Bumper Man business in more than one Designated Area, except as authorized by us in limited circumstances. In addition, you will not receive a right of first refusal or guaranteed right to acquire additional Designated Areas.

We occasionally negotiate national account status with wholesale auto auction houses, rental car chains, automobile repair chains and other businesses that maintain fleets of vehicles. We may at our option offer you the opportunity to service a local auction or repair facility outside your Designated Area as they come available through our national account status. We will offer you these opportunities on an “as needed” basis, which may be once or periodically. In addition, you may request our consent to solicit or accept orders for bumper repair services to customers outside of your Designated Area provided that you may not direct marketing, advertising, or promotions for bumper repair services to customers within the designated area of another Bumper Man franchisee or perform bumper repair services for any customer within the designated area of another Bumper Man franchisee. If, subject to the limitations described above, you elect to provide bumper repair services to customers outside your Designated Area, you will sign an amendment to the Franchise Agreement memorializing the terms and conditions under which you will perform such services in a form prescribed by us.

ITEM 13 TRADEMARKS

We grant you the non-exclusive right to operate a Bumper Man bumper repair services business under the Marks.

We own the following Marks on the Principal Register of the United States Patent and Trademark Office:

Mark	Register	Class	Registration Number	Registration Date
YOU BEND 'EM – I'LL MEND 'EM	Principal	37	2,304,366	December 28, 1999 (Renewed 03/19/19)
BUMPER MAN	Principal	35, 37	2,827,358	March 30, 2004 (Renewed 01/23/24)
BUMPER MAN	Principal	8	2,829,507	April 6, 2004 (Renewed 01/23/24)

Mark	Register	Class	Registration Number	Registration Date
	Principal	35, 37	7,067,621	May 30, 2023

There are no agreements in effect that limit our rights to use or license the use of our Marks. The Franchise Agreement contains several restrictions on your right to use the Marks. You may not use them to sell or distribute any goods or services we have not approved. You must use the Marks only in the precise form we prescribe.

There are no currently effective determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator or of any state or any court that might affect ownership, use or licensing of any of the Marks we currently use. Further, there are no pending interference, opposition or cancellation proceeding, and no pending litigation involving any of our principal Marks that might affect our ownership, use or licensing of them.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreement currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or U.S. Patent and Trademark Office (or other) proceeding, from any infringement, challenge, or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved unfavorably to you.

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, “®”, “™”, or “SM”, as appropriate. You may use the Marks only in connection with the operation and promotion of your Bumper Business, and only in the manner we prescribe. You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your principals may take any action that would

prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

You may not use the Marks or any part or derivative of the Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, including any gaming website, social networking website, mobile application or marketing/discounting website; as part of any user name; or as part of any email address unless expressly approved by us in writing.

We have the right to substitute different trade names, service marks, trademarks, and indicia of origin for the Marks if the Marks can no longer be used, or if we determine that the substitution will be beneficial to the Bumper Man system. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks; provided, if you incur costs associated with the use of additional or substitute Marks, then we will reimburse you for your reasonable out-of-pocket costs.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Patents.

You do not receive the right to use any item covered by a patent, and there are no pending patent applications that are material to the franchise.

Copyrights.

We do not own any registered copyrights and do not have any pending copyright application that is material to the franchise. However, we claim copyright protection for our Manual, for promotional literature related to our franchise program, and for the Bumper Man URL and all social media and mobile application sites and platforms. See Item 11, Confidential Manual.

We also claim copyright protection in the Bumper Man invoicing software installed on the iPad Mini we loan to you for the operation of your Bumper Business, which is our proprietary software. See Item 11, Technology.

Confidential and Proprietary Information and Trade Secrets.

Confidential Information means any and all information, knowledge, know-how, trade secrets, trade dress, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the Bumper Man system which we provide to you, or which you or your affiliates or personnel develop or have access to, in connection with this Agreement or the operation of a Bumper Business hereunder, including, without limitation, the standards and specifications for the operation of a Bumper Business; the Manual; any services, products, designs, devices and tools (including the Hook Bar Tool), specifications, procedures, and techniques which are not in the public domain or generally known in the automotive collision repair industry and such other information and material as we may designate as confidential will be deemed confidential and trade secret for purposes of this Agreement; our pricing, technology, point of sale, and related computer software; advertising, marketing and promotional programs including customer reward programs; Customer Data; financial

data and statements; training and operational methodology content (including without limitation financial controls) and management programs; and any other information or data regarding our business that would reasonably be considered our proprietary or confidential information. “Customer Data” means any information from, about, or relating to customers of the Bumper Business that identifies, or can be used to identify, contact, locate or be traced back to the specific customer to whom such information pertains, or from which identification or contact information of a customer can be derived. Customer Data includes any personally identifiable information, such as a customer’s name, address, phone number, fax number, email address, passport number, financial profile, credit card information or any other information by which one is reasonably able to personally identify one or more customers.

We will disclose to you certain confidential or proprietary information and trade secrets. You and your personnel must maintain the confidentiality of all Confidential Information. Additionally, you and your principals agree not to communicate or use our Confidential Information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your principals must also agree not to use our Confidential Information at all after the Franchise Agreement terminates, expires, or is transferred. You and your principals may disclose this Confidential Information only to personnel who need it to operate the Bumper Business, and in such case, such personnel must be bound to a confidentiality agreement with similar confidentiality covenants and obligations.

If you or any of your principals develop any new concept, process or improvement in the operation or promotion of your Bumper Business, you must notify us and provide us with all information that we may request about the new process or improvement. You and your principals agree that any of these concepts, processes or improvements created in connection with or related to the operation of your Bumper Business are part of the Bumper Man system and will become our sole property and further, that we may use or disclose such concepts processes and improvements to other franchisees as we determine appropriate.

We do not grant you any ownership interest or right with respect to any such concepts, processes or improvements created as a result of your operation of the Bumper Business.

We are not aware of any current infringing uses of any of our copyrights or trade secrets. Our right to use or license copyrighted materials and trade secrets is not materially limited by any agreement.

You must notify us if you become aware of claims of infringement on the use of the content contained in our Manual or our trade secrets. Your and our obligations in the event of any such claim of infringement are the same as the obligations described in Item 13 with respect to our Marks.

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

The Operating Principal is the person that has primary responsibility for the operation of the Bumper Business. The Operating Principal must have at least a 51% voting ownership interest in the entity that owns the Bumper Business and the franchise, devote full time and best efforts to the operation of the Bumper Business and have authority and responsibility for the day-to-day management and operation of the Bumper Business.

All shareholders, officers, directors, partners, members, and all managers and other personnel that have access to our Confidential Information must sign non-disclosure agreements in a form we require.

Your principals will be individually and jointly and severally bound by all of your obligations and the obligations of principals under the Franchise Agreement by signing the Guaranty and Undertaking of Principal's Obligations, attached to the Franchise Agreement as Exhibit B. If you are married, your spouse must sign a Guaranty and Undertaking of Principal's Obligations, regardless of whether she has any interest in the franchisee entity that you establish.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell and may only sell the bumper repair services and products we have approved. Paper goods, business supplies and the signage or vehicle wrap on your approved vehicle must all be as specified in the Manual or approved by us. We specify the types of customers to whom you may sell Bumper Man bumper repair services and products in the Franchise Agreement and Manual, including Major Dealerships, wholesale auto dealerships, automotive auctions, car/truck rental facilities, non-dealership automobile centers, managed transportation providers, distributors, logistics providers and final-mile distribution providers. You may, at your sole option, provide bumper repair services to individual consumers as you deem appropriate provided you are in compliance with the terms and conditions of your franchise agreement and are adequately supporting the Bumper Man customers in your Designated Area in accordance with our standards set forth in the Manual. You may not provide bumper repair services or products outside your Designated Area without our prior written approval. We may add, modify, or remove the bumper repair services and products you are authorized to advertise and provide in the Designated Area at any time.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Section 3(a)	Five years.
b. Renewal or extension of term	Section 3(b)	Seven additional five-year terms.
c. Requirements for you to renew or extend	Section 3(b)	Your renewal right permits you to remain as a franchisee after the initial term of your Franchise Agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which

Provision	Section in Franchise Agreement	Summary
		<p>may be materially different than the form attached to this disclosure document.</p> <p>Other requirements are that you: (1) give us written notice of your decision to renew at least 6 months prior to the expiration of the initial term; (2) are in good standing under your Franchise Agreement and any other agreement between you or your affiliates and us or our affiliates; (3) have completed any necessary repairs and upgrades such that your Bumper Man vehicle complies with our then-current standards described in the Manual; (4) if not waived, have paid the renewal fee plus all amounts necessary to reimburse us for our reasonable out-of-pocket costs and expenses associated with renewing the franchise; (5) have complied with our then-current training requirements; and (6) sign and cause your principals to sign a general release in a form prescribed by us.</p>
d. Termination by you	Not Applicable	You may seek to terminate your Franchise Agreement on any ground permitted by law.
e. Termination by us without cause	Not Applicable	Not Applicable.
f. Termination by us with cause	Section 18	We can terminate only if you default or fail to comply with your obligations.
g. "Cause" defined -- defaults which can be cured	Section 18(a)(ii)	Curable defaults include 30 days to cure any failure to begin operating the Bumper Business as of the Commencement Date.
h. "Cause" defined -- defaults which cannot be cured	Sections 18(a) (other than Section 18(a)(ii)	Except as prohibited under state law, non-curable defaults means all defaults listed in Section 18(a) of the Franchise Agreement other than as set forth in Section "g." above. Non-curable defaults include bankruptcy or insolvency (our right to terminate may not be enforceable under federal bankruptcy law); material misrepresentation or omission by you or your principals or affiliates that negatively affects us; except in the case of a force majeure event, abandons or fails actively to operate the Bumper Business for five or more business days; failure to submit invoices to us for processing for seven consecutive days without our prior approval; surrender of control of the Bumper

Provision	Section in Franchise Agreement	Summary
		<p>Business without our prior written consent; you or your principals or affiliates being held liable or convicted of a felony, indictable offense or other unlawful act or you or your principals or affiliates engaging in any dishonest or unethical conduct or act that may materially or adversely affect the brand, System or goodwill associated with the Marks; any unauthorized use or misuse of the Marks; any unauthorized transfer under Section 16 by you or any of your principals or affiliates; any unauthorized disclosure or use of our confidential information (including without limitation the Manual); any failure by you, your principals or your operator to comply with the representations, warranties and covenants set forth in the Franchise Agreement; termination by us or our affiliates of any other agreement with you or your affiliates; failure to pay any taxes applicable to the Bumper Business and its operations; failure to comply with applicable law; loss or revocation of any license or permit required to operate the Bumper Business; if, on three or more occasions in any 12-month period, you fail to submit when due reports or other information required under the Franchise Agreement, fail to pay when due any amounts due to us or our affiliates or fail to materially comply with the Franchise Agreement, regardless of whether you corrected such failures; less than 35% of your Gross Sales during each month in any consecutive 2-month period is generated from the repair of metal bumpers; and you or a principal refuses to take a drug test we request (if applicable law permits us to request that you or your principal take a drug test) or fail any drug test so taken..</p>
i. Your obligations on termination/non-renewal	Section 19	<p>Obligations include ceasing operation of your Bumper Business; payment of all amounts owed to us; discontinuing the use of all Marks; ceasing use of the System and our confidential information (including without limitation the Manual) and returning copies of all such confidential information to us; assignment or cancellation of telephone numbers, domain</p>

Provision	Section in Franchise Agreement	Summary
		names, electronic mail address, websites, social media accounts and search engines related to the operation of the Bumper Business or the System or that otherwise associates you with the Bumper Man brand to us or our designee; de-identification of your Bumper Man vehicle in accordance with our then-current standards described in the Manual; and compliance with all post-termination covenants and obligations, including without limitation confidentiality, competition and indemnification.
j. Assignment of contract by us	Section 16(a)	No restriction on our right to assign.
k. "Transfer by you -- definition	Section 16(b)	Includes any transfer of your interest in the Franchise Agreement, a controlling ownership interest in you or your interest in substantially all of the assets of you or the Bumper Business.
l. Our approval of transfer by you	Section 16(b)	We have the right to approve all transfers, but our consent will not be unreasonably withheld.
m. Conditions for our approval of transfer	Section 16(d)	Except as prohibited under state law, you must be in full compliance with the Franchise Agreement and you, your affiliates and your principals must be current on all amounts owed to us or our affiliates; your proposed transferee must meet all of our then-current requirements for new franchisees and have complied with the then-current training requirements; your proposed transferee and its principals must sign our then-current form of franchise agreement and all ancillary agreements; you and your proposed transferee must have agreed to the terms of the purchase agreement; you must pay a transfer fee; you and your principals must execute a general release in favor of us and our affiliates, principals, successors, assigns, employees and agents; and other conditions that we may reasonably require from time to time as part of our transfer policies (also see r below).
n. Our right of first refusal to acquire your business	Section 16(g)	We can match any bona fide offer for the Bumper Business.
o. Our option to purchase your business	Not Applicable	Not Applicable.

Provision	Section in Franchise Agreement	Summary
p. Your death or disability	Section 16(f)	Upon death or disability of your Operating Principal or if we determine the death or disability of your Operating Principal adversely affects the operation of the Bumper Business, you must transfer your Operating Principal's interest in you to us or a third party approved by us within two months of such death or disability.
q. Non-competition covenants during the term of the franchise	Section 17(a)	You and your principals will not divert any business or customer to a competitor, perform directly or indirectly any act injurious or prejudicial to the goodwill of the Marks and System, and you will not own, maintain, operate, be employed by, engage in, franchise, lease property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 17(a)	For the two-year period following termination or expiration of the Franchise Agreement (and, with respect to your principals, for the two year period following the date upon which your principal ceases being a "principal" as defined in the Franchise Agreement), you and your principals will not divert any business or customer to a competitor, do or perform any act injurious to or prejudicial to the goodwill of the Marks and the System, or own, maintain, operate, be employed by, engage in, franchise, lease property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any competitive business (i) within the Designated Area defined in your Franchise Agreement; or (ii) at or within 25 miles of any Bumper Business.
s. Modification of the agreement	Section 26(c)	Generally, no modifications without your consent, except that we may unilaterally change the scope of the competition covenants, Marks, and Manual.
t. Integration/merger clause	Section 26(f)	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 24	Except for certain claims, all disputes must be mediated, and if not resolved, arbitrated in Texas unless contrary to applicable state law.
v. Choice of forum	Section 24(c)(7)	Litigation must be in the U.S. District Court for the Northern District of Texas, Dallas Division or District Courts of Texas serving Dallas County, Texas (subject to state law).
w. Choice of law	Section 24(b)	Texas law applies (subject to state law)

ITEM 18 PUBLIC FIGURES

We do not use any public figures 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 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 Tanya Bramblett at 1432 Airport Boulevard, Mesquite, Texas 75181 (972) 889-1986, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Item 20 begins on next page]

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
for Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	123	129	+6
	2023	129	131	+2
	2024	131	132	+1
Company-Owned	2022	0	0	0
	2023	0	1	+1
	2024	1	1	0
Total Outlets	2022	123	129	+6
	2023	129	132	+3
	2024	132	133	+1

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

State	Year	Number of Transfers
South Carolina	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	1
	2024	0

[Table 3 begins on next page]

Table No. 3
Status of Franchised Outlets for Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Arizona	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Arkansas	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
California	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	1 ¹	7
	2024	7	0	0	0	0	0	7
Colorado	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Florida	2022	14	1	1	0	0	0	14
	2023	14	1	1	0	0	0	14
	2024	14	1	2	0	0	0	13
Georgia	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	1	8
	2024	8	0	0	0	0	0	8
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Indiana	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Iowa	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kansas	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kentucky	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Louisiana	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Maryland	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Massachusetts	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
Minnesota	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Mississippi	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Missouri	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	1 ²	2
	2024	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Ohio	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Oklahoma	2022	3	0	0	0	0	0	3
	2023	3	1 ¹	1	0	0	0	3
	2024	3	0	0	0	0	0	3
Oregon	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Pennsylvania	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
South Carolina	2022	3	0	0	0	0	0	3
	2023	3	1 ²	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Tennessee	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Texas	2022	14	1	0	0	0	0	15
	2023	15	2	1	0	1	0	15
	2024	15	3	1	0	0	2	15
Utah	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	6	1	0	0	0	0	7
	2023	7	1	0	0	0	0	8
	2024	8	0	0	0	0	0	8
Washington	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Wisconsin	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Totals	2022	123	7	1	0	0	0	129
	2023	129	7	3	0	1	1	131
	2024	131	7	4	0	0	2	132

Notes:

1. Franchisee moved from Los Angeles, California to Tulsa, Oklahoma.
2. Franchisee moved from Las Vegas, Nevada to Columbia, South Carolina.

Table No. 4
Status of Company-Owned Outlets for Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Texas	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
	2024	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 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
Florida	0	1	0
Michigan	0	1	0
Pennsylvania	0	2	0
Texas	0	2	0

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
Wisconsin	0	1	0
Total	0	7	0

Unless otherwise noted, the information in the charts in this Item 20 are provided as of December 31st of each year:

A list of our current franchisees is included as Exhibit E. During our last fiscal year, 4 franchisees terminated their franchised businesses and 2 franchisees ceased operations for other reasons. No other franchisee had its franchise terminated within 10 weeks of the issuance date of this Disclosure Document. The terminated franchisees' contact information is below.

Anthony Gonzales	Groveland, FL	786-575-2928
Jose Leal	Hialeah, FL	305-330-0600
Tim Roberts	Liberty Hill, TX	512-786-0661
Roger Tatum	New Braunfels, TX	210-380-4517
James O'Brien	Plano, TX	972-249-8536
Ken DiCesare	Springfield, MA	603-903-7759

No other franchisees have otherwise voluntarily ceased to do business under the franchise agreement in the last fiscal year or have not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the last three fiscal years no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We have formed a Franchise Advisory Council (“FAC”) to serve as a sounding board for new ideas and initiatives. Franchisees elect the FAC members. The FAC serves only an advisory role; it does not have authority to establish or modify policies for the Bumper Man franchise system. Because the FAC does not have its own physical or email address, telephone number, or website, you should contact Brandon Webb, our Chief Executive Officer, regarding the FAC. There are no other trademark-specific franchisee organizations associated with the Bumper Man franchise system.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit B are our audited financial statements for our fiscal years ending December 31, 2024, December 31, 2023, and December 31, 2022.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

- A. Exhibit C Franchise Agreement (inclusive of exhibits and Certified Technician Addendum to the Franchise Agreement)
- B. Exhibit G General Release
- C. Exhibit H Promissory Note and Personal Guaranty

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt contains the names of our franchise sellers or brokers, if any.

EXHIBIT A TO FDD

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (866) 275-2677 www.dfp.ca.gov Ask.DFPI@dfpi.ca.gov	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, California 90013-2344
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, Illinois 62706
INDIANA	Indiana Secretary of State Securities Division 302 W. Washington St., Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204
MARYLAND	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division, Franchise Unit 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909
MINNESOTA	Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1500	Commissioner of Commerce Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty St., 21 st Floor New York, New York 10005 (212) 416-8236 (Phone)	New York Secretary of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 14 th Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 14th Floor Dept. 414 Bismarck, North Dakota 58505-0510
RHODE ISLAND	Director, Securities Division State of Rhode Island Department of Business Regulation Building 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582	Department of Business Regulation Bldg. 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	Department of Labor & Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director, Department of Labor & Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9 th Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (362) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501
WISCONSIN	Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-9555	Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705

EXHIBIT B TO FDD
FINANCIAL STATEMENTS

BUMPER MAN, INC.

Financial Statements

December 31, 2024, December 31, 2023 and December 31, 2022

BUMPER MAN, INC.

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KYLE E. PATTON, CPA, LLC

801 E. Plano Parkway, Suite 155
Plano, TX 75074
972-422-9224 Office
972-422-4444 Fax

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bumper Man, Inc.
Mesquite, Texas

I have audited the accompanying balance sheets of Bumper Man, Inc. (a corporation), which comprise the balance sheet as of December 31, 2024, December 31, 2023 and December 31, 2022 and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bumper Man, Inc. as of December 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying schedule contained on page 10 is presented only for supplementary analysis purposes and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Kyle E. Patton, C.P.A.
February 24, 2025

BUMPER MAN, INC.

BALANCE SHEET

ASSETS

	December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets			
Cash	\$ 1,835,250	\$ 1,534,492	\$ 2,063,455
Accounts receivables - less allowance for bad debts of \$159,129, \$129,645, and \$120,987	2,006,051	2,109,811	1,912,177
Other current assets	122,200	100,000	-
Notes receivables	<u>45,903</u>	<u>40,656</u>	<u>55,568</u>
	<u>4,009,404</u>	<u>3,784,959</u>	<u>4,031,200</u>
Property and Equipment			
Cost	571,819	584,223	542,869
Accumulated depreciation	<u>(476,804)</u>	<u>(510,182)</u>	<u>(469,302)</u>
	<u>95,015</u>	<u>74,041</u>	<u>73,567</u>
Other Assets			
Notes receivable and other	<u>69,620</u>	<u>81,777</u>	<u>55,160</u>
Total Assets	<u>\$ 4,174,039</u>	<u>\$ 3,940,777</u>	<u>\$ 4,159,927</u>

See accompanying Independent Auditor's report and notes to the financial statements.

BUMPER MAN, INC.

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Liabilities			
Accounts payable	\$ 836,291	\$ 651,793	\$ 616,781
Accrued expenses	<u>499,402</u>	<u>362,254</u>	<u>429,953</u>
	<u>1,335,693</u>	<u>1,014,047</u>	<u>1,046,734</u>
Shareholders' Equity			
Common stock, par value \$0.01 per share, authorized 100,000 shares, 1,000 shares issued and 92 shares outstanding	10	10	10
Treasury Stock	(1,000)	(1,000)	(1,000)
Additional paid-in capital	17,085	17,085	17,085
Retained earnings	<u>2,822,251</u>	<u>2,910,635</u>	<u>3,097,098</u>
Total Shareholders' Equity	<u>2,838,346</u>	<u>2,926,730</u>	<u>3,113,193</u>
Total Liabilities and Shareholders' Equity	<u>\$ 4,174,039</u>	<u>\$ 3,940,777</u>	<u>\$ 4,159,927</u>

See accompanying Independent Auditor's report and notes to the financial statements.

BUMPER MAN, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS

For the Year Ended

	December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue	\$33,190,946	\$31,434,336	\$28,478,546
General and Administrative Expenses	<u>31,971,220</u>	<u>30,133,163</u>	<u>27,103,650</u>
Net Operating Income	1,219,726	1,301,173	1,374,896
Other Income			
Interest income	<u>14,860</u>	<u>10,026</u>	<u>14,988</u>
Net Income	1,234,586	1,311,200	1,389,884
Retained Earnings at the Beginning of the Period	2,910,635	3,097,098	3,369,091
Shareholders' Distributions	<u>(1,322,970)</u>	<u>(1,497,663)</u>	<u>(1,661,877)</u>
Retained Earnings at the End of the Period	<u>\$ 2,822,251</u>	<u>\$ 2,910,635</u>	<u>\$ 3,097,098</u>

See accompanying Independent Auditor's report and notes to the financial statements.

BUMPER MAN, INC.

STATEMENT OF CASH FLOWS Increase (Decrease) in Cash Equivalents

	For the Year Ended December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Income	\$ 1,234,586	\$ 1,311,200	\$ 1,389,884
Adjustments to reconcile cash flow:			
Depreciation	25,791	40,880	42,763
Change in accounts receivable	103,760	(197,634)	163,170
Change in accounts payable	184,498	35,012	(31,289)
Change in accrued liabilities & other	<u>137,148</u>	<u>(67,699)</u>	<u>(115,388)</u>
	<u>1,685,783</u>	<u>1,121,759</u>	<u>1,449,140</u>
Cash Flow from Investing Activities:			
Purchase of equipment	<u>(46,765)</u>	<u>(41,354)</u>	<u>(23,683)</u>
Cash Flow from Financing Activities:			
Decrease (Increase) of notes receivable and other	(15,290)	(111,705)	51,521
Shareholders' distributions	<u>(1,322,970)</u>	<u>(1,497,663)</u>	<u>(1,661,877)</u>
	<u>(1,338,260)</u>	<u>(1,609,368)</u>	<u>(1,610,356)</u>
Net Increase (Decrease) in Cash	300,758	(528,963)	(184,899)
Cash at the Beginning of the Period	<u>1,534,492</u>	<u>2,063,455</u>	<u>2,248,354</u>
Cash at the End of the Period	<u>\$ 1,835,250</u>	<u>\$ 1,534,492</u>	<u>\$ 2,063,455</u>
Supplemental Disclosures:			
Interest paid	\$ _____ -	\$ _____ -	\$ _____ -
Taxes paid	\$ _____ -	\$ _____ -	\$ _____ -

See accompanying Independent Auditor's report and notes to the financial statements.

BUMPER MAN, INC.

Notes to Financial Statements December 31, 2024, 2023 and 2022

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operation

Bumper Man, Inc. (the “Company”), based in Mesquite, Texas, was incorporated on April 1, 2008. The Company sells business franchises and provides administrative and support services to the franchises.

Income Taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company’s taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements. The company customarily makes estimated tax payments toward the personal income tax of the shareholders from the company bank account. These payments are treated as shareholders’ distributions. Fiscal year 2022 through 2024 remain subject to examination by the Internal Revenue Service. Management believes there is no material exposure for any tax position taken by the Company for those open years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Bad Debts

The Company uses the reserve for bad debt method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. The balance of the reserve for doubtful accounts, deducted against trade accounts receivable to properly reflect the realizable value is \$159,129 at December 31, 2024, \$129,645 at December 31, 2023 and \$120,787 at December 31, 2022.

Depreciation and Amortization

Depreciation is provided principally on the straight line method over the estimated useful life of the assets, which are generally from two to five years. Amortization is provided on the straight line method over the estimated useful life of the asset of 15 years. Depreciation and amortization for the year ended December 31, 2024 is \$25,791, December 31, 2023 is \$40,880 and \$42,763 for the year ended December 31, 2022.

Advertising

The Company expenses advertising as incurred.

See accompanying Independent Auditor’s report.

BUMPER MAN, INC.

Notes to Financial Statements December 31, 2024, 2023 and 2022

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES **- Continued**

Cash and Cash Equivalents

For the purposes of reporting the statements of cash flows, the Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Long-lived Assets

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. Certain long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell.

Fair value of financial instruments

Financial instruments held by the Company include cash and cash equivalents, accounts receivable, other assets, accounts payable and accrued liabilities. The estimated fair value of cash equivalents, accounts receivable, other assets, accounts payable, and accrued liabilities approximate the carrying amounts due to the relatively short maturity of these instruments.

Revenue Recognition

The Company adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, on January 1, 2021. The financial results for reporting periods beginning January 1, 2021 are presented under the new accounting standard, while financial results for prior periods will continue to be reported in accordance with prior accounting standards.

As of January 1, 2021, revenue is recognized when control of the promised services is transferred to the Company's customers, in an amount that reflects the consideration that it expects to be entitled to in exchange for those services. The amount and timing of revenue recognition varies based on the nature of the services provided and the terms and conditions of the customer contract.

BUMPER MAN, INC.

Notes to Financial Statements
December 31, 2024, 2023 and 2022

NOTE B: CHANGES IN OWNERSHIP OF FRANCHISES

	For the Year Ended		
	December 31,		
	2024	2023	2022
1) Number of franchises sold during the year	7	3	1
2) Number of franchises purchased during the year	6	7	7
3) Number of franchised outlets in operation by fiscal year end	133	132	129
4) Number of franchiser-owned outlets in operation during the year	1	1	0

NOTE C: RELATED PARTY TRANSACTIONS

The Company rents office facilities from a related party. During the years ended December 31, 2024, 2023, and 2022, \$240,000 was paid to the related party each year.

NOTE D: CONCENTRATION OF CREDIT RISKS

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE E: EMPLOYEES RETIREMENT PLAN

The Company has a profit-sharing plan for the benefit of the employees of Bumper Man, Inc. Profit-sharing expense is funded through annual contributions to the plan. Annual contributions are as follows.

December 31, 2024	<u>\$777,146</u>
December 31, 2023	<u>\$745,945</u>
December 31, 2022	<u>\$758,118</u>

See accompanying Independent Auditor's report.

BUMPER MAN, INC.

Notes to Financial Statements
December 31, 2024, 2023 and 2022

NOTE F: SUBSEQUENT EVENTS

Subsequent events were evaluated through February 24, 2025, which is the date the financial statements were available to be issued.

NOTE G: CONTINGENCIES

In the ordinary course of conducting its business, the Company may be subjected to loss contingencies arising from environmental matters or lawsuits. Management believes that the outcome of such matters, if any, will not have a material impact on the Company's financial position or results of future operations.

See accompanying Independent Auditor's report.

SUPPLEMENTARY SCHEDULE

BUMPER MAN, INC.

SCHEDULE I General and Administrative Expenses

For the Year Ended

	December 31,		
	2024	2023	2022
Commissions	\$ 25,286,080	\$ 23,847,737	\$ 21,638,231
Insurance	195,989	160,923	139,632
Rent	240,000	240,000	240,000
Meetings and conventions	301,232	289,134	264,792
Salaries and wages	3,605,042	3,219,646	2,661,331
Taxes	254,900	237,825	141,183
Travel	38,431	28,403	27,423
Depreciation	25,791	40,880	42,763
Professional and consulting fees	203,334	202,581	101,413
Advertising and promotion	76,086	85,573	78,623
Employee benefits	777,146	747,945	758,118
Postage and shipping	37,171	43,476	38,029
Other	930,018	989,039	972,112
	<u>\$ 31,971,220</u>	<u>\$ 30,133,163</u>	<u>\$ 27,103,650</u>

See accompanying Independent Auditor's report and notes to the financial statements.

EXHIBIT C TO FDD
FRANCHISE AGREEMENT



Bumper Man®

You Bend'em - I'll Mend'em®

BUMPER MAN, INC.

Bumper Man Franchise Agreement

SUMMARY PAGE

This page summarizes certain provisions of the Franchise Agreement to which it is attached. In the event of a conflict in the terms of the Summary Page and the Franchise Agreement, the terms of the Franchise Agreement will control.

Effective Date: _____

Designated Area: _____

Initial Franchise Fee: \$50,000

Continuing Service Fee: 25% of Gross Sales

Late Fee: \$150 per Late Notice Issued

Non-Reported Designated Services Fee: 15% of Gross Sales

Franchisee: [] , a []
Address for Notices: []
Attention: []
Email: []

Franchisor: Bumper Man, Inc.

Address for Notices: 1432 Airport Blvd.
Mesquite, TX 75181
Attention: Tanya Bramblett, President
Email: Tanya@bumperman.com

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EXHIBITS TO FRANCHISE AGREEMENT:

- A Organizational and Ownership Information
- B Guaranty and Undertaking of Principal's Obligations
- C Electronic Funds Transfer Agreement
- D Designated Area and Premises
- E Insurance Requirements
- F Certified Technician Addendum
- G Assignment of Telephone Number(s)
- H State Addenda

BUMPER MAN, INC.

FRANCHISE AGREEMENT

This Agreement is made as of the Effective Date between Franchisor and Franchisee.

RECITALS:

WHEREAS, Franchisor has expended significant effort, money and time to develop the System, all of which may be periodically changed or modified, at Franchisor's sole option, for establishing and operating a Bumper Man bumper repair service that offers mobile bumper repair services and utilizes the System and Marks.

WHEREAS, Franchisor developed and will continue to develop valuable goodwill in the Marks and may periodically develop or acquire other trademarks and service marks for use under the System, all of which may be substituted or modified at Franchisor's sole option.

WHEREAS, Franchisee desires to operate a Bumper Man bumper repair service (below defined as "Bumper Business") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of Franchisor granting to Franchisee the right to operate a Bumper Business subject to and in accordance with the terms hereof, the mutual obligations provided for in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **DEFINITIONS.**

Certain initially capitalized terms used frequently in this Agreement are defined in this Section 1. Other terms are defined elsewhere in this Agreement in the context in which they arise.

(a) **"Affiliate"** means, with respect to a named Person, any Person that is controlled by, Controlling or under common Control with the named Person.

(b) **"Agreement"** means this Bumper Man Franchise Agreement between Franchisor and Franchisee.

(c) **"Applicable Law"** means any federal, state, and local laws, ordinances, and codes, together with all rules, regulations, policies, and guidelines related thereto, applicable to the subject matter of this Agreement, including the operation of the Bumper Business pursuant to the terms hereof, including, without limitation, all laws and regulations related to health and safety, labor, consumer privacy and data security, and those governing public accommodations for persons with disabilities.

(d) **"Bumper Business"** means a Bumper Man business operating under the Marks and System under this Franchise Agreement.

(e) **"Brand"** means the Bumper Man brand.

(f) **"Brand Property"** means any Proprietary Tools.

(g) **"Business Day"** means any calendar day other than Saturdays, Sundays, and national holidays in the United States.

(h) **"Certified Technician"** means the Person approved by Franchisor in writing to perform Designated Services in the Designated Area pursuant to the terms and conditions of the Certified Technician Addendum, as set forth in Section 22.

(i) **"Certified Technician Addendum"** is the addendum to this Agreement in a form prescribed by Franchisor that sets forth the terms and conditions upon which Franchisee and its Certified Technician will operate the Bumper Business, as set forth in Exhibit F.

(j) **“Certified Technician Fee”** means the fee equal to 50% of the Initial Franchise Fee, as set forth in the Certified Technician Addendum.

(k) **“Certified Technician Operating Principal”** means a natural person who: (i) owns directly or indirectly at least 51% Equity Interest in Certified Technician and has the authority to direct the day-to-day operations of the Certified Technician; (ii) has satisfactorily completed Franchisor’s Initial Training program at Certified Technician’s expense; (iii) will thereafter devote full time and best efforts to the operation of the Bumper Business and have the authority and responsibility for the day-to-day management and operation of the Bumper Business and supervision of the Personnel; and (iv) serves as a primary point of contact on behalf of the Certified Technician in communications with the Franchisor. If the Certified Technician is an Entity, then the Certified Technician Operating Principal will be identified in the Certified Technician Addendum.

(l) **“Code of Conduct”** means those policies related to corporate social responsibility with which Franchisee and each Principal must comply as set forth in the Manual and as may be amended from Franchisor from time to time, including without limitation policies regarding gifts, gratuities, employment matters, compliance with anti-terrorism, anti-boycott and anti-corruption regulations and laws, and taking and passing drug tests.

(m) **“Commencement Date”** means the date on which the Bumper Business commences business to the public, as set forth in Exhibit D.

(n) **“Competitive Business”** means any and all businesses: (i) offering and providing repair services to the exterior surface of a vehicle, including without limitation dent repair and refinishing and restoration of a vehicle’s painted and non-painted exterior surfaces, as well as any Designated Services and any related offering and sale of products; and (ii) any business that offers and sells services and products. A Competitive Business does not include: (i) other businesses that

are licensed by Franchisor or any of its Affiliates; or (ii) Franchisee’s Existing Brands.

(o) **“Confidential Information”** means any and all information, knowledge, know-how, trade secrets, trade dress, methodologies, techniques, procedures, applications and materials, in whatever form, used in or related to the System which Franchisor provides to Franchisee, or which Franchisee or its Affiliates or Personnel develop or have access to, in connection with this Agreement or the operation of a Bumper Business hereunder, including, without limitation, the Standards; the Manual; any services, products, designs, devices and tools, specifications, procedures, and techniques which are not in the public domain or generally known in the automotive collision repair industry and such other information and material as Franchisor may designate as confidential will be deemed confidential and trade secret for purposes of this Agreement; Franchisor’s or its Affiliate’s pricing, technology, point of sale, and related computer software; advertising, marketing and promotional programs including customer reward programs; Customer Data; financial data and statements; training and operational methodology content (including without limitation financial controls) and management programs; and any other information or data regarding the business of Franchisor or any of its Affiliates that would reasonably be considered the proprietary or confidential information of Franchisor or its Affiliates.

(p) **“Consequential Damages”** means damages and injury that result from a Party’s negligent performance of or other breach of this Agreement for: (a) lost profits; or (b) compensation for damages to reputation and goodwill including costs of or resulting from delays, financing, marketing materials and media time and space, and costs of changing, substituting or replacing the same.

(q) **“Continuing Service Fee”** means the monthly service fee Franchisee must pay to Franchisor as set forth in Section 4(c).

(r) **“Control,” “Controlling,” or “Controlling Interest”** means the power, directly or indirectly, to direct or cause the direction of the

management and policies of an Entity, whether by contract or otherwise.

(s) **“Crisis Management Event”** means an event that Franchisor determines may materially affect the Marks and goodwill associated therewith.

(t) **“Customer”** means any business customer to whom Franchisee provides the Designated Services and any related services and Products, including without limitation Major Dealerships, wholesale auto dealerships, automotive auctions, car/truck rental facilities, non-dealership automobile and truck lots, automotive reconditioning centers, managed transportation providers, distributors, logistics providers and final-mile distribution providers. Without limiting the foregoing, “Customer” does not include the performance of the Designated Services with respect to a single vehicle at the request of an individual consumer.

(u) **“Customer Data”** means any information from, about, or relating to Customers of the Bumper Business that identifies, or can be used to identify, contact, locate or be traced back to the specific Person to whom such information pertains, or from which identification or contact information of a Person can be derived. Customer Data includes any personally identifiable information, such as a Person’s name, address, phone number, fax number, email address, passport number, financial profile, credit card information or any other information by which one is reasonably able to personally identify one or more Persons.

(v) **“Cybersecurity Incident”** means any event or occurrence that results in unauthorized access to or adversely affects the availability or integrity of Confidential Information, which event or occurrence could not have been prevented by reasonable administrative, physical or technical security measures.

(w) **“Designated Area”** means the geographic area referred to in Section 2(b) and described in Exhibit D.

(x) **“Designated Services”** means the bumper repair, and refinishing services and such other services as Franchisor may designate from time to time in the Manual.

(y) **“Effective Date”** means the effective date of this Agreement as set forth in the Summary Page.

(z) **“Entity”** means a business entity, including a corporation, limited liability company, general or limited partnership, limited liability partnership or any other type of legal entity.

(aa) **“Equity Interest”** means any direct or indirect stock, unit, membership, partnership or other legal, equitable or beneficial ownership interest, or other voting rights, in an Entity, but does not include direct or indirect ownership solely as an investment of securities of any Entity traded on any securities exchange if the owner is not a Controlling Person (or a member of an Entity that Controls such Entity) and does not, directly or indirectly, own 5% or more of any class of securities of such Entity.

(bb) **“Event of Default”** means any breach by Franchisee of, or any failure by Franchisee to comply with, any condition and obligation of this Agreement as described in Section 18(a).

(cc) **“FACTA”** means the Fair and Accurate Credit Transactions Act.

(dd) **“Force Majeure Event”** means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe), strikes, lockouts or other industrial disturbances; war (declared or undeclared), riot, terrorist acts, Cybersecurity Incident, or other civil disturbances; epidemics; or other forces that materially and adversely affect the ability of a Party hereto to perform provided that with respect to any or all events they are not within the reasonable control of the Party affected thereby. Financial inability of a Party hereto will not constitute a Force Majeure Event.

(ee) **“Franchisee”** means the Entity so described in the Summary Page.

(ff) “**Franchisor**” means the Entity so described in the Summary Page.

(gg) “**Franchisor Indemnitees**” means Franchisor, its Affiliates and their respective principals, directors, officers, employees, agents, successors and assignees in their corporate and individual capacities.

(hh) “**Gross Sales**” means the total selling price of all Designated Services and all income of every other kind and nature related to the Bumper Business, whether for cash, cash equivalents, or credit, and regardless of collection in the case of credit. In the case of promotional discounts implemented by Franchisor and for which participation in the promotion is required of Franchisee, the amount actually paid by the Customer after the discount for the Designated Services, rather than the original amount, will be considered for purposes of calculating Gross Sales. Gross Sales does not include amounts collected by Franchisee for performance of the Designated Services on a single vehicle at the request of an individual consumer.

(ii) “**Ideas and Concepts**” means processes, innovations, improvements, ideas, concepts, methods, techniques, materials or Customer information relating to the System, Confidential Information and/or the Bumper Business) that Franchisee or its Affiliate creates, develops or derives from time to time in connection with the operation of the Bumper Business.

(jj) “**Indemnified Matter**” means any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to a judgment) or any settlement thereof, as described in Section 20.

(kk) “**Initial Franchise Fee**” means the initial fee Franchisee must pay to Franchisor upon Franchisee’s execution of this Agreement as set forth in Section 4(a) and in the amount set forth in the Summary Page.

(ll) “**Initial Term**” means the initial term of this Agreement as set forth in Section 3(a).

(mm) “**Initial Training**” means Franchisor’s initial training program on the System and the operation of a Bumper Business as set forth in the Manual.

(nn) “**Intellectual Property**” means all intellectual property or other proprietary rights throughout the world, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (1) patents and rights to inventions; (2) trademarks, service marks, logos, trade dress and design rights; (3) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring rights; (4) trade secrets; (5) Ideas and Concepts; (6) publicity and privacy rights; (7) any rights analogous to those set forth herein and any other intellectual property and proprietary rights; (8) any application or right to apply for any of the rights referred to in subsections (1) through (7) above; and (9) any and all renewals, divisions, continuations, continuations-in-part, re-issuances, re-examinations, extensions and restorations of any of the foregoing (as applicable).

(oo) “**Internet**” means all modes of communications between computers and between computers and television, telephone, facsimile and similar communications devices, including the World Wide Web, proprietary online services, e-mail, news groups, social media, mobile applications, electronic bulletin boards and related communications.

(pp) “**Intranet**” means Franchisor’s computer or electronic systems, including any third-party computer or electronic system to which Franchisee may be given access.

(qq) “**Local Marketing Expenditure**” means the amount Franchisor recommends that Franchisee must spend on local advertising for the Bumper Business in the Designated Area each calendar month as set forth in Section 8(a).

(rr) “**Losses and Expenses**” means, without limitation, all losses, compensatory, exemplary or punitive damages, arbitration costs, mediation costs, settlement amounts, judgments, court costs, fines, charges, costs, and expenses,

including, without limitation, reasonable legal fees and Consequential Damages.

(ss) **“Major Dealerships”** means an authorized dealer of a nationally recognized automobile brand (e.g. General Motors, Ford, Toyota, Honda, FCA US Brands (e.g. Dodge, Chrysler, Jeep)) and any automobile or truck dealerships stocking an average of at least 50 used vehicles each month.

(tt) **“Manual”** means Franchisor’s operations and training manuals, and any other written directives related to the System, in whatever form and provided in whatever manner, as the same may be periodically amended and revised by Franchisor at its sole option, including the Standards, all bulletins, supplements and ancillary and additional manuals and directives established by Franchisor from time to time.

(uu) **“Marks”** means the Bumper Man, Inc. trademarks and service marks and such other registered and unregistered trademarks, trade names, service marks, logos, slogans, emblems and other indicia of origin as are now designated, and may hereafter be designated, by Franchisor in writing for use in connection with the System.

(vv) **“Non-Reported Designated Services Fee”** means the fee set forth in the Summary Page that Franchisee will pay, in addition to the Continuing Service Fee, for all Designated Services performed but not reported to Franchisor in accordance with the Standards set forth in the Manual and the terms and conditions of this Agreement.

(ww) **“Notice”** means any notice, demand, request, consent, approval, and other communication in writing required or permitted to be given or which are to be given with respect to the Agreement.

(xx) **“Operating Assets”** means Brand Property, all other equipment (including without limitation tools, signs, Technology System, and other products and materials required for the operation of the Bumper Business, as periodically specified by Franchisor in the Manual or otherwise in writing.

(yy) **“Operating Principal”** means a natural person who: (i) owns directly or indirectly at least 51% Equity Interest in Franchisee and has the authority to direct the day-to-day operations of the Franchisee; (ii) has satisfactorily completed Franchisor’s Initial Training program at Franchisee’s expense; (iii) will thereafter devote full time and best efforts to the operation of the Bumper Business and have the authority and responsibility for the day-to-day management and operation of the Bumper Business and supervision of the Personnel; and (iv) serves as a primary point of contact on behalf of the Franchisee in communications with the Franchisor. The initial Operating Principal is identified in the Summary Page.

(zz) **“Party”** or **“Parties”** means either Franchisor or Franchisee individually or collectively.

(aaa) **“Person”** means any natural person or Entity.

(bbb) **“Personnel”** means all Persons employed by Franchisee in connection with the management or operation of the Business.

(ccc) **“Permanently Disabled”** means being subject to any physical, emotional or mental injury, illness or incapacity that prevents Franchisee or any Principal holding a Controlling Interest in Franchisee from performing his or her obligations under this Agreement or any other agreement related hereto for at least 90 consecutive days, and from which recovery is unlikely within 90 days from the date such individual is determined to be Permanently Disabled. If the Parties hereto disagree as to whether a Person is “Permanently Disabled,” the determination will be made by a licensed practicing physician, selected by Franchisor, upon examination of the Person, or, if the Person refuses to submit to an examination, then for purposes of Section 16(f), the Person will automatically be considered Permanently Disabled as of the date of refusal.

(ddd) **“PCI DSS”** means Payment Card Industry Data Security Standards.

(eee) **“Principal”** means, collectively or individually, the Persons holding a direct or indirect Equity Interest in Franchisee or in any Affiliate of Franchisee that holds a Controlling Interest in Franchisee (as determined by Franchisor) and Franchisee’s officers and directors.

(fff) **“Products”** means all automotive collision repair products related to the Designated Services or used or made available from the Bumper Business, as specified from time to time by Franchisor in the Manual, or otherwise in writing. Products include the Proprietary Products.

(ggg) **“Proprietary Products”** means all tools, including our Hook Bar tool, invoice books, truck signage, marketing brochures and business cards used or made available to the Bumper Business bearing any of the Marks or designated as proprietary by Franchisor or any Affiliate.

(hhh) **“Proprietary Software”** means certain computer software that is owned or licensed by Franchisor used in the operation of the Technology System.

(iii) **“Renewal Fee”** means the renewal fee Franchisee must pay to Franchisor as set forth in Section 3(b)(iv) in the amount equal to the greater of (a) 3% of the then-current initial franchise fee or (b) \$1,000.

(jjj) **“Renewal Term”** means the 5-year period commencing after the expiration of the Initial Term as set forth in Section 3(b).

(kkk) **“Reporting Period”** means each calendar month of the Bumper Business’ operation, with the first Reporting Period being prorated from the Opening Date to the end of the same month.

(lll) **“Social Media”** means personal blogs, common social networks like Facebook, Pinterest, FourSquare and Instagram, professional networks like LinkedIn, live blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites and other similar social networking or media sites or tools.

(mmm) **“Standards”** means the standards, requirements, specifications, techniques, methods, policies and procedures of the System and Brand for the operation of the Bumper Business, as set forth in the Manual or otherwise specified by Franchisor in writing and as may be amended by Franchisor from time to time.

(nnn) **“Summary Page”** means the Summary Page of this Agreement that directly precedes the Table of Contents of this Agreement.

(ooo) **“System”** means the business system for establishing and operating the Bumper Business, the distinguishing characteristics of which include, without limitation, the system of bumper repair services and related automobile products; the Standards; quality and uniformity of products and services offered; procedures for product sourcing, inventory, management, logistics, pricing; training and assistance; and marketing, advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time.

(ppp) **“Technology System”** means and includes, without limitation, (i) computer system, software (including Proprietary Software), data, telephone, voice messaging, retrieval and transmission system; (ii) Customer relationship management systems; (iii) printers and other peripheral devices; (iv) archival back-up systems; and (v) Internet access mode (e.g. form of telecommunications connection) and speed.

(qqq) **“Term”** means the term of this Agreement, including the Initial Term and any Renewal Term.

(rrr) **“Trade Dress”** means the unique, distinctive, and non-functional overall appearance and image of the Bumper Business in the marketplace, and includes the Standards.

(sss) **“Transfer”** means and includes any voluntary, involuntary, direct or indirect assignment, transfer, sale, conveyance, disposition, gift, encumbrance, pledge, hypothecation, or mortgage by Franchisee or any of its Principals of all or any part of its rights, interests or obligations in this Agreement, Franchisee, the Bumper

Business, the Operating Assets or any Equity Interest, directly or indirectly, in Franchisee to any Person or any other transaction that would, alone or together with other previous, simultaneous or proposed Transfer, have the effect of transferring Control of Franchisee, this Agreement, or substantially all of the assets of the business operated pursuant to this Agreement. Any transfer of an Equity Interest in Franchisee or the ownership, possession, or Control of the Bumper Business may be made only in conjunction with a Transfer of this Agreement.

(ttt) “**Transfer Fee**” means the transfer fee Franchisee must pay to Franchisor as set forth in Section 16 and in an amount equal to 20% of the purchase price of the Bumper Business set forth in the asset purchase agreement between Franchisee and the transferee.

2. GRANT OF FRANCHISE.

(a) **Grant.** Subject to the reserved rights described in Section 2(e), Franchisor grants to Franchisee, upon the terms and conditions in this Agreement, the right and license, and Franchisee hereby accepts the right and obligation, to operate a Bumper Business within the Designated Area.

(b) **Designated Area.** Franchisee must operate the Bumper Business within the Designated Area. Upon the Parties’ execution of Exhibit D identifying Franchisee’s Designated Area it will be deemed incorporated herein. Except as otherwise provided in this Agreement, and subject to Franchisee’s full compliance with this Agreement and any other agreement between Franchisee or any of its Affiliates and Franchisor or any of its Affiliates, neither Franchisor nor any Affiliate will operate, or authorize any Person other than Franchisee to operate a Bumper Business in the Designated Area during the Term.

(c) **Designated Area Limited Exclusivity.** If the demographics substantially change within Franchisee’s Designated Area, and Franchisor determines that the Designated Area may no longer be adequately serviced in accordance with the Standards by a single Bumper Man franchisee, Franchisor, in its reasonable business judgment, may: (i) reduce the size of the

Designated Area, so long as Franchisee’s Designated Area contains a minimum of 35 Major Dealerships; or (ii) offer the opportunity for Franchisee to retain the services of a Certified Technician that satisfies Franchisor’s then-current criteria for Certified Technicians and is approved by Franchisor in writing within 30 days of Franchisor’s Notice of intent to modify the Designated Area. If Franchisor offers the opportunity for Franchisee to retain the services of a Certified Technician, then within 60 days following Franchisor’s approval of Franchisee’s Certified Technician, Franchisee and the Certified Technician will execute Franchisor’s current form of Certified Technician Addendum and the Certified Technician will pay the Certified Technician Fee and complete Initial Training.

(d) **Relocation.** Franchisee will not relocate the Bumper Business. However, Franchisee, with Franchisor’s prior written consent, may Transfer the Bumper Business to another Person and enter into Franchisor’s then-current Bumper Man franchise agreement for a new Designated Area provided Franchisee pays to Franchisor a fee equal to 70% of the then-current franchise fee.

(e) **Reserved Rights.** Franchisor retains all rights inside and outside the Designated Area except those that are expressly granted to Franchisee in this Agreement. Without limiting Franchisor’s and its Affiliate’s rights described in this Section 2(e), Franchisor and its Affiliates and any other authorized Person may, among other things:

(i) Advertise and promote the System within and outside the Designated Area;

(ii) Operate, and license others to operate, a Bumper Business at any location outside the Designated Area, including locations that are adjacent to the Designated Area;

(iii) Establish and operate, and license others to establish and operate, any business other than a Bumper Man business, including other automotive repair businesses, under the Marks or under other marks; and

(iv) Establish and operate and license others to establish and operate any auto repair businesses or other businesses that Franchisor or its Affiliates may operate as a result of any acquisition, consolidation or merger.

3. TERM OF FRANCHISE.

(a) **Initial Term.** The Initial Term will commence on the Effective Date of this Agreement and expire five years thereafter, unless this Agreement is terminated as provided in Section 18.

(b) **Renewal Term.** Franchisee may, at its option, continue to operate the Bumper Business under this Agreement for seven consecutive Renewal Terms, subject to any or all of the following conditions which must, at Franchisor's sole option, be met prior to and at the time of such Renewal Term.

(i) **Franchisee's Notice.** Franchisee must give Franchisor Notice of its election to continue to operate the Bumper Business for a Renewal Term no later than six months before the expiration of the Initial Term.

(ii) **Good Standing.** Franchisee must not be in default, nor previously have been in default, of any provision of this Agreement or any other agreement between Franchisee or any of its Affiliates and Franchisor and any of its Affiliates, and Franchisee must have substantially and timely complied with all of the terms and conditions of such agreements during the terms thereof.

(iii) **Maintenance.** Franchisor may from time to time require Franchisee to engage in upgrading, renovation, repairs and maintenance of the Bumper Man vehicle and Operating Assets required for the operation of the Bumper Business and to otherwise modernize the Bumper Business to reflect the then-current Standards and image of the System as contained in the Manual or otherwise provided in writing by Franchisor.

(iv) **New Agreement and Renewal Fee.** Franchisee must execute Franchisor's then-current form of franchise

agreement, which agreement will supersede this Franchise Agreement in all respects, and the terms of which may differ from the terms of this Franchise Agreement, including, without limitation, a higher percentage Continuing Service Fee, a Local Marketing Expenditure requirement, or a more restrictive Designated Area; provided that Franchisor will waive the Renewal Fee if Franchisee promptly signs and returns the current franchise disclosure document receipt when provided and signs and returns the then-current form of franchise agreement 30 days prior to expiration. If Franchisee fails to satisfy the foregoing conditions with respect to return of the receipt page and execution of the then-current franchise agreement, the Franchisee will pay to Franchisor the Renewal Fee in lieu of an initial franchise fee upon renewal.

(v) **Training.** Franchisee must comply with Franchisor's then-current qualification and training requirements.

(vi) **Release.** Franchisee and each Principal must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor Indemnitees, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations.

4. FEES.

Franchisee will pay the fees described below and comply with the following provisions:

(a) **Initial Franchise Fee.** Franchisee will pay to Franchisor an Initial Franchise Fee in the amount set forth in the Summary Page.

(b) **Initial Fee Refund.** The Initial Franchise Fee is partially refundable if Franchisee fails to complete to Franchisor's satisfaction Initial Training, provided Franchisor will retain a portion of the Initial Franchise Fee to reimburse Franchisor for its actual costs and expenses in providing Initial Training and onboarding support to Franchisee, up to \$15,000.

(c) **Continuing Service Fee.** Franchisee must pay to Franchisor a non-

refundable Continuing Service Fee. The Continuing Service Fee is set forth in the Summary Page. The Continuing Service Fee paid by Franchisee during the Renewal Term, if applicable, will be as set forth in the franchise agreement executed by Franchisee pursuant to Section 3(b)(iv).

(d) **Other Fees.** Franchisee must pay such other fees or amounts described in this Agreement, including without limitation any Non-Reported Designated Services Fees.

(e) **Remittances.** The Continuing Service Fee and any other periodic fees required by this Agreement will be due and payable each month based on the Gross Sales for the preceding month. Each month, Franchisor will invoice Customers serviced by Franchisee for the Designated Services and any Products provided. Each month, after deduction of all appropriate fees and charges, including without limitation (i) the Continuing Service Fee; (ii) any note payments; (iii) Transfer Fee; (iv) charge-backs on invoices that are disputed by the Customer, inaccurate, incomplete or past-due; (v) any advances made to Franchisee by Franchisor; and (vi) Non-Reported Designated Services Fees, Franchisor will disburse to Franchisee the remaining balance of invoiced amounts for the preceding month on the 1st and 16th days of the following month. In the event the 1st or 16th day of the month falls on a Saturday or Sunday, Franchisor will disburse such funds to Franchisee on the following Business Day.

(f) **Reports.** Franchisee must submit the Gross Sales daily via Franchisor's Intranet system or through other electronic data interfaces that Franchisor may require from time to time. Franchisee will provide the information requested by Franchisor from time to time regarding Gross Sales of the Bumper Business, including verifying the accuracy of the Gross Sales figure by midnight (Central Time) on the Business Day preceding the 1st and 16th of each calendar month. Franchisee must submit to Franchisor all reports with respect to the operation of the Bumper Business during the preceding calendar month by the fifth day of the following such month (or such other date specified by Franchisor) and in the form and content as Franchisor periodically prescribes. The reports

Franchisor may require include, without limitation, the following information for the preceding Reporting Period:

(i) if requested by Franchisor, copies of Franchisee's most recent annual tax returns and any financial statements and monthly balance sheets and statements of profits and losses prepared by Franchisee in the ordinary course of operation of the Bumper Business; and

(ii) if requested by Franchisor to verify Franchisee's Gross Sales, all such books and records as Franchisor may require.

(g) **Electronic Transfer of Funds.** Upon execution of this Agreement and at any time thereafter as Franchisor may require, Franchisee must sign the electronic transfer of funds authorization attached to this Agreement as Exhibit C, and all other documents and instruments necessary to permit Franchisor to disburse by electronic funds transfer to Franchisee's designated bank account the remaining balance of invoiced amounts after deduction of the Continuing Service Fee and any other amounts owed to Franchisor or its Affiliates. Franchisee is responsible for any service charges, penalties, fines, or other similar expenses associated with the transfer of funds described herein.

(h) **Fees on Late Payments.** Any payment not actually received by Franchisor on or before the date due will be deemed overdue. Time is of the essence with respect to all payments to be made by Franchisee to Franchisor. Any failure to pay when due all or any fees or other amounts due to Franchisor or any of its Affiliates will constitute a material breach of this Agreement. Franchisee will pay to Franchisor a late fee in the amount described in the Summary Page for each report that Franchisee fails to timely submit to Franchisor pursuant to Section 4(f) and each payment not received by Franchisor by the prescribed due date. This late fee is not interest or a penalty; the late fee will compensate Franchisor for the administrative and management costs associated with collecting late payments and reports.

(i) **Application of Payments.** Franchisee will not be entitled to withhold

payments due Franchisor under this Agreement on grounds of alleged nonperformance by Franchisor hereunder. Franchisor may, at its sole option, apply Franchisee's payments or any portion thereof to any of Franchisee's past due indebtedness to Franchisor or its Affiliates. Franchisor has the right to set off any amounts Franchisee owes to Franchisor or its Affiliates against any amounts Franchisor may owe to Franchisee.

(j) **Currency.** All amounts payable by Franchisee to Franchisor under this Agreement will be in United States dollars.

(k) **Taxes.** Any and all amounts expressed as being payable pursuant to this Agreement are exclusive of any applicable taxes. Franchisee is obligated to pay all federal, state and local taxes, including without limitation sales, use and other taxes, fees, duties and similar charges assessed against Franchisee. Franchisee is responsible for and must indemnify and hold Franchisor Indemnitees harmless against any penalties, interest and expenses incurred by or assessed against Franchisor as a result of Franchisee's failure to withhold such taxes or to timely remit them to the appropriate taxing authority. Franchisee agrees to fully and promptly cooperate with Franchisor to provide any information or records it requests in connection with any application by Franchisor to any taxing authority with respect to Franchisee.

5. TRAINING.

(a) **Initial Training Program.** Prior to the Commencement Date, Franchisee and Operating Principal (if Franchisee is an Entity) must satisfy all requirements of Initial Training. Franchisee will be solely responsible for all costs and expenses incurred by Franchisee and Operating Principal in connection with any Initial Training program, including, without limitation, costs of obtaining any required certifications, compensation, travel, lodging, meals and other miscellaneous costs. Franchisee and Operating Principal must sign a liability waiver and release in the form prescribed by Franchisor.

(b) **On-Site Assistance.** In connection with the Commencement Date of the

Bumper Business, Franchisor will provide Franchisee with at least one member of Franchisor's personnel, or its designated representative for a minimum of three days, to assist Franchisee with marketing the Bumper Business and establishment of initial Customer accounts for the Bumper Business. Franchisor's personnel and designated representatives will in no way be responsible for the operation of the Bumper Business at any time, including such times as Franchisor's personnel provides the assistance before or after the Bumper Business commences operations as set forth in this Section 5(b).

(c) **Additional Training.** Franchisee or its Operating Principal (if Franchisee is an Entity), at Franchisor's request, must attend such additional training programs and seminars as Franchisor may offer from time to time, if Franchisor requires such attendance. Franchisee must pay Franchisor's then-current training fee for any additional training designated by Franchisor or requested by Franchisee. Franchisee will be solely responsible for any and all costs and expenses incurred by Franchisee in connection with such additional training, including, without limitation, compensation, travel, lodging and miscellaneous costs.

(d) **Meetings and Conferences.** Franchisor may from time to time hold periodic system-wide meetings at locations designated by Franchisor to address matters of general interest to the System, including, without limitation, Franchisor's annual franchisee conference. Provided that Franchisee has not committed an Event of Default and failed to cure such Event of Default, Franchisee's Operating Principal may attend any such meetings and conferences offered by Franchisor. Unless otherwise provided by Franchisor at its option, Franchisee will be solely responsible for all costs and expenses incurred by Franchisee and its Operating Principal in connection with attending such meetings and conferences, including, without limitation, costs of obtaining any required certifications, compensation, travel, lodging, meals and miscellaneous expenses.

(e) **On-Site Remedial Assistance.** Upon the reasonable request of Franchisee or as

Franchisor deems appropriate, Franchisor will, during the Term, subject to the availability of personnel, provide Franchisee with additional trained representatives who will provide on-site remedial training to Franchisee.

6. BUMPER MAN BUSINESS OPERATIONS.

(a) **Standards.** Franchisee understands the importance of maintaining uniformity among all of the Bumper Businesses and the importance of complying with the Standards relating to the operation of the Bumper Business. Franchisee may not engage in any co-branding in or with the Bumper Business or operate any other business during the Term (provided nothing contained in this Section 6(a) will prohibit Franchisee's Operating Principal (if Franchisee is an Entity) from engaging in another business that is not a Competitive Business during hours in which Customers within the Designated Area are not open for business for the purposes of supplemental income). Notwithstanding the foregoing, Franchisor may allow for a deviation from the Standards at its sole option.

(b) **Maintenance.** Franchisee must at all times maintain the appearance, mechanics, sign, equipment and overall condition of the approved Bumper Business vehicle, both inside and outside in excellent repair and a clean condition and comply with the Standards. Franchisee is solely responsible for maintenance, repair and replacement where necessary to maintain normal operating conditions and for any liabilities arising therefrom in accordance with this Agreement.

(c) **Improvements.** Franchisor may from time to time require Franchisee to engage in upgrading, renovation, repairs and maintenance of the Bumper Business vehicle and tools in accordance with Franchisor's then-current Standards. Franchisor reserves the right to require upgrading at more frequent intervals on reasonable notice, if Franchisor decides in its discretion, that it should be appropriate, whether system wide or for an individual franchise due to marketing requirements, deterioration, appearance or operations. Franchisee must complete to Franchisor's satisfaction any changes Franchisor

requires within a reasonable time, not to exceed three months from the date Franchisee is notified of any required changes, unless otherwise agreed to in writing by Franchisor. Franchisee acknowledges and agrees that the requirements of this Section 6(c) are both reasonable and necessary to ensure continued public acceptance and patronage of the Bumper Man businesses and to avoid deterioration or obsolescence in connection with the operation of the Bumper Business. If Franchisee fails to make any improvement as required by this Section 6(c) or perform maintenance as described in Section 6(b), Franchisor may, in addition to its other rights in this Agreement, effect such improvement or maintenance and Franchisee must reimburse Franchisor for the costs Franchisor incurs.

(d) **Designated Supplier.** Franchisee must purchase Operating Assets, Products and Proprietary Products from Franchisor's designated and approved suppliers as set forth in the Manual. Franchisor or any of its Affiliates may be designated as the sole supplier for any Operating Assets, Products or Proprietary Products. In addition, Franchisor or its Affiliates may receive payments or other consideration from suppliers who provide Operating Assets or Products to franchisees operating under the System which Franchisor or its Affiliates may use in any manner Franchisor determines appropriate.

(e) **Operating Assets.** Franchisee will use in the operation of the Bumper Business the Operating Assets (including the tablet equipped with Franchisor's Manual and invoicing software) loaned to Franchisee, in accordance with the Standards and loan terms set forth in the Manual. Franchisor makes no warranties, express or implied, with respect to the Products, Proprietary Products or Operating Assets provided by any supplier, including by or as a result of any statements made by Franchisor's employees or agents, or statements contained in the Manual, printed materials or general advertising materials. Except for any express limited warranty made by Franchisor or its Affiliates with respect to any Product, Proprietary Products or Operating Assets sold by Franchisor or its Affiliate, Franchisor or its Affiliate, as applicable, makes no warranty of merchantability or of the fitness of any Products or

Operating Assets for any particular purpose. Any model or sample shown to Franchisee is provided solely to illustrate the general type, nature and quality of such items and not to represent or warrant that any such item would conform to such model or sample.

(f) **Alternate Suppliers.** Franchisor is the designated supplier of certain Brand Property and Operating Assets (e.g. tools, tablet equipped with Manuals and invoicing software) used in the operation of the Bumper Business. Franchisor may also provide access to Franchisee to suppliers with whom Franchisor has obtained other Operating Assets for use in the Bumper Business and in such case, Franchisee may (but is not required to) obtain such Operating Assets from such suppliers. If Franchisee seeks approval of any new supplier of Operating Assets (other than the tools and tablet, which are provided to Franchisee on loan from Franchisor and may not be obtained from another supplier) or Products not designated by Franchisor pursuant to Section 6(d) or approval to use new Operating Assets or Products, Franchisee will provide Notice to Franchisor and such information required by Franchisor about any proposed new supplier, new Operating Assets or new Products to enable Franchisor to approve or reject such supplier or items in accordance with the procedures set forth in the Manual. Franchisor will undertake reasonable efforts to respond to such Notice and information within 30 days from the date of its receipt of all of the information Franchisor. Franchisor may terminate or withhold its approval of any supplier, new Operating Assets, or new Products that do not satisfy its Standards. Franchisee will not purchase from any unapproved supplier or use unapproved Operating Assets or Products in the Business.

(g) **Group or Cooperative Buying.** If Franchisor or its Affiliate establish a group buying program or purchasing cooperative for the purpose of obtaining improved and sustainable pricing for Products or any Operating Assets, including the retention of a third party purchasing agent to facilitate such buying program or cooperative, upon Franchisor's request, Franchisee will become a member of such group buying program or cooperative, make reasonable dues payments for the services of such group buying program or

purchasing cooperative and execute all documentation reasonably required by Franchisor to facilitate the foregoing.

7. TECHNOLOGY SYSTEM.

(a) **Technology System.** Franchisee will, upon Franchisor's request, purchase, use, and maintain the Technology System prescribed by Franchisor for the Bumper Business. Franchisor may periodically modify Standards for the Technology System, and, if so, Franchisee will acquire, at its cost (if any), such modified Technology System and the computer hardware and software comprising part of the Technology System within 60 days from the date of Notice from Franchisor. Franchisor may, at its sole option, charge Franchisee for any computer usage costs that Franchisor incurs as a result of Franchisee's use of the Technology System, including but not limited to a systems fee for modifications of and enhancements made to Proprietary Software that Franchisor licenses to Franchisee and other maintenance and support services that Franchisor or its Affiliates furnish to Franchisee related to the Technology System. Franchisee will have sole and complete responsibility for the acquisition, operation, maintenance, and upgrading of the Technology System, provided Franchisor will loan the tablet equipped with the Manual and invoicing software system to Franchisee in accordance with the loan terms set forth in the Manual.

(b) **Proprietary Software.** If Franchisor designates Proprietary Software, Franchisee will, at Franchisor's written request, license or sublicense such software from Franchisor, its Affiliate or other designee and enter into a software (sub) license agreement on such licensor's then-current form. Franchisee will purchase any periodic upgrades, enhancements or replacements to the Proprietary Software at Franchisee's sole cost and expense. Franchisor will provide to Franchisee support services relating to the Proprietary Software as Franchisor deems advisable at a reasonable charge. Franchisee must incorporate any or all required modifications or additions within 30 days after receiving Notice from Franchisor, unless a longer time period is stated in such Notice.

(c) **Intranet.** Franchisor may, at its option, establish and maintain an Intranet through which Franchisor and Franchisee may communicate with each other. Franchisor will have control over all aspects of the Intranet, including the content and functionality thereof. At Franchisor's option, Franchisor may post, update and disseminate the Manual and other Confidential Information through the Intranet. Any passwords or other digital identifications necessary to access the Manual on the Intranet will be deemed to be part of Confidential Information. If established, Franchisee will have the mere privilege to use the Intranet, subject to Franchisee's strict compliance with the Standards. Franchisee acknowledges that, as administrator of the Intranet, Franchisor can access and view any communication that any Person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted or to be posted to it will become Franchisor's sole property, free of any claims of privacy or privilege that Franchisee or any other Person may assert. If established, Franchisor will have no obligation to maintain the Intranet indefinitely, and may modify or dismantle it at any time without liability to Franchisee.

(d) **Systems Access.** Franchisee may be provided access to various computer or electronic systems (or any substitute thereof), including, but not limited to, third-party computer or electronic systems made part of the System. Franchisee will be responsible for its actions and the actions of its Personnel (if any) relating to such computer and electronic systems, including use of any logon IDs, passwords or other authentication methods provided to Franchisee. All Franchisee connectivity or attempted connectivity to Franchisor's computer or electronic systems will be only through Franchisor's security gateways or Franchisor's firewalls. Franchisee will not access, and will not permit unauthorized persons or entities within its control to access, Franchisor's computer or electronic systems without Franchisor's express written authorization, and any such actual or attempted access will be consistent with any such authorization. Franchisee will fully comply with Franchisor's systems access requirements and related Standards with respect to the computer and electronic systems.

8. MARKETING.

(a) **Local Marketing Expenditure.**

Franchisor recommends that Franchisee make at least the Local Marketing Expenditure in such amounts as Franchisor establishes from time to time, for each calendar month during the Term. If Franchisor determines that Franchisee's Local Marketing Expenditures total less than the recommended percentage of Gross Sales, Franchisor may notify Franchisee of any additional amounts that Franchisor recommends Franchisee spend on local marketing. Franchisee will throughout the Term engage in such local advertising, marketing and promotional activities and campaigns in accordance with Franchisor's Standards and the Manual. All such local advertising, marketing and promotional activities and campaigns must be approved by Franchisor in advance in writing. Franchisor may withdraw its approval at any time if any such activity or campaign fails to comply with Franchisor's then-current Standards and Manual.

(b) **Special Promotions.** In addition

to the national, regional and local advertising described in this Section 8, Franchisor may from time to time develop and administer advertising, marketing and sales promotional programs in which Franchisee will participate upon such terms and conditions established by Franchisor. Such programs are in addition to Franchisee's local marketing recommendations pursuant to Section 8(a) and may include without limitation promotional or limited-time services and similar programs. All phases of such advertising, marketing and promotion, including the type, quantity, timing, placement, choice of media, market areas, promotional programs and advertising agencies will be determined solely by Franchisor.

(c) **Press Releases.** No public

communication, press release or announcement regarding this Agreement, the transactions contemplated hereby, the operation of Franchisee's Bumper Business, or any Crisis Management Event will be made by Franchisee without Notice to Franchisor and Franchisor's prior approval of such communication, press release or announcement. Franchisee will not disclose the

substance of this Agreement to any third party except as necessary to obtain a lease or renewal or obtain any permit, license or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction having jurisdiction over Franchisee or for any public disclosure otherwise required by Applicable Law.

(d) **Positioning.** Franchisee must adhere to the Standards and other guidance on Brand positioning with respect to pricing, Products and Designated Services offerings, advertising and promotional activities and campaigns, and other key Brand presentation attributes.

(e) **Truthful Advertising, Marketing, and Promotion.** Any advertising, promotion, and marketing Franchisee conducts must be factually accurate and not misleading and conform to the highest standards of ethical marketing and the promotional policies which Franchisor prescribes from time to time. Samples of all advertising, promotional, and marketing materials which Franchisor has not prepared or previously approved in writing within the prior 12 months must be submitted to Franchisor for approval before Franchisee may use them. Franchisee may not use any advertising or promotional materials or engage in any advertising or promotional campaigns that Franchisor has not approved in writing or has expressly disapproved. Franchisor will own the copyrights to any materials and campaigns so submitted by Franchisee, regardless of whether Franchisor approves such materials and campaigns. In all cases, Franchisor has control over any profiles that use or relate to the Marks, that display the Marks, or that are maintained on Social Media websites and applications and all other similar websites and applications that may exist in the future. Franchisor may (but need not) establish guidelines pursuant to which Franchisee may establish profiles or otherwise establish a presence on such Social Media websites and platforms. In such event, Franchisee must comply with the Standards imposed from time to time on such use. Franchisee will sign over control of any Social Media accounts or profiles, with network bases intact, and provide access to reports and history of promotion performance, upon Franchisor's request.

(f) **Advertising Cooperatives.**

Franchisor may, at its sole option, require you to participate in certain local or regional advertising cooperatives organized and/or approved by Franchisor and composed of certain other Bumper Man businesses located in the geographic area in which the Bumper Business is located, as set forth in the applicable cooperative advertising agreement. If Franchisee is required to participate in a Franchisor-approved advertising cooperative, Franchisee will be required to execute Franchisor's then-current standard advertising cooperative agreement. Franchisor may terminate any advertising cooperative pursuant to the terms of the applicable cooperative advertising agreement. Franchisor may require advertising cooperatives to be formed, changed, dissolved or merged.

9. **OPERATIONAL STANDARDS.**

(a) **Manual.** Franchisee will comply with the Standards as set forth in the Manual in the operation of the Bumper Business and as may from time to time otherwise be prescribed in writing. Franchisor has provided to Franchisee one copy of the Manual "on loan" for the Term. Franchisor may make the Manual and related Standards available to Franchisee via the Intranet or otherwise in electronic format (e.g. tablet, smartphone or other mobile device). Franchisor may periodically update and amend the Manual and will notify Franchisee in writing of any such updates or amendments, which will thereupon become a part of the Manual. Franchisee must comply with all written updates and amendments to the Manual. In the event of a dispute relating to the contents of the Manual, the master copy that Franchisor maintains at its principal office or on the Intranet, as designated by Franchisor, will prevail. If Franchisee's copy of the Manual is lost, destroyed or significantly damaged, Franchisee will obtain a replacement copy at the then-applicable charge to reimburse the cost of a replacement Manual (as of the Effective Date, \$500). Franchisee will use the digital version of the Manual in its current form available to Franchisee on the Intranet as instructed. Franchisee will treat the Manual as confidential and maintain the information in the Manual as Confidential Information. Franchisee will return all hard copies of the Manual to Franchisor

immediately on expiration or termination of this Agreement.

(b) **Compliance with Applicable Law; Operating Permits.** Franchisee will at all times operate the Bumper Business in full compliance with Applicable Law. Franchisee must notify Franchisor in writing immediately upon the commencement of any legal action, suit, or proceeding, any administrative action, or the issuance of an order of any court, agency, or other governmental instrumentality, which may adversely affect the operation of the Bumper Business or Franchisee's financial condition; or the delivery of any notice of violation or alleged violation including arrest of Franchisee (if Franchisee is an individual) or Franchisee's Operating Principal (if Franchisee is an Entity) of any Applicable Law, including those relating to health or safety. Franchisee will refrain from any business or advertising practice which may be injurious to Franchisor's business, to the business of other Bumper Man businesses, or to the goodwill associated with the Marks, provided, however, that nothing in this Section 9(b) or elsewhere in this Agreement restricts or is intended to restrict Franchisee's communications with any state or federal law regulator or enforcement authority about potential violations of law. Franchisee will be solely responsible for procuring and continuously maintaining thereafter all approvals, permits, and/or licenses required for the operation of the Business.

(c) **Credit Card and Other Methods of Payment.** Franchisor may, at its option, designate in writing credit and debit card issuers or sponsors check or credit verification services, financial center services, and electronic funds transfer systems, and upon any such designation by Franchisor, Franchisee must maintain credit card relationships with such credit and debit card issuers or sponsors check or credit verification services, financial center services, and/or electronic funds transfer systems in connection with the operation of the Bumper Business and refrain from using any services or providers that Franchisor has not approved in writing or for which Franchisor has revoked its approval. Franchisor may modify its requirements and designate additional approval or required methods of payment and vendors for

processing such payment. Franchisee must comply with the PCI DSS as they may be revised and modified by the Payment Card Industry Security Standards Council, or any successor or replacement organization and/or in accordance with other standards Franchisor may specify, and FACTA. Franchisee also must upgrade periodically its Technology System, at Franchisee's expense, to maintain compliance with PCI DSS, FACTA and all Applicable Law. Franchisee must notify Franchisor immediately if it is notified of a credit card breach (as such constitutes a Crisis Management Event) related to the Bumper Business and Franchisee's business related thereto and must cooperate with applicable authorities fully with respect to the investigation. Further, Franchisee must cooperate with Franchisor fully with respect to media statements (if any) and other items related to managing the Crisis Management Event for the purpose of protecting the Marks and System.

(d) **Privacy Laws.** Franchisee will abide by all privacy laws and comply with Franchisor's policies pertaining to privacy laws at all times during the Term. If there is a conflict between Franchisor's policies pertaining to privacy laws and applicable statutory privacy laws, Franchisee will comply with the requirements of the applicable statutory privacy laws, immediately provide Franchisor with written notice of said conflict and promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if possible, to satisfy Franchisor's policies within the bounds of applicable statutory privacy laws.

(e) **Customer Data.** All information, mailing lists and databases of Customer Data from whatever source derived, will be Franchisor's property. Franchisee will not use such information, except in connection with the Business in accordance with this Agreement. Franchisee will not use, process, copy, display, publish, store or transfer the Customer Data without Franchisor's written approval. Franchisee will fully comply with all Applicable Law with respect to Customer Data in accordance with Sections 9(b) and 9(c).

(f) **Trade Accounts.** With respect to any supplier, Franchisee will maintain its trade

accounts in a current status and will seek to resolve any disputes with such suppliers promptly. If Franchisee fails to maintain such trade accounts on a current status, to timely pay any amounts owing to any other third parties providing services, Franchisor may, but is not required to, pay any such amounts and/or perform such obligations on Franchisee's behalf. If Franchisor elects to pay any such amounts, then Franchisee must promptly reimburse Franchisor, upon receipt of Franchisor's invoice, for such amounts and its administrative services in doing so. Franchisor may also set off the amount of any such reimbursement against any payments due to Franchisee, at its sole option.

(g) Proprietary Products.

Franchisor may develop or acquire for use in the System certain Products which are considered trade secrets of Franchisor and/or its Affiliates. Because of the importance of quality and uniformity of production and the significance of such Products in the System, it is to the mutual benefit of the Parties that Franchisor closely controls the production and distribution of such Products. Accordingly, if such Products become a part of the System, Franchisee will use only Franchisor's Products and will purchase, at the prevailing price plus freight, taxes, and other costs of delivery, solely from Franchisor or from a source designated by Franchisor, all of Franchisee's requirements for such Products, including, without limitation, all Proprietary Products.

(h) Uniforms and Appearance.

Franchisee will and will cause its Operating Principal and any Personnel, while performing the Designated Services, to wear uniforms meeting the Standards as Franchisor may periodically designate, and to present a neat and clean appearance in accordance with the Standards. If Franchisor changes the type of uniform utilized by Franchisee, Franchisee will have 30 days from the date of its receipt of Franchisor's Notice to discontinue use of its existing inventory of uniforms and implement the approved type of uniform.

(i) Approved Products and Designated Services. Franchisee must comply with the Standards relating to the purchase of all Products, Operating Assets (including computer

hardware, software and related documentation), or vehicles, materials, supplies, and other Products used or offered for sale in the Bumper Business. Franchisee must acquire such items from designated suppliers or suppliers that otherwise satisfy the Standards as set forth in the Manual, and are approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier; and who have not thereafter been disapproved by Franchisor. **ALTHOUGH APPROVED OR DESIGNATED BY FRANCHISOR, FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO THE DESIGNATED SERVICES, PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION THE OPERATING ASSETS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, FRANCHISOR DISCLAIMS ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE DESIGNATED SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY FRANCHISOR. FRANCHISOR'S APPROVAL OR CONSENT TO ANY DESIGNATED SERVICES, GOODS, SUPPLIERS OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO FRANCHISOR.**

Franchisee must maintain in sufficient supply and use and sell at all times only such Products, materials, and supplies that conform to the Standards. Franchisee will refrain from deviating from Franchisor's Standards, including, without limitation, by the use or offer of non-conforming items in the offer and sale of Products and performance of Designated Services without Franchisor's prior written consent.

Franchisee must sell or offer for sale all Products and Designated Services required by Franchisor and utilizing the method, manner and style prescribed by Franchisor, as expressly authorized by Franchisor in writing. Franchisee may not sell or offer for sale any Products or Designated Services not expressly approved for

sale in writing by Franchisor. Franchisee must immediately discontinue selling and offering for sale any Products or Designated Services and any method, manner, or style of distribution which Franchisor may, at its sole option, disapprove in writing at any time.

(j) **System Changes.** Franchisee will promptly and fully comply with any changes made to the System by Franchisor, including, but not limited to, changes in operations and appearance of the Bumper Business vehicle (including any change of design and marketing concepts) or purchases of Operating Assets as are required by Franchisor in writing. Franchisee may be required to attend meetings to discuss any System changes. If Franchisor requests that changes be made to the Bumper Business, Franchisor will provide Franchisee with a sample for the changes to be made. Franchisee will retain providers as may be necessary to complete, adapt, modify or substitute the sample plans for the Bumper Business. Costs and expenses incurred by Franchisee in attending meetings to discuss System changes and in implementing such changes will be the responsibility of Franchisee unless otherwise specified by Franchisor in writing. Franchisee must obtain Franchisor's prior written approval of any and all changes in the plans before commencing or implementing such changes.

(k) **Customer Satisfaction and Surveys.** Franchisee will participate in all Customer surveys and satisfaction audits as Franchisor may require from time to time. Additionally, Franchisee will participate in any Customer complaint resolution and other programs as Franchisor may reasonably establish for all or part of the System. For any such sales, the amount actually paid by the Customer after the discount or refund is applied and not the advertised price will be considered for purposes of Gross Sales.

(l) **Taxes and Duties.** Franchisee must pay any and all taxes pursuant to Applicable Law applicable to it and the Bumper Business, including without limitation any local, state and federal taxes.

10. **REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

(a) **Business Entity Franchisee.**

(i) Franchisee warrants that it is duly organized or formed and validly existing in good standing under the laws of the jurisdiction of its incorporation or formation; it has the necessary consents, approvals, licenses and/or permits to carry out the business activities contemplated by this Agreement; it will furnish such other information about its organization or formation as Franchisor may reasonably request to confirm the same; and the execution and delivery of this Agreement has been duly authorized by it.

(ii) Franchisee will disclose to Franchisor all Principals holding any Equity Interests in Franchisee. Franchisee will provide Franchisor with such financial information as Franchisor may periodically request from Franchisee and each Principal, including copies of annual financial statements or tax returns.

(iii) Each Principal will execute and deliver to Franchisor a Guaranty and Undertaking of Obligations in the form attached hereto as Exhibit B. Any spouse or relative of Franchisee who Franchisor has authorized to perform any obligations relating to the Bumper Business will also execute and deliver to Franchisor a Guaranty and Undertaking of Obligations.

(b) **Ideas and Concepts.** From time to time in connection with the operation of the Bumper Business, Franchisee may create or develop Ideas and Concepts that Franchisee believes will improve the System or the Bumper Man businesses. Franchisee will promptly disclose such Ideas and Concepts to Franchisor and will not implement such Ideas and Concepts without the prior written approval of Franchisor. Franchisor may elect to use or adopt such Ideas and Concepts if Franchisor determines that such adoption or use will benefit the System. If Franchisor uses or adopts any of such Ideas and Concepts, they will be deemed to be part of the System. Franchisee will be recognized as Franchisor determines appropriate for such Ideas and Concepts. All Ideas

and Concepts, whether or not constituting protectable Intellectual Property, and whether created by or on behalf of Franchisee, any Principal or Personnel in connection with the Bumper Business, will be deemed to be Franchisor's sole and exclusive Intellectual Property. Franchisee, on behalf of itself and its Principals and all Personnel, hereby assign all rights in any Ideas and Concepts to Franchisor or any of its Affiliates and will execute and deliver all such additional instruments and documents as Franchisor may request to evidence the assignment and Franchisor's or any of its Affiliate's ownership of such Ideas and Concepts.

(c) **Code of Conduct.** Franchisee and its Principals will at all times during the Term comply with the Code of Conduct, including taking any drug tests requested by Franchisor from time to time (if applicable law permits Franchisor to request that Franchisee or its Principals take such drug tests.

11. MANAGEMENT AND PERSONNEL.

At all times throughout the Term, Franchisee (or, if Franchisee is an Entity, Franchisee's Operating Principal) will meet its obligations under this Agreement in accordance with the Standards or otherwise in writing by Franchisor. Franchisee or its Operating Principal, as applicable, will reside within the Designated Area. Franchisee and Operating Principal (if applicable) will take such steps as are necessary to ensure that its Operating Principal preserves good Customer relations and fully complies with Applicable Law.

(a) **Operating Principal.** If Franchisee is an Entity, Franchisee must designate and retain at all times an Operating Principal who will manage the Bumper Business in accordance with the Standards, including without limitation completion of Initial Training to Franchisor's satisfaction, as described in Section 5. The Operating Principal will devote full time best efforts to the operation of the Bumper Business and may not be involved in or supervise any other auto repair business or concept (including without limitation any Competitive Business) outside the Bumper Business. If, during the Term, the

Operating Principal is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section 11(a), Franchisee must promptly notify Franchisor in writing and request Franchisor's consent to Transfer in accordance with Sections 16(b)-(f). Any failure to comply with the requirements of this Section 11(a) will be deemed an Event of Default under this Agreement.

(b) **Other Personnel.** Franchisee's Operating Principal is the sole Person authorized to operate the Bumper Business unless otherwise approved by Franchisor in writing. If Franchisor authorizes Franchisee to utilize Personnel (i.e. Operating Principal's spouse, child, parent or as otherwise approved by Franchisor in writing) in the operation of the Bumper Business, then Franchisee will be solely responsible for all employment and personnel decisions involving such Personnel, including without limitation the hiring, firing, discipline, supervision, direction, scheduling, and compensation of such Personnel. Franchisee will ensure that each such Personnel will at all times comply with the terms and conditions of this Agreement to the extent applicable and the Standards in connection with the performance of the Designated Services and operation of the Bumper Business. Franchisor will not be involved in, or responsible for, training, employment, compensation or any other personnel matters and decisions made by Franchisee, as further described in Section 17(d).

12. RECORDS, AUDITS, AND INSPECTIONS.

(a) **Accounting and Records.** Franchisee will obtain and be solely responsible for its own accounting services and any required hardware or software related thereto. Franchisee will at all times maintain accurate and complete records as specified in the Manual, including, without limitation, sales, inventory and expense information, in order to generate the reports requested by Franchisor.

(b) **Inspections and Audits.** Franchisor and its designated agents or representatives will have the right at any time, to inspect, examine, audit, and copy any books and

records relating to the operation of the Bumper Business, provided Franchisor will use reasonable efforts to avoid any disruption of or interference with the operation of the Bumper Business during normal business hours. Franchisor will notify Franchisee in writing of any information or records discovered as it deems appropriate, and, if notified, Franchisee will promptly correct and repair, as applicable, any such conditions. Any audit, examination, or inspection will be at Franchisor's cost and expense unless: (a) Franchisor is conducting the audit, examination, or inspection due to Franchisee's failure to submit reports; or (b) the reports submitted by Franchisee for the Reporting Period show (i) an understatement of Gross Sales by 1.25% or more, (ii) an underpayment of Continuing Service Fee, and/or (iii) Franchisee's failure to report its performance of Designated Services (and thus for which Non-Reported Designated Services Fees are owed to Franchisor), in which cases all reasonable and necessary costs and expenses related to such examination will be paid by Franchisee (including, without limitation, reasonable accounting and attorneys' fees). Franchisee will immediately pay Franchisor upon demand any deficiency in the Continuing Service Fee and all Non-Reported Designated Services Fees, plus late fees as specified in Section 4. These remedies will be in addition to any other remedies Franchisor may have at law or in equity.

(c) **Financial Reports.** Franchisor reserves the right to require Franchisee to provide quarterly and annual unaudited profit and loss and source and use of funds statements and a balance sheet as of the end of such fiscal year. Franchisor also reserves the right to require Franchisee to deliver any other financial data, tax statements or other financial reports that Franchisor may reasonably periodically request, in the form, manner, and frequency requested. Each report will be signed or otherwise verified by Franchisee that such data, statement and reports are true, accurate and complete.

13. INSURANCE.

(a) **Minimum Requirements.**

Franchisee must obtain and maintain in effect for the Bumper Business the insurance policies set

forth in Exhibit E, as may be amended by Franchisor from time to time. These insurance policies and limits described in Exhibit E will not limit, and are independent of, the indemnification obligations under this Agreement.

(b) **Proof of Insurance.** At least two weeks prior to the Commencement Date, thereafter, at least 30 days prior to the expiration of any such policy, Franchisee will deliver to Franchisor evidence of such insurance in the form of certificates evidencing such coverage as well as endorsements reflecting the requirements of this Section 13 and all language wherever found in the policies that related to the determination of who is an additional insured, and the scope of the additional insured's coverage. Franchisor has the right, but not the obligation to inspect any actual policies required under this Agreement for compliance with all specified coverage, terms, conditions, endorsements, and limits relative to this Agreement.

(c) **Franchisee Acknowledgment as to Minimum Insurance Requirements.**

Franchisee acknowledges and agrees that the coverages required by Franchisor are the minimum amounts of coverage that Franchisee must procure under this Agreement. Franchisee is free to buy additional insurance coverage or increase the amounts of coverage as Franchisee deems appropriate based on Franchisee's investigation as to whether additional coverages or higher amounts are necessary. Franchisee further acknowledges and agrees that Franchisee is not relying upon Franchisor to determine the amount or type of insurance coverage necessary for Franchisee. FRANCHISEE RELEASES FRANCHISOR FROM ANY AND ALL CLAIMS RELATING TO THE PROCUREMENT OF INSURANCE INCLUDING CLAIMS THAT FRANCHISOR DID NOT REQUIRE FRANCHISEE TO PROCURE ADEQUATE INSURANCE.

14. PROTECTION OF MARKS AND RELATED INTELLECTUAL PROPERTY.

(a) **Goodwill in Marks and Intellectual Property.** Franchisor or its Affiliates are the exclusive owner of Marks and all other

Intellectual Property provided or to be provided to Franchisee. Franchisee's right to use the Marks and any other Intellectual Property is derived solely from this Agreement and limited to its operation of the Bumper Business pursuant to and in compliance with this Agreement. Franchisee's use of Marks and any goodwill associated with such use and any other Intellectual Property will be exclusively for Franchisor's benefit, and this Agreement does not confer any goodwill or other interests in the Marks or other Intellectual Property upon Franchisee.

(b) Limitations on Franchisee's Use

of Marks. Franchisee will use the Marks as the sole identification of the Bumper Business, except that Franchisee must identify itself as the independent owner thereof in the manner Franchisor prescribes. Franchisee may not use any Mark as part of any Entity name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Franchisee hereunder), or in any modified form, nor may Franchisee use any Mark in connection with the performance of any unauthorized services or sale of any unauthorized products; as part of any domain name, electronic address, metatag, or otherwise on the Internet or in connection with any website (unless expressly authorized in writing by Franchisor); or in any other manner that Franchisor has not expressly authorized in writing. Franchisee will display the Marks in the manner Franchisor prescribes at the Bumper Business, on supplies or materials Franchisor designates, and in connection with forms and advertising and marketing materials. Franchisee's unauthorized use of Marks will be an Event of Default and an infringement of Franchisor's rights in and to Marks.

(c) Intellectual Property Rights.

Franchisor will be the sole owner of all right, title and interest in and to any Intellectual Property created as a result of or related to the operation of the Bumper Business and any improvements, modifications or derivative works of Franchisee's operation of the Bumper Business in compliance with the Standards or other activities under this Agreement. Franchisor does not grant Franchisee any ownership interest or right with respect to any Intellectual Property created as a result of Franchisee's operation of the Bumper Business. A

default under or termination of this Agreement will not impact Franchisor's rights in the Intellectual Property.

Franchisee does hereby, on behalf of itself and on behalf of its Principals, Affiliates and its and their respective Personnel, without reservation, irrevocably sell, assign, transfer and convey, and will be deemed to have irrevocably sold, assigned, transferred, and conveyed to Franchisor, its successors, assigns and legal representatives, all right, title and interest (past, present, future, and throughout the world) in and to any rights to any Intellectual Property related to the operation of the Bumper Business; and any and all claims, of any nature whatsoever, for past, present or future infringement or violation of such Intellectual Property rights.

If Franchisee, its Principals or Affiliates or its and their respective Personnel has any rights to work product that cannot be assigned to Franchisor, Franchisee, its Principals and Affiliates and its and their respective Personnel, as applicable, unconditionally and irrevocably waives the enforcement of such rights, and if such rights cannot be waived, Franchisee, on behalf of itself, its Principals and Affiliates and its and their respective Personnel, hereby grants to Franchisor a fully paid-up, exclusive, irrevocable, perpetual, worldwide license to display, copy, distribute, perform or use in any manner and to make derivative works of the work product. Franchisee will assist Franchisor to register and record (as may be required by Applicable Law or requested by Franchisor), and from time to time enforce, all rights in the Intellectual Property, and other rights and protections relating to the work product created hereunder in any and all countries. Franchisee will execute (and cause its Principals, Affiliates and its and their respective Personnel) any documents and take any other actions reasonably necessary to effectuate the purposes of this Section 14(c). Franchisee will include the requirements of this Section 14(c) in all agreements with its Principals, Affiliates and Personnel.

(d) Notification of Infringements

and Claims. Franchisee will notify Franchisor immediately of any apparent infringement or challenge to its use of any Mark or other

Intellectual Property, or of any claim by any Person of any rights in any Mark or other Intellectual Property, and will not communicate with any Person other than Franchisor and its attorneys, and Franchisee's attorneys, in connection with any such infringement, challenge or claim. Franchisor has the sole right and option to take such action as it deems appropriate and the right to control exclusively any litigation arising out of any such infringement, challenge or claim or otherwise relating to any Mark or other Intellectual Property, including the taking of such legal steps as may be available to Franchisor under Applicable Law to prevent infringement of the rights granted under this Agreement. Franchisee will sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of Franchisor's attorneys, may be necessary or advisable to protect and maintain Franchisor's interests in Marks or other Intellectual Property.

(e) **Discontinuance of Use of Marks or Intellectual Property.** Franchisor may, at any time, at its sole option, require Franchisee to use any additional or alternative Marks or other Intellectual Property. If Franchisor deems it advisable to modify or discontinue the use of any Mark or other Intellectual Property and/or use one or more additional, alternative or substitute trade or service marks, Franchisee will comply with Franchisor's directions within a reasonable time after receiving Notice from Franchisor. Unless otherwise specified by Franchisor in writing, Franchisee will be responsible for costs and expenses it incurs relating to the modification or discontinuance of the use of any Mark, other Intellectual Property and/or the use of one or more additional, alternative or substitute trade or service marks. Without limiting the foregoing, Franchisor may, at its option, subsidize any such costs and expenses. All provisions of this Agreement applicable to Marks and other Intellectual Property apply to any additional, alternative or substitute trade and service marks or other commercial symbols that Franchisor authorizes Franchisee to use pursuant to this Agreement.

15. **ANTI-CORRUPTION, ANTI-BOYCOTT, AND ANTI-TERRORISM LAWS.**

Franchisee and each Principal represents and warrants to Franchisor that: (i) neither Franchisee nor, to the best of its knowledge after reasonable inquiry, any of Franchisee's Principals or any executive officer of Franchisee is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (text available at www.treas.gov/offices/enforcement/ofac/); (ii) neither Franchisee nor any Principal is directly or indirectly owned or controlled by the government of any country that is subject to a United States or Canadian embargo; (iii) neither Franchisee nor any Principal acts or will act directly or indirectly on behalf of the government of any country that is subject to a United States or Canadian embargo; and (iv) neither Franchisee nor any of Franchisee's Principals or executive officers have violated, and Franchisee will not violate and will cause Franchisee's Principals and executive officers not to violate, any Applicable Law prohibiting money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act (text available at <http://www.epic.org/privacy/terrorism/hr3162.html>), U.S. Executive Order 13224 (text available at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf>), or any similar Applicable Law. The foregoing constitute continuing representations and warranties, and Franchisee will immediately notify Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties of this Section 15 incorrect, false, inaccurate, or misleading, or which constitutes a breach of any of the covenants of this Section 15.

16. **TRANSFERABILITY OF INTEREST.**

(a) **Transfer by Franchisor.** This Agreement is and any of Franchisor's rights, obligations and interests herein are fully assignable by Franchisor, in whole or in part, without the

consent of Franchisee, and inures to the benefit of any assignee or other legal successor to the interests of Franchisor; if any such assignee expressly agrees to assume Franchisor's obligations under this Agreement, then upon such assumption Franchisor and its Affiliates will be fully released of any and all liabilities hereunder. Franchisor may also assign any or all of its rights, obligations and interests under this Agreement to an Affiliate; sell or encumber its assets, its Marks or its System to any third party; merge, acquire other Entities or be acquired by another Entity; engage in a public offering of its securities; engage in a private placement of some or all of its securities; or undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; provided that the new owner of Franchisor or the surviving Entity will assume all of Franchisor's obligations hereunder. Franchisor may take or perform any such actions without liability or obligation to Franchisee and Franchisee expressly waives any claims, demands or damages arising from or related to any or all of the above actions or variations thereof.

(b) **Transfer by Franchisee.** The rights and duties created by this Agreement are personal to Franchisee, and Franchisor has granted rights under this Agreement in reliance upon the business skill, financial capacity and personal character of Franchisee and its Principals. Accordingly, no Transfer is permitted or authorized without Franchisor's prior written approval, subject to the conditions below.

(c) **Franchisor Assistance Program.** If Franchisee so requests, Franchisor may, but is not obligated to, assist Franchisee in the resale of the Bumper Business to another party.

(d) **Conditions for Approval of Transfer.** If the proposed Transfer by Franchisee is of this Agreement, Control of Franchisee or substantially all of Franchisee's assets, or is one of a series of Transfers (regardless of the time period over which such Transfers occur) which in the aggregate constitute the Transfer of this Agreement or Control of Franchisee, and if Franchisor has not exercised its right of first refusal under Section 16(g), Franchisor will approve a Transfer

only if the conditions set forth in this Section 16(d), as may be amended by Franchisor from time to time, are met prior to or concurrently with the proposed effective date of the Transfer:

(i) Franchisee and its Principals have paid all Continuing Service Fees and all other amounts owed to Franchisor and its Affiliates, submitted all required Reports and other statements and data and otherwise are in full compliance with this Agreement as of the date of Franchisee's request for approval of the Transfer and as of the effective date of the Transfer.

(ii) The proposed transferee (and its direct and indirect owners): (1) have sufficient business experience, aptitude, assets and financial resources to operate the Bumper Business; (2) are individuals that meet Franchisor's then-applicable Standards for Bumper Business franchisees; (3) are not engaged and will not engage in the operation or ownership of a Competitive Business, and will engage only in the operation of the Bumper Business; and (4) will cooperate with reasonable due diligence requests made by Franchisor promptly thereafter and if additional time is reasonably needed, then prior to the proposed effective date of the Transfer.

(iii) The transferee and its owners as specified by Franchisor will complete the Initial Training.

(iv) The transferee and each of its owners specified by Franchisor will agree to be bound by all of the terms and conditions of Franchisor's then-current form of franchise agreement and sign the ancillary agreements and documents Franchisor requires for franchisees and any principal.

(v) Franchisee and the transferee and its owners have agreed to and delivered to Franchisor the material terms and conditions that will comprise the purchase and sale agreement for the Operating Assets and all other assets to be included in the sale of the Bumper Business.

(vi) Franchisee or the transferee pays to Franchisor a Transfer Fee in

connection with the Transfer which includes the fee for Initial Training as required above.

(vii) Franchisee (and its Principal(s) if Franchisee is an Entity) and Franchisor have executed a general release, in a form satisfactory to Franchisor, releasing Franchisor Indemnitees from any and all claims arising out of the operation of the Bumper Business, excluding claims related to the operation of the Bumper Business by Franchisee or any Principal which have not been expressly assumed by the transferee and its owners and those claims which cannot be released under Applicable Law.

(viii) Franchisee and each Principal must have complied with any other conditions that Franchisor reasonably requires from time to time as part of its transfer policies, provided that such conditions will not be more stringent than any conditions otherwise imposed on new franchisees signing the then-current franchise agreement.

(ix) Franchisee acknowledges that transferee will remit a portion of the purchase price, as determined by Franchisor (but not to exceed 10% of the purchase price of the Bumper Business), to be held by Franchisor in a non-interest bearing account until Franchisee has satisfied all conditions for Transfer set forth in this Agreement and the Manual, including without limitation, transitioning each of Franchisee's Customer accounts to transferee following the effective date of the Transfer. Franchisor may set-off from such portion of the purchase price withheld by Franchisor any amounts owed by Franchisee to Franchisor pursuant to Section 16(d)(i).

(e) **Effect of Franchisor's Consent.** Any Transfer without Franchisor's consent constitutes an Event of Default rendering such Transfer void and of no effect. Franchisor's consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between Franchisee and the transferee, a guarantee of the prospects of success of the Bumper Business or transferee, or a waiver or release of any claims Franchisor may have at any time against Franchisee (or its Principals) or of its

right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

(f) **Transfer Upon Death or Permanent Disability.** If any Principal that holds a Controlling Interest in Franchisee dies or becomes Permanently Disabled and Franchisor determines that such death or disability adversely affects the operation of the Bumper Business under this Agreement, such Principal's executor, administrator, or other personal representative must Transfer such Principal's interest in this Agreement or his or her interest in Franchisee (including Transfer by bequest or inheritance) to a third party approved by Franchisor in accordance with Section 16(d) within a reasonable period of time, not to exceed six months from the date of death or Permanent Disability. A failure to Transfer the interest of any such Principal in this Agreement or Controlling Interest in Franchisee within this period of time in accordance with the foregoing constitutes an Event of Default.

(g) **Franchisor's Right of First Refusal.** Upon Franchisee's or any of Franchisee's Principals' desire to make a Transfer, Franchisor may, at its option, exercise its right of first refusal to purchase the Operating Assets of the Bumper Business as set forth in this Section 16(g). Without limiting any of the conditions for consent to Transfer set forth in Section 16(d), Franchisee or its Principal requesting consent to Transfer, as applicable, will deliver to Franchisor a copy of a true and accurate bona fide, executed written offer and evidence of receipt of an earnest money deposit in the amount of at least 5% of the offering price from a responsible and fully disclosed purchaser in an escrow account or, alternatively, such earnest money deposit may be deposited with Franchisor. If the offeror proposes to buy any other property or rights from Franchisee or any Principals or Franchisee's Affiliates as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is disclosed to Franchisor, and the price and terms of purchase offered to Franchisee or the Principals for the Transfer must reflect the bona fide price offered therefor and may not reflect any value for any other property or rights.

Franchisor has the option, exercisable by notice delivered to Franchisee or the Principals, as applicable, within 30 days from the date of delivery of a complete and accurate copy of such offer to Franchisor, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (a) Franchisor may substitute cash for any form of payment proposed in such offer; (b) Franchisor's credit will be deemed equal to the credit of any proposed purchaser; and (c) Franchisor will have not less than 120 days from the option exercise date to consummate the transaction. Franchisor has the right to investigate and analyze the business, assets and liabilities and all other matters Franchisor deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of Franchisor's right of first refusal. Franchisor may conduct such investigation and analysis in any manner Franchisor deems reasonably appropriate and Franchisee and its Principals must cooperate fully with Franchisor in connection therewith.

If Franchisor exercises its option to purchase, Franchisor is entitled to purchase such interest subject to all representations and warranties, releases, non-competition covenants, closing documents and indemnities as Franchisor reasonably may require. If Franchisor does not exercise its option to purchase, Franchisee or its Principals may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the Transfer; provided that if the sale to such offeror is not completed within 90 days after delivery of such offer to Franchisor, or if there is a material change in the terms of the offer, Franchisee must promptly notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30-calendar day period following Franchisee's notification of the expiration of the 90-calendar day period or the material change to the terms of the offer.

(h) **Securities**. Franchisee will not engage in the public and/or private issuance of stock, notes, bonds and other securities during the Term.

17. RESTRICTIVE COVENANTS.

Franchisee recognizes that Franchisor has developed and owns the goodwill in the Brand and must protect the Marks, Confidential Information, and System. Franchisee and its Principals each acknowledges and agrees that the access to and use of Confidential Information authorized by this Agreement are among the consideration for the restrictive covenants set forth in Section 17(a), and Franchisee and its Principals each further acknowledges and agrees that the restrictive covenants set forth in Section 17(a) are necessary to prevent Franchisor from suffering irreparable harm.

THE FOREGOING ACKNOWLEDGMENTS AND AGREEMENTS ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ALLOW FRANCHISEE AND ITS PRINCIPALS TO HAVE ACCESS TO AND USE CONFIDENTIAL INFORMATION.

(a) **Non-Compete**. Franchisee and its Principals covenant and agree that during the Term, and for a continuous uninterrupted period of two years following its expiration, termination, or an approved Transfer and with respect to a Principal, following the date the Principal ceases to be a Principal under this Agreement, Franchisee and each of its Principals, as applicable, will not, without Franchisor's prior written consent, either directly or indirectly, for itself or themselves, or through, on behalf of, or in conjunction with, any Person or Entity:

(i) Divert or attempt to divert any actual or prospective business or Customer of the Bumper Business to any Competitive Business, by direct or indirect inducement or otherwise.

(ii) Do or perform, directly or indirectly, any other act injurious to or prejudicial to the goodwill associated with the Marks and the System, provided, however, that nothing in this Section 17 or elsewhere in this Agreement restricts or is intended to restrict Franchisee's communications with any state or federal law regulator or enforcement authority about potential violations of law.

(iii) Own, maintain, operate, be employed by, engage in, franchise, lease

property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any Competitive Business.

During the Term, this restriction applies to any Competitive Business located within the United States. Following the expiration of the Term, termination of this Agreement, or an approved Transfer of this Agreement and with respect to a Principal, following the date the Principal ceases to be a Principal under this Agreement, this restriction will apply to any Competitive Business located within 25 miles of the Designated Area and any other Bumper Man business, except as otherwise approved in writing by Franchisor.

If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If, at any time during the two-year period following the expiration, termination, or approved Transfer of this Agreement or the date any Principal ceases to be a Principal under this Agreement, Franchisee or any of its Principals fails to comply with its obligations under this Section 17(a), that period of non-compliance will not be credited toward satisfaction of the two-year period.

(b) **Non-Disclosure of Confidential Information.** Franchisee and its Principals each acknowledges that Franchisor may provide Franchisee and its Principals with Confidential Information that derive value from not being generally known in the industry that are reasonably necessary for the operation of the Bumper Business and that Franchisee has entered into this Agreement in order to use such Confidential Information to the economic benefit of Franchisee. Franchisor will take reasonable steps to mark as "confidential" or "proprietary" any Confidential Information that it deems as such, but the failure to mark such Confidential Information will not cause it to be public information. Franchisee and each of its Principals will not use, duplicate or disclose to others any Confidential Information except as expressly authorized by Franchisor in writing and will implement measures to maintain the confidentiality of such Confidential Information

that is no less strict than the measures Franchisee uses with its own confidential information. To the extent that any Confidential Information is to be provided to Franchisee's advisors, representatives, agents or any Personnel, each of them must use such Confidential Information solely in connection with their respective roles with the Bumper Business.

(c) **Ownership.** All Confidential Information furnished or disclosed by Franchisor to Franchisee or any of its Principals or otherwise obtained by Franchisee or its Principals is and will remain the sole property of Franchisor. Any reproductions, notes, summaries or similar documents relating to the Confidential Information, and any files, memoranda, reports, price lists, proprietary information, and other documents relating to the System, will become and remain the Intellectual Property of Franchisor immediately upon their creation and Franchisor will own all rights, title and interest in such Intellectual Property in accordance with Section 14(c) (Intellectual Property Rights). Upon expiration or termination of this Agreement, Franchisee will immediately return all copies of such Confidential Information and Intellectual Property to Franchisor.

(d) **Interference with Employees.** Franchisee acknowledges that the model for the operation of a Bumper Business is one of single owner-operator, with the Franchisee or its Operating Principal (if Franchisee is an Entity) satisfying all payment and performance obligations under this Agreement directly and without the support of Personnel. However, in limited circumstances, Franchisor may, at its option, approve in writing Franchisee's use of Personnel in the operation of its Bumper Business. In such case, Franchisee acknowledges that it is an independent business and responsible for the control and management of the day-to-day operations of the Bumper Business and its Personnel, including but not limited to the hiring and discharging of Franchisee's Personnel and setting and paying wages and benefits of Franchisee's Personnel. Franchisee acknowledges that Franchisor has no power, responsibility or liability in any respect to the hiring, discharging, setting and paying of wages or related matters, as the sole power, responsibility

and liability for such matters rest exclusively with Franchisee. Franchisee further acknowledges that none of its Personnel will be deemed to be an employee of Franchisor or its Affiliates for any purpose whatsoever, and no act by Franchisor to protect the Brand including but not limited to the System or Marks shifts any Personnel or employment-related responsibility from Franchisee to Franchisor.

(e) **Severability and Enforceability of Covenants.** Each of the covenants contained in this Section 17 will be considered separate and independent from each other. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable for any reason, but would be enforceable by reducing or substituting any part of it in accordance with Section 26(a), such covenant will be enforced to the fullest extent permissible under Applicable Law.

18. **DEFAULT AND TERMINATION.**

The occurrence of any of the following will adversely and substantially affect the interests of Franchisor and will be deemed an Event of Default constituting just cause for exercising any of the remedies set forth herein:

(a) Franchisor may terminate this Agreement upon delivery to Franchisee of Notice as a result of the occurrence of any of the following Events of Default and Franchisee's failure to cure such Event of Default within the cure period described below, if any, and absent a cure period, immediately upon Franchisor's Notice to Franchisee:

(i) Franchisee (or any of its Principals or Affiliates) has made any material misrepresentation or omission in connection with this Agreement;

(ii) Franchisee fails to begin operating the Bumper Business as of the Commencement Date, and fails to cure such default within 30 days after Notice of such Event of Default is delivered to Franchisee;

(iii) Franchisee abandons or fails actively to operate the Bumper Business for

five or more Business Days unless the Bumper Business has been closed for a purpose Franchisor has approved in writing or because of an Event of Force Majeure;

(iv) Franchisee fails to submit invoices to Franchisor for processing for seven or more consecutive Business Days without Franchisor's prior approval;

(v) Franchisee surrenders or transfers Control of the operation of the Business without Franchisor's prior written consent;

(vi) Franchisee (or any of its Principals or Affiliates) is or has been held liable or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any act or conduct which Franchisor believes will materially and adversely affect the reputation of the Bumper Business, any other Bumper Man business or the goodwill associated with Marks;

(vii) Franchisee's misuse or unauthorized use of the Marks, including without limitation Franchisee's misuse or unauthorized use of the Marks on its Social Media pages or other Internet site, or registration of a domain name incorporating the Marks;

(viii) Franchisee (or any of its Principals or Affiliates) makes an unauthorized Transfer pursuant to Section 16;

(ix) Franchisee (or any of its Principals or Affiliates) makes any unauthorized use or disclosure of any Confidential Information or Franchisor's trade secrets; or uses, duplicates or discloses any portion of the Manual in violation of this Agreement;

(x) Franchisee and Franchisee's Principals or Operating Principal fails to comply with or perform its covenants, representations and warranties in this Agreement, including without limitation the representations, warranties and covenants set forth in Section 10, the representations and warranties with respect to anti-corruption, anti-boycott and anti-terrorism

laws set forth in Section 15 and the restrictive covenants against competition set forth in Section 17;

(xi) Franchisee fails to pay any Continuing Service Fees or other amounts due hereunder to Franchisor within five days after Notice of nonpayment is delivered to Franchisee, or if Franchisee or its Affiliate fails to pay any amounts due to Franchisor under any promissory note or other written instrument and fails to cure such nonpayment within the time period prescribed therein;

(xii) Franchisee under-states Gross Sales or fails to accurately report Gross Sales or its performance of any Designated Services, and does not correct such failure within three days after Notice of such failure is delivered to Franchisee, including without limitation payment of the Non-Reported Designated Services Fee for such failure to report performance of Designated Services;

(xiii) Franchisee fails to pay when due any income, withholding, service, sales or any other applicable taxes due on the Bumper Business' operations, unless it is in good faith contesting its liability for such taxes and has effectively stayed the enforcement of liability for such taxes.

(xiv) Franchisee fails to have in effect at all time the insurance coverages as required in Section 13 of this Agreement.

(xv) Less than thirty-five percent (35%) of Franchisee's Gross Sales during each month in any consecutive two (2)-month period is generated from the repair of metal bumpers.

(xvi) Franchisee (or any of its Principals) refuses to take a drug test requested by Franchisor (if applicable law permits Franchisor to request that Franchisee or its Principals take a drug test) or fails any drug test so taken.

(b) Termination for Other Material Breach. Except as provided in Section 18(a), Franchisor may terminate this Agreement for failure by Franchisee (or any of its Principals) to

comply with any other material provision of this Agreement, including, without limitation, the representations and warranties contained in this Agreement, or any Standard material to operation of the Bumper Business within 30 days after Notice of such Event of Default is delivered to Franchisee.

(c) Termination for Repeated Default. This Agreement will terminate immediately upon delivery of Notice to Franchisee if Franchisee (or any of its Principals) fails on three or more separate occasions within any period of 12 consecutive months to do any one or more or combination of the following: (1) submit when due reports or other data, information or supporting record; (2) pay when due any amounts due to Franchisor or its Affiliates; or (3) otherwise materially comply with this Agreement, whether or not such failures are corrected after Notice of such failure is delivered to Franchisee.

(d) Termination for Insolvency. This Agreement will automatically terminate upon any of the following: if any bankruptcy proceeding is commenced by or against Franchisee (or any Affiliate or Principal), the Franchisee makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; Franchisee consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of its property; the Bumper Business or Operating Assets is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days after Notice from Franchisor; or any order appointing a receiver, trustee or liquidator of Franchisee or the Bumper Business is not vacated within 30 days following the entry of such order. Without limiting the foregoing, Franchisee may request that Franchisor reinstate this Agreement following the entry of an order of bankruptcy discharge from a court of competent jurisdiction, which Franchisor may grant or deny at its sole option and, if granted, Franchisor may require Franchisee to sign Franchisor's then-current form of franchise agreement in lieu of reinstatement of this Agreement.

(e) Termination for Violation of Applicable Law. This Agreement will terminate

immediately upon delivery of Notice to Franchisee if Franchisee (or any of its Principals or Affiliates) violates any Applicable Law or has any necessary license or certification) revoked or suspended in whole or in part, including without limitation, suspension or revocation of Franchisee's or its Operating Principal's driver's license.

19. EFFECT OF TERMINATION, EXPIRATION, OR NONRENEWAL.

Upon expiration or termination of this Agreement:

(a) Payment of Amounts Owed.

Franchisee will pay to Franchisor within 15 days after the effective date of expiration or termination of this Agreement, or on such later date that the amounts due are determined, such fees, amounts owed for purchases from Franchisor or its Affiliates, Interest due on any of the foregoing and all other amounts owed to Franchisor or its Affiliates which are then unpaid.

(b) Marks. Franchisee may not directly or indirectly at any time or in any manner use any Mark, including any use of Marks in a derogatory, negative, or other inappropriate manner in any media, including, but not limited to, print or electronic media; use any colorable imitation of a Mark in any manner or for any purpose; utilize for any purpose any trade name, trade or service mark or other commercial symbol or other indicia that indicates or suggests a connection or association with Franchisor or the Bumper Business; identify any business as a former Bumper Business; or identify itself as one of Franchisor's licensees or franchisees. Franchisee will take such action as may be required to cancel all fictitious or assumed names or equivalent registrations, if any, relating to its use of any Mark.

(c) System and Manual. Franchisee will immediately cease to use the System and Confidential Information in any business or otherwise; and return to Franchisor the Manual, Confidential Information, all Proprietary Products and any other materials, equipment or supplies that Franchisor has loaned to Franchisee for use in connection with the operation of the Bumper

Business, including without limitation the tablet on which the Manual and Proprietary Software are stored.

(d) Disassociation in Communication Methods.

Franchisee will, at Franchisor's option, assign to Franchisor (or its designee) or cancel any electronic mail address, domain name, search engine, website, or Social Media account that associates Franchisee with Franchisor, the Bumper Business, System, or Marks. Franchisee will notify the telephone company and all telephone directory publishers of the expiration or termination of Franchisee's right to use any telephone, telecopy, or other numbers and any telephone directory listings associated with any Mark, authorize the transfer of such numbers and directory listings to Franchisor in accordance with Exhibit G, or, at Franchisor's direction, instruct the telephone company to forward all calls made to Franchisee's telephone numbers to numbers Franchisor specifies.

(e) Other De-Identification Obligations.

Franchisee will promptly make such alterations as Franchisor specifies in the Manual or otherwise to distinguish the Bumper Business clearly from its former appearance and from other Bumper Man businesses so as to prevent confusion therewith to the public (e.g. remove Bumper Man vehicle wrap). Within 30 days from the effective date of expiration or termination of this Agreement, Franchisee will deliver to Franchisor all Brand Property (including without limitation the tablet used in connection with the operation of the Bumper Business and Bumper Man tools) and all other signs, vehicle wraps, advertising and promotion materials, forms and other materials containing any Mark or otherwise identifying or relating to a Bumper Business and allow Franchisor, without liability to Franchisee or third parties, to remove all such items from the Bumper Business. Franchisee will be responsible for all costs and expenses it incurs in complying with this Section 19(e) and furnish to Franchisor, within 30 days from the effective date of expiration or termination of this Agreement, with evidence satisfactory to Franchisor of its compliance with the foregoing obligations.

(f) **Restrictive Covenants and Continuing Obligations.** Franchisee will comply with the restrictive covenants set forth in this Agreement. Franchisee's (and its Affiliates' and Principals') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until such obligations are satisfied in full or by their nature expire.

20. INDEMNIFICATION.

FRANCHISEE, ON ITS BEHALF AND ON BEHALF OF ITS AFFILIATES AND PRINCIPALS, WILL INDEMNIFY, DEFEND AND HOLD HARMLESS THE FRANCHISOR INDEMNITEES AGAINST AND REIMBURSE ANY ONE OR MORE OF THE FRANCHISOR INDEMNITEES FOR ANY AND ALL LOSSES AND EXPENSES ARISING OUT OR FROM OR RELATED TO, ANY CLAIMS, DIRECTLY OR INDIRECTLY, ARISING OUT OR FROM OR RELATED TO: (A) THE OPERATION OR CLOSING OF THE BUMPER BUSINESS; (B) ANY BREACH OF THIS AGREEMENT BY FRANCHISEE, ITS AFFILIATES OR ANY PRINCIPAL, OR FRANCHISEE'S, ITS AFFILIATES' OR ANY PRINCIPAL'S BREACH OF ANY OTHER AGREEMENT BETWEEN FRANCHISOR OR ITS AFFILIATES AND FRANCHISEE, ITS AFFILIATES, (C) THE MARKETING, PROMOTION OR ADVERTISEMENT OF THE BUMPER BUSINESS OR DESIGNATED SERVICES OFFERED BY THE BUMPER BUSINESS, INCLUDING UNFAIR OR FRAUDULENT ADVERTISING CLAIMS (WHETHER IN PRINT ADVERTISING OR ELECTRONIC MEDIA), OR (D) FRANCHISEE'S PERFORMANCE OF BUMPER REPAIR SERVICES FOR ANY INDIVIDUAL CONSUMER.

FRANCHISOR HAS THE RIGHT, AT ITS OPTION, TO DEFEND ANY SUCH CLAIM AGAINST IT AT FRANCHISEE'S SOLE COST AND EXPENSE. IF FRANCHISEE DEFENDS ANY CLAIM, IT MAY NOT ENTER INTO ANY SETTLEMENT AGREEMENT OR OTHERWISE RESOLVE OR CONCLUDE THE

MATTER WITHOUT FRANCHISOR'S PRIOR WRITTEN CONSENT. THIS INDEMNITY WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO, AND NOTWITHSTANDING, THE EXPIRATION OR TERMINATION OF THIS AGREEMENT. UNDER NO CIRCUMSTANCES WILL FRANCHISOR OR ANY OTHER FRANCHISOR INDEMNITEES BE REQUIRED TO SEEK RECOVERY FROM ANY INSURER OR OTHER THIRD PARTY, OR OTHERWISE TO MITIGATE ITS OR FRANCHISEE'S LOSSES AND EXPENSES, IN ORDER TO MAINTAIN AND RECOVER FULLY A CLAIM AGAINST FRANCHISEE. ANY FAILURE TO PURSUE SUCH RECOVERY OR MITIGATE A LOSS WILL IN NO WAY REDUCE OR ALTER THE AMOUNTS RECOVERABLE BY FRANCHISOR OR ANOTHER FRANCHISOR INDEMNITEE FROM FRANCHISEE.

21. INDEPENDENT CONTRACTORS.

(a) **Independent Contractors.** It is understood and agreed by the Parties that this Agreement does not create a fiduciary relationship between them; that Franchisor and Franchisee are and will be independent contractors and that 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. Franchisee will conspicuously identify itself in all dealings as the owner of the Bumper Business and the rights granted under the Agreement with Franchisor and will place such notices of independent ownership on such forms, business cards, employment-related documents, stationery and advertising and other materials as Franchisor may periodically require.

This Agreement (and the relationship of the Parties which arises from this Agreement) grants Franchisor the right to make decisions, take actions and/or refrain from taking actions which are not inconsistent with Franchisee's explicit rights and obligations hereunder or under Applicable Law and that may affect favorably or adversely Franchisee's interest. Franchisee acknowledges and agrees that Franchisor may operate and change the System and Franchisor's business in any manner that is not expressly and

specifically prohibited by this Agreement or Applicable Law. Franchisor will have no liability to Franchisee for any such decision or exercise of its rights under this Agreement.

(b) **No Liability for Acts of Other**

Party. Franchisee must not employ any of the Marks in signing any contract or applying for any license or permit, or in a manner (other than the use contemplated hereby) that may result in Franchisor's liability for any of Franchisee's indebtedness or obligations. Except as expressly authorized in writing, neither Franchisor nor Franchisee will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other Party or be obligated by or have any liability under any agreements or representations made by the other Party. Franchisor will not be obligated for any damages to any Person directly or indirectly arising out of the operation of the Business.

22. CERTIFIED TECHNICIAN.

Franchisee may acquire the services of a Certified Technician to support the operation of its Bumper Business upon prior written consent of Franchisor or in lieu of modification of the Designated Area by Franchisor in the event of modification of the demographics of the Designated Area pursuant to Section 2(c), subject to Franchisee's compliance with the following conditions, as may be amended by Franchisor from time to time.

(a) **Conditions.**

(i) Franchisee must be in full compliance with the terms and conditions of this Agreement, including without limitation the Standards set forth in the Manual.

(ii) Franchisee must provide documentation and information regarding the historical performance of existing Customer accounts, local marketing efforts (including prospective Customer accounts and records of attempts to convert the same to Customer accounts), and annual business plan.

(iii) The prospective Certified Technician will, upon Franchisor's request, reimburse Franchisor for its actual costs and expense incurred in conducting due diligence of such Certified Technician including: (A) a criminal background investigation; and (B) a credit inquiry.

(iv) Certified Technician will pay the then-current initial Certified Technician Fee;

(v) Once approved by Franchisor in writing and following Franchisee's and the Certified Technician's execution of the Certified Technician Addendum, the Certified Technician's completion of the Initial Training to Franchisor's satisfaction.

(vi) Franchisee, Certified Technician and any of their respective Principals must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, successors and assigns, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations.

(b) **Certified Technician Addendum.** Within ten days of Franchisor's written consent to Franchisee's use of a Certified Technician to provide Designated Services in the Designated Area, Franchisee and the Certified Technician will execute Franchisor's then-current Certified Technician Addendum. The Certified Technician Addendum and Franchisee's and the Certified Technician's rights thereunder may not be assigned or transferred. If the Certified Technician is an Entity, then the Certified Technician will designate a Certified Technician Operating Principal, and such Certified Technician Operating Principal and all other Principals of the Certified Technician will execute a Guaranty and Undertaking of Principal's Obligations in the form attached to this Agreement as Exhibit B.

(c) **Designated Services Provided by Certified Technicians.** If Franchisee uses any Certified Technician(s) to perform any part of its obligations under this Agreement: (i) Franchisee will ensure that the Certified Technician fully complies with the terms and conditions of this Agreement applicable to such obligations of Franchisee, including without limitation Franchisee's obligations with respect to compliance with the Standards in performance of the Designated Services and operation of the Bumper Business, compliance with Applicable Law, and use of Confidential Information and Intellectual Property, which will have the same force and effect against the Certified Technician as against Franchisee, whether or not specifically stated herein; (ii) Franchisee and its Certified Technician will be jointly and severally liable for all Losses and Expenses incurred by any Customer in connection with the Certified Technician's performance of Designated Services or offer and sale or Products to such Customer and for the negligence or willful misconduct of any such Certified Technician, and for any Losses and Expenses under this Agreement to the same extent as if Franchisee had conducted the work. No delegation to a Certified Technician by Franchisee of any of its obligations under this Agreement will relieve Franchisee of such obligations and Franchisee will remain liable for all of Franchisee's obligations under this Agreement. Franchisee will be fully responsible and liable for the acts, deficiencies and performance of its Certified Technician to the same extent that Franchisee is responsible for the acts, omissions and performance of its Operating Principal and Personnel. If Franchisor consents to Franchisee's use of a Certified Technician, such consent will be limited to the specific instance(s) and use(s) identified in the Certified Technician Addendum and will not extend to any other instances or uses.

23. FORCE MAJEURE AND CRISIS MANAGEMENT EVENTS.

(a) **Force Majeure.** Neither Franchisor nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform obligations results from a Force Majeure Event. Any delay resulting from any Force Majeure Event will

extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the Party to whom performance is owed. Franchisee or Franchisor will, within five days of the occurrence of the Force Majeure Event, give a written Notice to the other Party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for 60 days from the date of the occurrence and such failure to perform would constitute an Event of Default of this Agreement in the absence of such Force Majeure Event, the Parties will meet and discuss in good faith any amendments to this Agreement to permit Franchisor to exercise its rights under this Agreement. If the Parties are not able to agree on such amendments within 30 days and if suspension of performance continues, Franchisor may terminate this Agreement immediately by giving written Notice to Franchisee or exercise any of the remedies described in Section 18 or otherwise available at law or in equity. In no event will Franchisee's inability to pay amounts due under this Agreement constitute a Force Majeure Event and no Force Majeure Event will operate to excuse Franchisee from the prompt payment of Continuing Service Fees, or any other fee or payment due to Franchisor pursuant to this Agreement.

(b) **Crisis Management Events.** Franchisee must notify Franchisor within 24 hours of the occurrence of any Crisis Management Event by the method periodically specified in the Manual or otherwise in writing, comply with Franchisor's instructions and fully cooperate with Franchisor's instructions in response to the Crisis Management Event. Failure to notify Franchisor within the required time period is a material breach of this Agreement.

24. GOVERNING LAW; DISPUTE RESOLUTION.

(a) **Non-Binding Mediation.** Before any Party may bring an action or commence a proceeding against the other Party, the Parties must first meet to mediate the dispute (except for

controversies, disputes or claims related to or based on improper or unauthorized use of the Marks or breach of the covenants and obligations set forth in Section 17(a) or Section 17(b)) in Dallas, Texas or such other location agreed upon by the Parties. Any such mediation will be non-binding and will be conducted by the International Institute for Conflict Prevention & Resolution (“CPR”) in accordance with its then-current rules for mediation of commercial disputes.

Notwithstanding anything to the contrary, this Section 24(a) will not bar either Party from obtaining injunctive relief pursuant to Section 24(c)(2)(A) against threatened conduct that will cause it to incur Losses and Expenses, under the usual equity rules, including the applicable rules for obtaining restraining orders and injunctions, without having to engage in mediation. In addition, this Section 24(a) will not apply to any claim or dispute relating to Franchisee’s failure to make payments for Continuing Service Fees or other amounts owed to Franchisor under this Agreement. Franchisor and Franchisee will each bear their own costs of mediation, and each will bear one-half the cost of the mediator or mediation service.

(b) **Governing Law.** This Agreement will be governed by and interpreted according to the laws (exclusive of the conflicts of laws rules) of the State of Texas applicable to contracts entered into in Texas, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act), the Copyright Act, and the Patent Act. As of the Effective Date, Franchisor has a place of business in the State of Texas, and Texas otherwise bears a reasonable relationship to this Agreement, the Parties’ relationship established by this Agreement, and the Parties. By agreeing to the application of Texas law, the Parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or similar statute, rule, or regulation of the State of Texas to which this Agreement or the Parties’ relationship otherwise would not be subject. To the extent that this Agreement or the Parties’ relationship otherwise would not, but for this Texas choice-of-law provision, be subject to such statutes, this Section 24 does not constitute a waiver of any

statutory rights or remedies. Franchisee, its Principals and Franchisor acknowledge and agree that the choice of applicable state law set forth in this Section 24(b) provides each of the Parties with the mutual benefit of uniform interpretation of this Agreement and the Parties’ relationship created by this Agreement. Franchisee, its Principals and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each Party’s agreement regarding applicable state law has been negotiated in good faith and is part of the benefit of the bargain reflected in this Agreement.

(c) **Arbitration.**

(1) **Claims Subject to Arbitration.** Subject to Paragraph 24(c)(2), the Parties agree that all controversies, claims, or disputes between Franchisor and Franchisee arising out of or relating to the following (each, an “Arbitrable Claim”) will be finally resolved by binding arbitration in accordance with Section 24(c)(4):

(A) this Agreement or any other agreement between Franchisor and Franchisee or any of its Affiliates or Principals;

(B) the relationship between Franchisee and Franchisor;

(C) the scope and validity of this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee or any of its Affiliates or Principals, specifically including whether any specific claim is subject to arbitration at all (i.e. arbitrability questions), except that Franchisor and Franchisee intend for the court to address the applicability and scope of the exceptions found in Section 24(c)(2)(a); and/or

(D) the offer or sale of the franchise opportunity.

(2) **Exception of Claims Subject to Arbitration.** Franchisor and Franchisee recognize and agree that certain claims of Franchisor may not be best suited to determination through arbitration and agree that Franchisor, at its sole option, may bring the following types of

claims, cases, disputes and causes of action either in court or in arbitration:

(A) Claims seeking injunctive or other equitable relief to enforce provisions of this Agreement, provided however that non-equitable claims joined with any injunctive claims must be heard separately in arbitration, and that regardless of the forum, any injunctive relief may be given without the necessity of Franchisor posting bond or other security and any such bond or other security is hereby waived; further, Franchisee acknowledges that the termination of any litigation for injunctive or other equitable relief will not bar Franchisor from asserting non-equitable claims in an arbitration involving the same parties or causes of action;

(B) Claims seeking relief of any kind with respect to Franchisee's violation of any health or safety law;

(C) Claims seeking relief of any kind with respect to Franchisee's use of the Marks;

(D) Claims seeking relief related to of any of the provisions of Section 17 of the Franchise Agreement, including without limitation for breach of confidentiality and non-competition provisions;

(E) Claims related to unauthorized or improper use or misappropriation of Franchisor's Marks, trade secrets, Confidential Information or any of Franchisor's Intellectual Property; and/or;

(F) Claims, including claims by an affiliate of Franchisor, seeking recovery or any other remedy based on Franchisee's failure to pay any moneys due under this Agreement, any agreement with an affiliate of Franchisor, or any unpaid invoices owed to an affiliate of Franchisor when due.

For resolution of any claim that is not subject to mandatory arbitration under Section 24(c)(1), such claim will be resolved in any court of competent jurisdiction.

(3) No Class Action. No party except Franchisor (including its employees, agents, officers or directors and its parent, subsidiary or affiliated companies) and Franchisee (including where applicable the immediate family members, owners, heirs, executor, successors, assigns, shareholders, partners, and guarantors (as applicable) may join in or become a party to any arbitration proceeding arising under or related to this Agreement or any other agreement between Franchisor and Franchisee, the relationship between Franchisor and Franchisee, the scope and validity of this Agreement or any other agreement between Franchisor and Franchisee, specifically including whether any specific claim is subject to arbitration at all (i.e. arbitrability questions) and/or the offer or sale of the franchise opportunity; and further, the arbitrator will not be authorized to permit any person or entity that is not a party to this Agreement or identified in this paragraph to be involved in or to participate in any arbitration conducted pursuant to this Agreement. No matter how styled by the party bringing the claim, any claim or dispute is to be arbitrated on an individual basis and not as a class action or representative action. **FRANCHISEE EXPRESSLY WAIVES ANY RIGHT TO ARBITRATE OR LITIGATE AS A CLASS ACTION.** Any question regarding the interpretation or enforceability of this prohibition on class-wide or representative arbitration shall be resolved by a court of competent jurisdiction, and not the arbitrator

(4) Binding Arbitration in Dallas, Texas. Subject to the provision for temporary injunctive relief pending arbitration contained in Section 24(c)(5), all Arbitrable Claims will be finally resolved by binding arbitration in accordance with the CPR Rules for Non-Administered Arbitration (the "CPR Rules") then currently in effect. All Arbitrable Claims will be decided by one or more arbitrator(s) chosen from the Panels of Distinguished Neutrals maintained by the CPR in accordance with the following provisions. If the amount of damages claimed in the arbitration is greater than or equal to \$500,000.00, and/or if the relief sought by the Party initiating the arbitration is equitable in nature, the arbitration will be conducted by three independent and impartial arbitrators, of whom each Party will appoint one in accordance with the "screened"

appointment procedure provided in Rule 5.4 of the CPR Rules. If the amount of damages claimed in the arbitration is less than \$500,000.00 and/or the Party initiating the arbitration does not seek equitable relief, the arbitration will be conducted by a single arbitrator selected in accordance with Rules 5.3 and 6 of the CPR Rules. Unless otherwise agreed in writing, any arbitrator(s) chosen to decide an Arbitrable Claim will be a current or former practicing attorney or judge; have at least ten years of experience in litigation, arbitration, and/or mediation of commercial disputes; and have prior experience as an arbitrator of at least three manufacturer/dealer or franchisor/franchisee disputes. Each Party will be responsible for its own attorneys' fees associated with the arbitration and for such costs as it is liable pursuant to the CPR Rules. The place of arbitration will be Dallas, Texas unless otherwise agreed in writing. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the "FAA"). It is expressly understood and agreed that arbitration proceedings under this Agreement are subject to the confidentiality provisions of Section 17(b) of this Agreement.

(5) Temporary Injunction

Relief Pending Arbitration. The Parties to this Agreement understand, acknowledge, and agree that the CPR Rules specifically contemplate the availability of interim measures to preserve the status quo and/or prevent irreparable injury pending arbitration. The Parties expressly understand and agree that the advance notice requirements provided for in this Agreement, with respect to termination or amendment provide sufficient opportunity for a Party challenging any termination or amendment of this Agreement to seek interim measures (including the arbitral equivalent of a temporary restraining order, preliminary injunction, or other equitable relief) in arbitration pursuant to the binding arbitration provisions of Section 24(c)(4). Notwithstanding the foregoing however, a Party will be entitled to seek a temporary restraining order, preliminary injunction, or other equitable relief pending arbitration from any court of competent jurisdiction if the basis for the requested relief is a claim for infringement of Franchisor's intellectual property, violation of the confidentiality provisions of Section 17(b) of this Agreement, or breach of the

non-competition provisions of Section 17(a) of this Agreement. By seeking or obtaining a temporary restraining order, preliminary injunction, or other equitable relief pending arbitration pursuant to the provisions of this Section 24(c)(5), a Party is not relieved of its obligation to have the merits of an Arbitrable Claim decided in accordance with the binding arbitration provisions of Section 24(c)(4).

(6) Enforcement of Arbitration Awards. Judgment upon the award rendered by the arbitrator(s) in any arbitration between the Parties may be entered by any court of competent jurisdiction.

(7) Contingency. If for any reason the binding arbitration provisions of this Agreement are not enforceable, the exclusive forum for resolution of any otherwise Arbitrable Claims will be the United States District Court for the Northern District of Texas, Dallas Division except that, if the federal court lacks subject matter jurisdiction, the forum shall be the District Court of Dallas County, Texas. The provisions of this Section 24(c)(7) will not apply to any claim for temporary injunctive relief pending arbitration filed pursuant to Section 24(c)(5) above.

(d) Consent to Jurisdiction and Venue. To the extent that this Agreement permits or requires litigation, the Parties hereby irrevocably submit to the exclusive jurisdiction provision of Section 24(c)(7) (the "Chosen Forum"). By execution and delivery of this Agreement, each Party hereby irrevocably waives, to the fullest extent it may effectively do so, any claim that it is not personally subject to the jurisdiction of the Chosen Forum or that the Chosen Forum is not a convenient forum. By execution and delivery of this Agreement, each Party hereby agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim that it is not personally subject to the jurisdiction of the Chosen Forum or that the Chosen Forum is not a convenient forum. Franchisor and Franchisee agree that a final judgment (as to which all appeals have been exhausted or the time within which such appeals may be made has expired) in any such action or proceeding will be conclusive and may be enforced

in any other jurisdiction by suit on the judgment or in any other manner provided by law.

(e) **Limitations of Claims.** Any and all claims arising out of or relating to this Agreement or the relationship among the Parties will be barred unless a judicial or arbitration proceeding is commenced within two years from the date on which the Party asserting such claim knew or should have known of the facts giving rise to such claims.

(f) **Limitation on Damages.** Except with respect to: (i) Franchisee's obligation to indemnify Franchisor and its Affiliates pursuant to Section 21; (ii) claims for Franchisee's unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information in Sections 14 and 17; (iii) payment or recovery of liquidated damages described in Section 18(b); and (iv) lost profits incurred by Franchisor as a result of early termination of this Agreement under Section 18. FRANCHISOR AND FRANCHISEE WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, SPECIAL AND CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY DIRECT OR GENERAL DAMAGES THE PARTY SUSTAINS.

(g) **Rights of Parties Are Cumulative.** Franchisor's and Franchisee's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy under this Agreement which they are entitled by Applicable Law to enforce.

(h) **Costs and Legal Fees.** If Franchisor incurs expenses in connection with the Franchisee's failure to pay when due any monies owed, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, Franchisee will reimburse Franchisor for any of the costs and expenses which

it reasonably incurs, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees to enforce such provisions of the Agreement.

(i) **WAIVER OF JURY TRIAL.** THE PARTIES HERETO IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM IN CONNECTION WITH ANY MATTER OR DISPUTE OF ANY KIND ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF FRANCHISOR OR FRANCHISEE.

(j) **Material Inducement for Franchisor.** FRANCHISEE AND ITS PRINCIPALS EACH EXPRESSLY ACKNOWLEDGES AND AGREES THAT THIS SECTION 24 IS ENTERED INTO VOLUNTARILY AND IS NOT THE PRODUCT OF COERCION ON THE PART OF FRANCHISOR. THE BINDING ARBITRATION, CHOICE OF LAW AND FORUM, WAIVER OF PUNITIVE DAMAGES, LIMITATION ON ACTIONS, WAIVER OF CLASS ACTION, AND OTHER PROVISIONS OF THIS SECTION 24 ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ENTER INTO THIS AGREEMENT. IF ANY PROVISION OF THIS SECTION 24 IS DEEMED UNENFORCEABLE FOR ANY REASON, THERE WILL HAVE BEEN A FAILURE OF CONSIDERATION DELIVERED BY FRANCHISEE TO FRANCHISOR FOR THIS AGREEMENT, AND THIS AGREEMENT WILL HAVE FAILED OF ITS ESSENTIAL PURPOSE, THEREBY ENTITLING FRANCHISOR TO VOID THIS AGREEMENT AT ITS OPTION.

25. **NOTICES.**

All Notices required or permitted under this Agreement will be deemed given: (a) when delivered by hand; (b) two days after electronically confirmed transmission by facsimile or electronically confirmed delivery receipt by electronic mail; (c) three days after confirmed delivery if by certified or registered mail, postage

prepaid; or (d) upon delivery by a nationally-recognized courier or delivery service. Either Party may specify a different address by notifying the other Party in writing of the different address. The notice address for each Party is set forth in the Summary Page.

26. MISCELLANEOUS.

(a) **Severability; Substitution of Valid Provisions.** Except as expressly provided to the contrary in this Agreement, each section, paragraph, term and provision of this Agreement, and any portion thereof, will be considered severable. If, for any reason, any part of this Agreement is held to be invalid, that determination will not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, Franchisee and Franchisor agree that it will be enforced to the fullest extent permissible under Applicable Law and public policy. If any Applicable Law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of "good cause," or the taking of some other action not required hereunder, the prior notice, "good cause" standard and/or other action required by such law will be substituted for the comparable provisions hereof. If any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable under Applicable Law, Franchisor has the right, at Franchisor's sole option, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

(b) **Effect of Delay, Waiver, Omission or Forbearance.** No delay, waiver, omission or forbearance by Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee or its Principals under this Agreement will constitute a waiver by Franchisor to enforce any such right, option, duty or power against Franchisee or its Principals, or as

to subsequent breach or default by Franchisee or its Principals. Subsequent acceptance by Franchisor of any payments due to it hereunder will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or its Principals of any terms, provisions, covenants or conditions of this Agreement.

(c) **Binding Effect.** This Agreement is binding upon the Parties and their respective executors, administrators, heirs, assigns and successors-in-interest and will not be modified except by a written agreement signed by both Franchisee and Franchisor.

(d) **Disclaimer of Warranties.** Each Party hereby acknowledges that neither the other Party nor its agents or representatives have made any promises, representations, guarantees, nor warranties of any nature concerning actual or potential sales or profits of a Bumper Business or that the Bumper Business to be established and operated by Franchisee hereunder will be successful or profitable. Franchisee and its Principals represent and acknowledge that they are not relying upon any information, promise, representation, guaranty, or warranty by Franchisor in entering into this Agreement other than those set forth in this Agreement (including its exhibits, addenda, and attachments). Franchisee and its Principals expressly waive any claim of negligent misrepresentation or omission. Each Party further represents to the other that it has independently reviewed and evaluated the business to be conducted by Franchisee under this Agreement, and the decision to enter into this Agreement was made solely in reliance upon such independent evaluation.

(e) **Receipt of Disclosure.** The following applies only in the event this Agreement will have effect within a province or territory requiring compliance with pre-sale franchise disclosure law: Franchisee acknowledges that it has received as one document at one time, either personally, e-mail correspondence or by registered mail, a copy of the form of this Agreement, the exhibits hereto, and the applicable complete franchise disclosure document not less than 14 days prior to the earlier of: (i) the date on which this Agreement or any other agreement relating

thereto was executed; and (ii) the payment of any consideration by or on behalf of Franchisee relating to this Agreement, and the franchise associated therewith (except, where applicable, any deposit permitted under Applicable Law).

(f) **Entire Agreement.** This Agreement (including its exhibits, addenda, and attachments) constitutes the entire agreement between the Parties, and supersedes any and all prior or contemporaneous negotiations, discussions, understandings, or agreements. There are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in the franchise disclosure document furnished to Franchisee.

(g) **Construction.** The preambles and exhibits are a part of this Agreement. Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any Person not a party to this Agreement, except for the third-party beneficiary rights of Franchisor Indemnitees to enforce the terms and conditions of the general release executed pursuant to Section 3(b)(vi) and their respective rights under Sections 4(k), 16(d)(vii) and 20 of this Agreement. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Franchise Agreement as of the Effective Date.

FRANCHISOR:

BUMPER MAN, INC.

By: _____

Printed Name: _____

Title: _____

(h) **Headings.** The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

(i) **Multiple Copies.** This Agreement may be executed in multiple copies, each of which will be deemed an original.

(j) **No Waiver or Disclaimer of Reliance in Certain States.** The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

EXHIBIT A TO FRANCHISE AGREEMENT

ORGANIZATIONAL AND OWNERSHIP INFORMATION

Franchisee is a _____, organized on _____, ___ under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under another name. The following is a list of Franchisee directors and officers as of the Effective Date. Capitalized terms not defined in this Exhibit A have the meanings given in the Franchise Agreement dated _____ between Franchisee and Franchisor.

Franchisee represents and warrants to Franchisor that all Equity Interests in Franchisee are disclosed in the Guaranty. Franchisee will disclose to Franchisor such additional information as Franchisor may periodically request concerning all Persons having an Equity Interest in Franchisee. As of the Effective Date:

Name	Mailing Address	% of Equity Interest

EXHIBIT B TO FRANCHISE AGREEMENT

GUARANTY AND UNDERTAKING OF OBLIGATIONS

This GUARANTY AND UNDERTAKING OF OBLIGATIONS ("Guaranty") dated _____, 20__ (the "Effective Date") is given to Franchisor, by each of the undersigned as a Principal of Franchisee, in consideration of and as an inducement to the execution of the attached Franchise Agreement, including any exhibits and amendments thereto ("Agreement") by and between Franchisor and Franchisee. Capitalized terms not defined in this Guaranty and Undertaking of Obligations have the meanings given in the Agreement.

Principal hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the Term and afterward as provided in the Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement.

Principal represents that each and every representation of Franchisee made in connection with the Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned Principal(s)' execution of this Guaranty.

Principal acknowledges that it is included in the term "Principal" as described in Section 1 of the Agreement and without limiting any guarantee of Franchisee's obligations under the Agreement, makes all covenants, representations, warranties and agreements of Principals set forth in the Agreement and is obligated to individually perform thereunder for so long as he or she qualifies as a Principal and thereafter to the extent expressly provided by the terms of the Agreement, including without limitation the representations, warranties and covenants described in the following sections of the Agreement: Section 10 (Representations, Warranties and Covenants), Section 16 (Transferability of Interest), Section 17 (Restrictive Covenants) and Section 20 (Indemnification).

Principal hereby unconditionally agrees to be personally bound by, and personally liable for, the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities.

Principal consents and agrees that it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so.

Principal consents and agrees that its liability under this Guaranty will not be contingent or conditioned upon Franchisor pursuing any remedies against Franchisee or any other Person. Principal waives any right it may have to require that Franchisor bring an action against Franchisee or any other Person as a condition of its liability. Principal further waives protest and notice of Franchisee's default or nonperformance of any obligation that is guaranteed by Principal or notice of demand for payment issued by Franchisor, and any and all other notices and legal or equitable defenses to which Principal may be entitled in its capacity as guarantor.

Principal consents and agrees that such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other concession that Franchisor may periodically grant to Franchisee or to any other Person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term.

Principal waives 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 undersigned's execution of and performance under this Guaranty.

This Guaranty and all claims arising from, under or with respect to the relationship between Franchisor and Principal(s) will be interpreted, enforced and governed by the laws of Texas (without regard to Texas conflicts of law rules).

For so long as you are Franchisee's Principal under the Franchise Agreement and for a period of two years from the date you cease to be Franchisee's Principal, you will not, either directly or indirectly, individually or through, on behalf of, or in conjunction with any other person:

- (i) Own, maintain, operate, be employed by, engage in, franchise, lease property to, advise, help, make loans to, or have any interest in, either directly or indirectly, any Competitive Business;
- (ii) Divert or attempt to divert any actual or prospective business or customer of the Bumper Business to any Competitive Business, by direct or indirect inducement or otherwise; or
- (iii) Perform, directly, any or indirectly, any other act injurious to or prejudicial to the goodwill associated with the Marks and the System

The above covenants apply exclusively in the United States of America during the time that you serve as Principal for the Bumper Business and within 25 miles of any then-existing Bumper Man business during the two-year period following the date you cease to be the Principal of the Bumper Business.

Principal further acknowledges and agrees as follows:

- (a) it has read the terms and conditions of the Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to Franchisor's execution of the Agreement, and Franchisor would not have granted such rights without the execution of this Guaranty by each of the undersigned
- (b) this Guaranty will remain in force notwithstanding the death of the undersigned, and will be binding on the undersigned's personal representatives; and
- (c) this Guaranty will continue and will be enforceable notwithstanding any change in the name or the constitution of Franchisor or Franchisee.

Principal represents and warrants that the following is a complete and accurate list of all Principals of Franchisee and a full description of the nature and extent of each Principal's Equity Interest in Franchisee. Franchisee, and Principal as to its Equity Interest, represents and warrants that Principal is the sole and exclusive legal and beneficial owner of its Equity Interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed its signature as of the Effective Date.

PRINCIPAL:

By: _____
Printed Name: _____
Title: _____

EQUITY INTEREST

_____ %

By: _____
Printed Name: _____
Title: _____

_____ %

By: _____
Printed Name: _____
Title: _____

_____ %

EXHIBIT C TO FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Franchisee: _____

Principal Name: _____ Phone: _____

Contact Person: _____ Title: _____

Address: _____

Franchisee hereby authorizes Bumper Man, Inc. ("Franchisor") to initiate entries to the checking or savings account identified below for disbursements of amounts invoiced by Franchisor to Customers in accordance with records for services rendered submitted by Franchisee pursuant to the Bumper Man Franchise Agreement between Franchisor and Franchisee and, if necessary, to initiate any adjustments for transactions credited in error. These disbursements are related to the operation of a franchised business and the amount of each disbursement will vary month to month.

This authorization will remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor a reasonable opportunity to act on it.

Name and Address on Account: _____

Pay to the order of: [_____]

Franchisee's Financial Institution: _____

(Name, Address & Phone #) _____

Transit/ABA Routing Number: _____

Account Number: _____

PLEASE ATTACH A VOIDED CHECK

Signature: _____ Date: _____

Printed Name: _____

EXHIBIT D TO FRANCHISE AGREEMENT

DESIGNATED AREA

1. As stated in Sections 2(a) and 2(b) of the Agreement, subject to the terms and conditions of the Agreement, the initial Designated Area in which Franchisee will locate and operate the Business is defined as follows:

The Designated Area is considered fixed as of the Effective Date. *See Map of Designated Area attached to this Exhibit D as Schedule D-1.*

3. The Commencement Date for the Bumper Business is as follows: _____.

FRANCHISOR:

BUMPER MAN, INC.

By: _____
Printed Name: _____
Title: _____

FRANCHISEE:

[_____]
By: _____
Printed Name: _____
Title: _____

SCHEDULE D-1
MAP OF PREMISES

EXHIBIT E TO FRANCHISE AGREEMENT

INSURANCE REQUIREMENTS

The insurance requirements described below are for a single Bumper Business. All insurance policies must be issued by a responsible carrier or carriers that has received and maintains an A.M. Best Rating of A+ or better and be authorized to transact business in the state where the Bumper Business premises is located, and otherwise approved by Franchisor; include a waiver of subrogation provision or endorsement in favor of Franchisor Indemnitees; be primary and non-contributory to any other insurance that any of Franchisor Indemnitees for as procured for themselves; provide for 30 days' prior written Notice to Franchisor of any material modification, cancellation, or expiration of such policy. Such endorsements must not contain language that limits the liability afforded to Franchisor and its Affiliates to any amount less than stated on the declarations page of each policy. No insurance policy will contain a provision that in any way limits or reduces coverage for Franchisee in the event of a claim by Franchisor Indemnitees. Such insurance coverage will not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. All insurance coverage will include a separation of insureds provision. All insurance coverage will identify as an additional insured Bumper Man, Inc., 1432 Airport Blvd, Mesquite, TX, 75181. Capitalized terms not defined in this Exhibit E have the meanings set forth in the Agreement.

Garage Liability Insurance

Garage Liability Insurance policy with a minimum each occurrence policy limit of \$1,000,000.

Garage Keepers Insurance

Garage Keepers Insurance policy with a required limit per vehicle of \$50,000.

Commercial Vehicle Insurance

Commercial Vehicle Insurance policy with a combined single policy limit of \$500,000.

EXHIBIT F TO FRANCHISE AGREEMENT

CERTIFIED TECHNICIAN ADDENDUM

**CERTIFIED TECHNICIAN ADDENDUM
TO BUMPER MAN FRANCHISE AGREEMENT**

This Certified Technician Addendum to Bumper Man Franchise Agreement (“Addendum”) is effective as of _____, 20__ (the “Effective Date”) by and among Bumper Man, Inc. (“Franchisor”), and _____ (“Franchisee”), _____ (“Principal”) and _____ (“Certified Technician”). Franchisor, Franchisee, Principal and Certified Technician are collectively referred to as “Parties” in this Addendum.

1. INTRODUCTION. Franchisor and Franchisee are parties to the Bumper Man Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) pursuant to which Franchisee operates a Bumper Man bumper repair business at _____ (“Bumper Business”). Franchisee has requested Franchisor’s consent to retain the services of a Certified Technician to perform services within the Designated Area on _____, 20__ (“Commencement Date”) to maximize the number of customers serviced by the Bumper Business.

2. DEFINITIONS. All capitalized terms used herein but not defined shall have the meaning given to such terms in the Franchise Agreement.

3. CONDITIONS FOR APPROVAL. Franchisor will grant the limited right to Certified Technician to perform the services in the Designated Area during the Term of the Franchise Agreement (unless terminated in accordance with Section 18), as further set forth in Section 4 of this Addendum, subject to Franchisee’s and Certified Technician’s satisfaction of the conditions set forth in this Section 3 prior to or concurrently with the proposed Commencement Date:

- (a) Franchisee and its Principals have paid all Continuing Service Fees and all other amounts owed to Franchisor and its Affiliates, submitted all required Reports and other statements and data and otherwise are in full compliance with this Agreement as of the date of Franchisee’s request for approval of the Certified Technician and as of the Commencement Date.
- (b) The proposed Certified Technician: (1) has sufficient business experience, aptitude, assets and financial resources to operate the Bumper Business; (2) meets Franchisor’s then-applicable standards for Bumper Business franchisees set forth in the Manual; (3) and each of the Persons holding a direct or indirect Equity Interest in Certified Technician (if Certified Technician is an Entity) is not engaged and will not engage in the operation or ownership of a business offering bumper repair services or any competitor of Bumper Man, and will engage only in the operation of the Bumper Business; and (4) will cooperate with reasonable due diligence requests made by Franchisor promptly thereafter and if additional time is reasonably needed, then prior to the proposed Commencement Date.
- (c) Certified Technician will complete any refresher training as requested by Franchisor.

- (d) Certified Technician will agree to be bound by all terms and conditions of the Franchise Agreement, as set forth in Section 4 below.
- (e) Certified Technician will pay to Franchisor the Certified Technician Fee;
- (f) If Certified Technician is an Entity, its Principals will sign a Guaranty and Undertaking of Obligations in the form attached as Exhibit A. In addition, if Certified Technician is an Entity, then the Certified Technician Operating Principal is _____, and Certified Technician represents and warrants to Franchisor that: (i) such Certified Technician Operating Principal satisfies the criteria for a Certified Technician Operating Principal, as described in the Franchise Agreement; and (ii) all Equity Interest in Certified Technician are disclosed in the Guaranty and Undertaking of Obligations.
- (g) Franchisee, Certified Technician and their respective Principals have executed a general release, in form satisfactory to Franchisor, releasing Franchisor, its officers, directors, employees, agents and affiliates from any and all claims arising out of the operation of the Bumper Business, excluding those claims which cannot be released under applicable law.

4. GRANT AND UNDERTAKING OF FRANCHISEE OBLIGATIONS. Subject to the reserved rights described in Section 2(e) of the Franchise Agreement, Franchisor grants to Certified Technician, upon the terms and conditions in the Franchise Agreement, the right and license, and Certified Technician hereby accepts the right and obligation, to operate a Bumper Business within all or a portion of Franchisee's Designated Area, as determined by Franchisee as set forth in Exhibit B.

For the Term and afterward as provided in the Franchise Agreement and except as otherwise provided in this Addendum, Certified Technician will punctually pay and perform each and every undertaking, agreement, covenant and obligation set forth in the Franchise Agreement. Certified Technician represents that each and every representation and warranty set forth in the Franchise Agreement is true, complete and accurate as to Certified Technician, including without limitation representations, warranties and covenants described in the following sections of the Agreement: Section 10 (Representations, Warranties and Covenants), Section 13 (Insurance) and Exhibit E (Insurance Requirements), Section 17 (Restrictive Covenants) and Section 20 (Indemnification), and Certified Technician hereby unconditionally agrees to be bound by each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities, and liable for, its breach of any provision of the Franchise Agreement. With respect to the insurance requirements set forth in Exhibit E, Certified Technician will identify Franchisee as an additional insured in addition to Bumper Man, Inc.

5. ACKNOWLEDGMENT OF FRANCHISEE. Franchisee will directly supervise the performance of Certified Technician. Franchisee will be liable for the performance of Certified Technician under the Franchise Agreement (including without limitation Certified Technician's performance of services) and any loss, damage or delay incurred in connection with Certified

Technician's performance of the services or breach of the terms and conditions of the Franchise Agreement or this Addendum to the same extent as if Franchisee had performed the services. Nothing contained in this Addendum will relieve Franchisee of its obligations under the Franchise Agreement and Franchisee will remain liable for all of such obligations.

6. SERVICE FEE. For Gross Revenues of the Bumper Business for services performed by Certified Technician, Franchisor will deduct the Continuing Service Fee and disburse the remaining invoiced amounts to Franchisee in accordance with Section 4(e) of the Franchise Agreement to Franchisee and Certified Technician as follows: 15% of remaining invoiced amounts will be disbursed to Franchisee and 60% of remaining invoiced amounts will be disbursed to Certified Technician, less any amounts owed to Franchisor, including without limitation note payments, charge-backs on past due invoices, advances made by Franchisor, or attorneys' fees and court costs incurred by Franchisor in enforcing payment of accounts by customers.

7. NO TRANSFER. The rights and duties created by this Addendum are personal to Certified Technician, and Franchisor has granted rights under this Addendum in reliance upon the business skill, financial capacity and personal character of Certified Technician. Accordingly, no Transfer of this Addendum or the rights granted to Certified Technician is permitted or authorized.

8. TERM OF ADDENDUM.

- (a) Term.** The term of this Addendum will commence on the Effective Date of this Addendum and will expire two years thereafter, unless this Addendum or the Franchise Agreement is terminated as provided in Section 18 of the Franchise Agreement. For the sake of clarity, this Addendum will terminate immediately upon the expiration, termination or Transfer of the Franchise Agreement. The grounds for termination of the Franchise Agreement appear in Exhibit C.
- (b) Renewal.** Certified Technician may, at its option, continue to operate the Bumper Business pursuant to this Addendum and the Franchise Agreement for two consecutive two-year terms, subject to Certified Technician's satisfaction of the conditions required by Franchisor as set forth in Section 3(b) of the Franchise Agreement. If Certified Technician elects not to renew but desires to purchase a Bumper Man franchise for a new, available Designated Area and provided Certified Technician: (i) satisfies Franchisor's then-current criteria for new franchisees; (ii) is not in default of the Franchise Agreement and this Addendum; and (iii) enters into Franchisor's then-current form of franchise agreement, then Franchisor will apply the \$25,000 initial franchise fee paid by Certified Technician in connection with acquiring the right to operate as a Bumper Man certified technician toward Franchisor's then-current initial franchise fee. Nothing contained in this Section 8(b) provides Certified Technician any exclusivity to any Designated Area or guarantees that a Designated Area will be available at such time as Certified Technician desires to exercise its rights under this Section 8(b).

9. RIGHT OF SECOND REFUSAL. If Franchisor elects not to exercise its right of first refusal pursuant to Section 16(g) (in the event of Transfer) of the Franchise Agreement, and provided Certified Technician is not in default of the Franchise Agreement or this Addendum, Franchisor will notify Certified Technician of its option to purchase the Bumper Business. Certified Technician must respond to Franchisor in writing within 20 days of the date of Franchisor's Notice, stating either its desire to enter into Franchisor's then-current form of Franchise Agreement to operate the Bumper Business in the Designated Area (including payment of an Initial Franchise Fee, less the Certified Technician Fee) or to cease operating as a Certified Technician in the Designated Area. If Certified Technician fails to provide a written response within such 20-day time period, Franchisor may proceed to either operate the Bumper Business directly or grant the right to a third party to operate such Bumper Business with no obligation or liability to Certified Technician.

10. INDEMNIFICATION. IN ADDITION TO THE INDEMNITY OBLIGATIONS OF FRANCHISEE AND ITS AFFILIATES AND PRINCIPALS SET FORTH IN SECTION 20 OF THE FRANCHISE AGREEMENT, FRANCHISEE WILL INDEMNIFY, DEFEND AND HOLD HARMLESS THE FRANCHISOR, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND AFFILIATES AGAINST AND REIMBURSE ANY ONE OR MORE THE FRANCHISOR ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND AFFILIATES FOR ANY AND ALL LOSSES AND EXPENSES ARISING OUT OF OR RELATED TO ANY CLAIMS, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATED TO FRANCHISEE'S RELATIONSHIP WITH CERTIFIED TECHNICIAN OR CERTIFIED TECHNICIAN'S OPERATION OF THE BUMPER BUSINESS, BREACH OF THIS ADDENDUM OR THE FRANCHISE AGREEMENT, NEGLIGENCE OR WILLFUL MISCONDUCT.

11. NOTICES. All Notices required or permitted under this Agreement will be deemed given: (a) when delivered by hand; (b) two days after electronically confirmed transmission by facsimile or electronically confirmed delivery receipt by electronic mail; (c) three days after confirmed delivery if by certified or registered mail, postage prepaid; or (d) upon delivery by a nationally-recognized courier or delivery service. Certified Technician may specify a different address by notifying the other Parties in writing of the different address. The notice address for Certified Technician is as follows:

If to Certified Technician: _____

Email: _____

12. GENERAL RELEASE. In consideration of the foregoing and other good and valuable consideration, Franchisee, its Principals, Certified Technician (and, if Certified Technician is an Entity, each Person and Entity holding an Equity Interest in Certified Technician, as set forth in Exhibit A to this Addendum), each for themselves and on behalf of their current and former officers, directors, shareholders, members, partners, affiliates, agents, attorneys, representatives, predecessors, successors and assigns (collectively, the "Franchisee Releasing Parties"), absolutely and unconditionally waive, release and forever discharge Franchisor and its current

and former officers, directors, shareholders, members, partners, affiliates, agents, attorneys, representative, predecessors, successors and assigns (the “Franchisor Released Parties”) from all claims, demands, obligations, liabilities, actions, and causes of actions whatsoever, in law or equity, that any Franchisee Releasing Party has ever had or may in the future have arising from the Franchise Agreement, this Addendum any other agreement between a Franchisee Releasing Party and a Franchisor Released Party, and the relationship and course of dealing among any Franchisor Released Party and any Franchisee Releasing Party, whether known or unknown, that occurred on or before the Effective Date. The Franchisee Releasing Parties acknowledge and agree that this is a general release that expressly covers unknown as well as known claims, and they voluntarily waive, release and assume the risk of all claims that exist as of the date of this Addendum, whether known or unknown to them.

13. ASSIGNMENT. This Addendum is fully transferable by Franchisor, in whole or in part, without the consent of Franchisee or Certified Technician and will inure to the benefit of any transferee or their legal successor to Franchisor’s interests in this Addendum. Franchisee and Certified Technician will not assign this Addendum.

14. CHOICE OF LAW AND FORUM. Any dispute arising out of this Addendum will be governed by the choice of law and forum procedures set forth in Section 24 of the Franchise Agreement.

15. CONSTRUCTION. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum will control. Except as expressly modified by this Addendum, the terms of the Franchise Agreement will continue in full force and effect.

16. INVALIDITY. If any provision of this Addendum is construed to be invalid, illegal, or unenforceable by a court of competent jurisdiction, then the remaining provisions hereof and of the Franchise Agreement shall not be affected thereby and shall be enforceable without regard thereto.

17. HEADINGS. The section headings of this Addendum are for the convenience of the parties only and in no way alter, modify, amend, limit, or restrict the contractual obligations of the parties.

18. COUNTERPARTS. This Addendum may be executed in one or more counterparts and in both original form and one or more electronic or photocopies, each of which will be deemed to be and constitute one and the same instrument.

19. AMENDMENTS. This Addendum may not be modified or amended or any term hereof waived or discharged except in a writing signed by the party against whom such Addendum, modification, waiver or discharge is sought to be enforced.

20. The Release of Claims in Section 12 above does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the Effective Date.

FRANCHISOR:

BUMPER MAN, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

PRINCIPAL:

By: _____

Name: _____

CERTIFIED TECHNICIAN:

By: _____

Name: _____

EXHIBIT A TO CERTIFIED TECHNICIAN ADDENDUM

GUARANTY AND UNDERTAKING OF OBLIGATIONS

This GUARANTY AND UNDERTAKING OF OBLIGATIONS (“Guaranty”) dated _____, 20____ is given to Franchisor, by each of the undersigned as a Principal of Certified Technician, in consideration of and as an inducement to the execution of the attached Addendum No. ____ to the Franchise Agreement, including any exhibits and Addendums thereto (“Agreement”) by and between Franchisor and Franchisee. Capitalized terms not defined in this Guaranty and Undertaking of Obligations have the meanings given in the Agreement.

Principal hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the Term and afterward as provided in the Agreement, that Certified Technician will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement.

Principal represents that each and every representation of Certified Technician made in connection with the Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned Principal(s)’ execution of this Guaranty.

Principal acknowledges that it is included in the term “Principal” as described in Section 1 of the Agreement and without limiting any guarantee of Franchisee’s obligations under the Agreement, makes all covenants, representations, warranties and agreements of Principals set forth in the Agreement and is obligated to individually perform thereunder for so long as he or she qualifies as a Principal and thereafter to the extent expressly provided by the terms of the Agreement, including without limitation the representations, warranties and covenants described in the following sections of the Agreement: Section 10 (Representations, Warranties and Covenants), Section 16 (Transferability of Interest), Section 17 (Restrictive Covenants) and Section 20 (Indemnification).

Principal hereby unconditionally agrees to be personally bound by, and personally liable for, the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities.

Principal consents and agrees that it will render any payment or performance required under the Agreement upon demand if Certified Technician fails or refuses punctually to do so.

Principal consents and agrees that such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Certified Technician or any other Person and waives any right it may have to require that an action be brought against Certified Technician or any other Person as a condition of his or her liability. Principal further waives protest and notice of default, demand for payment or nonperformance or any obligations guaranteed, and any and all other notices and legal or equitable defenses to which Principal may be entitled in its capacity as guarantor.

Principal consents and agrees that such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may periodically grant to Franchisee or to any other Person, including, without limitation, the acceptance of any partial

payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term.

Principal waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Certified Technician arising as a result of the undersigned's execution of and performance under this Guaranty.

This Guaranty and all claims arising from, under or with respect to the relationship between Franchisor and Principal(s) will be interpreted, enforced and governed by the laws of Texas (without regard to Texas conflicts of law rules).

Principal further acknowledges and agrees as follows:

(a) he has read the terms and conditions of the Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to Franchisor's execution of the Agreement, and Franchisor would not have granted such rights without the execution of this Guaranty by each of the undersigned

(b) this Guaranty will remain in force notwithstanding the death of the undersigned, and will be binding on the undersigned's personal representatives; and

(c) this Guaranty will continue and will be enforceable notwithstanding any change in the name or the constitution of Franchisor or Certified Technician.

Principal represents and warrants that the following is a complete and accurate list of all Principals of Certified Technician and a full description of the nature and extent of each Principal's Equity Interest in Certified Technician. Certified Technician, and Principal as to his or her Equity Interest, represents and warrants that Principal is the sole and exclusive legal and beneficial owner of his or her Equity Interest in Certified Technician, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature as of the date shown above.

PRINCIPAL:

EQUITY INTEREST

By: _____ %

Printed Name: _____

Title: _____

By: _____ %

Printed Name: _____

Title: _____

EXHIBIT B TO CERTIFIED TECHNICIAN ADDENDUM

CERTIFIED TECHNICIAN DESIGNATED AREA

EXHIBIT C TO CERTIFIED TECHNICIAN ADDENDUM

GROUNDS FOR TERMINATION OF FRANCHISE AGREEMENT **(copied from current version of Franchise Agreement)**

18. DEFAULT AND TERMINATION.

The occurrence of any of the following will adversely and substantially affect the interests of Franchisor and will be deemed an Event of Default constituting just cause for exercising any of the remedies set forth herein:

(a) Franchisor may terminate this Agreement upon delivery to Franchisee of Notice as a result of the occurrence of any of the following Events of Default and Franchisee's failure to cure such Event of Default within the cure period described below, if any, and absent a cure period, immediately upon Franchisor's Notice to Franchisee:

(i) Franchisee (or any of its Principals or Affiliates) has made any material misrepresentation or omission in connection with this Agreement;

(ii) Franchisee fails to begin operating the Bumper Business as of the Commencement Date, and fails to cure such default within 30 days after Notice of such Event of Default is delivered to Franchisee;

(iii) Franchisee abandons or fails actively to operate the Bumper Business for five or more Business Days unless the Bumper Business has been closed for a purpose Franchisor has approved in writing or because of an Event of Force Majeure;

(iv) Franchisee fails to submit invoices to Franchisor for processing for seven or more consecutive Business Days without Franchisor's prior approval;

(v) Franchisee surrenders or transfers Control of the operation of the Business without Franchisor's prior written consent;

(vi) Franchisee (or any of its Principals or Affiliates) is or has been held liable or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any act or conduct which Franchisor believes will materially and adversely affect the reputation of the Bumper Business, any other Bumper Man business or the goodwill associated with Marks;

(vii) Franchisee's misuse or unauthorized use of the Marks, including without limitation Franchisee's misuse or unauthorized use of the Marks on its Social Media pages or other Internet site, or registration of a domain name incorporating the Marks;

(viii) Franchisee (or any of its Principals or Affiliates) makes an unauthorized Transfer pursuant to Section 16;

(ix) Franchisee (or any of its Principals or Affiliates) makes any unauthorized use or disclosure of any Confidential Information or Franchisor's trade secrets; or uses, duplicates or discloses any portion of the Manual in violation of this Agreement;

(x) Franchisee and Franchisee's Principals or Operating Principal fails to comply with or perform its covenants, representations and warranties in this Agreement, including without limitation the representations, warranties and covenants set forth in Section 10, the representations and warranties with respect to anti-corruption, anti-boycott and anti-terrorism laws set forth in Section 15 and the restrictive covenants against competition set forth in Section 17;

(xi) Franchisee fails to pay any Continuing Service Fees or other amounts due hereunder to Franchisor within five days after Notice of nonpayment is delivered to Franchisee, or if Franchisee or its Affiliate fails to pay any amounts due to Franchisor under any promissory note or other written instrument and fails to cure such nonpayment within the time period prescribed therein;

(xii) Franchisee under-states Gross Sales or fails to accurately report Gross Sales or its performance of any Designated Services, and does not correct such failure within three days after Notice of such failure is delivered to Franchisee, including without limitation payment of the Non-Reported Designated Services Fee for such failure to report performance of Designated Services;

(xiii) Franchisee fails to pay when due any income, withholding, service, sales or any other applicable taxes due on the Bumper Business' operations, unless it is in good faith contesting its liability for such taxes and has effectively stayed the enforcement of liability for such taxes.

(xiv) Franchisee fails to have in effect at all time the insurance coverages as required in Section 13 of this Agreement.

(xv) Less than thirty-five percent (35%) of Franchisee's Gross Sales during each month in any consecutive two (2)-month period is generated from the repair of metal bumpers.

(b) Termination for Other Material Breach. Except as provided in Section 18(a), Franchisor may terminate this Agreement for failure by Franchisee (or any of its Principals) to comply with any other material provision of this Agreement, including, without limitation, the representations and warranties contained in this Agreement, or any Standard material to operation of the Bumper Business within 30 days after Notice of such Event of Default is delivered to Franchisee.

(c) Termination for Repeated Default. This Agreement will terminate immediately upon delivery of Notice to Franchisee if Franchisee (or any of its Principals) fails on three or more separate occasions within any period of 12 consecutive months to do any one or more or combination of the following: (1) submit when due reports or other data, information or supporting record; (2) pay when due any amounts due to Franchisor or its Affiliates; or (3) otherwise materially comply with this Agreement, whether or not such failures are corrected after Notice of such failure is delivered to Franchisee.

(d) Termination for Insolvency. This Agreement will automatically terminate upon any of the following: if any bankruptcy proceeding is commenced by or against Franchisee (or any

Affiliate or Principal), the Franchisee makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; Franchisee consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of its property; the Bumper Business or Operating Assets is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days after Notice from Franchisor; or any order appointing a receiver, trustee or liquidator of Franchisee or the Bumper Business is not vacated within 30 days following the entry of such order. Without limiting the foregoing, Franchisee may request that Franchisor reinstate this Agreement following the entry of an order of bankruptcy discharge from a court of competent jurisdiction, which Franchisor may grant or deny at its sole option and, if granted, Franchisor may require Franchisee to sign Franchisor's then-current form of franchise agreement in lieu of reinstatement of this Agreement.

(e) Termination for Violation of Applicable Law. This Agreement will terminate immediately upon delivery of Notice to Franchisee if Franchisee (or any of its Principals or Affiliates) violates any Applicable Law or has any necessary license or certification) revoked or suspended in whole or in part, including without limitation, suspension or revocation of Franchisee's or its Operating Principal's driver's license.

EXHIBIT G TO FRANCHISE AGREEMENT

ASSIGNMENT OF TELEPHONE NUMBER(S)

This Assignment relates to:

Name of Franchisee: _____

Address: _____

Telephone Number(s): _____

For valuable consideration, the Franchisee identified above ("Franchisee") assigns and transfers to Bumper Man, Inc. ("Bumper Man") all of Franchisee's rights and interest in each and every telephone number(s) listed above (the "Numbers").

Franchisee authorizes Bumper Man to file this Assignment with the telephone company or wireless service provider for your mobile device that issued the Numbers for the purposes of establishing Bumper Man's claim to and right to designate the user of the Numbers.

Franchisee irrevocably constitutes and appoints Bumper Man as Franchisee's agent and attorney-in-fact for the purposes of (i) signing and delivering any Transfer of Service Agreement or comparable document the telephone company or wireless service provider, as applicable, requires to transfer the rights in the Numbers from Franchisee to Bumper Man or its designee, and (ii) canceling and revoking any call-forwarding or similar instructions Franchisee has issued to the telephone company or wireless service provider, as applicable, with respect to any of the Numbers, with full power to sign Franchisee's name and otherwise to act in Franchisee's name, place and stead.

Franchisee agrees to reimburse Bumper Man the full amount of any local service and long distance, roaming, international or data charges the telephone company or wireless service provider, as applicable, requires that Bumper Man pay to obtain the Numbers.

Franchisee represents and warrants to Bumper Man that Franchisee obtained the Numbers in his, her or its own name, and that Franchisee is the person of record the telephone company or wireless service provider will recognize as registered user or "owner" of the Numbers.

[_____]

By: _____

Title: _____

EXHIBIT H TO FRANCHISE AGREEMENT

STATE ADDENDA

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE
CALIFORNIA FRANCHISE INVESTMENT LAW

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. Section 16(d)(ii) of the Franchise Agreement is hereby deleted and replaced with the following:
 - (2) The proposed transferee (and its direct and indirect owners):
 - (i) have sufficient business experience, aptitude, assets and financial resources to operate the Bumper Business;
 - (ii) are individuals of good character and otherwise meet Franchisor's then-applicable Standards for Bumper Man franchisees, including without limitation: (A) the proposed transferee must satisfy Franchisor's minimum net worth, liquid asset, equity/debt ratio and credit score requirements; (B) the proposed transferee must submit a complete and accurate franchise application and payment of all applicable fees; (C) the proposed transferee must complete and pass all background checks; (D) there must not be any felony convictions or other crimes of proposed transferee that may adversely affects the Marks, the System or the Franchisor, and there must not be a pleading of no contest to any other of these by the proposed transferee; (E) there have been no previous claims by the proposed transferee against another franchisor or affiliate; (F) the operation or ownership of the Bumper Business or proposed transferee's entity will not violate any contracts with any third party; and (G) the proposed transferee must not have a pattern or practice of litigiousness;
 - (iii) are not engaged and will not engage in the operation or ownership of a Competitive Business, and will engage only in the operation of the Bumper Business; and
 - (iv) will cooperate with reasonable due diligence requests made by Franchisor promptly thereafter and if additional time is reasonably needed, then prior to the proposed effective date of the Transfer. Franchisor may expand upon, and provide more details related to, the conditions for transfer and Franchisor's consent as described in this Section 16(c), and may do so in the Manual or otherwise in writing. Franchisor may, but is not obligated to, provide additional details regarding the transfer conditions and Franchisor's consent to Franchisee.
2. The Franchise Agreement requires the application of the laws of Texas. This provision may not be enforceable under California law.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By: _____

Printed Name: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE
ILLINOIS FRANCHISE DISCLOSURE ACT

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. The provisions of this Addendum for 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 Illinois; (b) Franchisee is a resident of the State of Illinois; and/or (c) the Bumper Business will be located in the State of Illinois.
2. Section 18 of the Franchise Agreement, under the heading "Default and Termination," will be supplemented by the addition of the following sentence: "The conditions under which this franchise can be terminated and the parties' rights upon nonrenewal may be affected by Illinois Law, 815 ILCS 705/19 and 705/20."
3. Section 24(4) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Notwithstanding the foregoing, Illinois law will govern this Agreement."
4. Section 24(d) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Subject to Section 24(a), any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the Parties must be brought in the Illinois federal or state court for the Designated Area in which the Bumper Business is located."
5. Section 24(e) of the Franchise Agreement will be supplemented by the addition of the following sentence: "However, nothing contained in this Section will constitute a condition, stipulation or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act at Section 705/27 or any other law of the State of Illinois, to the extent applicable."
6. Sections 24(f), 24(i) and 24(j) of the Franchise Agreement will be supplemented by the addition of the following sentence: "However, this Section will not act as a condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act at Section 705/41 or Illinois regulations at Section 200.609."
7. The following sentence is added to the end of the Franchise Agreement: "Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of the State of Illinois is void."
8. Except as amended in this Addendum, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By: _____

Printed Name: _____

Title: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE
MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. The provisions of this Addendum for 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 Maryland; (b) Franchisee is a resident of the State of Maryland; and/or (c) the Bumper Business will be operated in the State of Maryland.
2. Sections 3(b) and 16(d) of the Franchise Agreement will be supplemented by the addition of the following sentence: "However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law."
3. Section 18(a)(iv) of the Franchise Agreement will be supplemented by the addition of the following sentence: "This Section 18(a)(iv) may not be enforceable under federal bankruptcy law (11 U.S.C. §§ 101 *et seq.*.)"
4. Section 24(d) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."
5. Section 24(e) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Franchisee must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within three years after Franchisor grants Franchisee the franchise."
6. The following is added as a new Section 26(k) to the end of the Franchise Agreement: "All representations requiring Franchisee to assent to a release, estoppel or waiver of liability are not intended to, nor will they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
7. Sections 26(d) and (e) of the Franchise Agreement are hereby deleted.
8. Except as amended in this Addendum, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By: _____

Printed Name: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE
MINNESOTA FRANCHISE INVESTMENT LAW

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. The provisions of this Addendum for an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because (a) Franchisee is a resident of the State of Minnesota; and/or (b) the Bumper Business will be located in the State of Minnesota.
2. Sections 3(b) and 16(d) of the Franchise Agreement will be supplemented by the addition of the following sentence: "However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchise Investment Law."
3. Section 3(b) and Section 18 of the Franchise Agreement will be supplemented by the addition of the following sentence: "However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. § 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement."
4. Section 24(b) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Notwithstanding anything contained in this Section to the contrary, Franchisor may seek temporary, injunctive or other special or extraordinary relief; however, Franchisee cannot consent to Franchisor's obtaining of such relief. A court will determine whether a bond or security must be posted. See Minnesota Rules 2860.4400(J)."
5. Section 24(e) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Franchisee must bring any action arising under the Minnesota Franchise Investment Law within three years after the cause of action accrues."
6. Section 24(i) of the Franchise Agreement is hereby deleted in its entirety.
7. Minn. Stat. §80C.21 and Minnesota Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for under the Minnesota Franchise Investment Law or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota.
8. Except as amended in this Addendum, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE:

[_____]

By:_____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By:_____

Printed Name: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR USE IN NEW YORK

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are a resident of the State of New York and the Bumper Man Business you will operate under the Franchise Agreement will be located in New York, or (b) any of the franchise offer or sales activity occurred in New York.

2. **RELEASES**. The following language is added to the end of Sections 3(b) and 16(d) of the Franchise Agreement:

Notwithstanding the foregoing, 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 the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. **TRANSFER BY US**. The following language is added to the end of Section 16(a) of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 18 of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added at the end of Sections 24(b) and 24(d) of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **LIMITATION OF CLAIMS**. The following sentence is added to the end of Section 24(e) of the Franchise Agreement:

To the extent required by Article 33 of the General Business Law of the State of New York, all rights 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 provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By: _____

Printed Name: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE
NORTH DAKOTA FRANCHISE INVESTMENT LAW

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. The provisions of this Addendum for an integral part of and are incorporated into the Franchise Agreement. This Addendum is being executed because (a) Franchisee is a resident of the State of North Dakota and the Bumper Business that Franchisee will operate under the Franchise Agreement will be located in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.
2. Sections 3(b) and 16(d) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law."
3. Covenants not to compete such as those mentioned in Section 17(a) of the Franchise Agreement may be unenforceable in the State of North Dakota except in certain circumstances provided by law."
4. Section 18(b) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Any provision requiring Franchisee to pay liquidated damages may not be enforceable."
5. Sections 24(b) and 24(d) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Notwithstanding anything contained in this Section to the contrary, to the extent required by North Dakota Franchise Investment Law, any provision requiring Franchisee to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void."
6. Sections 24(f), 24(i) and 24(j) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Pursuant to North Dakota Franchise Investment Law, any provision requiring Franchisee to waive its right to jury trial, exemplary or punitive damages or class actions may not be enforceable."
7. Section 24(e) of the Franchise Agreement will be supplemented by the addition of the following sentence: "Notwithstanding anything contained in this Section 24(e) to the contrary, the statute of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law."

8. Except as amended in this Addendum, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By: _____

Printed Name: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

PURSUANT TO THE RHODE ISLAND FRANCHISE INVESTMENT ACT

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By: _____

Printed Name: _____

Title: _____

**WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT,
AND RELATED AGREEMENTS**

This Addendum to the Franchise Agreement between Bumper Man, Inc. ("Franchisor") and _____ ("Franchisee") is dated _____. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** Section 24(b) of the Franchise Agreement will be supplemented by the addition of the following Sentence: "Notwithstanding anything contained in this Section 24(b) to the contrary, in the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail."
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede this Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede this Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of your franchise.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by this Agreement, you may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.
4. **General Release.** A release or waiver of rights executed by Franchisee will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act or rights or remedies under the Washington Franchise Investment Protection Act such as a right to trial by jury may not be enforceable.
5. **Transfer Fees.** Transfer fees are collectable to the extent that they reflect the Franchisee's reasonable estimated or actual costs in effecting a transfer.
6. **Indemnification.** The last two sentences of Section 13(c) of the Franchise Agreement are hereby deleted.

Section 20 of the Franchise Agreement will be supplemented by the addition of the following sentence at the end of the first paragraph: "Franchisee has no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused

solely and directly by the indemnified party's negligence, willful misconduct, strict liability, or fraud."

7. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington.

8. **Questionnaires and Acknowledgments.** Section 26(d) of the Franchise Agreement does not apply to residents of the State of Washington.

Except as amended in this Addendum, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE:

[_____]

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

Bumper Man, Inc.

By: _____

Printed Name: _____

Title: _____

EXHIBIT D TO FDD
OPERATIONS MANUAL TABLE OF CONTENTS

Operations Manual

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EXHIBIT E TO FDD
LIST OF BUMPER MAN FRANCHISEES

ALABAMA			
Area	Franchisee	Address	Telephone No.
Birmingham	Mark Beal	216 Oak Forest Dr., Pelham, AL 35124	205-222-5197
Huntsville	Tim Smith	874 County Road 1684, Holly Pond, AL 35083	256-595-7108
Mobile	Josh Walling	4214 Burtonwood Dr., Pensacola, FL 32514	850-261-5048
Montgomery	David McLean	2532 Tetbury Ct., Auburn, AL 36832	334-319-1009
ARIZONA			
N. Phoenix	Corey Schwartz	3843 E. Packard Drive, Gilbert, AZ 85298	480-246-5540
Phoenix	Darren DuBose	3941 E. Rakestraw Lane, Gilbert, AZ 85298	602-721-9782
Tucson	Rick Johnston	10133 Chippewa St., Herefore, AZ 85615	520-234-6945
Phoenix	Zach Witteveen*	10102 E. Obispo Ave., Mesa, AZ 85212	602-826-4646
ARKANSAS			
Fayetteville	Chris Harrell	16379 Ravens Roost Dr., Rogers, AR 72756	479-435-1719
Fayetteville	Jacob Toland*	1107 Reynolds St. Apt. W, Clarksville, AR 72830	501-414-7229
Little Rock	Vic Moore	6608 Greenbank Rd., N. Little Rock, AR 72118	501-940-4446
CALIFORNIA			
Hollywood	Albert Gomez	11520 Hubbard St., Moreno Valley, CA 92557	951-623-7736
Los Angeles	Ned Nelson	3871 Gaviota Ave., Long Beach, CA 90807	310-339-6883
Oxnard	Stephen Moore	14671 Mojave St., Hesperia, CA 92345	760-403-5248
Riverside	Jeff Shearer	2225 Canyon Dr., #F, Costa Mesa, CA 92627	714-235-1646
Sacramento	Scott Henson	9480 Rock Springs Road, Newcastle, CA 95658	916-802-6305
San Diego/ Oceanside	Kristian Gohkle	33135 Vermont Rd., Temecula, CA 92592	714-393-2732
Santa Rosa	Merlyn Shaffer	P.O. Box 675, Cloverdale, CA 95425	707-318-5266
COLORADO			
North Denver	Bob Clark	4701 East 107th Place, Thornton, CO 80233	303-748-2673
South Denver	Tim Dalton	5755 S. Depew Circle, Littleton, CO 80123	303-718-1151
FLORIDA			
Apopka	Jake Thornton	1203 Marie Ave., Apopka, FL 32703	407-212-6209
Fort Lauderdale	Javier Bermeosolo	18916 Bobolink, Hialeah, FL 33015	954-479-4356
Daytona Beach	Jose Sieza	51 Beaver Dam Lane, Palm Coast, FL 32137	786-631-6318
Fort Pierce	Jose Mejia	1782 SW Advana St., Port Saint Lucie, FL 34953	561-255-0478
Fort Myers	Christian Biggs	9092 Aster Rd., Ft. Myers, FL 33967	239-285-4020
Jacksonville	Andrew Hiatt	1047 Lauriston Dr. St. Johns, FL 32259	904-629-5000
Jacksonville	Ryan Young*	1132 Andrea Way, St. Johns, FL 32259	904-753-7559
Miami	Carlos Verde	8217 NW 199 Terrace, Hialeah, FL 33015	786-412-3975
Orlando	Sean Mulkern	8582 Vedder Lane, Orlando, FL 32832	407-907-0616
St. Petersburg	Jim Fink	18972 Diego Circle, Spring Hill, FL 34610	813-368-7311
Tallahassee	Johnny Emery	2687 Choctaw Trail, Marianna, FL 32446	205-427-8342
Tampa	Raymond Henry	11813 Stonewood Gate Dr., Riverview, FL 33579	813-966-3000
Tampa	Jason Allen*	12262 Kingsley Trail, Parrish, FL 34219	813-504-0745

*certified technicians

GEORGIA			
Augusta	Justen Gray	468 Bonaventure Way, Appling, GA 30802	706-799-9295
Atlanta	Steve Silcox	104 Summit Walk, Peachtree City, GA 30269	770-616-0326
Atlanta	Craig McKinnon*	4472 Orchard Grove Dr., Auburn, GA 30011	678-222-8957
Atlanta	Chris Vance	5040 Berkshire Ct., Suwanee, GA 30024	678-249-7167
Atlanta	Felipe Rincon*	311 Heatherwood Dr, Auburn, GA 30011	706-983-2022
Macon	Jonathan Pless	15 Todd Creek Pl., Forsyth, GA 31029	478-297-2858
Macon	Alan Pless	175 Bowdoin Rd., Juliette, GA 31046	478-973-0259
Marietta	Blaine Greeson	231 Wiseman Rd., Kingston, GA 30145	470-446-5114
IDAHO			
Boise	Ted Gropp	744-106 Pebblestone Lane, Meridian, ID 83646	208-473-0124
ILLINOIS			
West Chicago	Glenn Jackson	330 Stratford Place, #14, Bloomingdale, IL 60108	224-623-1205
INDIANA			
Indianapolis	Chris Tyler	5451 E. 350 N, Franklin, IN 46131	317-809-5050
Ft. Wayne	Mason Burnau	1209 N. Jefferson St. Huntington, IN 46750	260-498-0176
IOWA			
Des Moines	Blake Carr	1226 N. E. 45th St., Ankeny, IA 50021	515-419-1728
KANSAS			
Kansas City	Todd Pratt	8358 Oakview Circle, Lenexa, KS 66215	913-486-7800
Wichita	Shane Irvin	7631 S. Hoover Road, Haysville, KS 67060	316-796-3098
KENTUCKY			
Lexington	Todd Arnold	3562 Waterworks Road, Winchester, KY 40391	859-629-5921
Louisville	Justin Thornton	285 Graefenburg Road, Frankford, KY 40601	502-531-6000
SW Kentucky	Jacob Sircy	1003 Caspian Way, Gallatin, TN 37066	615-887-3497
LOUISIANA			
Baton Rouge	Cory Bono	1244 Sweet Clover Way., Madisonville, LA 70447	504-258-9482
New Orleans	Wade Waters	749 South Corniche Du Lac St. Covington, LA 70433	985-590-7738
Shreveport	Clyde Greenstreet	298 Jenkins Rd, DeRidder, LA 70634	337-226-7256
West Louisiana	Art Smith*	466 Jones Road, Logansport, LA 71049	318-676-9174
MARYLAND			
Hagerstown	Chris Walls	9604 Wandering Lane, Hagerstown, MD 21740	301-491-7544
Baltimore	Sean Faust	2141 Elim St., York, PA 17408	667-436-8036
MASSACHUSETTS			
Fall River	Bob DiCesare	25 Shaylee Place, Swansea, MA 02777	508-208-9640
NE Boston	Josh DiCesare	98 Cliffe Ave., Swansea, MA 02777	774-991-2740

*certified technicians

MICHIGAN			
Grand Rapids	Jerry Milstead	3530 Elderwood Ave, Holland, MI 49424	616-990-2196
Grand Rapids	Matthew Adkins	8408 Olive Lake Ct., West Olive, MI 49460	616-298-6997
N. Detroit, MI	Melaad Habeb	41895 Wolfe Pass, Novi, MI 48377	757-771-3208
MINNESOTA			
Buffalo	Mike Curtis	7391 Stone Ridge, Brainerd, MN 56401	651-336-7786
SW Minneapolis	Jeffrey Wirth	4246 Creekside Way, Minnetrista, MN	612-791-1556
MISSISSIPPI			
Biloxi	Mac Cabeza	6404 Palmetto Pointe Dr., Ocean Springs, MS 39564	228-806-9000
Jackson	Doug Hurst	2659 Mollett Rd., Benton, MS 39039	601-720-8645
MISSOURI			
North St. Louis	Dave Carron	14632 Adjers Whaft Dr., Chesterfield, MO 63017	314-853-4855
South St. Louis	Nick Vitale, Jr*	2520 Beaujolais Dr., O'Fallon, MO 63368	314-229-2625
Springfield	Craig Boyd	1583 State Highway JJ, Sparta, MO 65753	417-414-3198
NEBRASKA			
Omaha	Mark Stewart	16511 Hickory St., Omaha, NE 68130	402-770-7079
NEVADA			
Las Vegas	Hugo Enriquez*	7041 Harborview Dr., Las Vegas, NV 89119	708-832-7183
Las Vegas	Jorge Lujan	5500 Donald Road, Las Vegas, NV 89131	702-561-7333
NEW MEXICO			
Albuquerque	Terry Everett	1724 35 th Street, Rio Rancho, NM 87124	505-550-9712
NORTH CAROLINA			
Charlotte	Steve Kehayias	1505 Thomas Ave, Charlotte, NC 24016	980-475-9714
Charlotte	Hunter Tyler	4336 Falls Lake Drive SW, Concord, NC 28025	980-288-4055
Greensboro	M. J. Rahn	109 Doc Rd., Reidsville, NC 27320	336-852-3430
Hickory	Randy Walker	3086 Hunters Ridge Ct., Morganton, NC 28655	828-413-2462
Raleigh	Caleb Mattern	100 Burris St., Garner, NC 27529	919-868-9288
Raleigh	Aaron McLeod*	1905 Marlton Ridge Ct., Fuquay Varina, NC 27526	919-369-4941
Raleigh	Joel Krop*	618 Cotton Brook Dr., Fuquay Varina, NV 27526	984-224-2992
OHIO			
Akron	Doug Franzen	5320 Schuller Dr., NE, Canton, OH 44705	330-858-6767
Cincinnati	Alan Julian	7271 Keltner Dr., West Chester, OH 45069	513-600-2640
Columbus	Aaron Lacy	492 Jefferson Street, Pataskala, OH 43062	614-313-9494
Columbus	Jared Kirchhofer*	12284 Mauger Road NW, Baltimore, OH 43105	614-638-6107
Dayton	Jason Heister	670 Meadows Drive, Delaware, OH 43015	740-815-4451
OKLAHOMA			
Oklahoma City	Steve DiCesare	3808 Southwest 23rd St., Oklahoma City, OK 73108	405-370-9500
Tulsa	Mark Romeo	4419 S. 187th East Place, Tulsa, OK 74134	918-810-2586

*certified technicians

Tulsa	Cor Meijerink*	4561 S. 202 nd E Ave., Broken Arrow, OK 74014	918-500-9874
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OREGON

Portland	Jim Barham	23980 S. Scheubel School Rd., Beavercreek, OR 97004	503-803-5346
Portland	Rod Nichols*	20241 S. Ferguson Rd., Oregon City, OR 97045	503-781-5331

PENNSYLVANIA

Dubois	Aaron Herzing	136 Grandview Terrace Dr., Philipsburg, PA 16866	814-250-0736
Harrisburg	Dan Vedder	415 Hollyhock Dr., Manchester, PA 17345	443-812-3300
NW Philadelphia	Adam Sandt	391 Limerick Center Rd., Pottstown, PA 19464	610-633-9373
NW Pittsburg	Andrew Fritz	162 Cornelius Rd., Portersville, PA 16051	814-673-7535
Philadelphia	Jeff Kline*	3765 Worthington Road, Collegeville, PA 19426	484-587-4498

SOUTH CAROLINA

Charleston	Andrew Page	123 Woodland Oak Way, Summerville, SC 29485	843-478-3718
Charleston	Todd Dobson*	1218 Elim Church Rd NE, Ludowici, GA 31316	478-719-9317
Columbia	Mickey Stoudemire*	P.O. Box 70, Little Mountain, SC 29075	803-920-2825
Columbia	Matthew Pless	59 Valley View Dr. Lugoff, SC 29078	702-561-7333
Greenville	Bryce Garman	225 Joe Black Rd., Pelzer, SC 29669	864-404-9432

TENNESSEE

Chattanooga	Owen Morrison	P.O. Box 448, Whitwell, TN 37397	423-290-3951
Johnson City	Brent Dexter	4876 Millstone Dr., Russellville, TN 37860	423-483-4677
Knoxville	Michael Devall	212 Guinnwood Lane, Knoxville, TN 37922	865-607-2700
Memphis	Rick DeShields	10364 Stable Run Cove, Cordova, TN 38016	901-229-1187
Nashville	Rob DeShields	2486 Cages Bend Rd., Gallatin, TN 37066	615-613-4799

TEXAS

Austin	Mitch Williams	1201 Lady Bird Lane, Apt. 158, Austin, TX 78741	737-367-9761
Conroe	Steve Hord	9199 Grand Lake Estates Dr., Montgomery, TX 77316	832-286-6566
Denton	Paul Buford	P.O. Box 51657, Denton, TX 76206	469-235-7696
East Texas	Steve Akins	1301 N. Houston St., Royse City, TX 75189	972-890-5172
East Texas	Christian Martinez*	8010 St. Fillans Lane, Rowlett, TX 75089	469-441-4741
Ft. Worth	Mike Richardson	1860 Ryder Lee Ln., Waxahachie, TX 75165	972-268-5280
Ft. Worth	Brandon Richardson*	2001 Sail Fish Dr., Mansfield, TX 76063	972-268-0806
Ft. Worth	Blake Hughes	5322 Lovell Ave., Ft. Worth, TX 76107	214-415-0750
Ft. Worth	Don Hughes	1838 Neely Trail, Valley View, TX 76272	214-415-0722
Houston	Brett Davis	707 Tall Pines Dr., Friendswood, TX 77546	281-682-2867
Houston	Steve Parkin	47 W. Frontera Circle, The Woodlands, TX 77382	281-221-7513
North Dallas	Heath Williams	2201 Cimarron Road, McKinney, TX 75072	972-670-0879
San Antonio	Hector Zamora	9014 Foxland Drive, San Antonio, TX 78230	830-660-8667
San Antonio	Jonathan Campbell	515 Wilderness Oaks, New Braunfels, TX 78132	210-846-7183

*certified technicians

Waco	Andrew Lewis	3336 Hero Way, Leander, TX 78641	512-636-7010
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UTAH

Salt Lake City	Jerry Moon	14724 S. Woods Landing Court, Draper, UT 84020	801-574-8233
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VIRGINIA

Arlington	Jorge Fernandez	20235 Brookview Square, Ashburn, VA 20147	703-944-7460
Fredericksburg	Tony Burger	104 Ashby St., Fredricksburg, VA 22401	434-409-3169
Hampton Beach	Bill DiCesare	117 Daphne Dr., Yorktown, VA 23692	757-254-4892
Hampton Roads	Dillon Christopher*	160 Nottingham Trail, Newport News, VA 23602	757-813-0861
Roanoke	Farid Kahn	3923 St. James Circle, Roanoke, VA 24018	540-488-4270
So. Richmond	Brian DiCesare	8219 Longlands Ct., Chesterfield, VA 23832	757-272-2457
Virginia Beach	Tom Mahan	410 Yorkville Rd., Yorktown, VA 23692	757-660-8506
Virginia Beach	Jordan Masters*	2646 Hayes Road, Hayes, VA 23072	757-870-0280

WASHINGTON

Spokane	Chris Maggio	8110 175th Ave. SW, Longbranch, WA 98351	253-441-7402
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WISCONSIN

Milwaukee	Dalton Castillo	W147 N 9679 Farm Valley Ct., Germantown, WI 53022	414-808-4549
S. Milwaukee	Justin Castillo	5602 S. Illinois Ave., Cudahy, WI 53110	262-629-2850

*certified technicians

EXHIBIT F TO FDD
GENERAL RELEASE

EXHIBIT F

FORM OF GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____ by _____ ("Franchisee") and _____ ("Guarantors") as a condition of transfer or renewal of the Franchise Agreement dated _____ ("Franchise Agreement") between Franchisee and Bumper Man, Inc. ("Franchisor").

1. Release by Franchisee and Guarantors. Franchisee and Guarantors, on behalf of themselves and their successors, heirs, personal representatives, executors, administrators, personal representatives, agents, contractors, assigns, partners, shareholders, members, directors, officers, members, principals, employees, parents, subsidiaries, and affiliated entities, (collectively "Releasors") freely and without any influence forever release Franchisor, its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively, the "Released Parties"), from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "Claims"), that Releasors ever owned or held, now own or hold or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to the Franchise Agreement and all other agreements between Franchisee and/or any Guarantor and any Released Parties, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

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

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

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

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

6. Successors and Assigns. This Release will inure to the benefit of and bind the successor, assigns, heirs and personal representatives of Franchisor and each Releasor.

7. This Release of Claims does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

[The following is to be used only for California franchisees]

Acknowledgment of Releases under California Law. Each Party granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Each Party granting a release under this Agreement recognizes that he, she, or it may have some claim, demand, or cause of action against the other Parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Agreement. Each Party granting a release hereby waives and relinquishes every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

FRANCHISEE:

Print Name: _____

Title: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

[This Release will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT G TO FDD
PROMISSORY NOTE AND PERSONAL GUARANTY

PROMISSORY NOTE

\$25,000 _____, 20____

For value received ("Maker") promises to pay to the order of Bumper Man, Inc., a Texas corporation (the "Payee") the principal sum of Twenty Five Thousand Dollars (\$25,000) (the "Principal Amount") in one hundred twenty (120) semi-monthly installments, each of which shall be in the amount of Two Hundred Sixty-Five and 59/100 Dollars (\$265.59). The first such installment shall be due and payable on _____, 20____, with successive installments due and payable on the _____ day and _____ day of each successive month (each a "Payment Date"). The last installment will be due and payable on _____, 20____.

The Maker also promises to pay to the Payee on each Payment Date interest that has accrued on the unpaid balance of the Principal Amount hereof during the period commencing on the immediately preceding Payment Date (or, in case of the first Payment Date, the date hereof) and ending on such Payment Date at the rate of interest equal to the lesser of (a) 10% per annum or (b) the maximum rate permitted under applicable law.

This Note may be prepaid by Maker, in whole or in part at any time and from time to time, without premium or penalty. Any voluntary prepayment shall be first applied to accrued interest and any remaining amounts shall be applied to reduce the principal payable hereunder in the direct order of the maturity of such principal payments.

The occurrence of any one of the following events shall constitute a default by Maker ("Event of Default") under this Note:

1. Maker's failure to pay any amounts due hereunder on the due date therefor which failure shall not be cured within 15 days from the date on which Maker received written notice thereof; or

2. Maker defaults under any of the terms, covenants or conditions contained in the Bumper Man franchise agreement between Maker and Payee (the said covenants, terms, provisions, and conditions and all matters and things are incorporated hereby as if fully set forth herein); or

3. The Bumper Man franchise agreement between Maker and Payee is terminated by either party or expires without renewal; or

4. A proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt or receivership law or statute is filed against the Maker or any guarantor which is not dismissed within 30 days of its filing, or a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt or receivership law or statute is filed by Maker or any guarantor, or Maker or any guarantor makes an assignment for the benefit of creditors.

Upon the occurrence of an Event of Default hereunder, all outstanding principal and unpaid interest due hereunder shall be immediately due and payable forthwith, without notice by Payee to Maker or demand by Payee of Maker (Maker having expressly waived any and all rights to receive any such notice or demand). Further, in each instance that Maker fails to timely pay any amount due hereunder (regardless of whether Maker later cures such non-payment), Maker shall pay a late fee to Payee in the amount of Twenty Nine Dollars (\$29).

All of Payee's rights and remedies under this Note are cumulative and non-exclusive. No waiver by Payee of any breach hereof or default hereunder shall be deemed a waiver of any preceding or succeeding breach or default and no failure of Payee to exercise any right or privilege hereunder shall be deemed a waiver of Payee's rights to exercise the same or any other right or privilege at any subsequent time. Without limiting the foregoing, the acceptance by Payee of any partial payment made hereunder after the time when any amount hereunder becomes due and payable will not establish a custom, or waive any rights of Payee to enforce prompt payment hereof.

Maker, except as otherwise specifically set forth herein, for itself and for its successors, transferees, assigns and guarantors hereby irrevocably (i) waives diligence, presentment and demand for payment, protest, notice, notice of protest and nonpayment, dishonor and notice of dishonor and all other demands or notices of any kind; and (ii) agrees that this Note and any or all payments coming due hereunder may be extended from time to time in the sole discretion of Payee hereof without in any way affecting or diminishing Maker's liabilities hereunder.

Maker agrees to pay, upon Payee's demand therefor, any and all costs, fees and expenses (including reasonable attorneys' fees, costs and expenses) incurred by Payee in enforcing any of Payee's rights hereunder.

All payments on this Note shall be applied first to the payment of all costs, fees or other charges incurred in connection with the collection of the indebtedness evidenced hereby, next to the payment of accrued interest, if any, and then to the reduction of the Principal Amount.

In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in the event any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then, and in either of such events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect.

The validity, construction and enforceability of this Note shall be governed in all respects by the laws of the State of Texas, without regard to its conflict of laws rules.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Note as of the day and year first above written.

MAKER:

By: _____
Name: _____
Title: _____

PERSONAL GUARANTY

THIS GUARANTY is made this _____ day of _____, ____, by and among Bumper Man, Inc., a Texas corporation ("BMI") and the undersigned.

NOW IT IS HEREBY AGREED AS FOLLOWS:

In consideration of BMI's entering into the Promissory Note dated _____ with _____, a _____, as Maker (the "Note"), each of the undersigned owners of the outstanding ownership interests in Maker and any other parties who sign counterparts of this Guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") hereby personally and unconditionally guarantees to BMI and its successors and assigns full and prompt performance by Maker of all its obligations under the Note and the due and punctual payments of all sums payable at any time or times under the Note (collectively, the "Obligations"), when and as the same shall become due and undertakes with BMI that if and each time that Maker shall be in default of the payment of any sum whatsoever under the Note, each Guarantor will, on written demand from BMI, make good the default and perform all Obligations and pay all sums which may become payable under the Note as if the Guarantor(s) instead of Maker were therein expressed to assume the primary Obligations therefor, together with interest thereon at the rate per annum from time to time payable thereunder until payment of such sums in full. The liability of the undersigned shall not be contingent or conditioned upon pursuit by BMI of any remedies against Maker or any other person.

Each Guarantor waives: (1) acceptance and notice of acceptance by BMI 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 such Guarantor might have to require that an action be brought against Maker or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which such Guarantor might have against Maker arising as a result of the execution of and performance under this Guaranty; and (6) any and all other notices and legal or equitable defenses to which such Guarantor might be entitled.

Each Guarantor consents and agrees that:

(a) such Guarantor's direct and immediate liability under this Guaranty shall be joint and several not only with Maker but also among the Guarantors;

(b) such Guarantor shall render any payment or performance required under the Note upon written demand;

(c) such liability shall not be contingent or conditioned upon pursuit by BMI of any remedies against Maker or any other person; and

(d) such liability shall not be diminished, relieved or otherwise affected by time, credit or other indulgence which BMI may from time to time grant to Maker or to

any other person, including, without limitation, the acceptance of any partial payment of performance; any security held or taken at any time by BMI being void, defective or informal; any modification or addition to or termination of, the Obligations of Maker referred to above; or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable until all sums payable by and all obligations of Maker referred to above have been irrevocably paid and discharged in full and the undersigned Guarantors shall have been released in full from this Guaranty in writing executed by a duly authorized officer of BMI.

If BMI is required to enforce this Guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If BMI is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors shall reimburse BMI for any of the above-listed costs and expenses it incurs.

The arbitration provisions of the Franchise Agreement between BMI and Maker shall apply to any actions arising under this Guaranty or the Note or otherwise as a result of the relationship between BMI and the undersigned hereunder or thereunder. Nonetheless, each of the undersigned agrees that BMI may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

All controversies, disputes or claims arising from or relating to this Guaranty or the validity, enforceability or interpretation hereof shall be governed by the laws of the State of Texas, without regard to its conflicts of laws principles. **GUARANTOR IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, RELATING TO THIS GUARANTY.**

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his or her signature on the same day and year as the Note was executed.

[Guarantor]

[Guarantor]

EXHIBIT H TO FDD
FRANCHISEE QUESTIONNAIRE

(This Franchisee Questionnaire will not be used if the franchise is to be operated in, or you are a resident of, California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

BUMPER MAN, INC. SUMMARY OF ACKNOWLEDGMENTS AND
FRANCHISEE QUESTIONNAIRE

THIS DOCUMENT SHALL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.

Franchisee: _____

State of Formation: _____

Address of Principal Place of Business: _____

Franchisee's Representative: _____

Residence Address of Representative: _____

As you know, Bumper Man, Inc. ("Franchisor") and the Franchisee ("You") are preparing to enter into a Franchise Agreement for the operation of a Bumper Man bumper repair business (the "Franchise"). The purpose of this Summary of Acknowledgments and Franchise Questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

Indicate your acknowledgment and agreement with each of the following statements by initialing each and signing below:

_____ The Franchisee is a domiciliary of the State of _____ and is not a domiciliary of any other state.

_____ The geographic area in which the franchised business will be operated ("Designated Area") is: _____

_____ You received and reviewed Franchisor's Franchise Disclosure Document ("FDD") dated _____ (issuance date)

_____ You received the FDD at least 14 calendar days before execution of the Franchise Agreement and any other agreement with Franchisor or its Affiliate at least 14 calendar days before making any payment for the Franchise.

Date of Receipt: _____

_____ You signed a Receipt for the FDD indicating the date You received it.

You understand the information contained in the FDD.

You received and personally reviewed the Franchise Agreement and each exhibit attached to it.

You received a copy of the Franchise Agreement with all material blanks fully completed.

Date of Receipt: _____

You understand your financial and other obligations under the Franchise Agreement.

You have discussed or have had the opportunity to discuss the economic and business risks of owning and operating the Franchise with an attorney, accountant or other professional advisor.

You understand the economic and business risks associated with operating the Franchise.

You understand that You must satisfactorily complete the initial training before Franchisor will allow your Franchise to open, or otherwise before Franchisor will consent to a transfer of your Franchise.

You understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, business acumen, the Designated Area, the local market for products under our trademarks, the local competition, interest rates, the economy, inflation and other economic and business factors. You further acknowledge that the economic and business factors that exist at the time of opening of the Franchise may change.

No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else regarding the amount of money You may earn in operating the Franchise that is contrary to, or different from, the information contained in the FDD.

No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else concerning the total revenues the Franchise may generate that is contrary to, or different from, the information contained in the FDD.

No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else regarding the costs involved in operating the Franchise that are contrary to, or different from, the information contained in the FDD.

No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else concerning the actual, average or

projected profits or earnings or the likelihood of success that You should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the FDD.

No employee or other person speaking on behalf of Franchisor made any statement or promise to You or anyone else, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the FDD.

You understand that You have not been granted any territorial rights other than as specifically set forth in the Franchise Agreement.

You understand Franchisor or other Franchisee operated Bumper Man franchised businesses may operate near your Bumper Man franchised business so long as they are outside of the Designated Area specifically defined in your Agreement.

You understand that Franchisor and its affiliates retain the right to engage, directly or through others, in the production, distribution or sale of products and services under the Franchisor's name, under systems other than the system pursuant to which your Bumper Man franchised business is operated, and that these other methods of distribution may compete with your Bumper Man franchised business.

You acknowledge that the license granted in the Franchise Agreement is for the right to operate a Franchise at the Designated Area only and, other than expressly set forth in writing in the Franchise Agreement, includes no exclusive area or protected area and the Franchisor and its affiliates have the right to issue franchises or operate company operated Bumper Man businesses at areas near the Designated Area.

If you did not acknowledge or agree to any question please provide a full explanation in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have acknowledged and agreed to each of the foregoing questions, please leave the following lines blank.

Which of our representatives/employees have You worked with during the franchise sales process?

Have all of your questions been answered? Yes No

You understand that your answers are important to us and we will rely on them.

By signing this Summary of Acknowledgments and Franchisee Questionnaire, you are representing that you have responded truthfully to the above questions. This Questionnaire cannot be signed and dated the same day as the Receipt but must be signed and dated the same date you sign your Franchise Agreement and remit your Franchise Fee. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred where prohibited by state franchise law.

Name of Franchise Applicant

Dated: _____

[NAME OF FRANCHISEE]

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT I TO FDD

STATE ADDENDA

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

ADDENDUM TO BUMPER MAN INC.

FRANCHISE DISCLOSURE DOCUMENT

The following are additional disclosures for the Franchise Disclosure Document of Bumper Man, Inc. required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

1. Item 3 of the Disclosure Document is supplemented by the following language:

Neither we nor any person or franchise broker identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A.78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. Item 11 of the Disclosure Document is supplemented by the following language:

The interest rate in California cannot exceed 10%.

3. Item 17 of the Disclosure Document is supplemented by the following language:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.

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

The Franchise Agreement requires submission of dispute to arbitration located in Texas. Each party is responsible for their own costs of arbitration. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code §20040.5, Code of Civil Procedure §1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires you to waive your right to a trial by jury. This provision may not be enforceable under California law.

The California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.

You must sign a general release if you 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).

4. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution of competitive brands that we control.

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

6. OUR WEBSITE (www.bumperman.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfp.ca.gov.

ILLINOIS

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold to either a resident of the State of Illinois or a non-resident who will be operating a franchise in the State of Illinois when the offer is made and accepted within the State of Illinois, pursuant to the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 through 705/44 (the “Act”), as follows:

1. The Illinois Franchise Disclosure Act governs the franchise agreements.
2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction and venue in a forum outside of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by the Illinois Franchise Disclosure Act. 815 ILCS §§ 705/19 and 705/20. To the extent that the Item 17 Franchise Agreement Table Sections (g) and (h) conflict with the Illinois Franchise Disclosure Act, sections (g) and (h) are hereby revised consistent with the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

MARYLAND

1. Item 17 additional disclosures. The following statements are added to Item 17:

- a. The provision in the Franchise Agreement that provides termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
- b. Any provision requiring you to sign a general release of claims against us, including upon execution of the Franchise Agreement or a successor franchise

agreement or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

- c. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise.
- d. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. For the sake of clarity, the last sentence of the Franchisee Disclosure Questionnaire attached as Exhibit H to the Disclosure Document is amended as follows:

“All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

MINNESOTA

1. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, injunctive relief, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.
3. No release language set forth in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the state of Minnesota.
4. Pursuant to Minnesota Statutes, Section 80C.12, Subdivision 1(g), the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of franchisor's name.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Investment Law are met independently without reference to these Additional Disclosures.

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 language is added to the end of Item 3 of the Franchise Disclosure Document:

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, that 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-years 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 Item 5 of the Franchise Disclosure Document:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following language is added to the end of the “Summary” sections of Item 17(c), titled Requirements for a you to renew or extend, and Item 17(m), titled Conditions for our 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; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. The following language replaces the “Summary” section of Item 17(d) of the Franchise Disclosure Document, titled Termination by you:

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

6. The following language replaces the “Summary” section of Item 17(j) of the Franchise Disclosure Document, titled Assignment of contract by us:

However, an assignment will not be made except to an assignee who in good faith and judgment of BMI is willing and financially able to assume BMI’s obligations under the Franchise Agreement.

7. The following language 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.

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

9. 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 or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

1. The Franchise Agreement will be governed and construed under the laws of the State of North Dakota. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the

franchisee or developer to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

2. Any non-competition covenants contained in the Franchise Agreement will be subject to the North Dakota laws on franchising. Covenants not to compete such as those mentioned in Section 17(a) of the Franchise Agreement or in the Guaranty and Undertaking of Obligations may be considered unenforceable in the State of North Dakota.

3. Liquidated damages are prohibited by law in the State of North Dakota. Section 18(b) of the Franchise Agreement is deleted.

4. No release language set forth in the Franchise Agreement (including but not limited to Sections 3(b) and 16(d) of the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws of the State of North Dakota.

5. Any provisions in the Franchise Agreement (including but not limited to Sections 24(f) and 24(i) which require the franchisee to waive the right to a jury trial or to exemplary or punitive damages is deleted from any Franchise Agreement issued in the State of North Dakota.

6. Any mediation authorized under Section 24(a) of the Franchise Agreement will be held at a site agreeable to all parties.

To the extent these Additional Disclosures are inconsistent with any terms or conditions of the Franchise Agreement or any exhibits attached thereto, or the Disclosure Document, the terms of these Additional Disclosures will control.

RHODE ISLAND

1. Item 17 of the Franchise Disclosure Document shall be amended in the State of Rhode Island by adding the following statement applicable to Franchisees in Rhode Island:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA

1, Item 17, Additional Disclosures. The following statements are added to Item 17(h):

Pursuant to Section 13.10564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

WASHINGTON

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	April 8, 2025
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If Bumper Man, 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, or sooner if required by applicable state law.

Applicable state laws in (a) Michigan requires that we provide you the disclosure document at least 10 business 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 and (b) New York require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Bumper Man, 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, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Brandon Webb	1432 Airport Blvd., Mesquite, Texas 75181	972-889-1986
Tanya Bramblett	1432 Airport Blvd., Mesquite, Texas 75181	972-889-1986
Kyle Wolery	1432 Airport Blvd., Mesquite, Texas 75181	972-889-1986

Date of Issuance: April 8, 2025

I have received a Disclosure Document April 8, 2025, that included the following Exhibits:

A State Administrators and Agents for Service of Process	F General Release
B Financial Statements	G Promissory Note and Personal Guaranty
C Franchise Agreement, including Exhibits	H Franchisee Questionnaire
D Operations Manual Table of Contents	I State Addenda to FDD
E List of Bumper Man Franchisees	

Dated: _____

Individually and as an Officer

Printed Name
of _____
(a _____ corporation)
(a _____ Partnership)
(a _____ Limited Liability Company)

[Sign and return this page]

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[Keep this page for your records]