



REBATH, LLC

DEALERSHIP AGREEMENT

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DEALERSHIP AGREEMENT

THIS DEALERSHIP AGREEMENT entered into this _____ day of _____, 20____, between ReBath, LLC, a Delaware limited liability company ("*Re-Bath*" or "*Company*"); and _____, a _____ ("*Dealer*"), doing business as Re-Bath of _____ ("*Dealer's Fictitious Name*"). This Agreement is also signed by the owners (and their spouses) of 15% or more of Dealer's stock, membership interests or other equity (if any), as listed on the signature page of this Agreement.

PURPOSE

To grant to Dealer the right to use Re-Bath's proprietary marks, goodwill, concepts, operating systems, and confidential information to market, distribute, sell and install the Re-Bath Products (as defined below) within a specific territory as described in this Agreement (the "*Dealership*").

Now therefore, in consideration of the mutual covenants hereinafter contained, the parties agree as follows:

ARTICLE 1 GRANT OF DEALERSHIP

A. In consideration of the sum of \$ _____, in the form of a non-refundable Dealer Fee, receipt of which is hereby acknowledged, the Company hereby grants to Dealer upon the terms and conditions herein contained, the right and privilege to use the name "RE-BATH" and any associated trade names, trademarks, service marks, tradestyles, logos, designs, proprietary information, Required Products and methods of operation in connection with the operation of a Re-Bath Dealership and the Dealer undertakes the obligation, to operate a Re-Bath Dealership for the purposes of selling, marketing and installing bathtub liners, shower base liners, and wall panels (the "*Required Products*") together with ancillary products, such as shower doors, valves, plumbing fixtures, and products necessary for installation of the Required Products (collectively with the Required Products, the "*Re-Bath Products*") within the Territory as outlined in this Agreement.

B. In addition to the non-refundable Initial Dealer Fee outlined above, if Dealer is a new Re-Bath dealer, Dealer shall also purchase from the Company its initial Re-Bath Start-Up Package as set forth in Exhibit A. The cost for the Start-Up package for a large market is \$6,000; the cost for the Start-Up package for a small market is \$3,000. This Dealership Agreement is for a _____ market.

C. The consideration sum in Paragraph A above plus the cost of the Re-Bath Start-Up Package, if applicable, totals \$ _____.

ARTICLE 2 TERRITORY; MINIMUM SALES QUOTAS

A. The Company hereby grants to Dealer the right to operate its Re-Bath Dealership to sell, market and install the Re-Bath Products in the Territory described in Exhibit B (the "*Territory*") under the Re-Bath name and any associated trade names, trademarks, service marks, tradestyles, logos, and designs.

B. Dealer shall use its best efforts to promote the Dealership within the Territory. The Company shall not grant another Re-Bath Dealership within the Territory for as long as this Agreement is effective, remains in force, and as long as Dealer meets or exceeds the following sales quotas (the "*Sales Quotas*") for each 50,000 of population within the Territory:

1. During the first full calendar year of operation of the Dealership, Dealer must purchase from Re-Bath, pay for, and take delivery of, a minimum of five Quota Units for each 50,000 of population in order to maintain exclusivity in the Territory. For purposes of this Agreement, a "*Quota Unit*" is defined as (a) one bathtub liner, shower base liner, or wall system consisting of three wall panels, (b) a replacement acrylic bathtub, (c) a replacement shower base, (d) three shower doors, or (e) the purchase of \$500 worth of Re-Bath Products other than items included in (a)-(d) above.

2. During the second full calendar year of operation of the Dealership, Dealer must purchase from Re-Bath, pay for, and take delivery of, a minimum of 15 Quota Units for each 50,000 of population within the Territory to maintain its exclusivity in the Territory.

3. During the third full calendar year of operation of the Dealership, Dealer must purchase from Re-Bath, pay for, and take delivery of, a minimum of 20 Quota Units for each 50,000 of population within the Territory to maintain its exclusivity in the Territory.

4. During the fourth full calendar year of operation of the Dealership and thereafter, Dealer must purchase from Re-Bath, pay for, and take delivery of, a minimum of 25 Quota Units per year for each 50,000 of population within the Territory to maintain its exclusivity.

5. The Sales Quotas shall begin on the first January 1 after Dealer commences operation, which shall be defined as the day following the day of completion by Dealer of the initial Installation and Operations training program described in Article 4.

6. If Dealer fails to meet the Sales Quotas set above for any calendar year of operation, Dealer will lose the rights of exclusivity in the Territory. If Dealer's rights to exclusivity are lost, Re-Bath will, by written notice to Dealer, declare the Territory non-exclusive. Non-exclusive means other Re-Bath dealers may solicit sales and install Re-Bath Products in the Territory. Once the Territory is declared non-exclusive, Dealer shall have up to 12 months after the date of written notice of non-exclusivity to regain exclusive status. If Dealer purchases, pays for, and takes delivery of, (a) the remaining Sales Quotas for the calendar year during which Dealer failed to meet the Sales Quotas, and (b) the Sales Quotas (on a calendar quarter pro rata basis) for the then current calendar year, the exclusivity will be returned to Dealer when the Sales Quotas are met. This may take less than a full 12 months. For example, if Dealer fails to meet the Sales Quotas for calendar year 2006, but by the second calendar quarter of 2007, Dealer has purchased from Re-Bath, pay for, and taken delivery of, the remaining Sales Quotas for 2006, plus the entire Sales Quotas (on a pro rata basis) for the first two calendar quarters of 2007, Dealer will be returned to exclusive status in the Territory on the date that is the later of the date Dealer pays for, or installs all such Quota Units. If Dealer fails to regain exclusive status within 12 months after the date of written notice of non-exclusivity, the Dealership will be subject to termination (extraordinary circumstances will be considered).

7. Re-Bath will post on its dealer message board, website, or other similar venue, a list of all non-exclusive territories. The list of non-exclusive territories will be updated as dealers lose and regain their exclusive rights to territories. Accordingly, the list is subject to change by Re-Bath. Prior to soliciting business or selling in a non-exclusive territory, Dealer is responsible for checking Re-Bath's website to insure that the territory remains non-exclusive. Re-Bath will consider the time a dealer writes up a job, obtains a signed agreement, and obtains a check from the customer as the date of a sale.

C. The availability of Re-Bath Products and installation services to the public is essential to the continued successful promotion of the Re-Bath system. Therefore, the Dealer shall have 3 months after completion of the initial Installation and Operations Re-Bath training session, as described in Article 4, to have the Dealership open and operating as evidenced by offering the Re-Bath Products to the general public.

D. Dealer shall not transact or conduct business in any area or territory not identified in Exhibit B, EXCEPT that Dealer shall have the right to sell and/or solicit business outside the boundaries of the Territory without restriction so long as the area in which Dealer is selling and/or soliciting has not been assigned as an exclusive Re-Bath territory to another Re-Bath Dealer. Dealer understands and agrees that upon notice of such territory assignments it will immediately cease any activity within such territory or area. Dealer further understands that any activity described above may serve to aid any new dealer of Re-Bath in any such assigned territory and Dealer understands and agrees that in such an event, Dealer shall receive no compensation or other consideration for any previous sales, pre-selling or soliciting activities.

E. If Dealer shall transact or conduct business in any area or territory that has been assigned as an exclusive Re-Bath territory to another Re-Bath dealer, then Re-Bath may require Dealer to immediately pay to Re-Bath, and Dealer shall immediately pay to Re-Bath, as liquidated damages, and in addition to any other rights of Re-Bath in this Agreement or otherwise, 300% of Dealer's gross profits (total income less cost of goods sold) earned in transacting or conducting business in another Re-Bath dealer's exclusive territory. Re-Bath shall deliver to the

dealers in whose exclusive territories Dealer wrongfully conducted business one-half of all such funds actually received by Re-Bath from Dealer (after deduction by Re-Bath for costs and expenses incurred by Re-Bath with respect to the investigation of the wrongful transactions and the collection of such funds from Dealer).

F. AmBath, LLC, with whom the Company has an Exclusive Licensing Agreement, is the exclusive manufacturer of most of the Re-Bath Products. AmBath has, since its inception, and the inception of its predecessor in interest, AmBath Corporation, sold and installed Re-Bath Products nationally and primarily to the hospitality industry and will continue to solicit and sell its products to the hospitality industry even within the Territory. As a result of AmBath's sales activities, certain product inquiries or leads for other types of uses, such as apartment properties, dormitories, or HUD multi-housing properties are obtained. These inquiries are passed on to Re-Bath for distribution to its authorized dealers in their respective territories, and the applicable dealer is given the opportunity to bid on these inquiries. If the dealer in the applicable territory cannot, or chooses not to, bid on or install any such project, AmBath and/or Re-Bath may, without violation of the terms of this Agreement, bid on and/or install any such projects. AmBath may also appoint agents, representatives and/or license others to sell its Re-Bath Products within the hospitality industry.

G. It is the Company's opinion that sales of Re-Bath Products by AmBath and within the Territory of the Dealer, or other authorized dealers, provide increased awareness and product acceptance by the public at large. No commissions, overrides or other monetary compensation is paid by AmBath to Re-Bath or the Dealer for AmBath's sales and installations, other than under the Re-Bath commercial program, whereby any installations by AmBath or another Re-Bath dealer in the Territory that are not in the hospitality industry will result in a Re-Bath Product credit to Dealer in the amount of 6% of any amounts actually received by Re-Bath or AmBath for products only. Any such installations shall be accomplished with Dealer's prior written consent.

ARTICLE 3 **TERM**

A. The Dealership granted herein shall be for a term of seven years unless terminated sooner as described in this Agreement.

B. This Agreement is effective upon the date of the original signing of this Dealership Agreement and shall commence on such date.

ARTICLE 4 **TRAINING**

A. The Company shall provide an initial "Installation and Operations" training program for two persons, one of whom must be the full time manager of the Dealership, and the other of whom must be a full time installer for the Dealership prior to the commencement of operation of the Dealership. The Installation and Operations training program will be held in Mesa, Arizona. The Company will also pay the cost of one hotel room (for maximum of two people) during the initial training only. The initial Installation and Operations training will be without charge to Dealer, except that Dealer shall be solely responsible for the salary, transportation, and other out-of-pocket expenses of Dealer's personnel. Dealer shall be solely responsible for any additional hotel rooms if required for additional personnel.

B. The initial Installations and Operations training program is mandatory for two employees of all Re-Bath Dealers. One of the participants must be the full time on-site manager and the second must be a full time installer. Training must be completed within 90 days after execution of this Agreement, and must be completed to Company's satisfaction. If the training has not been completed to Company's reasonable satisfaction, Company at its sole discretion may delay the commencement of the operation of the Dealership.

C. If the Dealer desires to send additional personnel (more than two as provided for above) to the initial Installation and Operations training course as provided, there will be a training fee of \$750.00 for each extra individual, and Dealer will be responsible for all costs, including lodging, for any additional individuals.

ARTICLE 5
CONTINUING EDUCATION

A. Dealer agrees to mandatory attendance by Dealer's manager or a key employee, to every Re-Bath National Dealer Conference. Dealer understands it will be required to pay all attendance fees and all personal expenses for the individual attending. National Dealer Conferences are held approximately every 14 to 20 months.

B. From time to time the Company, at its sole discretion, may hold seminars, sales classes, special conferences and Advanced Installation Training for the Dealer and its employees. Such conferences and training sessions may be mandatory regarding attendance and may require the payment of an attendance fee or other costs in addition to personal expenses for individuals attending.

ARTICLE 6
DUTIES OF DEALER

A. Every detail of the Re-Bath system is important to Dealer, the Company, and other dealers so as to develop and maintain high operating standards, system wide uniformity, to increase the demand for the Re-Bath Products rendered by all of the dealers under the Re-Bath system, and to protect the Company's reputation and good will, therefore the Dealer agrees as follows:

1. Dealer shall operate the Dealership in conformity with such reasonable standards, techniques and procedures as the Company may from time to time prescribes in the Company's Confidential Operating Manual(s) (the "*Manuals*") or otherwise in writing as if these changes in standards, techniques and procedures were part of this Agreement at the time of it's execution, and shall refrain from deviating therefrom without the Company's prior written consent. Dealer agrees that the Manuals are and will remain the proprietary and exclusive property of Dealer and are on loan to Dealer only during the term of this Agreement. To this end, Dealer shall offer to the public all of the products and services that the Company may, from time to time, reasonably prescribe; shall offer to customers only those products that meet the Company's standards of quality and that, if required, the Company has expressly approved in writing to be offered in connection with the Dealership; and to discontinue offering any products or services in connection with the Dealership that the Company may, in its sole and reasonable discretion, disapprove in writing at any time.

2. Dealer shall purchase the Required Products solely from the Company or from manufacturers approved by the Company who demonstrate, to the continuing reasonable satisfaction of the Company, the ability to meet its reasonable standards and specifications for such items; who possess adequate quality control and capacity to supply Dealer's needs promptly and reliably; and who have been previously approved in writing by the Company and not thereafter disapproved. The standards and specifications of the above-mentioned supplies and materials and their approved manufacturers appear in the Manuals. The Company may make other Re-Bath Products available to Dealer, either on a private label or third party basis. Generally, Dealer shall not be obligated to purchase these additional Re-Bath Products from the Company. However, the Company may add additional items to the list of Required Products if such additional items are manufactured by Re-Bath or an affiliate of Re-Bath, or such items incorporate intellectual property of Re-Bath. Re-Bath may require Dealer to purchase new Required Products, as well as other specific supplies and materials, directly from Re-Bath or only from manufacturers approved by the Company.

3. If Dealer desires to purchase any items from an unapproved manufacturer, Dealer shall submit to the Company a written request for such approval, or shall request the unapproved manufacturer itself do so, which approval the Company shall not unreasonably withhold, and such approval or disapproval will be made within 60 days after a request has been made to the Company. The Company shall have the right to require that its representatives be permitted to inspect the unapproved manufacturer's facilities, and that samples from the unapproved manufacturer be delivered, at the Company's option, either to the Company or to an independent laboratory designated by it for testing. The Company, at its option, also reserves the right to inspect the proposed manufacturer's financial records and investigate its history. The Company reserves the right, at its option, to re-inspect the facilities and products of any such approved manufacturer and to revoke its approval upon the manufacturer's failure to continue to meet any of the Company's reasonable criteria.

4. Dealer will install the Re-Bath Products in conformity with such specifications, standards, and requirements as Company may from time to time specify. All methods used in the installation of the Re-Bath Products and all installation materials shall be of the type specified by Company in its published Manuals, newsletters, addendum's, and notices furnished from time to time.

5. Dealer will provide a full warranty to its customers with respect to all workmanship and installation services provided by Dealer. Dealer shall promptly, fully, and courteously respond to and resolve all customer complaints and warranty claims regarding installation and workmanship. In addition, Dealer will deliver to all customers any and all product warranty information provided by suppliers and manufactures of any products sold and/or installed by Dealer, including warranty information provided by Re-Bath.

6. Dealer will handle all warranty work for Re-Bath in the Territory and will participate in Re-Bath's Warranty Credit Policy. Specifically, as and when reasonably requested, Dealer will perform the labor on warranty work provided to customers in the Territory for previously installed Re-Bath products that are covered by Re-Bath's Limited Lifetime Warranty, which is discussed in Article 10 of this Agreement. Dealer's Limited Lifetime Warranty and Warranty Credit Policy are included in the Manuals (as defined in Article 8) and are available to Dealers from Re-Bath.

7. Dealer will maintain at its Dealership location or central accounting office, complete and accurate books and records for its Re-Bath operations. In addition, Dealer will maintain current and accurate accounting and accounts receivable system as it pertains to all Re-Bath representation not limited to monies owed to vendors. All such records, at the request of Company, may be examined by Company's authorized representatives. The Company or its representatives shall have the right, during normal business hours, and without prior notice, to inspect and audit Dealer's books and accounts for the Dealership. Failure or refusal to comply with Company's audit of Dealer's books will result in immediate termination of the Agreement. In the event that such inspection discloses that any statements regarding royalty or installation reports previously reported to Company were inaccurate and in favor of Dealer of an amount equal to or greater than five percent of individual unit sales or installations reported, Dealer must immediately pay to Company the cost of such inspection. Dealer shall also be required to pay upon demand the proper royalties which would have been due Company had the installation figures been reported accurately.

8. If Company receives from Dealer returned/NSF checks in an excess of three within any six-month period, Company reserves the right to mandate cashiers checks or COD for future transactions.

9. Dealer shall commence Dealership operations within 3 months after completion of the initial Installation and Operations training program as evidenced by offering the Re-Bath Products to the general public.

10. During the first full 12 months after completion of the Installation and Operations training Program, Dealer shall spend a total of at least \$20,000 in advertising for a small market territory, and \$40,000 in advertising for a large market territory. During each 12 month period thereafter, all Dealers shall spend, on advertising, an amount equal to at least 10% of Dealer's previous 12 month's gross sales (such 10% to exclude any sales made through the Home Depot Program, as defined in Article 19). See Article 18 for additional advertising requirements.

11. Dealer will open and operate the Dealership from at least one showroom/office within 4 months after completion of the initial Installation and Operations training program. Each showroom site must be located within the Territory only as outlined in Exhibit B of the Agreement, should include a minimum of 800 square feet for a showroom for the display of Required Products along with adequate storage area, and should be situated in an area with high traffic, on or near a main arterial street. Company, within 30 days after receipt of verifiable photographs or videos, will in writing, approve or disapprove all proposed showroom sites, as well as alternative sites such as mall kiosks. If we cannot agree on a site for your showroom, then, at your expense, the dispute will be settled by binding arbitration. Dealer is also required to have within each showroom, five permanent product displays; two displays must be a combination bathtub liner and wall surround system. Two other displays must be a shower base liner and wall surround system. The fifth display may be a combination of Dealer's choice.

12. If Dealer expands Dealer's Territory, as outlined on Exhibit B, either through acquisition of additional territory from Re-Bath or from other Re-Bath dealers, and a new Dealership Agreement is not entered

into for such additional territory, as a condition for approval of the acquisition of such additional territory, Re-Bath may require Dealer open one or more additional showrooms, or alternatives such as mall kiosks, in such expanded territory. Re-Bath will generally not agree to an expansion of Dealer's Territory unless Dealer has increased the number of Quota Units purchased from Re-Bath by at least 30% in each of the two prior 12-month periods just ended.

13. Dealer agrees that quality of workmanship, customer service, customer relations, warranty and guarantee service, appearance and demeanor of Dealer and its employees, and materials utilized by Dealer is important to Company. Company shall endeavor to maintain high standards of quality and service in all Re-Bath dealerships. To this end, Dealer shall cooperate with Company by maintaining such high standards in the operation of the Dealership and Dealer shall at all times give prompt, courteous and efficient service to its customers. All work performed by the Dealership shall be performed competently and in a workmanlike manner. All Dealers' interactions with its customers, suppliers, and the public shall adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. If in any situation, Company feels that Dealer did not fairly handle a customer complaint, Company reserves the right to intervene and satisfy the customer. In such event, Company may, in its discretion, reimburse the customer up to 100% of the original amount for bathtub liners and wall units and related products and services provided or performed, and Dealer shall reimburse Company for any such payment to a customer within 30 days of receipt of invoice from Company. Company describes its Customer Satisfaction program fully in the Manuals, and Dealer agrees to comply with such programs and future changes and additions to the programs as Company sees fit, as if the programs were part of the Agreement at the time of its execution.

14. Dealer shall comply with all other requirements set forth in this Dealership Agreement, the Manuals, and any other agreements entered into between the Company and Dealer.

15. Dealer shall purchase a personal computer and a facsimile machine with a dedicated phone line for communication and operational purposes. For computer requirements please refer to EXHIBIT J of the Company's Uniform Franchise Offering Circular provided to Dealer (the "UFOC").

16. All stationery products, i.e. letterhead, business cards, etc. created by the Dealer shall include the "Tub Over Tub" logo as well as the words "Independently Owned and Operated."

17. Dealer will not do any act prejudicial or injurious to the value, integrity or goodwill associated with the Company, the Re-Bath Products, or the Company's dealers, or to the name "RE-BATH" or any associated trade names, trademarks, service marks, tradestyles, logos, designs, or proprietary information of the Company.

18. Dealer shall operate the Dealership a minimum of eight hours during each week day, Monday through Friday, and a minimum of four hours each weekend (the "Dealership Hours"), unless the Dealership is in a mall or other similar shopping area that requires fewer minimum hours of operation, in which case, the Dealership Hours may be the minimums required in writing by such mall or shopping area.

19. Dealer is solely responsible for compliance with all state and local building and fire codes and ordinances.

20. Dealer shall hire all employees of the Dealership and be exclusively responsible for the terms of their employment and compensation. Dealer must have a competent, conscientious, and trained staff, including a fully trained manager (which may be the Dealer), a sales representative, and an installation technician. Dealer shall be responsible for the proper training and indoctrination of all personnel employed, as it pertains to proper installation techniques and the sale of the Re-Bath Products.

21. Dealer must install all Required Products sold by Dealer.

B. Company does not intend to exercise any control over, or assist in, Dealer's operations other than as outlined in this Dealership Agreement, nonetheless, Dealer agrees to, and shall comply with, the following:

1. Dealer shall maintain all equipment, supplies, fixtures, furniture, interior and exterior decor, signs and other items used in the Dealership in good repair and in a high degree of cleanliness and sanitation.

As equipment, furniture, fixtures, signs, tools and other items become obsolete or inoperable, Dealer shall replace such items so as to provide the public with a professional image of the Re-Bath dealer network.

2. Dealer's Dealership telephone shall be answered by a "live" person (i.e., answering service or employee) during the Dealership Hours.

3. Dealer shall purchase a personal computer and a facsimile machine with a dedicated phone line for communication and operating purposes. For computer requirements please refer to EXHIBIT J to the UFOC.

4. Dealer and its employees shall at all times observe the highest standards of service and courtesy to customers and to the public in general.

5. Upon at least 24 hours advance notice, which notice may be by e-mail or telephone call or telephone message, Dealer hereby grants to the Company's personnel the right to enter and inspect Dealer's Dealership establishment or job sites during the Dealership Hours for the purpose of examining and inspecting the manner in which Dealer and its employees are utilizing the Re-Bath tradenames, trademarks, and service marks, and installing the Re-Bath Products.

6. Dealer and its personnel will devote the time, energy, and effort reasonably required for the sale and installation of the Re-Bath Products while this Agreement is in effect.

7. Dealer shall notify Company in writing within five days after the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Dealership.

ARTICLE 7 **DUTIES OF COMPANY**

A. To assist Dealer in the establishment and operation of its Dealership, the Company shall perform the following duties:

1. Provide Dealer with access to and the right to purchase Re-Bath Products.

2. Provide Dealer with proprietary and confidential installation criteria and specifications for the proper installation of Re-Bath Products.

3. Provide consultation and maintain a continuing advisory relationship with Dealer, subject to the availability of the Company's personnel. Company may also provide consultation and counseling to Dealer with respect to sales, merchandising and promotional operating techniques at Company's option.

4. Provide a training program for up to two of Dealer's personnel in Mesa, Arizona. Company may make other training programs and/or seminars available to Dealer as the Company deems appropriate. All training provided by the Company shall be subject to the terms set forth in Articles 4 and 5 of this Agreement.

5. Provide advice in selecting an initial showroom site, which will be opened within six months after Dealer's completion of the initial Installation and Operations training program. Company, upon receipt of verifiable photographs or videos, within 30 days, will approve or disapprove in writing, the proposed site, as well as any additional showroom sites or alternatives, such as mall kiosks.

ARTICLE 8
CONFIDENTIAL OPERATIONS MANUAL(S)

A. Upon commencement of training, the Company shall loan to the Re-Bath Dealer for the duration of this Agreement, Confidential Operations Manual(s) (the “Manuals”) covering the proper installation techniques and procedures for the operation of a Re-Bath Dealership.

B. For the purpose of protecting and enhancing the value and good will of the Re-Bath trademarks, trade names and service marks of the Re-Bath Systems and to be certain that the public may rely upon said trademarks, trade names and service marks of the Re-Bath Systems as identifying quality products and services, this Dealership Agreement is subject to the continued faithful adherence by the Dealer to the standards, specifications and procedures as set forth in the Manuals. The Company may from time to time change or modify the Manuals as conditions dictate and that Dealer will accordingly comply with such changes within a reasonable time thereafter (not to exceed 90 days after notice); however, Dealer will not be required to spend more than \$50,000 in any calendar year during the term of this Agreement to comply with new changes or modifications in the Manuals.

ARTICLE 9
REQUIRED PRODUCTS

A. The Required Products are manufactured for and sold by the Company and utilized in the operation of a Re-Bath Dealership, are unique, and the process for their manufacture constitute trade secrets of the Company and its affiliates. Dealer shall purchase the Required Products from the Company or from sources approved in advance by the Company and from no other source.

B. Dealer shall be responsible for and pay any and all taxes, not limited to sales or use taxes, associated or required with the purchase of all Re-Bath Products. Dealer shall also be responsible for all transportation or shipping costs incurred in shipping all Re-Bath Products to its Dealership location or job site.

C. In addition to Royalties, as defined in Article 14, Franchisor has the right to collect from you the cost of all income taxes, sales taxes and other taxes arising as a result of our licensing of intellectual property to you in the state where your franchise is located, as well as any assessment on Royalties, advertising contributions and any other income we receive from you. This fee is payable monthly with the Royalties and only imposed if a state collects these taxes or assessments.

D. The right to purchase and use of the Re-Bath Products is licensed to Dealer under the terms of this Dealership Agreement and such right only exists as long as this Agreement is in full force and effect.

ARTICLE 10
WHOLESALE PRODUCT PRICES AND WARRANTY

A. The Company sells the Re-Bath Products to the Re-Bath Dealer at *bona fide* wholesale prices as outlined in its Confidential Dealer Price List and as determined by the Company. Said wholesale prices may change from time-to-time as dictated by economic conditions and other variables. The *bona fide* wholesale price for the Re-Bath Products to the Dealer include a percentage of mark-up for the Company. In addition, Dealer is required to pay the Company a royalty on certain Required Products, which are identified as the “Royalty Products,” as set forth in Article 14. The Company provides the Re-Bath Dealers with annual volume discount pricing.

B. Re-Bath will provide a limited lifetime warranty to Dealer’s customers on all acrylic products manufactured by or on behalf of Re-Bath. A copy of the most recent Re-Bath Limited Lifetime Warranty is available from Re-Bath. At the time of installation of any Re-Bath Product that is covered by the Limited Lifetime Warranty, Dealer will deliver to each customer a copy of Re-Bath’s then current Limited Lifetime Warranty.

C. Dealer shall have the sole responsibility for any alterations made to any Re-Bath Product by Dealer or Dealer’s employees after delivery to the Re-Bath Dealer.

ARTICLE 11
REQUIRED PRODUCT AVAILABILITY AND DELIVERY

A. Company hereby agrees that all orders for the Re-Bath Products shall be filled as promptly as practicable, however:

1. Regardless of whether a delivery date for any Re-Bath Products is specified by the Company or Dealer, in some cases such orders may be subject to delays in manufacture and/or delivery which are due to causes beyond the reasonable control of the Company or the manufacturer. In such cases, the Dealer expressly releases Company and/or its manufacturer from any liability or loss arising from the inability to, or a delay in the timely delivery of such Re-Bath Products to the Dealer which are due to causes beyond their reasonable control.

2. Should the Company's manufacturer not have a mold, other equipment or the materials necessary to fill an unusual or special product order, or if in its reasonable judgment, not reasonably able to fill such an order, the Company can, without incurring any liability to Dealer, refuse to fill such order.

ARTICLE 12
IDENTIFICATION AND SIZING OF PRODUCTS

A. Dealer is solely responsible for taking and submitting the proper and correct measurements and photograph/s as requested by Company for the identification of all product orders submitted by the Dealer to the Company.

B. The Company is solely responsible for making the correct identification of the actual mold to be used to manufacture all products, although in some cases one or more test shells may be required to make an exact identification.

C. All molds manufactured or other equipment constructed or obtained by Company or its manufacturer to fill any specific order from Dealer shall be and remain the exclusive property of either the Company or AmBath.

ARTICLE 13
PRICES TO BE DETERMINED BY DEALER

Company may from time to time advise or offer guidance to Dealer relative to prices for the Re-Bath Products that in the Company's opinion constitutes good business practice. Dealer is not obligated to accept any such advice or guidance and shall have the sole right to determine the prices to be charged for any Re-Bath Products and no such advice or consultation by Company shall be deemed or construed to impose upon Dealer any obligation to charge any fixed, minimum or maximum price for any products or services offered for sale through the Dealership.

ARTICLE 14
ROYALTY FEES

A. In consideration of Dealer operating under and using the Re-Bath trademarks, selling Re-Bath Products and using the system in the operation of the Dealership, the Dealer is required to pay to the Company a royalty of \$25.00 ("*Royalty*") for each bathtub liner or shower base liner ordered from the Company or an approved manufacturer (each, a "*Royalty Product*"). A bathtub liner or shower base liner is a retrofit product designed and produced to go over an existing bathtub or shower base and is affixed in a permanent manner; its composition can be of plastic, metal, fiberglass or any variation of materials. There will be no Royalty for acrylic retrofit wall systems, replacement shower bases, or replacement bathtubs, which are not included in the definition of Royalty Products.

B. The Dealer shall remit Royalties as follows: at the time the Dealer submits an order for bathtub and/or shower base liner(s), a separate form provided by the Company and check for the Royalties due will also be

submitted to the Company. No Royalty shall be due from Dealer for vinyl shower pans used in conjunction with the installation of ceramic or other types of tile.

C. The only exceptions to the bathtub liner or shower base liner/replacement shower base liner royalty not being paid with the original order is if the Dealer is ordering such Required Products for use as sales display samples or for samples installed in customer properties without charge to the customer. Under such circumstances, the Dealer agrees to provide the information requested regarding such displays or sales samples in order for the Company to determine that such use was made of the products ordered.

D. Royalties or reports not timely filed or paid at time of order will be deemed overdue. Any overdue payment shall be due upon demand from the Company and shall draw interest at the rate of 18% per annum from the date it was due. Orders without Royalty payments will not be processed.

E. From time to time, Re-Bath may offer special pricing programs or cooperative pricing incentives. Such programs and incentives may be based on the volume of purchases, and shall be offered uniformly to all Re-Bath dealers.

ARTICLE 15

DEALER RIGHTS TO TRADEMARKS

A. Dealer recognizes and acknowledges that the Company is the sole and exclusive owner or licensee of the trademarks, trade names, service marks, insignia, labels, designs, or trade secrets provided for herein and hereby agrees not to register or attempt to register the same in the name of the Dealer or that of any other person, firm or corporation in which the Dealer is associated with either directly or indirectly. Nothing contained in the Dealership Agreement shall give the Dealer any right, title or interest in or to said trademarks, trade names, service marks, insignia, labels or designs or trade secrets except the privilege and license during the term of this Dealership Agreement to display and use same according to the terms and conditions contained herein. Furthermore, Dealer agrees that it shall not use said trademarks, etc. in any manner except in connection with the operation of the Dealership, nor shall it use any other name or symbol in conjunction with the use of such trademarks. All uses by Dealer of Re-Bath's trademarks, trade names, service marks, insignia, labels, designs, or trade secrets shall inure to the benefit of Re-Bath. Dealer agrees not to use in advertising or any other form of promotion, Re-Bath's trademarks, trade names, service marks, insignia, labels, designs, or trade secrets or other commercial symbols of Company in any manner without the appropriate ® registration marks or the designations TM or SM where applicable.

B. Except as set forth in Article 16, if Dealer is operating or will operate as a corporation, partnership, or limited liability company, Dealer shall not use the names Re-Bath or Re-Bath, LLC or any derivative thereof or similar name or any of the words contained in such names as any part of its corporate or legal name.

ARTICLE 16

UNIFORMITY OF PUBLIC IMAGE

A. Uniformity of the image presented to the public at large is important to the Re-Bath system. Dealer shall operate the Dealership only under the trade name set forth on page 1 hereof, which Dealer will register with Dealer's state or local authorities to the extent required by applicable state law. Dealer will identify itself for all business purposes in a way that includes Dealer's Fictitious Name, which is set forth on page 1. Any change in Dealer's Fictitious Name or tradestyle must be submitted by Dealer to the Company, and approved by the Company, prior to use.

B. Prior to opening each showroom/office Dealer shall have at least one dedicated external sign at each showroom/office location, which shall comply with all minimum signage size and content requirements of Re-Bath, as required from time to time (subject to local codes and ordinances). Dealer shall only include information regarding Re-Bath, and approved by Re-Bath, on the dedicated outdoor sign. To aid in consumer understanding of Re-Bath, our products and services, Dealer must include the word Re-Bath on any exterior signage. Re-Bath will approve or disapprove in writing, in Re-Bath's sole reasonable discretion, within 15 days after receipt, any submissions from Dealer of proposed signage. If Re-Bath does not approve or disapprove any such material within this 15 day period, then such signage will be deemed to be approved in the form submitted.

ARTICLE 17
CONFIDENTIAL INFORMATION

A. Dealer will not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, firm or other entity, any confidential information, including manufacturing techniques, custom installation methods of the Re-Bath Products, or know-how concerning the methods of operation of the Re-Bath system which may be communicated to Dealer, or of which Dealer may become apprised, by virtue of the operation of the Dealership under this Agreement. Dealer acknowledges that all information in the Manuals is the confidential and proprietary and trade secret information of the Company, and Dealer will not, during the term of this Agreement, or thereafter, communicate, divulge, or use for the benefit of any other person, persons, firm or other entity, any of the information in the Manuals.

B. Dealer shall require that any of its personnel, who have access to Re-Bath confidential information, execute a Confidential Information/Non-Disclosure/Non-Compete Agreement, which names the Company as a co-beneficiary of the Agreement, stating that they will maintain the confidentiality of information they received in connection with their employment by Dealer.

ARTICLE 18
ADVERTISING MATERIALS; ADVERTISING AND PROMOTION

A. To maintain a standard of quality and uniformity that is necessary to promote the goodwill and public image associated with the Re-Bath trademark and trade names, Dealer agrees to use only that advertising material that is either provided or approved by the Company. In the event Dealer wishes to expand upon the advertising material provided by the Company and desires to create its own advertising and promotional material, Dealer must first submit such material to the Company for approval prior to use included but not limited to any and all internet websites. Re-Bath will approve or disapprove in writing, in Re-Bath's reasonable discretion, within 15 days after receipt, any submissions from Dealer of proposed advertising materials. Re-Bath's approval of proposed advertising materials will not be unreasonably withheld. If Re-Bath does not approve or disapprove any such material within this 15 day period, then such advertising materials will be deemed to be approved in the form submitted.

B. Dealer shall place, at its own expense, display advertising in at least one of the yellow page telephone book/s within the Territory. The advertising so placed shall be as Company requires regarding content and shall be at least 1 column x 3" in size. There is no maximum size limitation to such advertising, only the minimum size requirement as specified. The ad must contain the "tub-over-tub" Re-Bath logo and the words "Authorized Re-Bath Dealer."

C. In the event Dealer's Dealership telephone listing is under Dealer's business name, Dealer shall provide, at its own expense, an additional listing for its Dealership telephone number under Dealer's Fictitious Name.

D. Dealer shall attend and exhibit Required Products in at least two local Home Shows (if available) per calendar year. This Home Shows must be accessible to the general public, not only to the trade.

E. Re-Bath has a National Advertising Telephone Number, 1-800-BATHTUB. Dealer will be required to participate in the 1-800-BATHTUB Program for national consistency. The participation fee is presently \$249.00 per month for a large market and \$150.00 for a small market. These participation fees may increase from time to time but no more than 10% per year.

F. Dealer shall commit a minimum of \$40,000 in a large market and \$20,000 in a small market in the first 12 months for initial advertising to promote Dealer's business. The 12 month period shall commence on the first day of the month following the last day of completion by Dealer of the initial Installation and Operations training.

G. For each 12 months of operation after Dealer's first 12 months of operation, Dealer shall spend at least 10% of Dealer's previous 12 month's gross sales for advertising (such 10% to exclude any sales made through the Home Depot Program, as defined in Article 19).

ARTICLE 19

HOME DEPOT PROGRAM

A. Company has entered into an agreement with Home Depot, whereby Company will place participating Dealers and/or displays in Home Depot stores throughout the country (the "*Home Depot Program*"). If a participating Home Depot store is in the Territory, Dealer shall have the option to participate in the Home Depot Program in that store. In addition, if a participating Home Depot store is in an area that is not designated as a territory for a Re-Bath dealer, Re-Bath may offer the opportunity to participate in the Home Depot Program in that store to a nearby dealer selected by Re-Bath by evaluating the dealers with the five closest territories (based on the showroom locations) and selecting the dealer with the highest sales per capita.

B. If Dealer agrees to participate in the Home Depot Program, Dealer must remain in good standing with Re-Bath as a dealer, must abide by the terms and conditions of this Agreement and this Article 19, and must enter into and abide by the terms of an agreement with Home Depot, in such form and content as Home Depot reasonably requests. If Home Depot requires under our agreement with Home Depot, we may revoke Dealer's participation in the Home Depot Program at any time upon notice from the Company to Dealer.

C. Dealer shall treat sales referrals generated through the Home Depot Program with the utmost of care and professionalism. All leads generated through the Home Depot Program must be treated and sold as Home Depot customers and such leads may not be converted to leads or sales of Dealer or the Company. All customer information generated through the Home Depot program shall be the sole and exclusive property of Home Depot and neither Dealer, nor the Company shall have any right, title or interest in or to such information, except for the use of such customer information to render services to such customer.

D. All aspects of the Home Depot Program customer contact shall be branded as "Home Depot," including, without limitation, promotional materials, call center telephone scripts, technician identification badges, billing invoices and materials left at customers' homes.

E. All services rendered by Dealer to customers in the Home Depot Program shall be of the utmost quality. Services rendered in the Home Depot Program will be positioned to emphasize trust, quality of service, timeliness of delivery and guarantee of satisfaction. At all times during which Dealer is a participant in the Home Depot Program, Dealer shall comply with the standards of service quality promulgated by Home Depot. In addition, Dealer must comply with Home Depot's standards of license, insurance and criminal background requirements, as provided by Home Depot.

F. If Dealer does not meet Home Depot's standards of service quality, Home Depot shall have the right to immediately terminate Dealer from the Home Depot Program. If Dealer is terminated from the Home Depot Program, Dealer's exclusivity in the Territory for purposes of Article 2 shall be revoked solely as to the Home Depot Program. For purposes of clarification, the parties expressly acknowledge and agree that the Company may place another Re-Bath dealer in the Territory, solely for the Home Depot Program, if Dealer is terminated from the Home Depot Program.

G. If Dealer's Territory becomes non-exclusive pursuant to the terms of Article 2, during the period of non-exclusivity, other Re-Bath dealers may apply to any Home Depot stores in the Territory to participate in the Home Depot Program. If the Territory thereafter again becomes exclusive, Re-Bath shall require that any such dealers cease participating in the Home Depot Program in the Territory.

H. If Dealer's rights under this Agreement and the Dealership relationship created by this Agreement are terminated for any reason, Dealer's participation in the Home Depot Program shall automatically terminate at the same time.

I. If the Company and Home Depot terminate the Home Depot Program, all incomplete jobs existing at such time shall be completed by Dealer to the customers' satisfaction and new customers will be informed that the Home Depot Program is not longer available.

J. Dealer shall track and collect such information regarding the Home Depot Program as requested by the Company or Home Depot. Home Depot shall have the right to inspect and/or audit any and all information relevant to the operation of the Home Depot Program.

K. During the term of the Company's agreement with Home Depot to provide the Home Depot Program and for six months thereafter, Dealer shall not offer products or services through or in conjunction with any retailers that are directly or indirectly competitive with Home Depot.

L. The agreement between the Company and Home Depot calls for the Company and its dealers to participate in a certain percentage of the revenues generated by customers participating in the Home Depot Program, as may be amended from time to time. Dealer shall treat revenues generated from the Home Depot Program as any other revenues generated from its business, subject to the terms and conditions in the agreement between the Company and Home Depot. The parties acknowledge and agree that Home Depot credit programs may be made available to qualifying Home Depot Program customers. Any and all losses sustained by non-payment of checks accepted by Dealer shall be borne by Dealer. Home Depot shall incur all credit card fees.

ARTICLE 20 **OWNERS OF DEALER**

A. The final page of this Agreement includes a true and correct list of all owners (and their spouses), direct and indirect, of 15% or more of the equity of Dealer (the "Owners"). The following provisions apply to the Company and the Owners.

1. Upon the occurrence any changes of the ownership (including changes of spouses) of Dealer, Dealer must immediately deliver to the Company an updated version of the final page.

2. If Dealer is a corporation, partnership, limited liability company or other entity, each of Dealer's shareholders, partners or members owning or holding, directly or indirectly, 15% or more of any class of Dealer's stock or ownership interests (and their respective spouses, if married) on the date of this Agreement, and as a condition of the enforceability and legitimacy of this Agreement, must sign and deliver to us a Certificate, Guarantee and Assumption of Obligations in the form of Exhibit C, whereby they personally guarantee the obligations of Dealer under this Agreement for the first four years of the term of this Agreement up to an aggregate of \$75,000 (plus certain costs). If any person becomes the owner or holder (or spouse of a owner or holder), directly or indirectly, of 15% or more of any class of stock or ownership interests at any time between the date of this Agreement, and the date that is four years after the date of this Agreement, Dealer must cause that person (and his or her spouse) to immediately sign and deliver to us a Certificate, Guarantee and Assumption of Obligations.

3. If Dealer is a corporation, Dealer must, upon execution of this Agreement, provide the Company with acceptable evidence that all certificates evidencing shares of its issued and outstanding capital stock bear a legend stating that the transfer of the shares is subject to and limited by the provisions of this Agreement as follows (as may be amended or modified by any applicable provisions of state law):

THE SHARES REPRESENTED BY THIS CERTIFICATE, AND THE TRANSFER THEREOF ARE LIMITED BY, AND SUBJECT TO THE TERMS AND CONDITIONS OF, THE DEALERSHIP AGREEMENT DATED _____, BY AND BETWEEN [NAME OF DEALER] AND REBATH, LLC.

If Dealer issues additional shares of capital stock in the future, all certificates evidencing such shares must bear a like legend.

4. If Dealer is a partnership, a limited liability company or other entity, Dealer must provide the Company with acceptable evidence that its partnership agreement, operating agreement, or other organizational documents contain provisions acceptable to the Company prohibiting transfer of any partnership or other ownership

interest in Dealer, except in compliance with the terms of this Agreement. Dealer must not cause or permit any such provision to be deleted or modified.

ARTICLE 21

RENEWAL OF DEALERSHIP

A. At the end of the initial seven year term of this Dealership Agreement, the parties may agree to renew the Dealership relationship for a seven year renewal term. A Dealership Renewal Fee of \$1,000 shall be due and payable prior to renewal. Thereafter, the parties may renew the Dealership relationship on terms mutually agreeable to both.

B. If Dealer wants to renew the Dealership relationship after the expiration of the initial seven year term, Dealer must satisfy items 1 through 4 below. If, at the end of the initial term of this Agreement, Dealer has timely complied with all of the items below, Re-Bath will not unreasonably deny entering into one seven year renewal with Dealer. If Dealer wants to renew the Dealership relationship after the expiration of the initial seven year term, Dealer must:

1. Notify Company of its intent to renew not sooner than one year prior to, and at least six months prior to the expiration of the initial term of this Agreement.

2. The Dealer must have substantially complied with the material terms of the initial Dealership Agreement, as determined by the Company in its reasonable discretion. Company will evaluate Dealer's updated application to renew with the same criteria new prospective dealer applicants are subjected to, and Dealer must qualify and meet Company's criteria. If Dealer's Territory is non-exclusive at any time during the 12 months preceding the date of termination of the initial term, Re-Bath may choose not to renew the Dealership relationship, or may negotiate with Dealer for a new or adjusted Territory.

3. The Company may require, as a condition of renewal, and prior to the renewal date, or within the first six months thereafter, if Dealer's personnel have not completed training within the two years prior to renewal, that approved representatives of Dealer must successfully complete the then current training program at Dealer's own cost. Cost shall include, but not be limited to, travel, lodging, food, salary and out-of-pocket expenses. Refer to Article 4 of this Agreement.

4. Dealer and Dealer's then Owners shall execute a then current Dealership Agreement, which may include terms and conditions materially different from the terms in this Agreement.

ARTICLE 22

INDEMNITY AND INSURANCE

A. Dealer shall obtain at its own expense, prior to the commencement of business, and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting the Dealer and the Company and the officers, directors, partners and employees of each, against any loss, liability or expense whatsoever, from personal injury, death, property damage, or otherwise, arising or occurring upon or in connection with the operation of the Re-Bath Dealership, whether the same occurs or the cause arises on or off the premises of the Re-Bath Dealership. The Company shall be an additional named insured in such policy or policies (except with respect to worker's compensation and employer's liability insurance). Such policy or policies must be written by a responsible insurance company or companies satisfactory to Company. The policy or policies must, at a minimum, include the following:

1. General and Public Liability, with a minimum single limit liability of \$1,000,000 per person.

2. Property Damage liability insurance with minimum limits of \$500,000 per occurrence.

3. The Dealer shall be responsible for acquiring and maintaining Worker's Compensation and Employer's Liability insurance as prescribed by state and federal law where Dealer's Re-Bath Dealership is located and operated.

4. The Dealer shall be responsible for acquiring any other insurance as may be required by statute or rule of the state in which the Dealership is located and operated.

B. The Dealer must promptly furnish the Company with evidence that it has obtained the required insurance; and the Company has the right to obtain copies of all policies and policy amendments upon request. All insurance policies must contain the provision that in the event of any cancellation or alteration of the policy or policies, 30 days written notice must be given the Company.

C. Failure of the Dealer to maintain adequate insurance coverage as required shall serve as sufficient cause for Company to suspend shipment of the Re-Bath Products to the Re-Bath Dealership. Once shipments are suspended, Dealer will have 60 days to furnish Company with evidence of adequate insurance coverage. If Dealer is unable to do so, Dealership Agreement will be considered abandoned as set forth in Article 25, DEFAULT AND TERMINATION, A.4 of this Agreement.

ARTICLE 23 **ASSIGNMENT, TRANSFER OF INTEREST**

A. This Agreement and the rights and obligations of Re-Bath hereunder are fully assignable by Re-Bath and shall inure to the benefit of any assignee(s) or other legal successor(s) to the interest of Re-Bath herein, provided that Re-Bath shall, subsequent to any such assignment, remain liable for the performance of its obligations under this Agreement up to the effective date of the assignment.

B. The rights and duties created by this Agreement are personal to Dealer or Dealer's Owner(s) and Re-Bath has granted the Dealership in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Dealer or Dealer's Owner(s). Therefore, neither the rights under this Agreement, the Dealership (or any interest therein), the Territory (or any portion of the Territory), nor any part or all of the ownership of Dealer may be voluntarily, involuntarily, directly or indirectly assigned, sold, subdivided, subfranchised or otherwise transferred by Dealer or Dealer's Owner(s) including, without limitation, by merger or consolidation, by issuance of additional securities representing an ownership interest in Dealer, or, in the event of the death of Dealer or an Owner of Dealer, by will, declaration of or transfer in trust or the laws of intestate succession, without the prior written approval of Re-Bath, subject to the provisions of part E below, and any such assignment or transfer without such approval shall constitute a breach hereof and convey no rights to or interests in the Dealership or this Agreement.

C. If Dealer and its Owner(s) are in full compliance with this Agreement, Re-Bath shall not unreasonably withhold its approval of an assignment of the Dealership (or any interest therein), provided that the proposed assignee and its owners are, in the opinion of Re-Bath, individuals of good moral character who have sufficient business experience, aptitude and financial resources to own and operate the Dealership and otherwise meet the Re-Bath's then applicable standards for new dealers, subject to the provisions of part E below, and further provided that the following conditions are met prior to, or concurrently with, the effective date of the assignment:

1. All obligations of Dealer and its Owners(s) incurred in connection with this Agreement have been discharged or assumed by the assignee(s);

2. The assignee(s) shall have completed any training program required of new Dealers;

3. All sums due by Dealer to Re-Bath or to its other Dealers, and all of Dealer's accounts payable, must be paid;

4. The assignee(s) and its or their owner(s) shall have executed and agreed to be bound by the form of Dealership Agreement and such ancillary agreements as are then customarily used by Re-Bath in the grant of franchises, which Agreement shall be for a full dealership term, as opposed to only the remaining term of Dealer's Agreement;

5. Dealer or the assignee(s) shall have paid an assignment fee to Re-Bath in the amount of \$5,000 to defray expenses incurred by Re-Bath in connection with the assignment, including without limitation, training as set forth in Article 4, legal and accounting fees, credit and other investigation charges, and evaluation of assignee(s) and the terms of the assignment;

6. The assignee shall have provided to Re-Bath, in writing, adequate assurance of future performance reasonably satisfactory to Re-Bath;

7. Dealer and its Owner(s) shall have executed a Release and Termination Agreement in a form satisfactory to the Re-Bath, releasing any and all claims against the Re-Bath and its owners, officers, members, managers, directors, employees and agents;

8. Re-Bath shall have received for approval, and shall have approved, a copy of the purchase agreement, which shall contain the following: an itemized list of inventory, tools, product and jobs sold within the last two years (for warranty purposes), as well as a statement that the assignee will assume all rights and obligations of Dealer, and will satisfy all warranty issues.

9. Dealer and its Owner(s) who are parties to this Agreement shall reaffirm a covenant not to compete or solicit in favor of the Re-Bath and the assignee(s), all as contained within Article 27 of this Agreement; and

10. Re-Bath has not exercised its right of first refusal as set forth in part E below.

In addition to the above, from time to time Re-Bath may establish procedures or criteria for selling or transferring an existing dealership, which shall be provided to Dealer upon request.

D. The following sets forth two exceptions to the requirements in parts A-C of this Article 23.

1. Notwithstanding the foregoing, Dealer may assign or transfer portions but not all of its Territory to Re-Bath or an existing Dealer of Re-Bath upon the approval of Re-Bath as set forth in this Article. Re-Bath may consider such items as size of remaining Territory, economic conditions, or suitability of the proposed assignee. Such partial Territory assignment shall be deemed to be an assignment pursuant this Article, and shall be subject to the same terms and conditions hereunder except, the assignee will not need to sign a new Dealership Agreement, and may not be required to submit to training. With a partial Territory assignment, the term of the assignee's dealership will not change, but instead, the new territory will be subject to the term of the assignee's existing Dealership Agreement. Upon a partial Territory assignment, the assignee's Sales Quotas will be adjusted to account for the change in population in the assignee's newly enlarged Territory. In addition, Re-Bath may waive or modify other transfer requirements on a consistent basis, depending on the structure and terms of the Territory assignment.

2. Any transfers governed by this Article 23 to a corporation, partnership, limited liability company or other legal entity that is 100% owned by you will be subject to the provisions of this Article 23; provided, however, the transfer fee will be \$350, and we will not have the right of first refusal contemplated in part E below. In connection with such a transfer, however, the transferee will not be entitled to attend the initial training program, the transferee must sign the form of Dealership Agreement and such ancillary agreements as are then customarily used by Re-Bath in the grant of franchises, the new Dealership Agreement shall have a term of only the remaining term of your Dealership Agreement, and each person (and his or her spouse), who directly or indirectly owns a 15% or more greater equity interest in the transferee must sign and deliver to us a Certificate, Guarantee and Assumption of Obligations substantially similar to Exhibit C, in such form as then being signed by the owners of new dealers. In addition, Re-Bath may waive or modify other transfer requirements on a consistent basis.

E. If Dealer or any of its Owner(s) shall at any time determine to sell, transfer or assign an interest (direct or indirect) in the Dealership or in Dealer, Dealer or its Owner(s) shall obtain a bona fide, executed written offer from a reasonable and fully disclosed purchaser and Dealer shall submit an exact copy of such offer to Re-Bath. Re-Bath shall have the right, exercisable by written notice delivered to Dealer within 30 days from the date of delivery of an exact copy of such offer to Re-Bath, to purchase such interest in the Dealership or such ownership interest in Dealer for the price and on the terms and conditions contained in such offer, provided that Re-Bath may

substitute cash for any non-cash form of payment proposed in such offer and shall not have fewer than 30 days to prepare for closing. If Re-Bath does not exercise its rights of first refusal, Re-Bath shall thereafter have 30 days within which to approve the assignee subject to the terms and conditions of this Article. Re-Bath will not exercise this right of first refusal if the proposed assignment or transfer is to be made to: (i) one or more adult members of Dealer's immediate family (spouse and/or children) if Dealer is an individual; (ii) one or more adult members of an Owner's immediate family (spouse and/or children) if such Owner then holds a majority of the stock or other equity of Dealer; or (iii) to one or more adult employees of Dealer, and in each case, each such proposed assignee or transferee, and the proposed transaction, otherwise meets or complies with the requirements of part C of this Article 23.

F. If Re-Bath does not exercise its rights of first refusal, Dealer or its Owner(s) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to Re-Bath's approval of the purchasers as provided in this Article, provided that if the sale to such purchaser is not completed within 120 days after delivery of such offer to Re-Bath, or there is a material change in the terms of the sale, Re-Bath shall again have the right of first refusal provided in E above. In the event that any assignment is not consummated, Re-Bath's rights herein shall apply equally to any future request by Dealer or its Owners.

ARTICLE 24 **TRANSFER UPON DEATH OR MENTAL INCAPACITY**

A. If Dealer is an individual who dies, or becomes permanently incapacitated, Re-Bath shall allow the deceased's surviving spouse, heirs, or estate or the incapacitated person's legal representative, the opportunity to participate in the ownership of the Dealership up to 120 days after the death or incapacity of Dealer. During such time the surviving spouse, heirs or estate or legal representative shall either (i) satisfy the then current qualifications for a purchaser of a dealership; or (ii) in accordance with the requirements of this Agreement, sell Dealer's ownership interest in the Dealership to a person or entity who satisfies Re-Bath's then current standards for new Dealers, subject to Re-Bath's right of first refusal set forth in Article 23E.

B. If Dealer is a corporation, limited liability company, partnership or other entity, the death or incapacitation of an Owner of Dealer shall not constitute an assignment or transfer of this Agreement provided that during 120 days after such death or incapacitation, Dealer (i) maintains all standards of the Dealership, performs all obligations of Dealer and satisfies the then current qualifications for a purchaser of a Dealer; or (ii) in accordance with the requirements of this Agreement, the surviving spouse, heirs or estate or the incapacitated Owner's legal representative sells or transfers such Owner's ownership interest in the Dealer to a person or entity who satisfies Re-Bath's then current standards for new dealers, subject to Re-Bath's right of first refusal set forth in Article 23E.

C. Notwithstanding the provisions of items A and B above, Re-Bath will not exercise its right of first refusal if the proposed assignment or transfer is to be made to: (i) one or more adult members of the deceased or incapacitated Dealer's immediate family (spouse and/or children) if Dealer is an individual; or (ii) one or more adult members of the deceased or incapacitated Owner's immediate family (spouse and/or children) if such Owner then holds a majority of the stock or other equity of Dealer, and in each case, each proposed assignee or transferee meets Re-Bath's then current standards for new dealers.

ARTICLE 25 **DEFAULT AND TERMINATION**

A. Dealer's rights under this Agreement and the Dealership relationship created hereunder shall terminate automatically upon delivery of notice of termination to Dealer, unless the notice of termination provides for a cure period or a different termination date, if Dealer or any Owner or any officer, director, member, partner, executive employee, or principal of Dealer:

1. Has made any material misrepresentation or omission in any application for the Dealership or renewal of the Dealership;

2. Is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Dealer, Re-Bath, or the Dealership;

3. Makes any unauthorized use, disclosure or duplication of any portion of the Manuals or duplicates or discloses or makes any unauthorized use of any trade secret or confidential information provided to Dealer by Company;
4. Abandons, states an intention to abandon, fails, or refuses to actively operate the Dealership for ten consecutive business days in any 12 month period, unless the Dealership has been closed for a purpose approved by Company;
5. Surrenders or transfers control of the Dealership or makes an unauthorized direct or indirect assignment of the Dealership or a portion thereof, or an ownership interest in Dealer in contravention of the provisions of this Agreement;
6. Commits any affirmative act of insolvency, or files any petition or action of insolvency, or for appointment of a receiver or trustee, or makes any assignment for the benefit of creditors, or fails to vacate or dismiss within 60 days after filing any such proceedings commenced against Dealer by a third party;
7. Is subject to a dismissal of a liquidation proceeding pursuant to 11 U.S.C. Section 707, dismissal of a reorganization proceeding pursuant to 11 U.S.C. Section 1112, revocation of an order of confirmation pursuant to 11 U.S.C. Section 1330(b) or dismissal of a debt adjustment proceeding pursuant to 11 U.S.C. Section 1307;
8. Materially misuses or makes an unauthorized use of any trade names, trademarks, service marks, tradestyles, logos, designs, or proprietary information of the Company, or commits any act that can reasonably be expected to materially impair the goodwill associated therewith;
9. Fails to commence operations of the Re-Bath Dealership within 3 months following the completion of the training program and issuance of the Dealer's certificate of completion;
10. Fails to open and operate an initial approved showroom within 4 months after the completion of initial training, unless arbitration regarding a site for an initial showroom has commenced, as described in Articles 6(A)(11) and 33;
11. Transacts or conducts business in the territory of another Re-Bath dealer during the term of this Agreement;
12. Fails on two or more separate occasions during the term of this Agreement to submit when due reports or other information or supporting records, to pay when due amounts due for purchases from Company or its affiliates or other payments due to Company;
13. Duplicates or acquires the Required Products from any source other than the Company, its affiliates or approved manufacturers, or uses an unauthorized facsimile thereof;
14. Installs a Required Product using an unapproved manufacturer's product on one occasion;
15. Commences or conducts, directly or indirectly, any Dealership operation, or markets any product under any name or proprietary mark that, in the Company's sole opinion, is confusingly similar to the trade names, trademarks, service marks, tradestyles, logos, designs, or proprietary information of the Company;
16. Fails or refuses to comply with the Company's audit of Dealer's books and records;
17. Fails to comply with the Company's customer satisfaction program, which is set forth in the Manuals;
18. Is in default under or breaches the terms of any other agreement relating to the Dealership to which Dealer is a party, other than an agreement with Home Depot pursuant to Article 19; Re-Bath's sole remedies upon a breach by Dealer of an agreement with Home Depot are limited to those actions set forth in Article 19 of this Agreement;

19. Fails to remain qualified to transact business in the Territory or fails to properly file or record Dealer's Fictitious Name in the Territory; or

20. Owes outstanding amounts to the Company that are more than 60 days past due.

B. Dealer's rights under this Agreement and the Dealership relationship created hereunder shall terminate without further action by Company or notice to Dealer if Dealer:

1. Fails or refuses to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Manuals or otherwise in writing, or in any other written agreements to which Dealer and Re-Bath are parties, and does not correct such failure within 30 days (or provide proof acceptable to Company that it has made all reasonable efforts to correct such failure and will continue to make all reasonable efforts to cure until a cure is effected if such failure cannot reasonably be corrected within 30 days) after written notice of such failure to comply is delivered to Dealer, or Dealer fails to re-gain exclusive status in the Territory pursuant to Article 2 within the 12 month period specified in Article 2

C. To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, not be effective, and Company shall comply with applicable law in connection with each of these matters.

ARTICLE 26 **POST TERMINATION**

A. Upon any termination, expiration, non-renewal, or abandonment of this Dealership Agreement, the Dealership relationship created hereunder or Dealer's rights under this Agreement, all rights granted hereunder to the Dealer will terminate and Dealer shall immediately discontinue the use of any of the trademarks, trade names, service marks trade dress, tradestyles, logos, designs and other identifying symbols of the Re-Bath system, turn over to the Company the Manuals which were on loan to Dealer and discontinue operating in any manner that might tend to give the public the impression that the Dealer is still a dealer of, or affiliated with, the Company.

B. Upon any termination, expiration, non-renewal, or abandonment of this Dealership Agreement, the Dealership relationship created hereunder or Dealer's rights under this Agreement, Dealer shall forfeit any fees or amounts paid to Re-Bath, and Dealer shall promptly pay, within 15 days after termination, all sums owing to the Company. In addition, Dealer shall, within 15 days after receipt of an invoice setting forth such amounts, in reasonable particularity, pay Re-Bath all damages, costs and expenses, including reasonable attorney's fees, incurred by the Company as a result of the default and subsequent termination.

C. Upon any termination, expiration, non-renewal, or abandonment of this Dealership Agreement, the Dealership relationship created hereunder or Dealer's rights under this Agreement, Dealer shall remain fully responsible for any warranty offered by Dealer (as opposed to warranties offered by the Company or any other supplier) to a customer in good faith prior to termination. Dealer must also maintain and service all warranty promises and obligations to its customers for installations performed, if such obligations extend after termination and, as such, require service. To this end, the Re-Bath product warranty outlined in Article 10 of this Agreement shall remain in force after termination.

D. Upon any termination, expiration, non-renewal, or abandonment of this Dealership Agreement, the Dealership relationship created hereunder or Dealer's rights under this Agreement, Re-Bath may enter Dealer's business premises for the purpose of recovering all Manuals, training materials and any other confidential and proprietary materials or information of Re-Bath, as well as any documents or signs that include Re-Bath's trade names, trademarks, service marks, tradestyles, trade dress, logos, designs, or proprietary information. Dealer irrevocably appoints and constitutes Re-Bath and its designated agents, with full power of substitution, as Dealer's agent and attorney-in-fact for an on behalf of, and in Dealer's name, and at Dealer's expense, to take any or all of the above actions, without liability for trespass. This special power of attorney will be deemed to be coupled with an interest and irrevocable.

E. Upon any termination, expiration, non-renewal, or abandonment of this Dealership Agreement, the Dealership relationship created hereunder or Dealer's rights under this Agreement, this Agreement will survive and remain in effect to the extent of any obligations of the parties to be fulfilled after the termination, as well as all provisions necessary to interpret or enforce such continuing obligations. Surviving obligations include, without limitation, indemnity, warranty, payment obligations, noncompete covenants and obligations related to confidentiality and protection of proprietary property, and this Article 26.

ARTICLE 27 COVENANTS

A. During the term of this Agreement, Dealer acknowledges that it will receive specialized training and valuable confidential information concerning the Re-Bath system that is not readily available to the public. The Company's business is substantially dependent upon the confidentiality of such information. Therefore Dealer shall, and Dealer shall cause each of the Owners to, hold this information in trust and confidence for the use and benefit solely for the business contemplated herein and will not disclose any confidential information to any person or entity for any purpose, or use it for personal gain or otherwise in competition with the Company or other Re-Bath dealers during the term of this Agreement and for a period of 18 months after termination, expiration, non-renewal, or abandonment of this Dealership Agreement, the Dealership relationship created hereunder or Dealer's rights under this Agreement.

B. During the term of this Agreement, and in the event of the expiration, non-renewal, termination or abandonment of this Dealership Agreement, the Dealership relationship created hereunder, or Dealer's rights under this Agreement, Dealer and each of the Owners who is a party to this Agreement covenants that it will not, during the term of this Agreement, and for a period of 18 months thereafter, directly or indirectly, have any interest as an owner, partner, director, officer, employee, member, manager, consultant, representative, or in any other capacity, in or with any similar or competing business located in an active Re-Bath Dealer territory, or within 50 miles of an operating Re-Bath territory operated by a Re-Bath dealer, the Company, or others.

C. For the protection of the Company, Dealer and other Re-Bath dealers, Re-Bath shall require, and Dealer shall assist Re-Bath in obtaining execution of, covenants similar to those set forth in this Dealership Agreement (including covenants applicable upon the termination of a person's relationship with the Dealer) from Dealer's key employees, officers, directors, managers, Owners and other persons or entities who have access to proprietary information concerning the Re-Bath system.

D. Dealer and each of the Owners who is a party to this Agreement understands and agrees that the time periods and geographic restrictions set forth in this Article are reasonable and necessary to protect Re-Bath if this Agreement is terminated or expires and that these covenants are necessary to permit Re-Bath the opportunity to resell and/or develop a new dealership in the Territory. The covenants set forth in this Article are limited by, and the enforcement thereof is subject to, any prevailing law or statutes of the state(s) in which Dealer conducts business.

E. Dealer and each of the Owners who is a party to this Agreement acknowledges that the rights conveyed by this Article are of a unique and special nature and that irreparable injury will occur to Re-Bath if Dealer or any of the Owners breaches or violates any provisions of any paragraph of this Article, and that a remedy at law would be inadequate. In the event of any actual or threatened violation or breach of any one or more of the provisions of this Article, Re-Bath will be entitled to an injunction restraining any actual or threatened breach by Dealer or any Owner who is a party to this Agreement, without the necessity of posting bond therefor, in addition to any other remedy provided by law.

F. Each and every provision set forth in this Article is independent and severable from the others and no restriction will be rendered unenforceable by virtue of the fact that, for any reason any other or others of them may be unenforceable in whole or in part. If any provision of this Article is unenforceable for any reason whatsoever, that provision may be stricken or appropriately limited and given effect to the maximum extent provided by applicable law.

ARTICLE 28
PERMITS, RULES AND CODES

Dealer shall, at its own cost and expense, comply with all federal, state and local laws, rules, and regulations, and shall timely obtain, and shall keep in force as required throughout the term of this Dealership Agreement, all permits, certificates, and licenses necessary for the full and proper conduct of the Dealership hereunder, including, but not limited to, any building, installation, or other required construction permits to do business, fictitious name registrations or certificates regarding Dealer's Fictitious Name, sales tax permits, and fire clearances, all if required.

ARTICLE 29
RELATIONSHIP OF THE PARTIES

A. It is understood and agreed by the parties hereto that this Dealership Agreement does not create a fiduciary relationship between them, that Re-Bath Dealer shall at all times be an independent contractor. Nothing in this Dealership Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. During the term of this Dealership Agreement and any extension hereof, Dealer shall hold itself out to the public as an independent contractor operating the Dealership pursuant to a Dealership granted by the Company. Dealer shall prominently display on all sales and installation contracts with the public a statement, which clearly indicates that the Dealership is independently owned and operated by Dealer as a Re-Bath franchise and not as an agent thereof.

C. It is understood and agreed that nothing in this Dealership Agreement authorizes Dealer, its agents or employees to make any contract, agreement, warranty, or representation on behalf of the Company or to incur any debt or other obligation in the Company's name.

D. It is understood that the Company shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Dealer in the operation of the Dealership.

E. It is understood that all stationary products, i.e. letterhead, business cards, etc. created by the Dealer shall include the "Tub Over Tub" logo as well as the words "Independently Owned and Operated."

F. Dealer shall hire all employees of the Dealership and be exclusively responsible for the terms of their employment and compensation.

G. If due to the similarity in names or due to the relationship between the parties, litigation is instituted by a claimant against Re-Bath arising out of or as the result of activities of Dealer, but Re-Bath is nevertheless named in the litigation and served with process, then Dealer shall indemnify, defend and hold Re-Bath and its directors, officers, employees, members, managers, agents, attorneys, representatives and affiliates (collectively, the "*Indemnified Persons*") harmless for, from and against any and all damages, losses, liabilities (absolute and contingent), fines, penalties, costs and expenses (including, without limitation, reasonable counsel fees and costs and expenses incurred in the investigation, defense or settlement of any claim covered by this indemnity), suffered or incurred by any Indemnified Person with respect to or arising out of any demand, claim, inquiry, investigation, proceeding, action or cause of action arising out, in connection with, or relating to, directly or indirectly, Dealer's actions or omissions. This provision is limited to those specific instances in which Re-Bath did not participate in the handling of the transaction on which the litigation is premised, other than providing customary administrative services, as set forth herein.

ARTICLE 30
NOTICES

Any notice required or permitted to be given under this Agreement shall be in writing and shall be served upon the other party, personally or by certified or registered mail, overnight mail, facsimile transmission or electronic mail transmission. Such notice is to be sent to each party at the address listed on the signature page of this Agreement. Each party may designate another address at any time after the execution of this Agreement by appropriate written notice to the other party.

ARTICLE 31
ENTIRE AGREEMENT

This Dealership Agreement and the Exhibits attached hereto constitute the entire, full, and complete agreement between the Company and Dealer concerning the subject matter hereof, and supersede all prior agreements, and no other representations, either in writing or orally, have been made to induce Dealer to execute this Dealership Agreement. In the case of a conflict between the terms of this Agreement and the terms of the UFOC, the terms of this Agreement shall prevail. This Agreement may not be modified or amended other than by a writing signed by all parties.

ARTICLE 32
SEVERABILITY AND CONSTRUCTION

A. Each covenant and provision of this Dealership Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Dealership Agreement shall be deemed severable.

B. If all or any portion of a covenant or provision of this Dealership Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which the Company is a party, Dealer expressly agrees to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision as if that lesser covenant or provision were separately stated in and made a part of this Dealership Agreement.

C. All captions in this Dealership Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

D. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Dealer shall be deemed jointly and severally undertaken by all those executing this Dealership Agreement in behalf of Dealer.

E. This Dealership Agreement shall be executed in duplicate, and each copy so executed shall be deemed an original.

F. For the purposes of counting days under this Agreement, all days shall be counted, except if the final day falls on a Saturday, Sunday or Arizona holiday, the final day shall be the next day that is not a Saturday, Sunday or Arizona holiday.

G. The rights of the parties hereunder are cumulative and no exercise or enforcement by either party of any right or remedy hereunder shall preclude the exercise or enforcement by either party of any other right or remedy hereunder or which such party is entitled by law to enforce.

H. Except to the extent otherwise set forth herein, if any action is initiated for any breach of, or default in, any of the terms or conditions of this Agreement, then the party in whose favor judgment shall be entered shall be entitled to have and recover from the other party all costs and expenses (including reasonable attorneys' fees), incurred in such action and any appeal therefrom.

ARTICLE 33
APPLICABLE LAW

A. This Dealership Agreement takes effect upon its acceptance and execution by the Company in Arizona, and shall be interpreted and construed under the laws thereof, which laws shall prevail in the event of any conflict of law.

B. Any controversy or claim arising out of or relating to this Agreement other than a claim for injunctive relief, shall be settled by binding arbitration in accordance with the rules for commercial arbitration of the American Arbitration Association, in the County of Maricopa, State of Arizona, and judgment upon the award may be entered in any court having jurisdiction thereof. The arbitration shall be conducted by a single arbitrator selected in accordance with the rules and regulations applicable to commercial matters. All provisions of the Arizona Law of Civil Procedures relating to discovery in civil lawsuits shall be applicable in the arbitration proceedings. If there are any disputes in matter of public policy, restraint of trade, securities laws violation or any other matter which cannot be the subject of arbitration, those matters shall be separate from all other disputes which other disputes shall first be settled by arbitration. Any disputes that cannot be resolved by arbitration shall be brought before a court of competent jurisdiction in the County of Maricopa, State of Arizona. Should the parties be unable to separate matters that shall be tried by arbitration from those that cannot be tried by arbitration, the allegations and positions of the parties shall be brought before the arbitrator and its decision regarding the appropriateness for arbitration of the matters in controversy shall be determinative and binding upon the parties. The fees and expenses of arbitration, not including attorney's fees, shall be paid by the claimant. The prevailing party shall be entitled to receive reimbursement of its attorney's fees from the losing party.

C. The arbitration of any disputes between the parties shall be conducted on an individual basis and such disputes shall not be arbitrated on a classwide basis, nor shall any of these disputes be consolidated with the arbitration of any other disputes that might arise among or between the Company, Dealer or any other the Company's dealers.

ARTICLE 34
INDEPENDENT INVESTIGATION

Dealer acknowledges that it has conducted an independent investigation of the Re-Bath operation, and recognizes that the Dealership contemplated by this Agreement involves business risks and that the success of the Dealership is dependent upon the personal efforts of the Dealer. The Company expressly disclaims the making of, and Dealer acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the Dealership contemplated by this Agreement.

ARTICLE 35
REVIEW OF AGREEMENT; REPRESENTATIONS OF DEALER

Dealer and each of its Owners who is a party to this Agreement state as follows:

A. Dealer acknowledges that it has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement and to review this Agreement and the UFOC prior to signing this Agreement. Dealer is entering into this Agreement after having made an independent investigation and an objective assessment of Dealer's own business experience and ability, and not based upon any representation by the Company as to the profits or sales volume that Dealer might be expected to realize, nor upon any representations or promises by the Company that are not expressly contained in this Agreement or the UFOC.

B. Dealer acknowledges that any assistance, approval or advice given by the Company under or in connection with this Agreement shall not constitute a warranty of the financial success of the Dealership. Dealer acknowledges and affirms that the Company has not made any warranties of the financial success of the Dealership.

C. Dealer and each of its Owners, officers, directors, members, employees and agents is on the date hereof, and will be throughout the term of the Dealership granted hereunder, qualified and has all of the required

permits and licenses and required legal authorization to carry on and conduct a business as set forth in this Agreement.

D. Dealer, together with its advisors, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Dealership.

E. Dealer is aware that other present or future dealers may operate under different forms of agreements, and consequently that Dealer's obligations and rights with respect to its various dealers may differ materially in certain circumstances.

F. Dealer acknowledges that Re-Bath has recommended that Dealer consult with an attorney regarding the review and entering into of this Agreement and the UFOC, Dealer has had ample opportunity to consult with its own attorneys, accountants and other advisors and that attorneys or agents for the Company have not advised or represented Dealer with respect to this Agreement or the relationship created by this Agreement.

IN WITNESS WHEREOF, the parties hereto set their hands the day and year as set forth above.

DEALER: _____

a _____

DBA Re-Bath of _____

Sign Name: _____

Print Name: _____

Title: _____

Mailing Address:

Phone: _____

Facsimile: _____

Attention: _____

If Dealer is a married individual:

Sign Name: _____

Print Name: _____

Dealer's Spouse Signs Here: _____

REBATH, LLC, a Delaware limited liability company

Sign Name: _____

Print Name: _____

Title: _____

MAILING ADDRESS:

1055 South Country Club Drive, Bldg. 2

Mesa, AZ 85210-4613

(480) 844-1575 or (800) 426-4573

Facsimile: _____

Attention: _____

**ACCEPTANCE OF OWNERS OF 15% OR MORE
AND LIST OF ALL OWNERS**

Each of the undersigned (and their spouses) (a) is an owner of 15% or more of the equity of the Dealer; (b) hereby accepts and agrees to be personally bound by the provisions of the following Sections of the foregoing Dealership Agreement to the same extent as Dealer: 6, 8, 14, 15, 16, 17, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 34, and 35, and any other provisions necessary to interpret or enforce any of the foregoing.

Sign Name: _____ Print Name: _____ Date: _____ Address: _____ _____ Phone: _____ Facsimile: _____	Sign Name: _____ Print Name: _____ Date: _____ Address: _____ _____ Phone: _____ Facsimile: _____
Sign Name: _____ Print Name: _____ Date: _____ Address: _____ _____ Phone: _____ Facsimile: _____	Sign Name: _____ Print Name: _____ Date: _____ Address: _____ _____ Phone: _____ Facsimile: _____
Sign Name: _____ Print Name: _____ Date: _____ Address: _____ _____ Phone: _____ Facsimile: _____	Sign Name: _____ Print Name: _____ Date: _____ Address: _____ _____ Phone: _____ Facsimile: _____

The following are owners of less than 15%, directly, or indirectly, of the Dealer (no signatures required):

Print Name: _____ Address: _____ _____ Phone: _____	Print Name: _____ Address: _____ _____ Phone: _____
Print Name: _____ Address: _____ _____ Phone: _____	Print Name: _____ Address: _____ _____ Phone: _____
Print Name: _____ Address: _____ _____ Phone: _____	Print Name: _____ Address: _____ _____ Phone: _____

REBATH, LLC

EXHIBIT A
RE-BATH DEALER START-UP PACKAGE

All Dealers will receive:

One (1) Drain and Adhesives Kit, including spuds, adapters, adhesives, caulks, etc.

One (1) Dealer Tool Kit with Accessories

One (1) Acrylic Repair Kit

Dealer Sales Promotional Packet, Including:

Sales Kit & Presentation Portfolio

Three (3) mini display bathtubs

One (1) continuous loop promotional sales and marketing video

One (1) single run promotional sales and marketing video

One (1) Re-Bath product sample kit

Two hundred (200) Re-Bath consumer brochures

One hundred (100) of each of the Re-Bath product information sheets

Fifty (50) Re-Bath commercial brochures

Miscellaneous forms, materials, and accessories

Large Market
\$2,000.00 for the items above

Small Market
\$2,000.00 for the items above

In addition to the products and materials listed above, each Dealer will receive:

Large Market
\$4,000.00 Credit toward
product purchase

Small Market
\$1,000.00 Credit toward
product purchase

Dealer Price.... \$6,000.00
FCA (Incoterms 2000), Mesa, Arizona

Dealer Price.... \$3,000.00
FCA (Incoterms 2000), Mesa, Arizona

REBATH, LLC

EXHIBIT B
TERRITORY

TERRITORY

The following described area is the Dealer's assigned Territory (Refer to Article 2 of the Agreement):

In the State of: _____

Population: _____

SALES QUOTA TO BEGIN: The first day of the month following the last day of the initial training session.

For that population, the following sales quotas apply:

Quota Year One: _____ Quota Units/quota year

Quota Year Two: _____ Quota Units/quota year

Quota Year Three: _____ Quota Units/quota year

Quota Years Four through Seven: _____ Quota Units/quota year

A Quota Unit is as defined in Article 2 of the Dealership Agreement. A Quota Year is a consecutive 12 month period during which a Sales Quota applies pursuant to Article 2 of the Dealership Agreement.

EXHIBIT C TO THE DEALERSHIP AGREEMENT

CERTIFICATE, GUARANTEE AND ASSUMPTION OF OBLIGATIONS BY OWNERS

THIS CERTIFICATE, GUARANTEE AND ASSUMPTION OF OBLIGATIONS BY OWNERS is given this ____ day of _____, 20__, by each person (and his or her spouse) who, directly or indirectly, owns 15% or more of _____ dba _____ ("Dealer").

In consideration of, and as an inducement to, the execution of the Dealership Agreement of even date ("*Agreement*") by REBATH, LLC (the "*Company*"), each of the undersigned hereby personally and unconditionally (1) guarantees to the Company and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that the Dealer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) shall 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 including, without limitation, the provisions of Sections: 6, 8, 14, 15, 16, 17, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 34, and 35, and those regarding protection of the Re-Bath name and the other proprietary property and information of the Company, and transfer of ownership of the Dealer and any other provisions necessary to interpret or enforce any of the foregoing.

Each of the undersigned waives: acceptance and notice of acceptance by the Company of the foregoing undertakings; notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; any right if may have to require that an action be brought against Dealer or any other person as a condition of liability; and any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (1) its direct and immediate liability hereunder shall be joint and several; (2) the undersigned's payment liability to the Company shall be capped at an aggregate of \$75,000, plus fees and expenses incurred by the Company in enforcing the Agreement and this Certificate and Guarantee consistent with the following paragraph; (3) it shall render any payment or performance required under the Agreement upon demand if Dealer fails or refuses punctually to do so; (4) such liability shall not be contingent or conditioned upon pursuit by the Company of any remedies against Dealer or any other person; and (5) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence, which the Company may from time to time grant to Dealer or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Certificate and Guarantee, which shall be continuing and irrevocable during the term of the Agreement.

The undersigned agrees to pay all expenses paid or incurred by the Company in enforcing the Agreement and this Certificate and Guarantee against Dealer and against the undersigned and in collecting or attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by the Company, its agents, its successors or assigns, with respect to the Agreement, shall in no way modify or amend this Certificate and Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

This Guarantee is personal to each of the undersigned and the obligations and duties imposed herein may not be delegated or assigned; provided, however, that this Guarantee shall be binding upon the successors, assigns, and personal representatives of each of the undersigned. This Guarantee shall inure to the benefit of the Company, its affiliates, successors and assigns.

If any one or more provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Guarantee shall be construed to bind the undersigned to the maximum extent permitted by law that is subsumed within the terms of such provision as though it were separately articulated herein.

This Guarantee shall be interpreted and construed under the laws of the State of Arizona, which laws shall prevail in the event of any conflict of law. The undersigned agree that any action, suit or proceeding to enforce this Guarantee or arising hereunder of concerning the interpretation of this Guarantee shall be subject to arbitration to the same extent as provided in Section 33 of the Agreement.

Each of the undersigned hereby acknowledges that (i) it is a condition to the granting of the Agreement to Dealer that each of the undersigned shall execute and deliver this Guarantee to the Company, (ii) that the Company has entered into the Agreement in reliance upon the agreement of the undersigned to do so, and (iii) that, as owners of Dealer, the undersigned have received adequate consideration to support their execution of this Guarantee. This Guarantee does not grant or create in the undersigned any interests, rights or privileges in the Dealership or the Agreement.

This Guarantee shall expire on the date that is four years after the date of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature as of the same day and year as the Agreement was executed.

GUARANTOR(S)
(INCLUDING ALL SPOUSES)

PERCENTAGE OF OWNERSHIP
IN DEALER

_____	_____ %
Print Name: _____	
_____	_____ %
Print Name: _____	
_____	_____ %
Print Name: _____	
_____	_____ %
Print Name: _____	
_____	_____ %
Print Name: _____	
_____	_____ %
Print Name: _____	
_____	_____ %
Print Name: _____	