

MANHASSET COLLISION, LTD
STOCKHOLDERS AGREEMENT

STOCKHOLDERS AGREEMENT made as of the 26 day of February 2020, effective as of the "Effective Date" (as defined below) by and among Manhasset Collision, LTD, a corporation organized under the laws of the State of New York with its principal offices located at 44 Hillside Ave., Manhasset, NY 11030 (hereinafter referred to as the "Corporation"); and Ben Romano residing at _____ ("Ben") and Anthony Rizzotto residing at 51 Magnolia Ave., Garden City, NY 11530 ("Anthony"). Ben and Anthony are hereinafter referred to singly as "Stockholder" and collectively as "Stockholders".

WHEREAS, the Corporation is in the business of automobile body shop repairs that includes painting, repairing, renovating and otherwise restoring automobiles (collectively referred to as the "Business"); and

WHEREAS, prior to the Effective Date of this Stockholders Agreement, Ben owned all of the equity (100%) in the Corporation; and

WHEREAS, Anthony shall purchase a Twenty Five Percent (25%) interest in the Corporation by acquiring issued stock from Ben for Two Hundred Thousand Dollars (\$200,000). After Anthony's purchase of stock in the Corporation, Ben shall own seventy five percent (75%) of the Corporation and Anthony shall own Twenty Five Percent (25%) of the Corporation; and

WHEREAS, the Stockholders desire to restrict the transfer, encumbrance, or the disposition of the shares of capital stock now or hereinafter owned by them; and

WHEREAS, the Stockholders desire to provide for continuity of management and for the resolution of certain contingencies which may hereafter arise; and

WHEREAS, the Stockholders have agreed to prepare this "abbreviated" version of their Stockholders Agreement for the time being, and the parties may later unanimously agree to prepare a more detailed stockholders' agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, it is mutually agreed and covenanted:

Entity: Manhasset Collision, LTD ("Manhasset" or the "Corporation")

Stockholders: Ben Romano and Anthony Rizzotto (the "Stockholders").

Entity Type: S Corporation.

Equity: Ben 75% and Anthony 25%. These percentages and the related equity are sometimes referred to as the "Equity Percentages" or the "Equity" or the "Interest".

Effective Date: This transaction shall close on or about February 26, 2020 (the "Closing Date") but Anthony's ownership shall be effective on the first day of the calendar month that includes the Closing Date (the "Effective Date") and Anthony shall start working for the

Corporation the day after the "Geico Termination Date". Anthony shall provide two (2) months advance notice of termination to Geico on or about the date that the Corporation agreements are signed. The Geico Termination Date shall be the date that Anthony is able to terminate employment from Geico (which may be sooner than the 2 months' notice). The Corporation shall start paying Anthony his compensation on the date he starts to work for the Corporation – which is the next business day after the Geico Termination Date.

Purchase of Stock: Anthony shall acquire fifty (50) of Ben's 200 shares of stock in the Corporation representing a 25% equity interest for Two Hundred Thousand Dollars (\$200,000) referred to as the "Buy In". At the Closing, Anthony shall pay the full Buy In price and receive the shares of stock in the Corporation.

Stock Purchase Representations: Ben hereby represents and warrants to Anthony that: (i) Manhasset is a valid NY corporation; (ii) Ben owns 200 shares of the issued and outstanding shares of stock in Manhasset represented by certificate number ____; (iii) there are no liens or encumbrances on the stock being sold to Anthony; (iv) to the best of his knowledge, there are no actions, investigations, proceedings or judgments pending against Manhasset; (v) a true copy of the lease for the premises where the Corporation conducts its Business (the "Lease") was provided to Ben and the Lease is in full force and effect, and to the best of his knowledge, there are no complaints, actions, proceedings or other issues with regard to the premises or the Lease; and (vi) Ben has an option to purchase the building that contains the Corporation's premises (the "Building") as provided in the Lease.

Working Capital Loan: On the Geico Termination Date, Ben will lend \$75,000 to the Corporation and Ben will lend Anthony \$25,000 and then Anthony will lend \$25,000 to the Corporation (total working capital loan of \$100,000). The loans will be repaid, without interest, out of profits of the Corporation in excess of the compensation due to Stockholders, with repayments to Ben and Anthony made at the same time and in proportion to the balance of their loans, with repayments to Anthony being paid directly to Ben.

Capital Contribution: Other than the Buy In and the Working Capital Loan, no further capital contribution is due at this time. Each Stockholder shall be obligated to contribute their Equity Percentage of any future, additional capital needs of Manhasset, but only as unanimously agreed.

Cash, A/R and A/P: Ben shall retain 100% of the cash, accounts receivable and be responsible for all accounts payable and similar liabilities of the Corporation as of the Geico Termination Date.

Anthony Employment: At all times that Anthony owns stock in the Corporation, Anthony will be the manager of the Corporation and will run the day to day affairs of Manhasset. Anthony cannot be fired by the other stockholder(s) other than for cause as defined hereinafter. Anthony can quit at any time, upon reasonable prior written notice. If Anthony quits, Ben shall purchase all of Anthony's Equity for the same amount as Anthony has paid to acquire such Equity.

Anthony shall work Monday through Friday plus every third Saturday (if needed), with his hours being approximately 7:30 AM to 5:30 PM during the week, and as reasonably needed on the Saturdays he may work.

During the first six (6) months after the Geico Termination Date, the Corporation shall pay Anthony a "Base Salary" of \$2,000 per week (\$104,000 per annum); and thereafter, the Corporation shall pay Anthony a Base Salary of \$2,200 per week (\$114,400 per annum). At each one year anniversary of the Geico Termination Date, the Stockholders will review Anthony's compensation. Upon a unanimous vote of the Stockholders, the Corporation may increase Anthony's Base Salary.

Anthony shall be entitled to three (3) weeks paid vacation in each calendar year; as well as reasonable sick days and standard holidays.

Income Split: After each Stockholder's Base Salary is paid, each Stockholder shall receive the following percentage of the remaining net profits after a required cash reserve as agreed by the stockholders (initially set at \$100,000):

Year	Ben	Anthony
1	50%	50%
2	55%	45%
3	60%	40%
4	65%	35%
5	70%	30%
6 + beyond	Equity %	Equity Percentage

The parties shall mutually agree to pay such remaining net profits as either a bonus or as distributions, with the understanding that distributions must be in proportion to their Equity Percentages.

The preceding notwithstanding, Ben shall be entitled to 100% of the funds received from PPG (benefit from a paint supplier for establishing the Corporation as a new customer).

Expenses: (a) Manhasset shall pay for normal operating expenses of the Corporation. Operating expenses shall include compensation to workers, payroll taxes, rent, purchases of parts, purchases of paint, postage, website, social media, marketing, advertising, printing, telephone services and other customary expenses directly related to the Business, or any other expenses as determined by Ben and Anthony (as they may mutually agree).

(b) Manhasset shall pay for Anthony's health insurance, up to Seven Hundred and Twenty-Five Dollars (\$725) each month.

(c) Manhasset would pay for the pension contributions made on behalf of a Stockholder, in addition to his Base Salary. The Stockholders acknowledge that they presently expect the Corporation to pay for a 6% match in the 401K plan.

(d) Operating expenses shall NOT include each Stockholder's entertainment (other than pre-approved entertainment), auto, cell phone, travel for continuing education and similar expenses; and such expenses shall be referred to as "Fringes". Each Stockholder shall receive an annual allowance for such Fringes in proportion to their Equity Percentages. Should Manhasset pay to any one Stockholder, in any calendar year, a cumulative amount of Fringes that is greater than his/her Equity Percentage of all of the Fringes paid to the other Stockholders, then Manhasset shall reduce the compensation due such Stockholder by the amount of such excess Fringes or Manhasset may pay additional Fringes to the other Stockholders (in that particular year) until the Fringes paid are in proportion to the Equity Percentages.

Accounting Matters: Full and accurate books of account, on a cash basis, and in accordance with generally accepted accounting principles, shall be kept by Manhasset, under the general supervision of an independent public accountant. Each Stockholder shall have access to, and may inspect and copy, such books and records.

At the end of each calendar year, the accountant for Manhasset shall prepare full and accurate financial statements and Manhasset shall deliver such financial statements to each Stockholder at the same time.

Manhasset shall cause to be prepared and timely filed all required tax returns. Manhasset shall send to each Stockholder, within ten (10) days of its completion, a complete copy of the Corporation's tax returns together with such other information relating to Manhasset as is necessary for each Stockholder to complete his income tax returns for each year.

Other Opportunities: The Stockholders may not be involved with (own, work for, consult, invest, etc.) a body shop within the "Restricted Area", with the Restricted Area defined as Manhasset.

The Corporation and Anthony each acknowledges that Ben already owns other body shops and such other businesses (in existence as of the Closing Date) shall be deemed consented to.

The Stockholders shall be obligated to offer each other an opportunity to invest in a new body shop or related business that is located within Great Neck, Roslyn, Roslyn Heights and Albertson. The Stockholders shall not be obligated to offer each other an opportunity to invest in a new body shop or related business that is located outside of Manhasset, Great Neck, Roslyn, Roslyn Heights and Albertson.

There shall be no restrictions regarding auto related inventions, books, lectures, TV shows related to body shops – so that any Stockholder may invest, perform, be involved in such activities for his own benefit, without having to share with the other Stockholder.

Officers and Directors: The Stockholders hereby agree to cast their votes so as to elect Ben and Anthony as the sole officers of the Corporation, with the following positions:

President:	Ben Romano
Secretary and Treasurer:	Anthony Rizzotto
Manager:	Anthony Rizzotto

The Stockholders hereby agree to cast their votes so as to elect Ben and Anthony as the sole directors of the Corporation.

Sale of Business: (a) The net gain or loss realized by the Corporation upon the sale of all or substantially all of its assets after the first five (5) years shall be allocated as follows:

(1) Sales proceeds shall be utilized to pay any customary closing costs and existing mortgages, loans and other debts of the Corporation.

(2) Remaining sales proceeds shall be utilized to repay each Stockholder the balance of any

loan made from said Stockholder to the Corporation, in proportion to the balance owed.

(3) Thereafter, any remaining sales proceeds shall be allocated based on their Equity Percentages.

(4) In the event the sales proceeds are insufficient to cover the items noted in subsection (1), then the Stockholders shall each contribute sufficient funds, based on their Equity Percentages, to repay such amounts in full.

(b) The preceding notwithstanding, in the event of a sale of all or substantially all of the Corporation's assets within the first five (5) years of the Effective Date, then the sales proceeds shall be allocated as follows:

(1) Sales proceeds shall be utilized to pay any customary closing costs and existing mortgages, loans and other debts of the Corporation.

(2) Remaining sales proceeds shall be utilized to repay each Stockholder the balance of any loan made from said Stockholder to the Corporation, in proportion to the balance owed.

(3) The Corporation shall repay Anthony an amount equal to his initial investment (ie: \$200,000 for 25% equity) in the Corporation, with Ben getting a proportionate amount (ie: \$600,000 for 75% equity).

(4) Any remaining sales proceeds shall be allocated between Ben and Anthony as follows:

(i) If the sale closes during the first year after the Effective Date, then any remaining sales proceeds shall be allocated 100% to Ben and 0% to Anthony.

(ii) If the sale closes during the second year after the Effective Date, then any remaining sales proceeds shall be allocated 95% to Ben and 5% to Anthony.

(iii) If the sale closes during the third year after the Effective Date, then any remaining sales proceeds shall be allocated 90% to Ben and 10% to Anthony.

(iv) If the sale closes during the fourth year after the Effective Date, then any remaining sales proceeds shall be allocated 85% to Ben and 15% to Anthony.

(v) If the sale closes during the fifth year after the Effective Date or any time thereafter, then any remaining sales proceeds shall be allocated 80% to Ben and 20% to Anthony.

(vi) If the sale closes during the sixth year after the Effective Date or any time thereafter, then any remaining sales proceeds shall be allocated based on their Equity Percentages.

Building: If Ben purchases the Building, then he (or an entity that he owns) will rent the premises to the Corporation under the same lease terms as presently exists in the Lease, with base rent for the properties located at 44 Hillside Avenue and 55 Myrtle Avenue at \$20,500 per month.

Retirement: A Stockholder shall not have the right to retire and force the sale of his stock upon attaining any specific age.

Death: In the event of the death of any Stockholder and Manhasset or the Stockholders had acquired life insurance on the deceased Stockholder for the purpose of purchasing the Stockholder's stock (referred to as a "Buy Out Policy"), then the Corporation or the surviving Stockholder (with the purchaser determined based on the owner and beneficiary of the Buy Out Policy) shall be obligated to purchase all of the deceased Stockholder's stock in Manhasset for the greater of (i) the insurance proceeds received by the Corporation or the surviving Stockholder or (ii) the Buy Out Price.

In the event of the death of any Stockholder and there is no Buy Out Policy, then the surviving Stockholder shall be obligated to purchase all of the deceased Stockholder's stock in the Corporation for the Buy Out Price.

The Buy Out Price shall be paid in full, to the extent of the life insurance proceeds, with the balance paid in twenty four (24) equal, monthly installments, without interest, commencing 30 days after the closing for the sale of the stock.

Disability: A Stockholder shall be deemed disabled when the Stockholder incurs some physical or mental disability that prevents him from performing his normal functions as a Stockholder. If for any reason there is a question as to the disability of a Stockholder, then the decision of two (2) out of three (3) physicians shall be binding. The three (3) physicians shall be chosen as follows: one physician by the disabled Stockholder and one physician by the remaining Stockholders and the third by the two physicians.

A disabled Stockholder shall not be obligated to perform any duties and the Corporation may pay for any employee, independent contractor or other services required to replace the disabled Stockholder without adjustment or special allocation. The disabled Stockholder shall be entitled to the same Base Salary, Fringes and distributions as provided herein for a period of six (6) months. Following the first six (6) months of disability, the disabled Stockholder shall not receive further Base Salary or Fringes. The disabled Stockholder shall be deemed "Permanently Disabled" after six (6) months of disability.

In the event Anthony shall become Permanently Disabled, then surviving Stockholder(s) shall be obligated to purchase all of Anthony's stock in the Corporation for the Buy Out Price. The Buy Out Price shall be paid in full, to the extent of any disability buy out insurance proceeds, with the balance paid in twenty-four (24) equal, monthly installments, without interest, commencing 30 days after the closing for the sale of the stock.

Buy Out Price: The "Buy Out Price" (applicable in the event of the death of either Stockholder or in the event Anthony should become Permanently Disabled) shall be computed as the selling Stockholder's Equity Percentage multiplied by the sum of the following items, all valued as of the effective date of sale (unless otherwise provided):

- (i) The cash balance of the Corporation.
 - (ii) The accounts receivable of the Corporation.
 - (iii) Fifty percent (50%) of the gross sales for the ~~two full years~~ prior to the effective date.
- Handwritten: YEARLY SALES Avg over 2 years.*

of sale. If the sale occurs within two years of the Effective Date, then this amount shall be the annual sales based on the monthly average of sales in the number of full months prior to the effective date of sale.

- (iv) LESS the accounts payable of the Corporation.
- (v) LESS the principal balance of any loans of the Corporation.

The Buy Out Price shall be paid to the selling Stockholder in twenty four (24) equal, monthly installments, without interest, commencing 30 days after the closing for the sale of the stock.

The Buy Out Price shall be determined as of the effective date of sale; which would be the Retirement Date in the event of a sale due to Retirement or the date of death in the event of the death of a Stockholder; or the date of permanent disability in the event of the sale due to the disability of a Stockholder.

Said Buy Out Price due shall be evidenced by a non-negotiable promissory note made by the Corporation and personally guaranteed by the remaining Stockholder. This note shall bear no interest and shall provide for the acceleration in the event of any default which is not cured within ten (10) days after written notice or upon any default occurring after three prior written notices of default are received. The promissory note shall also give the Corporation the option of prepayment in whole or in part at any time without penalty. The promissory note shall contain the deferral provisions described hereinafter.

In the event that the Corporation is paying Buy Out Price to a withdrawn Stockholder, and the Corporation is financially unable to pay the remaining Stockholder his customary Base Salary, then the Corporation shall be entitled to defer a portion of the Buy Out payments due so that the Corporation can pay the remaining Stockholder his customary Base Salary, but limited to a deferral of no more than half of the payments due.

Any amounts which are deferred pursuant to the provisions of the preceding paragraph shall be paid in twenty-four (24) equal consecutive monthly installments commencing thirty (30) days after the due date of the twenty fourth (24th) installment.

Withdrawal: As provided above, Anthony shall have the right to quit at any time, with or without cause, upon reasonable prior written notice. If Anthony quits, then Ben shall purchase all of Anthony's Equity for the same amount as Anthony has paid to acquire such Equity. Ben must purchase such Equity within thirty (30) days of Anthony's last day of employment for the Corporation.

Other than Anthony's right to quit, a Stockholder may not force the Corporation or the other Stockholders to buy him out.

Restrictive Covenant: (a) In the event a Stockholder should sell his Equity due to his death, permanent disability or an agreed upon sale, the withdrawing Stockholder shall be subject to the following provisions:

- (1) The withdrawing Stockholder agrees that he shall not engage (directly or indirectly) in the business of automobile body shop repairs that includes painting, repairing, renovating and otherwise restoring automobiles or any other business that would be deemed to

compete with the Corporation, whether for himself or any third party as agent, employee or contractor, within the Restricted Area (previously defined as Manhasset, Pt. Washington, Great Neck, Roslyn, Roslyn Heights and Albertson) for a period of five (5) years from the date he sells his Equity (the "Restricted Period").

(2) The withdrawing Stockholder agrees that he shall not, during the Restricted Period, directly or indirectly induce any customers of the Corporation to obtain body shop repairs from a party other than the Corporation.

(3) The withdrawing Stockholder agrees that he shall not, during the Restricted Period, employ or solicit for employment any of Corporation's employees.

(4) Nothing contained herein shall limit or restrict Ben from continuing to own and operate his existing body shops – as noted on Schedule A attached hereto.

(b) In the event Anthony should sell his Equity, for any reason, at any time during the first five (5) years following the Geico Termination Date, the Restricted Area shall be reduced to only Manhasset.

(c) Each Stockholder acknowledges that, during the term of this Agreement, the Corporation will have introduced him to the Corporation's customers and will have enabled him to develop his reputation in a manner which, if his association with the Corporation is terminated, could be used to the financial detriment of the Corporation.

Each Stockholder acknowledges that he has sufficient skills, training and ability to enable him to earn a sufficient income while still honoring the terms of this Restrictive Covenant.

The parties hereto expressly agree that the restrictions of this Restrictive Covenant are reasonable and fair.

(d) It is agreed that any breach of this Restrictive Covenant by the withdrawing Stockholder shall entitle the non-withdrawing Stockholder(s) and the Corporation to apply to any court or arbitrator to enjoin any violation, threatened or actual, of this Restrictive Covenant and also seek damages caused by such breach.

(e) If any provision of this Restrictive Covenant is held to be unenforceable, the court making such determination shall have the power to modify such provisions and such provisions as modified shall then be enforceable in such modified form as if so set forth herein.

(f) The provisions of this Restrictive Covenant shall survive the termination of this Agreement and shall be enforceable by the Corporation, its successors or any purchasers of the Corporation's business.

Stockholder Restrictions: No Stockholder shall, during the term of this Agreement and the lifetime of any other Stockholder, sell, assign, transfer or encumber all or any part of his respective stockholdings in the Corporation by sale or otherwise, except as provided pursuant to this Agreement.

Due to the nature of the business of the Corporation, the restrictions on the transfer of the Corporation's stock are an imperative foundation to this Agreement. Furthermore, due to the nature of the business of the Corporation, the stock of the Corporation can not be readily sold or purchased in the open market. In the event of a breach of this Agreement or in the event of a dispute concerning the sale or disposition of the shares, the court or arbitrator(s) hearing such dispute shall have the authority, in addition to any other remedies that may be available, to either (i) issue an injunction temporarily or permanently restraining any sale or disposition of the shares or (ii) grant an award of specific performance.

There shall be legibly endorsed upon each stock certificate owned by the Stockholders, a statement in substance as follows:

"This certificate is transferable only upon compliance with the provisions of a certain agreement effective as of the first day of January 2019, a copy of which is now on file at the office of the corporation. Any sale, pledge, gift, bequest, transfer, assignment, encumbrance or other disposition of this certificate, or the shares represented hereby, in violation of said agreement shall be invalid."

No authorized but unissued stock of the Corporation may be issued without the unanimous consent of the Stockholders. The Stockholders shall not vote for a change in the Certificate of Incorporation or By-Laws of the Corporation inconsistent herewith, unless agreed to in writing by all of the Stockholders.

If and so long as an S election is in effect for the Corporation, no Stockholder shall commit any act which would deny the Corporation its continued status as an S corporation, except with the prior written consent of all the other Stockholders. In the event a Stockholder breaches (or attempts to breach) the provisions of this paragraph, such act shall be deemed a material breach of this Agreement and thus entitling the innocent Stockholders to terminate the Stockholder for cause.

Miscellaneous: (a) This Stockholder Agreement shall not be changed, modified or amended except by a writing signed by the party to be charged.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors and permitted assigns.

(c) All notices provided for in this Agreement shall be in writing and shall be deemed to have been given at the time when mailed at any United States Post Office by registered or certified mail, or delivered through a nationally recognized overnight carrier, and sent to the party's home address.

(d) If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected unless the provision held invalid shall substantially impair the benefits of the remaining portions of this Agreement.

(e) The headings of the Articles and Sections hereof are inserted for convenience only and in no way define, limit or prescribe the intent of this Agreement.

Dated February 26, 2020

MANHASSET COLLISION, LTD

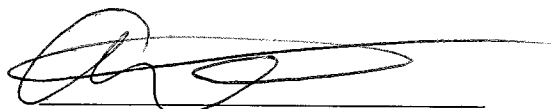
BY



BEN ROMANO, PRESIDENT



BEN ROMANO



ANTHONY RIZZOTTO



INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK

MANHASSET COLLISION LTD.

The Corporation is authorized to issue 200 Common Shares — No Par Value

Twenty-five **Twenty-five**

Twenty-five (25)

Anthony Rizzotto

is the owner of **fully paid and**

non-assessable Shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation.

Dated 2/26/2020

SECRETARY/TREASURER

PRESIDENT

