

NAPA

National Automotive
Parts Association
2999 Circle 75 Parkway
Atlanta, Georgia 30339
(404) 956-2200

April 30, 1986.

Mr. Michael G. Schwarz
Quaker City Motor Parts Company
P. O. Box 162
Middletown, DE 19709

Dear Mike:

This letter will set forth our agreement as to the areas of service provided to you as a member of the National Automotive Parts Association (NAPA). With the approval and direction of the NAPA Board of Directors, NAPA provides the following services either directly or through arrangements with independent contractors selected by NAPA or with suppliers of products distributed by you and the other members of the association.

1. National Advertising Programs

NAPA will:

- (a) Manage all financial aspects of the NAPA National Advertising Program within established budgets, including:
 - (i) Contracting with the various agencies to do this.
 - (ii) Billing and collecting contributions to support the programs from participants.
 - (iii) Disbursement of funds for the costs of the programs.
- (b) With respect to such programs, NAPA will maintain bank accounts separate from its general funds (including escrow accounts where appropriate) maintain books and records which will be available to you for review during business hours, and provide you with annual financial statements of the escrow account audited by independent certified public accountants.
- (c) For its services, NAPA will receive a commission equal to the yield on advertising funds invested in short term obligations prior to the necessary use of such funds, but in no case shall such commission be less than one per cent (1%) or more than two and one-half per cent (2½%) of all NAPA National Advertising billings charged to the program monthly.

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