



## FRANCHISE DISCLOSURE DOCUMENT

**FUSA Franchisor SPV LLC**  
**a Delaware limited liability company**  
**440 South Church Street, Suite 700**  
**Charlotte, North Carolina 28202**  
**(704) 377-8855**  
**[www.fixautousa.com](http://www.fixautousa.com)**

The franchise offered is for the establishment and operation of a FIX AUTO® collision repair shop specializing in auto body repair work and related services.

The total initial investment necessary to begin operation of a conversion FIX AUTO® collision repair shop ranges from \$55,100 to \$850,000. This amount includes \$10,000 to \$20,000 that must be paid to the franchisor or affiliate. The total initial investment necessary to begin operation of a new (ground-up) FIX AUTO® collision repair shop ranges from \$169,700 to \$3,090,000. This amount includes \$10,000 to \$20,000 that must be paid to the franchisor or affiliate. If you enter into an Area Development Agreement, you will pay a development fee equal to 100% of the initial franchise fee for each FIX AUTO® collision repair shop required to be developed under the Area Development Agreement. The total investment necessary to begin operation if you acquire development rights (for a minimum of 10 FIX AUTO® collision repair shops) is \$100,000. This includes \$100,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development Officer, at FUSA Franchisor SPV LLC, 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 or (704) 377-8855.

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

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

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

**Issuance Date: June 13, 2025**

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only FIX AUTO business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a FIX AUTO franchisee?</b>	Item 20 or Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in **Exhibit A**.

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in North Carolina. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in North Carolina than in your own state.
2. **Minimum Performance Standards.** As a franchisee, you are required to meet certain performance standards, including: attaining the then current minimum annual sales standard applicable to your FIX AUTO Shop; an insurance company relationships standard; customer satisfaction standards, and production performance standards (which include how quickly you repair a car in your FIX AUTO Shop, as well as quality and volume standards). Your failure to meet the performance standards may result in the suspension of workflow from certain insurance companies, limited referrals from us, or termination of your franchise agreement.
3. **Minimum Royalty Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan  
Consumer Protection Division  
Attn: Franchise  
670 G. Mennen Williams Building  
525 West Ottawa Street  
Lansing, Michigan 48909  
Telephone Number: (517) 335-7567

Note: Despite paragraph (f) above, we intend, and we and you agree, to enforce fully the arbitration provisions of our Franchise Agreement and Area Development Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

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## **ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

### **The Franchisor's Name and Business Form**

The franchisor is FUSA Franchisor SPV LLC. To simplify the language in this franchise disclosure document (this "Disclosure Document"), "we," "us," "our," "Franchisor" or "FUSA" means the franchisor, FUSA Franchisor SPV LLC, a Delaware limited liability company. We will refer to the person, corporation, partnership or other entity that buys the franchise as "you" and "your" throughout this Disclosure Document. If a corporation, partnership or other entity is the franchisee, "you" generally includes the franchisee's owners. Terms not defined in this Disclosure Document (including various capitalized terms) are defined in the Franchise Agreement attached as **Exhibit B** to this Disclosure Document (the "Franchise Agreement").

We were formed in Delaware on April 21, 2020. We became the franchisor of the FIX AUTO® franchise brand effective July 6, 2020. Our principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. We do business under the name FUSA Franchisor SPV LLC or, in some cases, simply as "FUSA."

Our agents for service of process are disclosed in **Exhibit A**.

### **Predecessor**

Our predecessor, FUSA, Inc., a California corporation ("Our Predecessor"), was the franchisor of the FIX AUTO® franchise brand from June 2010 to July 6, 2020. Our Predecessor's last principal business address during the time it acted as the franchisor of the FIX AUTO franchise brand was 11555 Sorrento Valley Road, Suite 201, San Diego, California 92121. Our Predecessor, its parent and their founders developed a franchise program that offered a distinct concept and operating system for the establishment and operation of a network of independent collision repair facilities specializing in auto body repair work and offering complete after-collision services (all of which make up the "System") and that would provide independent operators with benefits like the ability to enjoy joint marketing power, joint purchasing power, process optimization and a referencing program to insurance companies.

### **Parents and Certain Affiliates**

We are a direct, wholly-owned subsidiary of Driven Systems LLC, a Delaware limited liability company ("Driven Systems"). Driven Systems is a wholly-owned subsidiary of Driven Brands Funding, LLC ("Driven Brands Funding"). Driven Systems and Driven Brands Funding share our principal business address. As stated in Item 21, Driven Systems guarantees the performance of FUSA.

We are an indirect, wholly-owned subsidiary of Driven Brands, Inc., a Delaware corporation ("Driven Brands"). Driven Brands acquired the FIX AUTO system in April 2020. Driven Brands is the indirect parent company of a number of franchise brands as described below. Driven Brands shares our principal business address.



Our affiliate, Spire Supply, LLC, a Delaware limited liability company (“Spire Supply”), may sell certain goods and services to our franchisees. Spire Supply shares our principal business address. Spire Supply has not offered franchises in any lines of business or operated any business of the type being offered under this Disclosure Document.

Our affiliate, Driven Product Sourcing LLC, a Delaware limited liability company (“Driven Product Sourcing”), may sell certain products to our franchisees for use in operating their FIX AUTO Shops (defined below). Driven Product Sourcing owns and operates an online platform through which our franchisees (and any other third parties to which Driven Product Sourcing grants access, including the franchisees of some or all of the Driven Holdings affiliates described below) may purchase certain products (the “DrivenAdvantage Platform”). For any products for which we designate Driven Product Sourcing as the designated supplier or an approved supplier, you will generally be required to purchase those products through the DrivenAdvantage Platform. Driven Product Sourcing shares our principal business address. Driven Product Sourcing has not offered franchises in any lines of business or operated any business of the type being offered under this Disclosure Document.

Our affiliate, Driven Brands Shared Services LLC, a Delaware limited liability company (“Driven Brands Shared Services”), performs certain franchising, marketing, product sales, real estate, intellectual property, operating and reporting services and support services for our franchisees on our behalf. Driven Brands Shared Services shares our principal business address. Driven Brands Shared Services has not offered franchises in any lines of business or operated any business of the type being offered under this Disclosure Document.

Driven Brands is owned by Driven Holdings, LLC (“Driven Holdings”), which is owned by Driven Brands Holdings Inc. (“Driven Brands Holdings”). Driven Brands Holdings also directly and indirectly owns foreign subsidiaries that comprise the car wash business of Driven Brands Holdings. In January 2021, Driven Brands Holdings sold shares in an initial public offering and, since that date, Driven Brands Holdings has been a publicly traded company. Before and after the initial public offering, private equity funds managed by Roark Capital Management, LLC, an Atlanta-based private equity firm, owned and continue to own a majority of the outstanding stock of Driven Brands Holdings. Through other private equity funds managed by Roark Capital Management, LLC, we are affiliated with certain other franchise companies operating in a variety of industries. See below for additional information concerning these affiliated franchise companies.

### **Driven Affiliates**

Driven Holdings is the indirect parent company to 9 franchisors, including Meineke Franchisor SPV LLC (“Meineke”), Maaco Franchisor SPV LLC (“Maaco”), Merlin Franchisor SPV LLC (“Merlin”), Econo Lube Franchisor SPV LLC (“Econo Lube”), 1-800-Radiator Franchisor SPV LLC (“1-800-Radiator”), CARSTAR Franchisor SPV LLC (“CARSTAR”), Take 5 Franchisor SPV LLC (“Take 5”), ABRA Franchisor SPV LLC (“Abra”), and FUSA. In April 2015, Driven Holdings and its franchised brands at the time (which included Meineke, Maaco, Merlin and Econo Lube) became Affiliated Programs (defined below) through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, Abra and

FUSA brands became Affiliated Programs. Meineke, Maaco, Merlin, Econo Lube, CARSTAR, Take 5, and Abra share our principal business address. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 28, 2024, there were 716 franchised Meineke centers, 17 franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 28, 2024, there were 363 franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December 28, 2024, there were 14 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services, including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 28, 2024, there were 8 Econo Lube N' Tune franchises and 9 Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other parts, products and equipment to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 28, 2024, there were 193 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 28, 2024, owned and operated 1 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in

collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 28, 2024, there were 471 franchised CARSTAR facilities and no company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 28, 2024, there were 432 franchised Take 5 outlets and 710 affiliate-owned Take 5 outlets operating in the United States.

Abra franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Abra and its predecessor have offered Abra franchises since 1987. As of December 28, 2024, there were 55 franchised Abra repair centers and no company-owned repair centers operating in the United States.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) Meineke Canada SPV LP and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) Maaco Canada SPV LP and its predecessors have offered Maaco center franchises in Canada since 1983; (3) 1-800-Radiator Canada, Co. has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) Carstar Canada SPV LP and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) Take 5 Canada SPV LP and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) Driven Brands Canada Funding Corporation and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) Go Glass Franchisor SPV LP and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) Star Auto Glass Franchisor SPV LP and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012.

As of December 28, 2024, there were: (i) 14 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 17 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 317 franchised CARSTAR facilities and 1 company-owned CARSTAR facility in Canada; (v) 32 franchised Take 5 outlets and 7 company-owned Take 5 outlets in Canada; (vi) 71 franchised UniglassPlus businesses, 27 franchised UniglassPlus/Ziebart businesses, and 5 franchised Uniglass Express businesses in Canada, and 1 company-owned UniglassPlus business and 1 company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, 56 franchised VitroPlus/Ziebart businesses, and 3 franchised Vitro Express businesses in Canada, and 1 company-owned VitroPlus business and 1 company-owned VitroPlus/Ziebart business in Canada; (viii) 31 franchised Docteur du Pare Brise businesses and 2 company-owned Docteur du Pare Brise businesses in Canada; (ix) 11 franchised Go! Glass & Accessories businesses and no franchised Go! Glass businesses in Canada, and 8 company-

owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

In December 2021, Driven Brands acquired Auto Glass Now's repair locations. As of December 28, 2024, there were 224 repair locations operating under the AUTOGLASSNOW® name in the United States ("AGN Repair Locations"). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations may offer products and services to Driven Brands' affiliates and their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

Other than as described above, neither these affiliates nor their predecessors have offered franchises in any other lines of business or operated any business of the type being offered under this Disclosure Document.

### **Other Affiliates with Franchise Programs**

Through control with private equity funds managed by Roark Capital Management, LLC, we are affiliated with the following franchise programs (together with the Driven affiliates described above, collectively, the "Affiliated Programs"). None of these affiliates operate a FIX AUTO Shop franchise.

GoTo Foods LLC ("GoTo Foods") is the indirect parent company to 7 franchisors, including: Auntie Anne's Franchisor SPV LLC ("Auntie Anne's"), Carvel Franchisor SPV LLC ("Carvel"), Cinnabon Franchisor SPV LLC ("Cinnabon"), Jamba Juice Franchisor SPV LLC ("Jamba"), McAlister's Franchisor SPV LLC ("McAlister's"), Moe's Franchisor SPV LLC ("Moe's"), and Schlotzsky's Franchisor SPV LLC ("Schlotzsky's"). All 7 GoTo Foods franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, Georgia 30342 and have not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks, and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with GoTo Foods through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, 2024, there were 1,182 franchised and 11 affiliate-owned Auntie Anne's shops in the United States and 815 franchised Auntie Anne's shops outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with GoTo Foods in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2024, there were 336 franchised Carvel shoppes in the United States and 39 franchised Carvel shoppes outside the United States.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to

operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2024, there were 1,002 franchised and 28 affiliate-owned Cinnabon bakeries in the United States, 1,040 franchised Cinnabon bakeries outside the United States, and 193 franchised Seattle's Best Coffee units outside the United States.

Jamba franchises Jamba® stores, which feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2024, there were 726 franchised Jamba stores and 1 affiliate-owned Jamba store in the United States and 61 franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants, which feature deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2024, there were 524 franchised and 36 affiliate-owned McAlister's restaurants in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants, which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2024, there were 591 franchised and 5 affiliate-owned Moe's Southwest Grill restaurants in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants, which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2024, there were 280 franchised and 28 affiliate-owned Schlotzsky's restaurants in the United States.

Inspire Brands, Inc. ("Inspire Brands") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to 6 franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("Arby's"), Baskin-Robbins Franchising LLC ("Baskin-Robbins"), Buffalo Wild Wings International, Inc. ("Buffalo Wild Wings"), Dunkin' Donuts Franchising LLC ("Dunkin'"), Jimmy John's Franchisor SPV, LLC ("Jimmy John's"), and Sonic Franchising LLC ("Sonic"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("Inspire International"), DB Canadian Franchising ULC ("DB Canada"), DDBR International LLC ("DB China"), DD Brasil Franchising Ltda. ("DB Brasil"), DB Mexican Franchising LLC ("DB

Mexico”), and BR UK Franchising LLC (“BR UK”). All of Inspire Brands’ franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby’s, have not offered franchises in any other line of business.

Arby’s is a franchisor of quick-serve restaurants operating under the Arby’s® trade name and business system, which feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby’s became an Affiliated Program through an acquisition. Arby’s has been franchising since 1965. Predecessors and former affiliates of Arby’s have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December 29, 2024, there were 3,365 Arby’s restaurants operating in the United States (2,286 franchised and 1,079 company-owned), including 1 multi-brand location. Additionally, as of December 29, 2024, there were 231 single-branded franchised Arby’s restaurants operating internationally.

Baskin-Robbins is the franchisor of Baskin-Robbins® restaurants, which offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 29, 2024, there were 2,245 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,245 restaurants, 974 were single-branded Baskin-Robbins restaurants, 2 were Baskin-Robbins restaurants operating at a multi-brand location, and 1,269 were Dunkin’ and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 5,651 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under the Buffalo Wild Wings® name (“Buffalo Wild Wings Sports Bars”) and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name (“BWW-GO Restaurants”). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December 29, 2024, there were 1,183 Buffalo Wild Wings Sports Bars operating in the United States (538 franchised and 645 company-owned) and 65 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of December 29, 2024, there were 140 BWW-GO Restaurants operating in the United States (90 franchised and 50 company-owned).

Dunkin’ is the franchisor of Dunkin’® restaurants, which offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin’ became an Affiliated Program through an acquisition in December 2020. Dunkin’ has offered franchises in the United States and certain international markets for Dunkin’ restaurants since March 2006. As of December 29, 2024, there were 9,768 Dunkin’ restaurants operating in the United States (9,734 franchised and 34 company-owned). Of those 9,768 restaurants, 8,480 were single-branded Dunkin’ restaurants, 19 were Dunkin’ restaurants operating at multi-brand locations, and 1,269 were franchised

Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 4,328 single-branded franchised Dunkin' restaurants operating internationally.

Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system, which feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. As of December 29, 2024, there were 2,689 Jimmy John's restaurants operating in the United States (2,647 franchised and 42 affiliate-owned). Of those 2,689 restaurants, 2,668 were single-branded Jimmy John's restaurants and 21 were Jimmy John's restaurants operating at multi-brand locations. Additionally, as of December 29, 2024, there were 5 franchised Jimmy John's restaurants operating internationally.

Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of December 29, 2024, there were 3,461 Sonic Drive-Ins operating in the United States (3,144 franchised and 317 company-owned), including 1 multi-brand location.

Inspire International has, directly or through its predecessors, offered and sold franchises outside the United States for the following brands: Arby's restaurants (since May 2016), Buffalo Wild Wings sports bars (since October 2019), Jimmy John's restaurants (since November 2022), and Sonic restaurants (since November 2019). DB Canada was formed in May 2006 and has, directly or through its predecessors, offered and sold Baskin-Robbins franchises in Canada since January 1972. DB China has offered and sold Baskin-Robbins franchises in China since its formation in March 2006. DB Brasil has offered and sold Dunkin' and Baskin-Robbins franchises in Brazil since its formation in May 2014. DB Mexico has offered and sold Dunkin' franchises in Mexico since its formation in October 2006. BR UK has offered and sold Baskin-Robbins franchises in the UK since its formation in December 2014. The restaurants franchised by the international franchisors are included in the brand-specific disclosures above.

Primrose School Franchising SPE, LLC ("Primrose") is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta, Georgia 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988. As of December 31, 2024, there were 525 franchised Primrose facilities operating in the United States. Primrose has not offered franchises in any other line of business.

ME SPE Franchising, LLC ("Massage Envy") is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an

acquisition in 2012. As of December 31, 2024, there were 1,009 Massage Envy locations operating in the United States, including 1,000 operated as total body care Massage Envy businesses and 9 operated as traditional Massage Envy businesses. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2024, there were 9 regional developers operating 11 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. ("CKE"), through 2 indirect, wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.<sup>®</sup> and Hardee's<sup>®</sup> trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger<sup>®</sup> sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee's restaurants offer Red Burrito<sup>®</sup> Mexican food products through a Hardee's/Red Burrito dual concept restaurant. A small number of Carl's Jr. restaurants offer Green Burrito<sup>®</sup> Mexican food products through a Carl's Jr./Green Burrito dual concept restaurant. CKE's principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067. In December 2013, CKE became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961. As of January 27, 2025, there were 202 company-operated Hardee's restaurants and 1,369 franchised Hardee's restaurants, including 129 Hardee's/Red Burrito dual concept restaurants, operating in the United States. Additionally, there were 473 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984. As of January 27, 2025, there were 50 company-operated Carl's Jr. restaurants and 982 franchised Carl's Jr. restaurants, including 218 Carl's Jr./Green Burrito dual concept restaurants, operating in the United States. In addition, there were 687 franchised Carl's Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

ServiceMaster Systems LLC is the direct parent company to 3 franchisors operating 5 franchise brands in the United States: Merry Maids SPE LLC ("Merry Maids"), ServiceMaster Clean/Restore SPE LLC ("ServiceMaster") and Two Men and a Truck SPE LLC ("Two Men and a Truck"). Merry Maids and ServiceMaster became Affiliated Programs through an acquisition in December 2020. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021. The 3 franchisors have a principal place of business at One Glenlake Parkway, Suite 1400, Atlanta, Georgia 30328 and have never offered franchises in any other line of business.

Merry Maids franchises residential house cleaning businesses under the Merry Maids<sup>®</sup> mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2024, there were 796 Merry Maids franchises in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore<sup>®</sup> mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean<sup>®</sup> mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2024, there were 585



ServiceMaster Clean franchises and 1,995 ServiceMaster Restore franchises in the United States.

Two Men and a Truck franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck™ mark. Two Men and a Truck's predecessor began offering moving franchises in February 1989. Two Men and a Truck began offering Two Men and a Junk Truck franchises in 2023. As of December 31, 2024, there were 339 Two Men and a Truck franchises and 3 company-owned Two Men and a Truck businesses in the United States. As of December 31, 2024, there were 62 Two Men and a Junk Truck franchises in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, ServiceMaster of Canada Limited offers franchises in Canada, ServiceMaster Limited offers franchises in Great Britain, and Two Men and a Truck offers franchises in Canada and Ireland.

NBC Franchisor LLC ("NBC") franchises gourmet bakeries that offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 5005 Lyndon B. Johnson Pkwy, Suite 600, Dallas, Texas 75244. As of December 31, 2024, there were 644 Nothing Bundt Cakes franchises and 17 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Franchisor LLC ("Mathnasium") franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium's predecessor began offering franchises in late 2003. Mathnasium's predecessor became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2024, there were 995 franchised and 4 affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2024, there were 100 franchised Mathnasium centers in Canada. Mathnasium International Franchising, LLC has offered franchises outside the United States and Canada since May 2015. As of December 31, 2024, there were 91 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056, and none of them has ever offered franchises in any other line of business.

Youth Enrichment Brands, LLC is the direct parent company to 3 franchisors operating in the United States: i9 Sports, LLC ("i9"), SafeSplash Brands, LLC ("Streamline Brands"), and

School of Rock Franchising LLC (“School of Rock”). i9 became an Affiliated Program through an acquisition in September 2021. Streamline Brands became an Affiliated Program through an acquisition in June 2022. School of Rock became an Affiliated Program through an acquisition in September 2023. The 3 franchisors have never offered franchises in any other line of business.

i9 franchises businesses that operate, market, sell, and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products, and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 has its principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2024, there were 264 i9 Sports franchises in the United States.

Streamline Brands offers franchises under the SafeSplash Swim School® brand and operates under the SwimLabs® and Swimtastic® brands, all of which provide “learn to swim” programs for children and adults, birthday parties, summer camps, and other swimming-related activities. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand from August 2015 through March 2023 and under the SwimLabs brand from February 2017 through March 2023. Streamline Brands has its principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As of December 31, 2024, there were 102 franchised and 29 affiliate-owned SafeSplash Swim School outlets (including 12 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, 11 franchised Swimtastic swim schools, and 1 dual-branded Swimtastic and SwimLabs swim school operating in the United States.

School of Rock franchises businesses that operate performance-based music schools with a rock music program under the School of Rock® mark. School of Rock began offering franchises in September 2005. School of Rock has a principal place of business at 1 Wattles Street, Canton, Massachusetts 02021. As of December 31, 2024, there were 254 franchised and 49 affiliate-owned School of Rock schools in the United States and 92 franchised School of Rock schools outside the United States.

Doctor’s Associates LLC (“Subway”) franchises retail eating establishments that sell foot-long and other sandwiches, salads and other food items under the Subway® mark. Subway began offering franchises in 1974. Subway became an Affiliated Program through an acquisition in April 2024. Subway has its principal place of business at 1 Corporate Drive, Suite 1000, Shelton, Connecticut 06484. As of December 31, 2024, there were 19,502 Subway franchises and no company-owned locations operating in the United States and an estimated 16,120 franchises operating outside the United States. Subway has never offered franchises in any other line of business.

None of the affiliated franchisors listed above are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

## **Secured Financing Transaction**

As part of a secured financing transaction which closed in July 2020 (the “Secured Financing Transaction”), we became the franchisor of franchised FIX AUTO Shops. We also acquired the rights to all U.S. trademarks, trademark licensing rights and certain intellectual property relating to the operation of FIX AUTO Shops. While one of our affiliates became the owner of certain FIX AUTO Shops as part of the Secured Financing Transaction, that affiliate has since sold those FIX AUTO Shops to one of our franchisees.

Under a management agreement with Driven Brands, Driven Brands provides the required support and services to FIX AUTO franchisees under their franchise and related agreements. Driven Brands also acts as our franchise sales agent. We will pay management fees to Driven Brands for these services. It is anticipated that Driven Brands will delegate certain of these responsibilities to Our Predecessor and to other affiliates, including Driven Brands Shared Services. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise Agreement or other agreement you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

Driven Brands and various entities affiliated with Driven Brands have entered into several secured financing transactions prior to the Secured Financing Transaction (and may enter into other securitization/financing transactions in the future). These transactions have and may in the future result in restructuring of various Driven Brands affiliates.

## **Our Business Activities and the Franchises to be Offered**

We offer franchises for the establishment and operation of a FIX AUTO<sup>®</sup> automobile collision repair facility (a “FIX AUTO Shop”), which may be a conversion of an existing automobile repair facility, subject to meeting our other qualifications, or a new business.

We grant franchises for the operation of a single FIX AUTO Shop at a single location within a defined non-exclusive territory under the terms of the Franchise Agreement (the “Franchised Business”). The Franchise Agreement is signed by us, by you, and by those of your principals whom we designate as the principal franchisee-operator(s) (the “Designated Operator(s)”) of the Franchised Business. The Designated Operator(s) (there may be up to 2 such individuals but only 1 address to which we communicate to regarding the franchise) named has the authority to act for you in all matters relating to the FIX AUTO Shop, including voting responsibilities. By signing the Franchise Agreement, you and the Designated Operator(s) agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement.

We and/or our affiliates have entered into agreements with certain insurance companies (“Corporately Managed Insurance Programs” or “CMIPs”) under the terms of which CMIP partners may provide preferred access to participation in their direct repair programs (“DRPs”) or performance-based agreements (“PBAs”). In order to participate in the CMIPs of one or more of these insurance carriers, you will enter into our then-current form of Service Level Agreement (the

“Service Level Agreement”), which includes our minimum requirements and carrier requirements for participation in the programs. Depending on the CMIP, FIX AUTO Shops may be subject to a bottom-line discount on the chargeable price of repair assignments in the next measurement period during the term of the CMIP, which bottom-line discount may be higher depending on your Franchised Business’s performance and other factors we determine if: (i) your individual Franchised Business fails to meet certain key performance indicators established by the CMIP, and/or (ii) if the FIX AUTO Shops that are participants in the CMIP collectively fail to meet certain key performance indicators established by the CMIP. Our current form of Service Level Agreement is attached as Exhibit 4.14 to the Franchise Agreement. If the Shop is your first FIX AUTO Shop and/or you are not a party to an effective FIX AUTO service level agreement as of the date on which you sign the Franchise Agreement, you will sign the Service Level Agreement together with the Franchise Agreement.

We have an optional centralized program, under the terms of which we will complete the total loss estimate for applicable total loss claims submitted by participating FIX AUTO franchisees (the “Total Loss Processing Program”). If you desire to participate in the Total Loss Processing Program, we must first approve you. If we approve you to participate in the Total Loss Processing Program, you will sign an addendum to the Franchise Agreement, which states the terms and conditions of the Total Loss Processing Program (the “Total Loss Processing Program Addendum”), the current form of which is attached as Exhibit 2.12 to the Franchise Agreement, and any other documents that we may reasonably require relating to your participation in the Total Loss Processing Program. (You will sign the Total Loss Processing Program Addendum (and any other required documents) either when you sign the Franchise Agreement or during the Franchise Agreement’s term, depending on when you elect (as applicable), and we approve you, to participate in the Total Loss Processing Program.) Under the terms of the Total Loss Processing Program Addendum, you will pay us a fee for each total loss estimate request that you submit to us, and we accept, regardless of whether we determine that the claim is a total loss (the “Total Loss Processing Fee”), as further detailed in Item 6.

We also have another optional centralized program, under the terms of which we will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as we determine) participating FIX AUTO Shop (the “Call Center Program”). If you desire to participate in the Call Center Program, we must first approve you. If we approve you to participate in the Call Center Program, you will sign an addendum to the Franchise Agreement, which states the terms and conditions of the Call Center Program (the “Call Center Program Addendum”), the current form of which is attached as Exhibit 2.13 to the Franchise Agreement, and any other documents that we may reasonably require relating to your participation in the Call Center Program. (You will sign the Call Center Program Addendum (and any other required documents) either when you sign the Franchise Agreement or during the Franchise Agreement’s term, depending on when you elect (as applicable), and we approve you, to participate in the Call Center Program.) Under the terms of the Call Center Program Addendum, you will pay us a fee (the “Call Center Fee”) during any period in which you participate in the Call Center Program, as further detailed in Item 6.

In addition to the Marks (defined in Item 13), the System we and our predecessors developed includes certain standards with respect to the nature and quality of the FIX AUTO Shops, as well

as the related services, including a FIX AUTO confidential operational manual (the “Operations Playbook”) or other written directives we issue, technical assistance in the development of FIX AUTO Shops and their on-going success based on defined and uniform specifications with respect to color schemes, layouts, equipment, supply, personnel recruiting, hiring and training, marketing and advertising, record keeping and reporting, unique customer follow-up and quality control programs, and other distinctive elements, all of which may be changed, improved and further developed by us or our parents and affiliates periodically.

We understand, in most instances, you are already operating an automobile collision repair facility (your “Pre-existing Business”) and, to the extent the standards you currently employ at the Pre-existing Business meet or exceed our System standards, you will not be required to alter your pre-existing methods and standards.

We also grant multi-unit development rights to qualified franchisees, who will have the right to develop multiple FIX AUTO Shops within a defined geographic area (the “Development Area”) according to a mandatory development schedule (the “Development Schedule”). We grant these rights under the Area Development Agreement (the “Development Agreement”), the current form of which is attached as **Exhibit J**. You must commit to developing a minimum of 10 FIX AUTO Shops under the Development Agreement. For each FIX AUTO Shop developed under the Development Agreement, you (or an affiliate whose ownership is identical to yours or that we have approved) will sign our then-current form of franchise agreement (which may differ from the form of Franchise Agreement attached as **Exhibit B**, except with respect to the amount of the Initial Franchise Fee (which will be \$10,000 for each applicable FIX AUTO Shop, as detailed in Item 5)).

Each FIX AUTO Shop is intended to be devoted to the repair of vehicles. The target market is the general public, automobile dealerships, insurance companies and agencies, and fleet accounts.

The collision repair business is well-developed and non-seasonal. You will compete with numerous other businesses, including automobile dealerships, which have automobile collision repair shops, and independently owned local auto body shops, as well as shops that belong to other national and regional automotive repair shop systems.

We do not do business under any other names. Neither we nor Our Predecessor have offered franchises in any other line of business. Neither we nor Our Predecessor have operated a FIX AUTO Shop, although as noted our affiliate has operated FIX AUTO Shops in the past.

### **Industry Specific Regulations**

Your Franchised Business will be subject to various federal, state and local laws and regulations, including federal, state and local environmental laws and regulations and various health, sanitation, hazardous waste disposal, safety and fire standards. You may need the local fire marshals or other local, state or federal agency’s permission before you begin operations. In addition, there may be local licensing and employment regulations. You should examine these and other laws before purchasing a franchise.

You should consult with your attorney, and local and state agencies/authorities, before buying a FIX AUTO franchise to determine if there are any specific regulations you must comply with as it relates to offering the applicable products and services to consumers in your state and consider the effects on you and the cost of compliance. These requirements can affect a broad scope of your operations, including location selection, facility standards, and hiring of personnel, among other things.

The Payment Card Industry Data Security Standard (“PCI DSS”) requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI DSS applies to all merchants, regardless of size or number of transactions that accept, transmit or store any cardholder data.

This Disclosure Document sets forth the terms and conditions on which we currently offer franchises. We reserve the right, in our sole discretion, to award, or not award, a FIX AUTO franchise to you, regardless of the stage of the franchise application process, costs you incurred or otherwise. Also, there may be instances in which we will vary the terms on which we offer franchises to suit circumstances of a specific transaction.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Daniel Rivera: Manager, Chief Executive Officer and President of FUSA; Chief Executive Officer and President of Driven Brands**

Mr. Rivera has been our Manager, President and Chief Executive Officer since May 2025. Mr. Rivera also was appointed to the office of Chief Executive Officer and President and to serve on the Board of Directors of Driven Brands and the Board of Managers of various Driven Brands’ affiliates in May 2025. From February 2023 to April 2025, Mr. Rivera served as Executive Vice President and Chief Operating Officer of Driven Brands. From January 2020 to January 2023, Mr. Rivera was Executive Vice President and Group President, Maintenance for Driven Brands and also served as Brand President for Take 5.

### **Scott O’Melia: Manager, Executive Vice President and Secretary of FUSA; Director, Executive Vice President, General Counsel, and Secretary of Driven Brands**

Mr. O’Melia has been our Manager, Executive Vice President and Secretary since in or about April 2020. Mr. O’Melia has served as Director, Executive Vice President, General Counsel, and Secretary of Driven Brands since May 2020. Mr. O’Melia also has served as Manager, Executive Vice President, and Secretary of various Driven Brands affiliates since May 2020.

### **Michael F. Diamond: Executive Vice President and Chief Financial Officer of FUSA and Driven Brands**

Mr. Diamond has served as Executive Vice President and Chief Financial Officer of FUSA since August 2024. In addition, Mr. Diamond has served as Executive Vice President and Chief Financial Officer of Driven Brands and various Driven Brands affiliates since August 2024. From

September 2020 to July 2024, Mr. Diamond was Executive Vice President – Chief Financial Officer of The Michaels Companies, located in Irving, Texas. From January 2018 to August 2020, Mr. Diamond was Chief Financial Officer, U.S. of Pizza Hut, Inc., located in Plano, Texas.

Michael Macaluso: Executive Vice President and Group President, Franchising for Driven Brands

Mr. Macaluso has served as Executive Vice President and Group President, Franchising since January 2025. Mr. Macaluso has also served on the Board of Directors of Carstar Canada SPV GP Corporation, located in Hamilton, Ontario, Canada, and various Driven Brands' Canadian affiliates since July 2020. In addition, Mr. Macaluso has served as President of Pro Oil Canada GP Corporation, located in Hamilton, Ontario, Canada, since July 2017; President of CARSTAR Canada GP Corporation, located in Hamilton, Ontario, Canada, since February 2015; and President of Take 5 Canada GP Corporation, located in Hamilton, Ontario, Canada, since May 2019. From January 2020 to December 2024, Mr. Macaluso served as Executive Vice President and Group President, Paint, Collision and Glass for Driven Brands.

Sabrina Thring: Brand President, Collision for Driven Brands

Ms. Thring has served as Brand President, Collision for Driven Brands since June 2023. From January 2023 to May 2023, Ms. Thring served as Senior Vice President of Revenue Operations, Paint and Collision for Driven Brands. From January 2021 to December 2022, Ms. Thring was Chief Operating Officer, Collision for Driven Brands. From April 2020 to December 2020, Ms. Thring was Chief Operating Officer of FUSA.

Dennis O'Mahoney: Senior Vice President of Operations, Collision for Driven Brands

Mr. O'Mahoney has been Senior Vice President of Operations, Collision for Driven Brands since January 2022. From July 2020 to December 2021, Mr. O'Mahoney was Vice President of Business Development for FUSA. From September 2018 to June 2020, Mr. O'Mahoney was Vice President of Business Development for Our Predecessor, located in San Diego, California.

Ted Rippey: Senior Vice President of Franchise Development for Driven Brands

Mr. Rippey has been Senior Vice President of Franchise Development for Driven Brands since January 2020.

Damien Reyna: Chief Operating Officer, Collision for Driven Brands

Mr. Reyna has served as Chief Operating Officer, Collision for Driven Brands since January 2023. From February 2020 to December 2022, Mr. Reyna was Vice President, Insurance for Driven Brands.

Brian Newberry: Vice President of Franchise Development, Collision for Driven Brands

Mr. Newberry has been Vice President of Franchise Development, Collision for Driven Brands since January 2020.

## ITEM 3 LITIGATION

### **Franchisor-Initiated Actions**

FUSA filed the following breach of contract actions against former franchisees and their guarantors for amounts owed under the applicable franchise agreements and for damages resulting from the early closure of the applicable FIX AUTO Shops and, in the case of 5 Star Collision, Inc., the conversion of the applicable FIX AUTO Shop to a competitive brand:

FUSA Franchisor SPV LLC v. 5 Star Collision, Inc., d/b/a Fix Auto East Los Angeles, Armando Flores, and Pablo Flores, Case No. 24STCV27361, Los Angeles County Superior Court, filed October 18, 2024. The matter was settled, and the action has been dismissed.

FUSA Franchisor SPV LLC v. ZDR Corporation, Inc., ZDR 1 Corp, ZDR Corporation, Inc., ZDR Henderson Corp, Juan P. Cabrera, and Letticia Chavez-Cabrera, Case No. 3:24-cv-01637-AGS-VET, United States District Court for the Southern District of California, filed September 12, 2024. Clerk's defaults have been entered against all defendants, and FUSA's motion for entry of a default judgment is currently pending.

FUSA Franchisor SPV LLC v. Aurora Collision Center, LLC, Tamara Leonard, and Shaun Arroyo, Case No. 3:24-cv-00006-TWR-AHG, United States District Court for the Southern District of California, filed January 3, 2024. The matter was settled, and the action has been dismissed.

### **Pending Franchisor Parent Actions**

Genesee County Employees' Retirement System v. Driven Brands Holdings Inc., et al., Case No. 3:23-cv-00895-MOC-DCK, United States District Court for the Western District of North Carolina (Charlotte Division), filed December 22, 2023. Genesee County Employees' Retirement System filed a putative class action lawsuit in the U.S. District Court for the Western District of North Carolina (the "Court") against Driven Brands Holdings, as well as former Chief Executive Officer and President of Driven Brands, Jonathan Fitzpatrick, and a former executive of Driven Brands Holdings, Tiffany Mason (collectively, the "Individual Defendants") for violations of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 (the "Exchange Act") by Driven Brands Holdings, as well as violations of Section 20(a) of the Exchange Act by the Individual Defendants. Genesee County Employees' Retirement System alleges that Driven Brands Holdings failed to disclose information that allegedly resulted in material misstatements about Driven Brands Holdings' business and prospects in its quarterly filings. Genesee County Employees' Retirement System seeks unspecified compensatory damages, costs and expenses, and an award of equitable relief, as the Court considers appropriate. Genesee County Employees' Retirement System, Oakland County Employees' Retirement System, and Oakland County Voluntary Employees' Beneficiary Association (collectively, the "Michigan Funds") moved for appointment as lead plaintiffs. The Michigan Funds purport to represent a class of stockholders who purchased Driven Brands Holdings shares between October 27, 2021 and August 1, 2023. On May 31, 2024, the Court appointed the Michigan Funds as lead plaintiffs. On August 13, 2024, the Michigan Funds filed an amended complaint and, on October 14, 2024, Driven Brands Holdings filed a motion to dismiss the amended complaint. On February 20, 2025, the Court



denied the motion. Driven Brands Holdings disputes the allegations of wrongdoing and intends to vigorously defend against the action.

Terwilliger v. Fitzpatrick, et al., Case No. 3:25-cv-00019, United States District Court for the Western District of North Carolina (Charlotte Division), filed January 10, 2025. Daniel Terwilliger filed a purported derivative complaint in the United States District Court for the Western District of North Carolina against certain current and former Driven Brands Holdings' executive officers and board members, including Jonathan Fitzpatrick, Tiffany Mason, Neal Aronson, Catherine Halligan, Chadwick Hume, Rick Puckett, Karen Stroup, Peter Swinburn, Michael Thompson, and Jose Tomas (collectively, the "Defendants"). The Terwilliger complaint makes largely the same allegations as those in the Genesee complaint, namely, that Driven Brands Holdings failed to disclose information that allegedly resulted in material misstatements about Driven Brands Holdings' business and prospects in its quarterly filings, and purports to state claims for (i) breach of fiduciary duty; (ii) unjust enrichment; (iii) abuse of control; (iv) gross mismanagement; (v) waste of corporate assets; and (vi) violations of Sections 10(b) and 21D of the Exchange Act. Terwilliger seeks, on behalf of Driven Brands Holdings, an award of unspecified damages with interest, restitution, and costs and expenses, an order directing Driven Brands Holdings and the Defendants to take certain actions with respect to Driven Brands Holdings' corporate governance, and any other relief that the court considers appropriate. On April 30, 2025, the court granted the parties' joint motion for a stay of proceedings, pending the completion of discovery in the underlying Genesee securities class action. On May 13, 2025, the parties in this action and the Gaiman action summarized below moved the court to lift the stay for the limited purpose of consolidating the 2 shareholder derivative actions and to stay the consolidated action under the same terms as the existing stay. Driven Brands Holdings disputes the allegations of wrongdoing and intends to vigorously defend against the action.

Gaiman v. Fitzpatrick, et al., Case No. 3:25-cv-00288, United States District Court for the Western District of North Carolina (Charlotte Division), filed April 30, 2025. Jonathan Gaiman filed a purported derivative complaint in the United States District Court for the Western District of North Carolina against certain current and former Driven Brands Holdings' executive officers and board members, including Jonathan Fitzpatrick, Tiffany Mason, Neal Aronson, Catherine Halligan, Chadwick Hume, Rick Puckett, Karen Stroup, Peter Swinburn, Michael Thompson, and Jose Tomas. The Gaiman complaint makes largely the same allegations as those in the Genesee and Terwilliger complaints, namely, that Driven Brands Holdings failed to disclose information that allegedly resulted in material misstatements about Driven Brands Holdings' business and prospects in its quarterly filings, and purports to state claims for (i) breach of fiduciary duty; (ii) aiding and abetting breaches of fiduciary duty; (iii) unjust enrichment; (iv) waste of corporate assets; (v) violations of Sections 10(b) and 21D of the Exchange Act; and (vi) violations of Sections 14(a) and Rule 14a-9 of the Exchange Act. Gaiman seeks, on behalf of Driven Brands Holdings, an award of unspecified damages with interest, an accounting of damages, and profits, special benefits, and unjust enrichment obtained by the individual defendants, from the individual defendants' conduct and the imposition of a constructive trust thereon, punitive damages, costs and expenses, and other relief that the court considers just and proper. On May 13, 2025, the parties in this action and the Terwilliger action moved the court in the Terwilliger action to lift the stay in the Terwilliger action for the limited purpose of consolidating the 2 shareholder derivative actions and to stay the consolidated action under the same terms as the Terwilliger stay. Driven

Brands Holdings disputes the allegations of wrongdoing and intends to vigorously defend against the action.

### **Disclosures Regarding Affiliated Programs**

The following affiliates that offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby's Restaurant Group, Inc. ("ARG"), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other's employees. The states alleged that the use of these provisions violated the states' antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions, but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement, ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

The People of the State of California v. Dunkin' Brands, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed March 19, 2019). On March 14, 2019, our affiliate, Dunkin Brands, Inc. ("DBI"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision that prevents Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin' franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal

law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General (the "NYAG") filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals' credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin' gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG's allegations, DBI and the NYAG entered into a consent agreement to resolve the State's complaint. Under consent order, DBI agreed to pay \$650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

Except for the above actions, no litigation is required to be disclosed in this Item.

#### **ITEM 4      BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

#### **ITEM 5      INITIAL FEES**

##### **Franchise Agreement**

##### **Initial Franchise Fee**

You must pay to us an "Initial Franchise Fee" of \$10,000 in a lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is considered fully earned upon payment, and there are no refunds under any circumstances. In 2024, franchisees paid Initial Franchise Fees ranging from \$0 to \$10,000.

##### **Integration Fee**

In addition to the Initial Franchise Fee, when you sign the Franchise Agreement, you must pay us a non-refundable integration fee (the "Integration Fee") in the amount of \$10,000 in a lump sum in connection with our FIX AUTO Integration Program ("FIX AUTO Integration"). If you are an existing FIX AUTO franchisee and you commit to develop an additional FIX AUTO Shop (under the Development Agreement or otherwise), however, you will not be required to pay us the Integration Fee for that FIX AUTO Shop. The Integration Fee is fully earned by us when you sign the Franchise Agreement. In order to be eligible to participate in our programs that are offered as

part of our System, such as insurance, procurement, and marketing, you must complete FIX AUTO Integration within 15 weeks after the effective date of the Franchise Agreement. FIX AUTO Integration is described in greater detail in Item 11.

### **Development Agreement**

If you sign a Development Agreement, you must pay us a non-refundable development fee, which will be equal to 100% of the Initial Franchise Fee of \$10,000 for each FIX AUTO Shop required to be developed under the Development Agreement (the “Development Fee”). For each FIX AUTO Shop developed under the Development Agreement, we will credit the applicable portion of the Development Fee against the applicable Initial Franchise Fee on the date on which the Initial Franchise Fee is payable under the applicable franchise agreement. The Development Fee is not otherwise credited against any fees payable to us.

### **Incentive Programs**

We may periodically implement incentive programs to encourage franchise system growth. Under the incentive programs, we may, among other things, waive or reduce the Initial Franchise Fee and/or the Integration Fee or modify the payment timing of those fees. We may modify or discontinue any incentive programs we implement at any time.

## **ITEM 6 OTHER FEES**

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Base Fee <sup>1</sup>	<p>3% of Monthly Gross Sales<sup>2</sup></p> <p>(A minimum of \$2,000 per month, and, only if you use one of our Preferred Suppliers (as defined in “Remarks”) of paint, a maximum of \$7,500 per month)</p>	<p>Payable on or before the day of each calendar month that we periodically specify (the “Payment Day”), currently, the 20<sup>th</sup> day of each calendar month</p> <p>(Billed by Monthly Invoice)</p>	<p>We may modify the Payment Day and corresponding reporting period at any time.</p> <p>The fee will be discounted according to your use of certain preferred suppliers (“Preferred Suppliers”) and your meeting our Performance Standards (defined in Item 12). We may increase the Base Fee annually, but not more than 5% in any year.<sup>3</sup></p>

Type of Fee	Amount	Due Date	Remarks
Growth Fee <sup>4</sup>	3% of Gross Sales growth for a particular quarter	Payable quarterly on or before the Payment Day of the calendar month in which the fee is due, currently the 20 <sup>th</sup> of that month  (Billed by Quarterly Invoice)	This fee will be discounted if you own multiple FIX AUTO Shops.
Advertising Fee	0.75% of Gross Sales (Maximum \$950 per month) <sup>5</sup>	On or before the Payment Day, currently, the 20 <sup>th</sup> day of each calendar month  (Billed by Monthly Invoice)	The fee covers the Advertising Program for your DMA (both defined in Item 11).
Additional Marketing Campaigns (Regions)	Varies (Annual amount not to exceed \$10,000, without either a majority vote of franchisees or your prior written consent)	As incurred	Periodically, your region may elect by a majority vote of the franchisees within your region to conduct additional, unbudgeted advertising. You will be responsible for your share of these funds which will be added to your monthly invoice.
Late Fees	The greater of the highest applicable legal rate for open account business credit, or 1.5% per month	After due date	Applies to all amounts not paid when due, until paid in full. We may also require you to pay an administrative fee of \$50 for each late payment.
Insurance Policies <sup>6</sup>	Amount of unpaid premium	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee	\$7,500	At the time of transfer	This transfer fee does not apply to an assignment of interest to a corporation or limited liability company, wholly owned by you.

Type of Fee	Amount	Due Date	Remarks
Renewal Processing Fee	Timely renewal: \$1,000 Delayed renewal: \$10,000	At time of renewal	If you fail to timely renew your franchise according to the terms of the Franchise Agreement, the Renewal Fee will be increased to \$10,000.
Central Review Fee	Our then-current fee, equal to a percentage of all Gross Sales generated by CMIPs, subject to increase upon 30 days' prior written notice to you (Currently, 0% of applicable Gross Sales; we may increase this fee and charge up to 2% of Gross Sales generated by CMIPs)	Payable monthly on or before the Payment Day, currently, the 20 <sup>th</sup> day of each calendar month  (Billed by Monthly Invoice)	Currently, we do not charge a Central Review Fee, although we reserve the right to do so in the future. The Central Review Fee is applied towards the costs of the central review program, including the cost of managing and administering DRPs, and negotiating and administering contracts, with auto insurance companies and other third parties, and may be applied to additional insurance programs that mandate our central review oversight.
Non-reporting Fee	\$750 per month	Within 3 business days of receipt of written notification that the report is past due	Due if you do not file all required reports.
Training Fee	\$299 per year	Payable on the 15 <sup>th</sup> day of January of each year	Payable for access to web-based training (Collision University, the intranet and learning platform). This fee is subject to change upon 30 days' prior written notice. This fee is prorated for new franchisees and will be due on the 15 <sup>th</sup> day of the fourth month after the Franchise Agreement's effective date. Includes annual license fees and content development.
Additional Training	\$1,500 per day plus expenses	At time of service	Additional training is at your cost.

Type of Fee	Amount	Due Date	Remarks
Audit	Cost of audit, including the charges of any independent accountant and/or third-party vendor and attorneys' fees, and per diem fees and costs of our employees, related travel and lodging and other out-of-pocket costs, plus interest	On demand	Payable if the audit is made necessary by your failure to provide reports, supporting records, or other information, as required under the Franchise Agreement, or the audit discloses an understatement in any report of 2% or more.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action	You will reimburse us for all costs in enforcing your obligations under the Franchise Agreement and the Development Agreement if we prevail.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us and our affiliates if we or they are held liable for claims arising from your Franchised Business's development or operation or your breach of the Franchise Agreement or the Development Agreement.
Promotional Items	\$10 - \$1,000	Monthly upon order	FUSA will provide various promotional materials with the FIX AUTO logo which you may purchase.

Type of Fee	Amount	Due Date	Remarks
National Conference Attendance	\$700 - \$1,000	Annually, prior to date of conference	<p>One owner or manager from each FIX AUTO Shop is required to pay for and attend the national conference.</p> <p>If, however, you own and operate more than 1 FIX AUTO Shop: (a) you may send 1 representative to the national conference to represent all of the FIX AUTO Shops that you own and operate; (b) if you send at least 1 representative to the national conference, you will pay us our then-current registration fee for each of your attendees; and (c) if you fail to send a representative to the national conference, you will pay us our then-current registration fee for each of your FIX AUTO Shops.</p> <p>This conference is held in various locations throughout the United States. This fee is for registration only and does not include the cost of travel or accommodations.</p>
fixautousa.com Fee	<p>\$25 per month for up to 5 e-mail addresses</p> <p>\$50 per month for 5 to 10 e-mail addresses</p>	<p>Payable on or before the Payment Day, currently, the 20<sup>th</sup> day of each calendar month</p> <p>(Billed by Monthly Invoice)</p>	<p>We will assign you and certain Franchised Business employees e-mail addresses at our fixautousa.com domain. To maintain uniformity of the naming convention, you may not modify/change the accounts we provide. We will communicate with you by e-mail only through the e-mail address we provide to you on the fixautousa.com domain.</p>



Type of Fee	Amount	Due Date	Remarks
Liquidated Damages for Termination of Franchise Agreement for Violations of Transfer Provisions of Franchise Agreement <sup>7</sup>	Varies	On demand	If we terminate the Franchise Agreement due to a sale, assignment or transfer by you in breach of the Franchise Agreement, you must pay us liquidated damages under Section 12.6 of the Franchise Agreement.
Non-Attendance Fee <sup>8</sup>	\$500 per meeting	On demand	We may charge you this fee if you miss more than 1 required franchisee meeting in a calendar year.
Liquidated Damages for Violating the Non-Disparagement Provision in the Franchise Agreement <sup>9</sup>	\$500 for each violation	On demand	If you violate the non-disparagement provision in the Franchise Agreement, you must pay us liquidated damages.
Holdover Signage Fee	\$3,500 per month	On demand	Payable, at our option, if you fail to immediately initiate and complete the de-identification of your Franchised Business within 30 days of the effective date of termination or expiration of your Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Total Loss Processing Fee	<p>Our then-current fee for each total loss estimate request that you submit to us, and we accept (regardless of whether we determine that the claim is a total loss), subject to increase upon 30 days' prior written notice to you</p> <p>(Currently, \$50 per total loss estimate request submitted by you and accepted by us; we may increase this fee and charge up to \$100 per total loss estimate request submitted by you and accepted by us.)</p>	<p>Unless otherwise stated in the applicable invoice from us, payable on or before the Payment Day, currently, the 20<sup>th</sup> day of each calendar month</p> <p>(Billed by Monthly Invoice)</p>	<p>Payable only if you choose to participate in our Total Loss Processing Program. You may terminate the Total Loss Processing Program Addendum by providing us 30 days' prior written notice.</p>
Call Center Fee	<p>Our then-current fee, which is subject to increase upon 30 days' prior written notice to you</p> <p>(Currently, \$199 per FIX AUTO Shop per month; we may increase this fee and charge up to \$1,000 per month per FIX AUTO Shop.)</p>	<p>Unless otherwise stated in the applicable invoice from us, payable on or before the Payment Day, currently, the 20<sup>th</sup> day of each calendar month</p> <p>(Billed by Monthly Invoice)</p>	<p>Payable only if you choose to participate in our Call Center Program. You may terminate the Call Center Program Addendum by providing written notice to us within 7 days of our providing you written notice of an increase in the Call Center Fee, with termination of the Call Center Program Addendum to be effective 30 days after our notice of the increase to you.</p>
New or Additional Fees	To be determined	To be determined	<p>We will provide you with at least 90 days' notice before implementing any new or additional fee. These fees will be used to offset the costs of additional services that we determine to be in the best interests of the entire FIX AUTO franchise system.</p>

All fees are uniformly imposed by and are payable to us, unless otherwise noted. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party, although, as part of some services we provide, we may bill you for third-party products or services. Any fees paid to us are non-refundable unless otherwise noted. Fees payable to third parties may be refundable based on your individual arrangements. It is possible that insurers may pay us directly for services you perform. If this occurs, we will promptly remit payment on behalf of the insurer directly to you. We may periodically implement incentive programs to encourage franchise system growth. Under the incentive programs, we may waive or reduce the Base Fee and/or Advertising Fee payable by a franchisee for a limited period of time. We may modify or discontinue any incentive program we implement at any time.

Notes:

<sup>1</sup> Base Fee. Payable monthly to us as described. The Base Fee may be reduced, based on your use of certain Preferred Suppliers and your meeting our Performance Standards, as established by the Performance Management Program. You must pay us a minimum Base Fee of \$2,000 per month. Currently, only if you use one of our Preferred Suppliers of paint, the maximum Base Fee that you will be required to pay us is \$7,500 per month. We may increase the Base Fee annually, but not more than 5% in any year. We will give you 30 days' written notice of any increase in the Base Fee.

<sup>2</sup> Gross Sales. The term "Gross Sales" means the total revenues you receive from the sale of goods and services at or in connection with the Franchised Business (including sublet labor and new and used replacement parts, direct labor and refinish material), less sales or similar taxes or refunds. (See Section 2.14 of the Franchise Agreement for a more complete definition.)

<sup>3</sup> Base Fee Discounts. The Base Fee of 3% of your monthly Gross Sales will be discounted based on your use of certain Preferred Suppliers and your meeting our Performance Standards, as established by the Performance Management Program. If you use one of our Preferred Suppliers of paint, you will receive a 0.45% discount on the Base Fee, resulting in a Base Fee of 2.55%. You will receive an additional 0.225% discount on the Base Fee for each additional Preferred Supplier that you use. Accordingly, if you use one of our Preferred Suppliers of paint and 2 of our other Preferred Suppliers, you will receive a discount of 0.9%, resulting in a Base Fee of 2.1% of your monthly Gross Sales. Your actual supplier discount will be calculated monthly based on the number of Preferred Suppliers you use.

In addition to the Preferred Suppliers discounts, you will also be eligible to receive Base Fee discounts based on your quarterly performance results under our Performance Management Program. If you meet or exceed our Performance Standards on a quarterly basis, you will receive an additional 0.1875% discount. In order to be eligible for a discount under our Performance Management Program, you must be using one of our Preferred Suppliers of paint.

However, you will not receive any discount on the Base Fee if you purchase from any Preferred Supplier of paint any of the following brands of paint: value brand paint products, including Duxone, Nason XL, Montana Big Sky, Challenger, and/or Metalux.

<sup>4</sup> Growth Fee. The Growth Fee will be calculated on a quarterly basis by comparing the difference between your Gross Sales in a particular quarter versus the “Quarterly Base Volume.” If your quarterly Gross Sales are greater than the Quarterly Base Volume, we will assess a Growth Fee of 3% on the growth amount. If your Gross Sales do not increase in the current year’s quarter versus the Quarterly Base Volume, then you will not pay a Growth Fee for that particular quarter. If you own multiple FIX AUTO Shops, you will receive a discount on the Growth Fee ranging from 0.5% to 1%. Owners with 2 to 4 FIX AUTO Shops will receive a 0.5% discount, resulting in a Growth Fee of 2.5%. Owners with 5 or more FIX AUTO Shops will receive a 1% discount, resulting in a Growth Fee of 2%.

“Quarterly Base Volume” means the amount equal to the Annual Base Volume divided by 4.

“Annual Base Volume” means the average annual Gross Sales of the Franchised Business during the 1-year period immediately preceding the Franchise Agreement’s effective date, which we calculate. If your Franchised Business has operated for less than 1 year as of the effective date, we will calculate the Franchised Business’s Annual Base Volume by annualizing the average monthly Gross Sales of the Franchised Business from the Franchised Business’s opening date to the Franchise Agreement’s effective date. You must provide us all financial statements and/or other information that we reasonably request to verify the Franchised Business’s Gross Sales during the 1-year period before the effective date.

<sup>5</sup> Maximum Amount of Advertising Fee. The maximum amount of the Advertising Fee will not exceed \$950 per month, unless a majority of the FIX AUTO franchisees in a DMA agree to a higher amount.

<sup>6</sup> Insurance Policies. If you do not obtain and maintain the insurance coverages we require, we may (but are not obligated to) immediately obtain the insurance coverage and to charge you for it.

<sup>7</sup> Liquidated Damages Calculations. If the Franchise Agreement is terminated under Section 13.1F, you must pay us, on demand, liquidated damages equal to an amount calculated as follows: (a) the number of months then remaining in the term of the Franchise Agreement as of the effective date of termination multiplied by the average monthly Advertising Fees that you owed us during the 12-month period before the month of termination (or such lesser period that the Franchised Business has been open, if less than 12 months); provided, however, that such average monthly amount will not exceed \$950 or the then agreed upon cap on the monthly Advertising Fee amount; (b) the amount of any marketing or Advertising Program Fees previously agreed upon by you and us in addition to the standard monthly Advertising Fee and which have not been paid and received by us; (c) the number of months then remaining in the term of the Franchise Agreement as of the effective date of termination multiplied by the average monthly Central Review Fees that you owed Franchisor during the 12-month period before the month of termination (or such lesser period that the Franchised Business has been open, if less than 12 months); and (d) the number of months then remaining in the term of the Franchise Agreement as of the effective date of termination multiplied by the average monthly Base Fees that you owed us during the 12-month period before

the month of termination (or such lesser period that the Franchised Business has been open, if less than 12 months), but before the application of any discounts on the Base Fee on account of Preferred Suppliers you use (the “Average Monthly Base Fee”); provided, however, that such Average Monthly Base Fee amount will not exceed any cap on the monthly Base Fee amount payable by you under the Franchise Agreement (the “Base Fees LD”). Notwithstanding subpart (d), if the termination of the Franchise Agreement under Section 13.1F results from your breach of Section 12.5 of the Franchise Agreement, then the amount of the Base Fees LD payable as part of the liquidated damages will be increased by an amount equal to the lesser of (1) 100% of the Base Fees LD or (2) 24 multiplied by the Average Monthly Base Fee. Your payment of liquidated damages to us is not a penalty for your breach of the Franchise Agreement, but rather a reasonable estimate of the losses we will incur as a result of your Franchised Business closing prior to the expiration of the Franchise Agreement’s term. Your obligation to pay such amounts under Section 12.6 of the Franchise Agreement will be in addition to your obligations to (A) pay all other amounts still owed under the Franchise Agreement by you to us as of the effective date of termination, and (B) adhere to your other post-termination obligations under the Franchise Agreement. Our right to receive liquidated damages is in addition to all other post-termination remedies available to us under the Franchise Agreement.

<sup>8</sup> Non-Attendance Fee. You or a management employee that you designate must attend monthly franchisee meetings held locally or regionally. If you or your management employee miss more than 1 required franchisee meeting in a calendar year, we may charge you this fee for each additional meeting you fail to attend.

<sup>9</sup> Liquidated Damages for Violating the Non-Disparagement Provision. Disparaging remarks or negative behavior are counter-productive, damage the flow of open communications, and, if sent to third parties (including vendors, customers, or the media), can damage the brand and System, and, consequently, negatively impact both us and you. Therefore, neither you nor your officers, directors, shareholders, members, and owners may make any disparaging remarks, whether orally, in writing, or electronically, in any media, including via print publication or other writing, spoken communication, e-mail, or social media, concerning us, our representatives, the FIX AUTO® brand, or the System. This restriction does not apply to our and your right to communicate candidly with anyone as necessary in order to: (i) comply with a legal process or with other legal agreement; (ii) convey information to your business, legal, tax, or other similar advisers; or (iii) discuss or communicate your experience with the FIX AUTO franchise system with existing or prospective franchisees under applicable law.

<sup>10</sup> Security Agreement. To secure payment of the fees and amounts owed to FUSA and/or any of its affiliates under the Franchise Agreement and all other related agreements, you must sign the security agreement attached as Exhibit 2.17 to the Franchise Agreement (the “Security Agreement”). Under the Security Agreement, you will grant FUSA a continuing security interest in all current and future assets of your Franchised Business, and all books and records relating to and all proceeds from all of the assets of the Franchised Business. This security interest will secure all payment obligations to FUSA and/or any of its affiliates.

## ITEM 7 ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

#### CONVERSION FIX AUTO SHOP

TYPE OF EXPENDITURE <sup>1</sup>	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee <sup>2</sup>	\$10,000	Lump sum, in cash or certified check	On signing the Franchise Agreement	FUSA
Integration Fee <sup>3</sup>	\$10,000	Lump sum, in cash or certified check	On signing the Franchise Agreement	FUSA
Initial Training Expenses <sup>4</sup>	\$2,000 - \$10,000	As arranged	As incurred	Transportation carriers, hotel facilities, etc.
Signage <sup>5</sup>	\$3,000 - \$20,000	As arranged	As incurred	Approved Suppliers
Office Equipment/Supplies <sup>6</sup>	\$1,500 - \$5,000	As arranged	As incurred	Approved Suppliers
Initial Inventory <sup>7</sup>	\$1,100 - \$55,000	As required	As incurred	Approved Suppliers
Initial Local Advertising <sup>8</sup>	\$2,000 - \$10,000	As required	First 3 months of operation	Vendors
Uniforms <sup>9</sup>	\$500 - \$5,000	As arranged	As arranged	Approved Suppliers
Equipment and Fixtures <sup>10</sup>	\$0 - \$400,000	As arranged	As arranged	Approved Suppliers
Computer System and Software <sup>11</sup>	\$20,000 - \$75,000	As arranged	As arranged	Vendors and Approved Suppliers
Additional Funds – 3 months <sup>17</sup>	\$5,000 - \$250,000	As arranged	As incurred	Employees, vendors, utilities
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>18</sup></b>	<b>\$55,100 - \$850,000</b>			

## YOUR ESTIMATED INITIAL INVESTMENT

### NEW FIX AUTO SHOP

TYPE OF EXPENDITURE <sup>1</sup>	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee <sup>2</sup>	\$10,000	Lump sum, in cash or certified check	On signing the Franchise Agreement	FUSA
Integration Fee <sup>3</sup>	\$10,000	Lump sum, in cash or certified check	On signing the Franchise Agreement	FUSA
Initial Training Expenses <sup>4</sup>	\$2,000 - \$10,000	As arranged	As incurred	Transportation carriers, hotel facilities, etc.
Signage <sup>5</sup>	\$3,000 - \$20,000	As arranged	As incurred	Approved Suppliers
Real Estate <sup>12</sup>	\$10,000 - \$300,000	As arranged	As incurred	Landlord
Leasehold Improvements <sup>13</sup>	\$1,000 - \$300,000	As arranged	As incurred	Approved Suppliers
Insurance <sup>14</sup>	\$3,000 - \$25,000	As arranged	Before opening Franchised Business	Insurance carrier
Utilities <sup>15</sup>	\$0 - \$5,000	As arranged	As incurred	Utility suppliers
Licenses and Permits <sup>16</sup>	\$200 - \$10,000	As arranged	As arranged	Local, state or federal government
Office Equipment/Supplies <sup>6</sup>	\$1,500 - \$5,000	As arranged	As incurred	Approved Suppliers
Initial Inventory <sup>7</sup>	\$16,500 - \$55,000	As required	As incurred	Approved Suppliers
Initial Local Advertising <sup>8</sup>	\$2,000 - \$10,000	As required	First 3 months of operation	Vendors
Uniforms <sup>9</sup>	\$500 - \$5,000	As arranged	As arranged	Approved Suppliers
Equipment and Fixtures <sup>10</sup>	\$40,000 - \$2,000,000	As arranged	As arranged	Approved Suppliers
Computer System and Software <sup>11</sup>	\$20,000 - \$75,000	As arranged	As arranged	Vendors and Approved Suppliers

TYPE OF EXPENDITURE <sup>1</sup>	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional Funds – 3 months <sup>17</sup>	\$50,000 - \$250,000	As arranged	As incurred	Employees, vendors, utilities
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>18</sup></b>	<b>\$169,700 - \$3,090,000</b>			

\* All amounts are non-refundable unless otherwise noted.

**Notes:**

<sup>1</sup> **General.** The first chart shows certain expenditures required to establish and operate a conversion FIX AUTO Shop, and the second chart shows such expenditures for a new (ground-up) FIX AUTO Shop. Note that these amounts may vary widely, and the amounts you have to spend or invest may be higher or lower than the estimated amounts, depending on location, marketing conditions and other factors. We strongly recommend that you verify actual costs in your area, and for your existing or intended (as applicable) location, and prepare a business plan and have it reviewed by your own independent adviser, like an accountant, before making any commitments to us or anyone else. Due to legal restrictions, we will not prepare, review or comment on any business plan for a prospective franchisee.

All amounts payable to us are non-refundable, unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are estimates of the range of your initial costs in the first 3 months of operation as a FIX AUTO Shop only. Leasing and financing are available for many of the above expenses. We do not offer direct or indirect financing, but we may assist you in obtaining working capital through other sources. See Items 5 and 6, and other parts of this Disclosure Document, for more information regarding the Initial Franchise Fee, the Integration Fee, and other costs.

<sup>2</sup> **Initial Franchise Fee.** The Initial Franchise Fee is \$10,000. See Item 5 of this Disclosure Document and Section 2.1 of the Franchise Agreement for information on the Initial Franchise Fee. We do not provide financing for the Initial Franchise Fee.

<sup>3</sup> **Integration Fee.** The Integration Fee is \$10,000. See Item 5 of this Disclosure Document and Section 2.2 of the Franchise Agreement for information on the Integration Fee. We do not provide financing for the Integration Fee.

<sup>4</sup> **Initial Training Expenses.** The initial training program for you and 1 other person is included in the Initial Franchise Fee, but all costs you incur (transportation, meals, lodging and other expenses) in connection with attending the initial training program and any other voluntary or mandatory training programs, seminars or meetings are your sole responsibility. The amount you will spend while training will depend on several factors, including the number of persons attending, the distance you must travel and the type of accommodations you choose, if any are needed.



<sup>5</sup> Signage. You must purchase appropriate signage for your Franchised Business that we approve. The cost of your signage may be more or less, and depends on the size, type and method of installation you choose.

<sup>6</sup> Office Equipment/Supplies. There is a range of expenses that will be incurred when purchasing office equipment and related supplies. Both the low-end and the high-end of the range represent a straight purchase of all supplies and equipment. The equipment will include a multi-function printer/scanner and telephone system.

<sup>7</sup> Initial Inventory. The initial inventory includes paint and materials and stock parts, as needed. All other inventory is purchased on a Just-in-Time basis according to the work you will be performing.

<sup>8</sup> Initial Local Advertising. We anticipate that you will spend between approximately \$2,000 and \$10,000 for initial local advertising after signing the Franchise Agreement.

<sup>9</sup> Uniforms. The range of costs covers the expense to acquire uniforms and varies by the number and types of employees you have.

<sup>10</sup> Equipment and Fixtures. Your Franchised Business must be equipped to meet the minimum requirements for a “Collision Repair Provider” as defined in the Collision Industry Conference Definitions Committee 2017 Report. Your Franchised Business must contain and maintain all necessary equipment to perform collision repair services, a customer lobby, and an appraiser station. Your investment will vary by the type and amount of this equipment you purchase. We require that you purchase and maintain all equipment compliant with industry standards.

<sup>11</sup> Computer System and Software. Your Franchised Business must be equipped with a minimum computer system and software, which includes a computer and/or computer network with high-speed internet access, electronic estimating capabilities, and a CCCOne Innovate Management System (a body shop management system with estimate compliance software). You must pay an initial set-up fee ranging from \$495 to \$2,495 to CCC Information Services for the CCCOne Innovate Management System. The monthly fees associated with the CCCOne Innovate Management System and the Update Plus Service range from \$1,444 to \$1,644, depending upon the number of system users. The low-end of this range represents the cost of a non-networked computer system with 2 to 3 desktop computers, and the high-end represents a multi-user network system with servers and multiple workstations.

<sup>12</sup> Real Estate. The high-end of the range represents the cost to lease a suitable location calculated at \$3 per square foot for a 50,000 square foot building. The low-end of the range represents the cost to lease a suitable location calculated as \$1 per square foot for a 5,000 square foot building. You may also be required to pay a security deposit equal to 1 month’s rent. The estimate covers the first month of operation, and 1 month’s rent as a security deposit.

Since rental, improvement and other real-estate-related costs can vary significantly by area, it is your responsibility to (a) independently research all applicable laws and regulations and real

estate market conditions and costs where you plan to locate and operate your Franchised Business, and (b) obtain appropriate advice from your own accountant, attorney and real estate professional, before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

<sup>13</sup> Leasehold Improvements. The low-end of the range reflects modest improvements to a small location, such as adding paint and flooring to the lobby area, and the high-end reflects physical improvements to the building, including the addition of offices, a newly constructed lobby, additional bathrooms and improvements to the production area.

<sup>14</sup> Insurance. Insurance costs can vary widely and may be more than shown here. Insurance policies will vary depending on several factors, including the size of your Franchised Business and the number of vehicles that you regularly store on the Approved Premises (defined in Item 12). You should obtain appropriate advice from your own insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

<sup>15</sup> Utility Deposits. A utility deposit will be required only if you are a new customer of the utility company.

<sup>16</sup> Licenses and Permits. The range of costs covers the expense to acquire the required local business permits. We make no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with your Franchised Business. Our estimated costs include building permits, fire inspection, sales tax permit, and retail sales permits. If an electrical permit is necessary, the costs may be more. You should investigate applicable requirements in your area and the related costs, including receiving advice from regulatory agencies and your own lawyer, before making any commitments, whether to us or anyone else.

<sup>17</sup> Additional Funds. This is an estimate of certain funds needed to cover your business (not personal) expenses during the first 3 months of operation of your Franchised Business. It includes payroll costs and payments to vendors, including an independent, third-party company that verifies a shop's overall ability to deliver high quality collision repairs consistently (such as Verifacts Automotive or Dekra, both of which are Approved Suppliers (as defined in Item 8), or an existing OEM certification, such as Tesla, BMW, Subaru, and Honda, which manufacturers already have verifying qualifications) and I-CAR, but not any draw or salary for you. The estimated initial start-up fee for a third-party quality control oversight company ranges from \$0 to \$6,000, with estimated monthly fees ranging from \$450 to \$900, depending on the number of monthly on-site coaching visits that you require and/or for which you enroll for your Franchised Business. Pricing for I-CAR services ranges dramatically depending on the size of your Franchised Business and the type of training programs that you select. Currently, you must pay I-CAR \$200 to \$10,000 annually for these services. Your cost will depend upon your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; competition and sales of your Franchised Business during the period.

You will need capital to support ongoing costs of your business, such as taxes, loan payments and other expenses (such as insurance expenses, which are not included as a pre-opening

expense for a conversion FIX AUTO Shop), to the extent that revenues do not cover business costs. New businesses (franchised or not) often have larger expenses than revenues. In addition, the estimates presented relate only to costs associated with the Franchised Business and do not cover any personal, “living,” unrelated business or other expenses you may have.

We relied on the combined business experience of our affiliates and predecessors in the auto body repair business since 1984 to compile this estimate. The availability and terms of financing to you will depend upon factors such as the availability of financing in general, your credit-worthiness, the collateral security that you may have, and policies of lending institutions concerning the type of business you operate. This estimate does not include any finance charge, interest, or debt service obligation.

<sup>18</sup>Total Estimated Initial Investment. All of the above figures are estimates of certain initial start-up expenses. As noted above, they are not all-inclusive, and we cannot guarantee you will not have additional expenses in starting or operating your Franchised Business. The total listed above does not include compensation for your time or labor or any return on your investment. Your costs will vary depending on such factors as: how closely you follow the System; your management and marketing skills, experience and general business ability; and local and general economic conditions, including disposable income. You should review these figures carefully with a business advisor (such as an accountant) before making any commitments.

<sup>19</sup> Initial Investment Under Development Agreement. Except for the non-refundable Development Fee, there is no initial investment required to begin operating under the Development Agreement. As stated in Item 1, you must commit to developing a minimum of 10 FIX AUTO Shops under the Development Agreement, in which case the Development Fee would be \$100,000.

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

### **Franchise Agreement**

You must follow the standards and specifications we periodically establish for the inventory and supplies, equipment, computer hardware and indoor and outdoor signs required for a FIX AUTO Shop. You are required to purchase or lease from us or our designee certain services, specifically, body shop management system software, and estimate review and compliance software. You are encouraged, but not required, to purchase from Preferred Suppliers. A current list of Preferred Suppliers and the products for which they are Preferred Suppliers appears in Exhibit 2.3 to the Franchise Agreement or will otherwise be provided to you in writing (the “Preferred Supplier List”). If you purchase materials from Preferred Suppliers, certain fees that you owe us will be discounted.

If you do not purchase or lease goods, services, supplies, fixtures, equipment, or inventory from Preferred Suppliers, you must purchase the applicable items from a supplier that we identify as approved (“Approved Supplier”), which Approved Suppliers may include us and/or our affiliates (such as Spire Supply or Driven Product Sourcing), or a supplier that we designate (as detailed in the following paragraph). (Franchise Agreement, Section 2.3) We may designate the manner or method in which purchases are made by you through Preferred Suppliers, Approved

Suppliers, and/or designated suppliers, including through the DrivenAdvantage Platform. As stated in Item 1, Driven Product Sourcing operates the DrivenAdvantage Platform, through which you may purchase certain products for use in operating your FIX AUTO Shop. Through the DrivenAdvantage Platform, Driven Product Sourcing provides you the opportunity to benefit from Driven Product Sourcing's purchasing power, expertise, and supplier network. For any products for which we designate Driven Product Sourcing as the Preferred Supplier, an Approved Supplier, or a designated supplier, you will generally be required to purchase those products through the DrivenAdvantage Platform. We may modify the Preferred Supplier List and the Approved Supplier list periodically by providing you written notice (through the Operations Playbook or otherwise).

We also may designate a single supplier or multiple suppliers (which may include us and/or our affiliates) for any given item or service and may concentrate purchases with one or more suppliers in our business judgment, and there is no assurance we will designate more than one supplier for any item. (Franchise Agreement, Section 4.2) On notice by us, you will immediately cease using any equipment, furnishings, or supplies that do not meet our specifications or standards. (Franchise Agreement, Section 4.5)

Designation of a supplier may be conditioned on factors established by us in our business judgment, including performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties we designate. We may approve, or revoke approval of, particular items or suppliers in our business judgment. None of our officers currently own an interest in any non-affiliated, third-party suppliers that comprise the existing supply base for the FIX AUTO system.

We may negotiate volume purchase agreements with some vendors for the purchase of goods and equipment needed to operate your Franchised Business.

We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you (at prices exceeding our and their costs) for services and products that we or our affiliates sell you and from promotional allowances, rebates, volume discounts, and other amounts paid to us and our affiliates by suppliers that we designate, approve, or recommend for some or all FIX AUTO Shop franchisees. We and our affiliates may use all amounts received from suppliers, whether or not based on your and other franchisees' prospective or actual dealings with them, without restriction for any purposes that we and our affiliates consider appropriate.

In fact, by discounting the fees we charge you based on how many Preferred Suppliers you use, we encourage you to purchase from Preferred Suppliers. Except for consistency, quality, continuity, and the discount discussed above, we provide no material benefits to you, such as renewal or granting of additional franchises, based on your use of designated, Preferred or Approved Suppliers.

In fiscal year 2024, Our Predecessor received revenue from Preferred and/or Approved Suppliers for recommending and promoting their products and services to FIX AUTO franchisees. Suppliers paid Our Predecessor a percentage ranging from 1% to 21% based on purchases by FIX AUTO Shop franchisees.

In the fiscal year ending December 28, 2024, our affiliates (including Our Predecessor) received payments from Preferred and Approved Suppliers, based on their transactions with franchisees, totaling \$4,693,599. The sources of this information are our affiliates' financial books and records.

Integral and CCC Information Services are Approved Suppliers of technology services to the FIX AUTO system and also sell products and services to competitors of our franchisees.

In the fiscal year ending December 28, 2024, our affiliates (including Our Predecessor) received revenue from the sale of other goods and services to franchisees in the amount of \$305,980. The sources of this information are our affiliates' financial books and records. The cost of goods and services, equipment and supplies purchased according to our specifications will represent 50% to 75% of your total purchases in establishing your Franchised Business, and 15% to 30% of your total purchases during operation of the Franchised Business.

**Insurance.** You are obligated to obtain and maintain, at your sole expense, all of the insurance coverages that we reasonably require, issued by carriers we reasonably approve. Currently, we require that your policy or policies must be written by an insurance company licensed in the state in which you operate your Franchised Business. The insurance company must have at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide, as required by the standards and specifications stated in the Operations Playbook. The standards may vary depending on the size of your Franchised Business or other factors, such as what is customary for businesses of your type in your area, but we typically require:

1. All "**Risks**" or "**Special**" form coverage insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business;
2. Workers' Compensation with statutory limits, as required by law in the jurisdiction where the Franchised Business is located; and Employers Liability (or "Stop Gap" insurance for monopolistic states), with limits of not less than \$1,000,000 each accident, \$1,000,000 each employee for disease, and \$1,000,000 policy aggregate for disease;
3. Liability Insurance in the types, forms, and minimum limits, as listed below, insuring you and us against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Franchised Business:
  - (i) Commercial General Liability: Insurance Services Office simplified form, 1986 edition or later, or equivalent, including Coverage A (bodily injury and property damage liability; to include coverage for products-completed operations) and Coverage B (personal and advertising injury liability) with minimum limits of \$2,000,000 per occurrence (Coverage A) and per person or organization (Coverage B).
  - (ii) Auto Liability and Garagekeepers Liability: Covering garage operations,

including all owned, non-owned, and hired automobiles to be used by and at your Franchised Business, with minimum coverage limits of \$1,000,000 per accident.

(iii) Cyber Liability: Covering network security and privacy liability, including the failure to allow access to your Franchised Business's computer system by authorized users, the failure to prevent unauthorized access to your computer system or the private or confidential information it contains, the theft or loss of private or confidential information of others and the failure to prevent the transmission of a virus or malicious code to others, with minimum coverage limits of \$1,000,000 per loss.

(iv) Umbrella Liability (excess liability insurance): Coverage over and above the General Liability, Employers Liability, and Auto Liability limits listed above, with minimum coverage limits of \$5,000,000 per occurrence.

4. Business Interruption Insurance for actual losses sustained for a 12-month period minimum;

5. Garage Liability Insurance, should be written with symbol "21", any auto, which will include owned, hired and non-owned vehicles coverage; and

6. Such additional insurance types of coverage as may be required by the terms of any lease or sublease for the Approved Premises, or as we may reasonably require periodically.

Your insurance must name us as an additional insured and contain a clause requiring notice to us 30 days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by us. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

You must provide us with a certificate(s) of the required insurance within 60 days of the signing of the Franchise Agreement, but in no event later than 30 days prior to beginning operations of the Franchised Business, and on any renewal of such insurance while the Franchise Agreement is in effect.

We reserve the right to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. periodically. We will provide you with written notice of any change in our insurance requirements. You will have 60 days from receipt of our notice to revise your coverage, as specified in the notice.

As stated in Item 1, in order to participate in CMIPs, you will sign our then-current form of Service Level Agreement, which includes our minimum requirements and CMIP partner requirements for participation in these programs. In addition to the preceding minimum coverage requirements, under the Service Level Agreement, you must, at your sole expense, obtain and maintain the insurance policies and in the amounts stated in the CMIPs in which you participate for claims that may arise from or in connection with your performance of services at your Franchised Business under the Service Level Agreement.

Customer Service and Warranty Programs. We have determined that it is in the best interest of all FIX AUTO Shops for us to establish throughout the System uniform guarantees and warranties to customers. You are required to ensure that services are rendered to all customers of the Franchised Business in a prompt, workmanlike and courteous manner. All customer complaints must be dealt with promptly and courteously. You will provide to all Franchised Business customers those warranties and guarantees we require, including the FIX AUTO Enhanced Warranty and National Warranty Programs, and will use any and all applicable forms we require and provide to you.

Mandatory Designated Suppliers. In order to adhere to the FIX AUTO Shop operating standards, specifications and procedures, as we may prescribe periodically, you must use the services of our designated suppliers, which include CCC Information Services (an independent, third-party company that provides data and technology to insurance carriers, body shops and parts suppliers in the collision repair industry, including the CCCOne Innovate Management System and CCC Update Plus Service, Calendar, Engage, Repair Methods, and Photo Estimating). You also must maintain I-CAR Gold Class certification from the Inter-Industry Auto Collision Repair Organization for evaluation and training of your technicians, among other things. All I-CAR activities and resources focus on helping the collision repair industry achieve a high level of technical training. We may modify the list of mandatory designated suppliers at any time.

Credit Cards. You are required to honor all credit, charge, courtesy and cash cards that we approve in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services at the Franchised Business, you are required to maintain the security of cardholder data and adhere to the then-current credit card security standards, which can be found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org) for the protection of cardholder data throughout your Franchise Agreement's term. You are responsible for the security of cardholder data in your possession or control and the possession or control of any of your employees that you engage to process credit cards. You must, if we request, provide appropriate documentation to us to demonstrate your and your employees' compliance with applicable PCI DSS requirements. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, you must immediately notify us in the manner required in the PCI DSS requirements and provide an approved third party full access to conduct a thorough security review following a security intrusion.

### **Development Agreement**

The Development Agreement does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your business under the Development Agreement. However, you must give us information and materials we request concerning each site at which you propose to operate a FIX AUTO Shop so that we can assess that site, which is subject to our written acceptance.

## ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site Selection and acquisition/lease	Franchise Agreement: Section 1.2 Development Agreement: Section 4	Items 11 and 12
b. Pre-opening purchases/leases	Franchise Agreement: Sections 3.1, 4.4, 4.5 and 4.6	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Franchise Agreement: Sections 3.1, 4.2 and 4.3	Items 6, 7 and 11
d. Initial and ongoing training	Franchise Agreement: Sections 3.2, 3.3 and 3.5	Items 6, 7 and 11
e. Opening	Franchise Agreement: Section 4.9	Item 11
f. Fees	Franchise Agreement: Sections 1.4, 1.7, 2, 3.3D, 4.18, 7.3 and 12.6  Total Loss Processing Program Addendum: Section 1.2  Call Center Program Addendum: Section 1.3  Service Level Agreement: Sections 5.1 and 6.0  Development Agreement: Section 6	Items 5 and 6
g. Compliance with standards and policies/operating manual	Franchise Agreement: Section 4  Service Level Agreement: Sections 5.0 and 9.0	Item 11
h. Trademarks and proprietary information	Franchise Agreement: Sections 5 and 10  Service Level Agreement: Section 12.0	Items 13 and 14
i. Restrictions on products/services offered	Franchise Agreement: Section 4.7	Items 8 and 16



<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure document item</b>
j. Warranty and customer service requirements	Franchise Agreement: Sections 4.11 and 4.12  Service Level Agreement: Section 7.0	Item 8
k. Territorial development and sales quotas	Franchise Agreement: Sections 1.1 and 13.5  Development Agreement: Sections 2.1 and 3 and Exhibit 2.1(A)	Item 12
l. Ongoing product/service purchases	Franchise Agreement: Section 4.7	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Franchise Agreement: Section 4.3	Items 6 and 17
n. Insurance	Franchise Agreement: Section 8  Service Level Agreement: Section 10.0  Security Agreement: Section 3	Items 6, 7 and 8
o. Advertising	Franchise Agreement: Section 6	Items 6 and 11
p. Indemnification	Franchise Agreement: Section 9.3  Service Level Agreement: Section 11.0  Development Agreement: Section 19	Item 6
q. Owner's participation/management/staffing	Franchise Agreement: Section 4.11  Development Agreement: Section 7	Item 15
r. Records and reports	Franchise Agreement: Section 7  Service Level Agreement: Section 8.0	Item 11
s. Inspections and audits	Franchise Agreement: Sections 4.16 and 7.3  Service Level Agreement: Section 5.3	Item 11
t. Transfer	Franchise Agreement: Section 12  Service Level Agreement: Section 2.5  Development Agreement: Sections 13 and 14	Items 6 and 17
u. Renewal	Franchise Agreement: Section 1.4	Item 17

Obligation	Section in agreement	Disclosure document item
v. Post-termination obligations	Franchise Agreement: Section 14	Item 17
w. Non-competition covenants	Franchise Agreement: Section 11 Development Agreement: Section 11	Item 17
x. Dispute resolution	Franchise Agreement: Section 15 Service Level Agreement: Section 14.0 Security Agreement: Section 9.3 Development Agreement: Section 21	Item 17
y. Licenses	Franchise Agreement: Section 4.14 Service Level Agreement: Section 4.0	Item 15

## ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or any other obligation.

## ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

As noted in Item 1, we have entered into a management agreement with Driven Brands for the provision of support and services to FIX AUTO franchisees. Driven Brands may delegate certain of these responsibilities to Driven Brands Shared Services or other affiliates. However, we remain responsible for all of the support and services required under the Franchise Agreement and the Development Agreement.

**Except for the specific items listed below, we are not required to provide you with any assistance.**

### A. Our Obligations Before the Franchised Business Opens

1. Provide you with training. (Franchise Agreement, Sections 3.2 and 3.3)
2. Use reasonable efforts to help determine site feasibility and assist in the designation of the franchise location. (Franchise Agreement, Section 1.2)
3. Loan you 1 copy of the Operations Playbook, which contains mandatory minimum FIX AUTO Shop operating standards, specifications, and procedures, as well as other specifications, procedures and guidelines. The Operations Playbook is confidential and remains our property. We may modify the Operations Playbook in the exercise of our business judgment.

(Franchise Agreement, Sections 3.4 and 4.1). We may provide the Operations Playbook to you through Collision University or otherwise on the Internet. The Table of Contents of the Operations Playbook is attached to the Disclosure Document as **Exhibit E**. The Operations Playbook consists of approximately 110 pages.

4. Provide you (through the Operations Playbook or otherwise) with specifications for the layout and design of a FIX AUTO Shop. (Franchise Agreement, Sections 3.1 and 4.2)

5. Provide you (through the Operations Playbook or otherwise) with a list of the standard fixtures, equipment, supplies, signs and initial inventory to be used in a FIX AUTO Shop, as well as a list of approved products. (Franchise Agreement, Sections 3.1, 4.1, 4.3, 4.4, 4.5 and 4.6)

6. License you the use of our Marks. (Franchise Agreement, Section 1.1A)

7. We will provide initial and continuing advisory assistance relating to the operation of your Franchised Business, as we consider appropriate. (Franchise Agreement, Section 3.5)

8. We will authorize the opening of your Franchised Business. (Franchise Agreement, Section 4.8)

9. If you sign a Development Agreement, for each FIX AUTO Shop developed under the Development Agreement, review and approve in writing or reject a completed site application for each proposed site and examine and approve or reject the lease for the proposed site. (Development Agreement, Section 4)

## **B. Our Obligations During the Operation of the Franchised Business**

1. We will specify or approve certain equipment, inventory and suppliers to be used in the Franchised Business. (Franchise Agreement, Sections 4.5, 4.6, and 4.7)

2. We will provide additional and/or refresher training programs, including national and regional conferences, conventions and meetings, as we may reasonably require, to correct improve and/or enhance your operations. (Franchise Agreement, Sections 3.3C and 3.3D)

3. We will manage the claims process and actively promote your business to regional and national insurance carriers, fleet organizations and other potential work providers through the FCS MSO Program (defined in Item 11). (Franchise Agreement, Section 6.1)

4. If you do not obtain and maintain appropriate insurance coverage, we may obtain the coverage on your behalf. We will pass the cost onto you. (Franchise Agreement Section 8.2I)

5. We (or our designee) will maintain and administer the local advertising program (the “Advertising Program”). We will direct all advertising programs with sole discretion over the creative concepts, materials and media used in the programs and their placement and allocation. Proceeds from the Advertising Program will generally be spent on conducting advertising and promotional activities within your Designated Market Area (“DMA”) and maintaining a direct,

local sales staff, although we cannot ensure that you will benefit directly or on a pro rata basis from the future placement of any advertising in your DMA. (Franchise Agreement, Section 6.2)

6. We may institute various programs for auditing customer satisfaction and/or other quality control measures. Under these programs, you may be required to ask your customers to participate in surveys performed by us or on our behalf. (Franchise Agreement, Section 7.4)

7. We will maintain a franchisee advisory committee (the “Market Leaders Council”) with the number of members determined by us but consisting of not fewer than 5 franchisee members. The Market Leaders Council will periodically review and evaluate the System standards, including Performance Standards, the Operations Playbook, approval of required products and services, and ethics standards. We solicit the committee members input and advice on key business and marketing initiatives and communicate proposed strategies and ideas to them. However, the ultimate decision-making responsibility for the FIX AUTO system is and will remain vested in us. Currently, the Market Leaders Council consists of 15 FIX AUTO franchisees, with at least 1 from each of the 5 distinct market areas. We select and appoint the franchisees to the Market Leaders Council. The Market Leaders Council was formed in January 2014 and meets quarterly.

8. Review and approve or disapprove of your advertising materials. (Franchise Agreement Section 6.3)

9. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we consider appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at the Franchised Business for which we have not established Approved Suppliers. (Franchise Agreement, Section 3.5)

10. We may assist with submitting applications on behalf of a pre-certified FIX AUTO Shop for participation in CMIPs’ DRPs or PBAs. (Franchise Agreement, Section 4.14)

11. If you sign the Development Agreement, during the term of the Development Agreement, we will grant you franchises for FIX AUTO Shops if we approve your completed site applications in writing. For each FIX AUTO Shop, you must sign our then-current form of franchise agreement and related documents (the terms of which may differ substantially from those in the Franchise Agreement attached to this Disclosure Document, except for the amount of the Initial Franchise Fee (which will be \$10,000 for each applicable FIX AUTO Shop, as detailed in Item 5)). (Development Agreement, Sections 4 and 5) (The Development Schedule will dictate the respective deadlines by which you (or your approved affiliate) must sign a purchase agreement, lease, or sublease for the premises for, sign the franchise agreement for, and open each FIX AUTO Shop.)

### **C. The FCS MSO Program**

Through the FIX AUTO Claims Solutions (“FCS”) Multi-Shop Operator (“MSO”) Program, we will actively promote your business to regional and national insurance carriers, fleet organizations and other potential work providers by offering a single-point-of-contact relationship to these work providers to manage their claims administration. Our personnel will work closely with the work providers to establish management plans, reporting mechanisms, audit responsibilities and any other critical elements which may advance our organization and franchisees. Your participation in the FCS MSO Program is optional. If you choose to participate, you will be required to sign a FIX AUTO Claims Solution (“FCS”) Agreement in the form provided in Exhibit 6.1 to the Franchise Agreement.

### **D. Advertising Program**

You must participate in, support and contribute to an Advertising Program we establish for the DMA in which your Franchised Business is located, if one has been established. Unless the Advertising Fee remains unchanged from the prior year, we will annually notify you of the exact percentage of monthly Gross Sales to be paid as an Advertising Fee, except that such amount will not exceed 0.75% of Gross Sales, or a maximum of \$950 per month, unless a majority of the FIX AUTO franchisees in a DMA agree to a higher amount.

We will administer the Advertising Program as we consider appropriate and have no fiduciary obligations to any FIX AUTO franchisee regarding the Advertising Program. There is no advertising council. During scheduled meetings with FIX AUTO franchisees, we will provide a report on the allocation of the funds in the Advertising Program and work with FIX AUTO franchisees to adjust the allocations to maximize the efficacy of advertising in the DMA. Proceeds from Advertising Fees we receive will generally be spent on conducting advertising and promotional activities within your DMA and maintaining a direct, local sales staff, although we cannot ensure that you will benefit directly or on a pro rata basis from the future placement of any advertising in the DMA. We will determine the methods of advertising, media employed and contents, terms and conditions of advertising campaigns and promotional programs.

At your request, we will prepare and make available annual or periodic financial statements for the Advertising Program. The Advertising Program is not audited. We may use a reasonable portion of the Advertising Fees collected to cover expenses associated with administering the Advertising Program, as provided in the Franchise Agreement. We have the right, in our judgment, to establish rules governing the Advertising Program, or to dissolve or modify the Advertising Program, including the right to establish advertising cooperatives. In any case, the Advertising Program will not be terminated until all monies in the Advertising Program have been expended for advertising purposes or distributed back to franchisees.

It is anticipated that all contributions to the Advertising Program will be expended for local advertising and promotional purposes during the fiscal year within which contributions are made. If, however, excess amounts remain in the Advertising Program at the end of the fiscal year, all expenditures in the following fiscal year(s) will be made first out of any current interest or other

earnings of the Advertising Program, next out of any accumulated earnings and finally from principal.

During fiscal year 2024, the Advertising Program spent 28% on media and public relations, 16% on employee compensation, transportation, meals, and lodging expenses associated with marketing efforts, and 56% on Internet-related matters. No funds in the Advertising Program are used for advertising that is principally a solicitation for the sale of franchises, but we may include a brief statement on any advertising materials produced by the Advertising Program regarding the availability of FIX AUTO franchises.

**E. Additional Marketing Campaigns**

Currently, there are no national, regional or local advertising cooperatives. However, the Franchise Agreement provides that, periodically, your region may elect by a majority vote of franchisees within the region to conduct additional advertising not previously included in the region's marketing budget. You will be responsible for your share of these funds which will be added to your monthly invoice we issue to you (Franchise Agreement, Section 2.7), except that your annual share of such advertising will not exceed \$10,000 without either a majority vote of the franchisees within the region or your prior written consent.

**F. Site Selection**

Before entering into the Franchise Agreement: (a) you must have acquired or leased, at your expense, the Approved Premises under the terms of a lease, sublease, or purchase agreement for the Approved Premises that you provided to us for our review and acceptance prior to signing and that we have accepted, subject, if applicable, to certain written modifications to the lease, sublease, or purchase agreement we require; (b) you provided us a fully signed copy of the lease, sublease, or purchase agreement; and (c) we and you have mutually agreed upon any improvements that must be made to the Approved Premises. The site must be approved by us. Factors we consider in approving a site include demographics, accessibility, suitability, competing facilities and other factors. We will approve or disapprove your site location within 30 days. If you (or any of your owners) fail to timely meet the site selection, development, opening and other requirements established in Sections 1.2 and 4 of the Franchise Agreement, the Franchise Agreement will automatically terminate after a 30-day cure period. Acceptance by us of any site is not a recommendation, approval or endorsement of such site. We make no representations or warranties as to the success of any site. Neither we, nor any of our affiliates, will have any liability for any site-related matter or due to our review and acceptance of the lease, sublease, or purchase agreement. You must not to make any claims against us or any of our affiliates with specific regard to the Approved Premises or the lease, sublease, or purchase agreement. If, during the Franchise Agreement's term, you enter into a new lease, sublease, or purchase agreement for the Approved Premises, you also must provide us for our review and acceptance a copy of the proposed new lease, sublease, or purchase agreement.

## **G. Typical Length of Time Before Operation**

We will authorize the opening of your Franchised Business when (i) all of your pre-opening obligations have been fulfilled, (ii) pre-opening training has been completed, (iii) all amounts due us (and/or any affiliate) have been paid, and (iv) we have received copies of all insurance policies (and payment of premiums) and all other required documents. (Franchise Agreement, Section 4.8) The typical length of time between signing the Franchise Agreement and the opening of your Franchised Business is expected to be approximately 90 to 120 days. This time may vary based on site availability, weather and local conditions.

## **H. FIX AUTO Integration**

To be eligible for participation in our programs (such as insurance, procurement, and marketing) being offered as part of the System, you must complete FIX AUTO Integration within 15 weeks after the Franchise Agreement's effective date (the "FIX AUTO Integration Period"). During the first week of the FIX AUTO Integration Period, initial administrative matters will be addressed. Afterwards, in order to complete FIX AUTO Integration, you must complete all tasks required, including those listed below, within the 15-week timeline with assistance from representatives from our franchise services, operations, training, marketing, technology, and procurement departments:

- (1) You (or your designated management employee) must attend our orientation/training program;
- (2) Install and immediately begin using an approved management system and related software;
- (3) Use FIX AUTO Enhanced Warranty and National Warranty Programs materials;
- (4) Purchase paper supplies (letterhead and business cards) incorporating the Marks, which comply with FUSA's specifications;
- (5) Order name badges and/or career wear for office staff;
- (6) Within 30 days after the Franchise Agreement's effective date, obtain access to Collision University. You and your employees must successfully complete all online courses listed in the "FIX AUTO Integration Learning Program" within the FIX AUTO Integration Period;
- (7) Submit required insurance certificates and endorsements;
- (8) Incorporate "FIX AUTO" in phone greeting;
- (9) Adopt approved "FIX AUTO" fictitious name; and

(10) Complete such items as specified in the current FIX AUTO Integration timeline, along with other work and improvements as are required to bring the Franchised Business up to our standards.

At your written request, we may extend the FIX AUTO Integration Period. Any extension we grant will be for a period of up to 30 days, as we determine. We will not unreasonably deny your request for an extension, as long as you have diligently pursued commencement and completion of FIX AUTO Integration activities. You must complete all tasks required according to our standards and specifications and complete FIX AUTO Integration before participation in certain programs will be allowed.

## **I. Training**

The initial training program will occur at a location that we designate and is described below:

### **TRAINING PROGRAM**

<b>TRAINING PROGRAM AT OUR DESIGNATED SITE* UP TO 3 DAYS</b>			
<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location*</b>
FIX AUTO Mission, Vision, Culture	2	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
FIX AUTO Help Desk and Call Center Services	1 - 2	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
FIX AUTO Software and Programs	2	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
FIX AUTO Claims Solutions	1	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
Operational Best Practices	4 - 5	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
FIX AUTO Network Development and Insurance Relations	1 - 2	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate



<b>TRAINING PROGRAM AT OUR DESIGNATED SITE* UP TO 3 DAYS</b>			
<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location*</b>
FIX AUTO Vendor Programs	1 - 2	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
FIX AUTO Marketing, Branding and Advertising	2	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
Financial Best Practices	2	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
Collision University	1	0	Currently, via video conferencing, but, typically, at our corporate office or another site we may designate
<b>TOTALS</b>	17 - 21	0	

<b>TRAINING PROGRAM AT YOUR FRANCHISED BUSINESS LOCATION*</b>			
<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location*</b>
Kickoff and Onboarding Session	0	1 - 2	Currently, via video conferencing, but, typically, your Franchised Business location
Employee Orientation	0	1 - 2	Currently, via video conferencing, but, typically, your Franchised Business location
DRP Readiness Evaluation and Discussion	0	1 - 2	Currently, via video conferencing, but, typically, your Franchised Business location
<b>TOTALS</b>	0	3 - 6	

\* If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we may conduct any and all training, classes, courses, meetings, and conferences, online, telephonically,

or otherwise, or cancel or delay any and all such training, classes, courses, meetings, and conferences.

Our Vice President of Franchise Services, Collision Group, Lesa Laird, is in charge of the training program. She has 15 years of experience with us and Our Predecessor in the auto collision repair industry and as an instructor and overseeing training programs. Our primary instruction is through lecture, hands-on training, and instructional materials we prepare specifically for our training program.

You or your designated management employee must successfully complete the initial training program to our satisfaction before opening for business or shortly thereafter. (Franchise Agreement, Sections 3.3A and 4.10)

You will be responsible for travel costs, room and board, salaries, fringe benefits and other expenses you and your manager, if applicable, incur in attending the training courses.

You and your employees are provided access to web-based training on our intranet (Collision University). You must pay a \$299 training fee on January 15th each year in part for the technology/license fees and in part for the development of the content (development of courses and customized forms and templates). There are investments in the content development software that allow FIX AUTO Shops to manage their own users, offer online training to all their employees and manage training reports. The license allows for an unlimited number of users.

## **J. Additional Training**

You, or a representative you designate, or your manager must attend additional and/or refresher training programs, including national and regional conferences, conventions and meetings, as we may reasonably require, to correct, improve and/or enhance your operations. You will be responsible for all reasonable expenses incurred for the aforementioned programs, meetings and conventions, including the cost of the meeting, travel, room, board and wages. You will be required to attend a maximum of one, multi-day event per year, which is called the National Conference. If you fail to attend the National Conference in any year, you must pay the regular convention registration costs and hotel fees, as if you had attended. As stated in Item 6, if you own and operate more than 1 FIX AUTO Shop: (1) you may send 1 representative to the National Conference to represent all of the FIX AUTO Shops that you own and operate; (2) if you send at least 1 representative to the National Conference, you will pay us our then-current registration fee for each of your attendees; and (3) if you fail to send a representative to the National Conference, you will pay us our then-current registration fee for each of your FIX AUTO Shops.

You or a management employee that you designate must attend franchisee meetings held locally or regionally, approximately 6 to 9 times per year. If you own and operate multiple FIX AUTO Shops, then you must designate and require 1 management employee from each FIX AUTO Shop attend the monthly franchisee meetings. If you (or your designated management employee) miss more than 1 required franchisee meeting during a calendar year, we may charge you a \$500 Non-Attendance Fee for each additional required meeting you fail to attend. The Non-Attendance Fee will be used to cover our costs in conducting the monthly meetings. You will, at your own

expense, conduct ongoing training programs for your employees. (Franchise Agreement, Sections 3.3C, 3.3D, 3.3E and 13.5G.2) We estimate these costs to range between \$1,500 and \$2,000 per person.

As stated above, if warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we may conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or cancel or delay any and all such training, classes, courses, meetings, and conferences.

#### **K. Computer System – Hardware and Software**

We require that you have computer hardware and software that meet our operational standards and reporting requirements. Further, we require the use of certain software technology which enables us to pump (or retrieve) key data elements to our central servers so that we may measure your compliance with Performance Standards, account for work flow and sales volumes, and assist you with business improvement. The details of these standards and requirements will be described in the Operations Playbook or otherwise in writing and may be modified in response to changes in marketing conditions, business operating needs, or technology.

You must purchase or lease, and maintain, such computer hardware and software (including the CCCOne Innovate comprehensive body shop management system with estimate compliance software), dedicated high speed communications equipment and services, dedicated telephone and power lines, modem(s), printer(s), and other computer-related accessories or peripheral equipment as we may specify, for the purpose of, among other functions, recording sales and services, and other record keeping and central functions.

You must provide such assistance as may be required to connect your computer system with a computer system used by us. We will have the right, on an occasional or regular basis, to retrieve such data and information (including claims-related data and financial activity) from your computer system as we, in our sole and exclusive discretion, consider necessary or desirable. We will not retrieve or otherwise access any information not directly related to the operation of the Franchised Business, including any personal or financial information, unless such information is required to be reviewed in connection with a legal proceeding or investigation of fraudulent activity in the operation of the Franchised Business.

In view of the interconnection of computer systems and the necessity that such systems be compatible with each other, you are required to strictly comply with our standards and specifications for all item(s) associated with your computer system and will otherwise operate your computer system consistent with our standards and specifications.

You are required to keep your computer system in good maintenance and repair at your own expense to ensure full operational efficiency and optimum communication capability between and among computer systems installed by you, us, and other FIX AUTO franchisees. If we make a determination that it will be necessary to the System to install additions, and/or make changes, modifications, substitutions and/or replacements to your computer hardware, software, communications equipment and services, telephone and power lines, and other computer-related

components and/or systems, you agree, at your expense, promptly to undertake and complete all of our directives with respect to such components and systems.

We reserve the right to require you to update or upgrade any computer hardware or software during the term of the franchise, and if we choose to do so, there are no limitations on the cost and frequency of this obligation. The approximate cost of the computer hardware and software varies between \$20,000 and \$75,000. The approximate annual licensing cost for the required software varies from \$24,000 to \$48,000. The approximate cost of any annual maintenance upgrades or updates or maintenance support contracts varies widely from \$500 to \$15,000.

We have the right to use any financial report or statement, or any information derived from such financial report or statement, relating to the Franchised Business, for aggregate statistical purposes, such as in a financial performance representation, without providing your name. We may use and publish income and expense information related to the Franchised Business within the FIX AUTO system via intranet or other non-public media. You are required to comply with all state and federal laws relating to consumer privacy, electronic privacy, credit card data and information protection and privacy, and any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business. We will also comply with all state and federal laws relating to consumer privacy.

You are solely responsible for protecting your computer system from disruptions, Internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders.

We have the right to use any performance report or statement, or any information derived from such performance report or statement, relating to the Franchised Business, for statistical purposes, such as in an operational performance representation, or for marketing the franchise system to insurers, fleet accounts or other entities. In so doing, we may use your name and location information, as we consider necessary. We may use and publish information related to the Franchised Business within the FIX AUTO system via intranet or other non-public media. You grant us unrestricted access to performance related information, which we may pull from your system or from those service providers that you contract with for such purposes. This will include customer satisfaction reporting information, sales analysis, employee productivity information, financial performance, production information including parts utilization, cycle time, severity, labor allocations, sublet services and any other information that we may consider important in our ability to manage national or regional programs on behalf of the FIX AUTO system.

We have no obligation to provide ongoing maintenance, repairs, upgrades or updates, and any such obligations would be those of the software licensors.

## **ITEM 12      TERRITORY**

You will not receive an exclusive territory under the Franchise Agreement or the Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

### **Franchise Agreement**

You will receive a non-exclusive license to operate a FIX AUTO Shop using the System and the Marks from a location we approve (the “Approved Premises”). So long as you are in Good Standing (defined below), neither we nor our affiliates will establish or operate, or authorize anyone else to establish or operate, a FIX AUTO Shop within a 1-mile radius from the Approved Premises (as measured in a straight line – as the crow flies – from the exterior walls of the Approved Premises) (the “Territory”).

You may not conduct a FIX AUTO Shop from, or use the Marks and/or System at, any location other than the Approved Premises, or for any other purpose (other than your Pre-existing Business), except as approved by us in writing, which approval will not unreasonably be withheld or delayed. Except for your Pre-existing Business, as described in Exhibit 1.1A to the Franchise Agreement, you must not conduct any activities from the Approved Premises other than the operation of your Franchised Business without our prior written approval. You will not engage in any other business or activity that may conflict with your obligations under the Franchise Agreement, without our prior written approval. Other than as stated above, you have no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or any contiguous territories (unless you sign a Development Agreement (as described below)). You do not have any rights with respect to other and/or related businesses, products and/or services, in which we or any of our affiliates may be involved, either now or in the future.

You may not relocate the Franchised Business to any other location without our prior written consent. If we consent to your relocating the Franchised Business, the new Approved Premises must be within the same Territory in which the Franchised Business was located. You must sign our standard form of general release upon any relocation. You will bear the sole expense of relocating the Franchise Business, and we have the right to charge you a reasonable fee for our services in connection with any such relocation. Upon relocating, you must de-identify the former location. If you fail to de-identify your former location, you must reimburse and indemnify and hold us harmless from all costs and expenses, including attorneys’ fees, arising out of your failure to de-identify.

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise of present or future FIX AUTO Shops (or any other brand shops) or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to the Approved Premises and whether or not they provide goods or services to customers within the Territory.

We and our parents and affiliates expressly reserve all other rights and can (along with anyone we designate):

(1) open, own and/or operate any kind of business:

(i) in the Territory (including any competing business), except for a FIX AUTO Shop, so long as you meet the minimum performance standards (“Performance Standards”) (as stated below and more fully described in Section 13.5 of the Franchise Agreement) and comply with all other provisions in the Franchise Agreement; and

(ii) outside of the Territory, including FIX AUTO Shops;

(2) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere, including any competing concept in the Territory; and

(3) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. Such transactions may include (but are not limited to) arrangements involving existing or future competing outlets and brand conversions (to or from the FIX AUTO Marks and System). You may be responsible for reasonable conversion costs associated with your external signage. You will have a reasonable time in which to make this conversion.

We may sell products and services to customers located anywhere (including within the Territory), even if these products and services are similar to what we offer to a FIX AUTO franchisee, except that we will not license another individual or entity to operate a FIX AUTO Shop in the Territory.

We are not required to pay you any compensation if we exercise any of the above-mentioned options.

If you are not in (i) compliance with all material terms of the Franchise Agreement and the Operations Playbook, and current in all accounts to us and our affiliates (“Good Standing”), or (ii) if you fail to meet our then-current Performance Standards we may reduce, eliminate or otherwise modify your territorial rights, along with whatever other remedies are then available to us, including termination.

### **Development Agreement**

If you wish to enter into a Development Agreement, you must commit to developing 10 or more FIX AUTO Shops within the Development Area. We and you will identify the Development Area in the Development Agreement before signing it. Sizes and boundaries for Development Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of FIX AUTO Shops that you agree to develop, demographics, and site availability. There is no minimum size for Development Areas. We will describe the

Development Area using county boundaries. We and you will determine the Development Schedule specifying the number of FIX AUTO Shops that you must develop to keep your development rights and, for each applicable FIX AUTO Shop, the dates by which you must sign the purchase agreement, lease, or sublease, sign the then-current franchise agreement, and open the FIX AUTO Shop. We and you then will complete the Development Schedule in the Development Agreement before signing it. Your acquisition from another franchisee or us of an existing FIX AUTO Shop located in the Development Area, or a FIX AUTO Shop located in the Development Area that has been closed for fewer than 12 months, will not be considered a new FIX AUTO Shop and, consequently, will not count toward your development obligations under the Development Schedule.

During the Development Agreement's term, neither we nor our affiliates will grant a franchise for the operation of a FIX AUTO Shop to anyone else in the Development Area, except for any franchised FIX AUTO Shop in operation or under lease, construction, or other commitment to open in the Development Area as of the effective date of the Development Agreement, as long as you: (a) timely comply with the Development Schedule; and (b) are otherwise in material compliance with the terms and provisions of the Development Agreement. Except as expressly stated in the preceding sentence, we and our affiliates retain the absolute right to develop and operate, and license third parties to develop and operate, during and after the term of the Development Agreement, any business under any name, including FIX AUTO Shops, in any geographic area, including the Development Area, regardless of the proximity to or effect on the FIX AUTO Shops developed under the Development Agreement or otherwise operated by you and/or your affiliates. As an example, we may acquire or be acquired by another business, which business may open and operate, and franchise others to open and operate, businesses similar to FIX AUTO Shops using marks other than the Marks, without providing any rights or compensation to you. We and our affiliates may, and may authorize others to, engage in many business activities, and these business activities may compete with FIX AUTO Shops. After the Development Agreement terminates or expires, we and our affiliates may license others to establish and/or operate FIX AUTO Shops in the Development Area. If the Development Agreement terminates, however, you may complete and open a FIX AUTO Shop for which a franchise agreement has been fully signed and delivered to you prior to termination.

You may not develop or operate FIX AUTO Shops outside the Development Area. We may terminate the Development Agreement if you do not satisfy your development obligations according to the Development Schedule, or alternatively, (a) reduce the number of FIX AUTO Shops stated in the Development Schedule, (b) withhold evaluation or approval of site proposal packages for new FIX AUTO Shops, (c) extend the Development Schedule; and/or (d) without removing your obligation to maintain the Development Schedule, terminate any limited exclusive rights in the Development Area that you have under the Development Agreement. Except as described above, continuation of your territorial rights in the Development Area under the Development Agreement does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Development Area or your territorial rights.

## **Other Businesses**

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. We have no obligation to resolve any perceived conflicts that might arise.

## **Performance Standards**

A. **FIX AUTO System Standards.** We may choose, in our business judgment, to evaluate your Franchised Business for compliance with System standards using various methods (including inspections, field service visits, customer comments/surveys, and secret shopper reports).

B. **FIX AUTO Minimum Annual Sales Standard.** At any time, we may choose, in our business judgment, to compare your sales with the then-current “Minimum Annual Sales Standard” applicable to your Franchised Business prescribed by us periodically in the Operations Playbook or otherwise in writing. If you drop below the Minimum Annual Sales Standard, we can, at our election, terminate your Franchise Agreement following implementation of a correction process and your failure thereafter to achieve the Minimum Annual Sales Standard.

C. **FIX AUTO Performance Management Program.** We have created a Performance Management Program (“PMP”) that establishes clear performance guidelines, structured progressive support and remediation milestones that will be applied to franchisees. If you do not meet the minimum PMP performance guidelines, we will implement the PMP remediation steps. If you fail to meet the PMP performance guidelines within 60 days of receiving notification of non-compliance, we can, at our election suspend you from any Franchisor-managed insurance or other work-provider contracts and/or require you to attend additional training at your expense. If you fail to meet the PMP performance guidelines within 6 months of receiving notification of non-compliance, we can, at our election, terminate the Franchise Agreement.

D. **FIX AUTO Insurance Company Relationships Standards.** You must maintain a minimum of 1 approved shop insurance company performance agreement (or equivalent). If you do not maintain such an agreement or equivalent insurance company relationship, we can, at our



election, suspend you from a specific insurance company's flow of work or terminate your Franchise Agreement.

E. FIX AUTO Insurance Referrals Standards. You must maintain and provide to us a minimum of 3 positive insurance company references. If you do not maintain the minimum positive insurance company references, we can, at our election, suspend you from a specific insurance company's flow of work or terminate your Franchise Agreement.

F. FIX AUTO Training and Certification Standards. You must maintain I-CAR Gold Class Professional standard certification for your Franchised Business and are encouraged to support your technicians to achieve I-CAR Platinum Class certification. I-CAR, the Inter-Industry Conference on Auto Collision Repair, is an international, not-for-profit training organization. All I-CAR activities and resources focus on helping the industry achieve a high level of technical training. You must also maintain an ongoing service contract with an approved independent, third-party company that verifies a shop's overall ability to deliver high quality collision repairs consistently, such as Verifacts Automotive and Dekra, which are Approved Suppliers, or an existing OEM certification, such as Tesla, BMW, Subaru, and Honda, which manufacturers already have verifying qualifications. You will be fully responsible for the costs associated with these services.

G. We reserve the right to make reasonable revisions to elements of the Performance Standards on 6 months written advance notice to you.

H. We may (but are not required to) implement the correction process described below and in Section 13.5F of the Franchise Agreement if you fail to meet the Performance Standards.

I. Correction Process.

1) If we notify you of your failure to meet any Performance Standards, then you will have 6 months from our delivery of written notice to you to meet all applicable Standards.

2) We will reasonably cooperate with and assist you in your efforts to meet your performance requirements. Among other things, we can (a) require you and/or your manager to attend and successfully complete a re-training seminar at our then-current headquarters, with you to pay all related travel, meals, lodging and incidental expenses, or (b) send a trainer to your Approved Premises to present a re-training seminar, which you and your manager must successfully complete at your expense.

3) As part of the correction process, you agree to sign a probation report which clearly sets forth an admission by you of the problems identified, the remedial actions taken, and the consequences for repeated failure or defaults.


J. If within such 6-month period, your Franchised Business does not meet the Performance Standards, then we can reduce, eliminate or otherwise modify referrals made to you for work from insurance companies and/or reduce or eliminate your Territory or exclusivity.

K. The fact that any correction process may be ongoing will not prevent us from exercising, or limit or diminish in any way, any rights or remedies provided to us under the Franchise Agreement, at law or in equity, including any right to terminate your Franchise Agreement for another default under the Franchise Agreement or any other agreement we have with you.

### ITEM 13 TRADEMARKS

We grant you the right to operate a Franchised Business under the “FIX AUTO®” trademark and design and other trademarks, service marks, logos and commercial symbols we may authorize you to use (collectively, the “Marks”). Mondofix, Inc. (“Mondofix”) is the Canadian owner and licensor of the “FIX AUTO®” trademark and design in the United States. Mondofix granted Our Predecessor’s parent, 79411 USA, Inc., an exclusive license for the “FIX AUTO®” trademark and design in the United States under the terms of a certain License Agreement dated September 16, 1997, as amended and restated under the terms of a Second Amended and Restated License Agreement dated December 17, 2008 (as amended November 1, 2010) which was renewed on September 17, 2017 for a period of 10 years (the “License Agreement”). 79411 USA, Inc. granted Our Predecessor a license to use the “FIX AUTO®” trademark and design under the terms of a certain Licensing Agreement dated June 9, 2010 (the “FUSA Sublicense Agreement”). The FUSA Sublicense Agreement terminated on or about July 6, 2020 concurrently with the transfer and assignment of 79411 USA, Inc.’s rights under the License Agreement to us. As a result, we are now the licensee under the License Agreement. The License Agreement is renewable for 10-year terms, provided we have complied with the terms of the License Agreement.

The “FIX AUTO®” trademark and design below are registered on the Principal Register of the United States Patent and Trademark Office.

MARK	REGISTRATION NO.	REGISTRATION DATE
	2,233,448	March 23, 1999 (Renewed)
<b>FIX AUTO</b>	5,294,029	September 26, 2017

Mondofix may terminate the License Agreement under certain circumstances, including if we breach certain of our obligations, subject to any applicable cure periods, or experience certain bankruptcy or insolvency events. Upon any such termination, then existing FIX AUTO franchisees have the right to continue to use the “FIX AUTO®” trademark and design, provided they continue to comply with and perform our obligations under the License Agreement, and

subject to our other rights under the Franchise Agreement. In the event of certain breaches by us, Mondofix may convert the license from an exclusive license to a non-exclusive license, and Mondofix may thereafter use and sublicense the use of the “FIX AUTO<sup>®</sup>” trademark and design in the United States.

There are currently no material effective determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving the above-identified trademark. Except as described above, there are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you. There are no material infringing uses of which we are aware. All required affidavits have been filed.

You must notify us immediately of any apparent or actual infringement of or challenge to your use of any of the Marks or claims by any person of any rights in the Marks. You will not communicate with anyone other than us or our counsel regarding any such infringement, challenge or claim. We have the sole discretion to take action as we consider appropriate and to exclusively control any litigation or any other proceeding arising out of any infringement, challenge or claim or otherwise relating to the use of the Marks (including the right to direct any settlement of the claims). You must sign any documents, give any assistance, and do acts that our attorneys believe are necessary or advisable to protect and maintain our interests in any litigation or administrative proceeding.

You must follow our rules when you use the Marks. Failure to do so can (and probably will) result in termination, since protection of the Marks is of critical importance to us and all FIX AUTO franchisees. You will not use any Mark, or modified version or derivative of a Mark, or any other mark or form of commercial identification confusingly similar to the Marks or trade dress, as part of any business or trade name or in any other manner not expressly authorized by us in advance and in writing. Prior to adoption and/or use, any proposed corporate, partnership, limited liability company and/or trade name is subject to approval by us in our business judgment. You may not include any of the Marks, or the words “Fix” or Fix Auto” or “FIX AUTO” or any of their derivatives in your corporate name. You may and must use “FIX AUTO” in your fictitious business name; however, this name is subject to our approval. You will give trademark and other notices (including notices of independent ownership) as we direct and will, at your expense, obtain fictitious or assumed name registrations as may be required under law. You will display the Marks as we require and will not use the Marks so as to negatively affect the goodwill associated with the Marks, including Mondofix’s ownership in the “FIX AUTO<sup>®</sup>” trademark and design. You will not use any Mark in connection with the performance or sale of any unauthorized services or products or at any location other than your Franchised Business or in any other manner we do not expressly authorize.

You must not establish a website on the Internet using any domain name containing the words “FIX AUTO” or any variation of those words without our written consent. We retain the right to pre-approve your use of linking and framing among your web pages and all other websites. If we request, you will within 5 days dismantle any frames and links among your web pages and any other websites.

The Franchise Agreement grants you the non-exclusive right to use the Marks, subject to protection by applicable law, as expressly authorized by us. As the System evolves over time, the current logo, trade name and Marks may change. We reserve the right, in our sole judgment or upon the expiration or termination of the License Agreement (including in the event of our termination of the License Agreement on 30 days' written notice to Mondofix), to add to, delete, modify, substitute or discontinue the use of any or all of the Marks, including the "FIX AUTO<sup>®</sup>" trademark and design on a national or regional basis. Upon receipt of notice of any such change from us, you must, within 60 calendar days and at your expense, adopt and or cease using, as may be applicable, the Mark(s), including a new principal Mark(s) designated by us to identify your Franchised Business. We will have no liability or obligation whatsoever with respect to your change of any Mark. We will have no liability for any expenses or damages you incur as a result of a change in the use of any or all of the Marks.

We are not obligated under the Franchise Agreement to pay for the costs of your defense, or to indemnify you, in connection with any trademark proceeding or action.

The Development Agreement does not grant you any rights to use the Marks. You obtain the right to use the Marks only under a Franchise Agreement.

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

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we claim copyrights in certain forms, advertisements, promotional materials, software source code and other Confidential Information (defined below).

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

In general, our proprietary information includes "Confidential Information," some of which is contained in the Operations Playbook or other written directives we issue, and includes, among other things, all information (current and future) relating to the System, including, among other things, all: (a) manuals, specifications, standards, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of FIX AUTO Shops; (b) designs, specifications and information about products and services; (c) all information regarding suppliers; and (d) all information associated with customers of the FIX AUTO Shop you operate.

We disclose to you Confidential Information needed for the operation of a FIX AUTO franchise, and you may learn additional information during the term of your franchise. We and our parents and affiliates have all rights to the Confidential Information, and your only interest in the Confidential Information is the right to use it under your Franchise Agreement. Apart from

the above, Confidential Information will not include: (i) any information generally known or available to the public, or which becomes generally known or available to the public through no fault of yours; or (ii) any information generated by or relating to your Pre-existing Business or to any information, discovery or processes you develop in your Pre-existing Business either before or after the date of the Franchise Agreement.

You must use the Confidential Information only for the operation of your Franchised Business under a FIX AUTO Franchise Agreement; maintain the confidentiality of the Confidential Information during the term and thereafter; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and follow all our reasonably prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information. (Franchise Agreement, Section 10)

You must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business. You must comply with our instructions in responding to any data breach. We (and our designated affiliates) have the right, but no obligation, to control the direction and handling of any data breach and any related investigation, litigation, administrative proceeding or other proceeding at your expense.

We have the right to use any of your financial reports, performance reports or statements, or any information derived from such reports or statements, relating to the Franchised Business, for statistical purposes, such as in an operational performance representation, or for marketing the franchise system to insurers, fleet accounts or other entities, with or without your name.

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to a FIX AUTO Shop that you or your employees conceive or develop.

You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the franchise business that are conceived or developed by you and/or your employees. We will have a perpetual right to use, and to authorize others to use, those ideas, techniques and other similar information without compensation or other obligation.

The Development Agreement does not grant you any right to use our copyrighted materials but does grant you the right to use the Confidential Information, as described above.

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

A person who has successfully completed mandatory training, and meets our then-current standards, must personally supervise your Franchised Business on a full-time basis. If you are a business entity, we do not require your on-premises supervisor to have an equity interest in the franchise, but we strongly recommend full time on-site management by you. (Franchise Agreement, Section 4.11)

You are solely responsible for the hiring and management of your Franchised Business employees, for the terms of their employment and for ensuring their compliance with any training or other requirements we establish. You will keep us advised, in writing, of all supervisory or managerial personnel involved in the operation of your Franchised Business. (Franchise Agreement, Section 4.11)

You are not our agent, legal representative, joint venturer, partner, employee or servant. You will be an independent contractor and will always identify yourself to all persons and in all dealings of your Franchised Business as an independent owner under a FIX AUTO franchise. You must include notices of independent ownership on such forms, business cards, stationery, advertising, signs and other materials, as we require periodically. Subject to the requirements of your Franchise Agreement and the Operations Playbook, you will have complete operational control of your business, including the right to hire and fire each employee. (Franchise Agreement, Section 9.1)

You and your employees must comply with the confidentiality provisions described in Section 10 of the Franchise Agreement.

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and will operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including all government regulations relating to contractor licensing, occupational hazards and health, consumer protection, environmental protection, trade regulation, workers' compensation, unemployment insurance, vehicle registration and withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes.

You must operate your Franchised Business in full compliance with all applicable laws, ordinances and regulations. We make no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with your Franchised Business. It is your sole responsibility to identify and obtain all authorizations necessary to your operation. (Franchise Agreement, Sections 4.2 and 4.14)

If you are a business entity, concurrently with your signing the Franchise Agreement, all persons or legal entities owning a direct or indirect equity interest in you must sign a personal guaranty in our then-current form. Our current form of Personal Guaranty is attached as Exhibit 4.10(B)-2 to the Franchise Agreement.

If you sign the Development Agreement, prior to opening your first FIX AUTO Shop, you must hire and train a managing director (the "Managing Director"), who will be subject to our approval in our reasonable discretion. Your Managing Director must devote his or her full time and efforts to the management and/or supervision of FIX AUTO Shops within the Development Area.

If you are a business entity, each individual owner (direct and indirect) must sign a personal guaranty of your obligations under the Development Agreement. This "Guaranty and Assumption of Obligations" is attached to the Development Agreement as Exhibit 2.2(C). Your owners'

spouses are not required to personally guarantee your performance under the Development Agreement.

#### **ITEM 16      RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale and sell only and all those products and services that we authorize or require and have authorized. Failure to do so may result in the termination of your Franchise Agreement. You may not advertise, offer for sale or sell any products and/or services that we have not authorized. We reserve the right to change the types of authorized products and services at any time in our discretion, and there are no limits to our right to make these changes. You agree to undertake promptly all changes as we require periodically. You will not make any alterations to your Franchised Business or its appearance as originally approved by us without our prior written approval.

You must refrain from any merchandising, advertising or promotional practice which is unethical or may be injurious to our business and/or other FIX AUTO Shops or to the goodwill associated with the Marks. (Franchise Agreement, Section 5.2)

You may not use the Approved Premises for any purpose other than the operation of a FIX AUTO Shop. You must maintain high standards of honesty, integrity, fair dealing and ethical conduct in your business activities. You must notify us in writing within 5 days of the commencement of any proceeding and/or of the issuance of any governmental order or action impacting you and/or your Franchised Business. (Franchise Agreement, Section 4.14)

You will provide and honor a limited lifetime nationwide warranty of your and other FIX AUTO franchisees' workmanship for as long as the original customer or policyholder owns the vehicle (wear and tear excepted). You will provide a copy of this warranty to the vehicle owner. (Service Level Agreement, Section 7.0)

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**ITEM 17      RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION****THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>	<b>Section in Franchise or other Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Franchise Agreement: Section 1.3  Service Level Agreement: Section 2.1  Development Agreement: Section 2	Franchise Agreement: The initial term is 5 years from the date the Franchise Agreement is signed. See the Franchise Agreement for complete details.  Service Level Agreement: The term expires, unless earlier terminated, on the date on which all of the master service agreements between us and/or our affiliates and our various insurance carrier customers expire or are terminated.  Development Agreement: The Development Agreement expires on the earlier of the final opening deadline specified in the Development Schedule, or the date on which the last FIX AUTO Shop required to be developed under the Development Agreement opens for business.
b. Renewal or extension of term	Franchise Agreement: Section 1.4	Franchise Agreement: If you are current in all your obligations to us and meet the conditions for renewal, you can renew for up to 5 additional consecutive terms of 5 years each.  Development Agreement: There is no renewal or extension right under the Development Agreement.



<b>Provision</b>	<b>Section in Franchise or other Agreement</b>	<b>Summary</b>
c. Requirements for renewal or extension	Franchise Agreement: Section 1.4	You have complied with all of the Franchise Agreement provisions; you are not in default of the Franchise Agreement; you have substantially complied with our then-current qualification and training requirements; you have brought your Franchised Business into compliance with our then-current physical appearance requirements for new FIX AUTO Shops, generally; you have given us notice of renewal; you have signed our then-current form of franchise agreement; you have achieved your required sales quota; and you signed a general release in a form satisfactory to us (if state law allows). You must give us notice of your intent to renew between 6 and 12 months before the Franchise Agreement expires. We will give you notice of our intent not to renew along with specific reasons before your expiration. We charge a renewal processing fee of \$1,000 or, if you fail to renew in a timely manner, \$10,000. “Renewal” means signing our then-current franchise agreement, which may contain terms and conditions that are materially different from your original Franchise Agreement.
d. Termination by franchisee	Franchise Agreement: Section 13.8	You may terminate the Franchise Agreement for cause if you are in compliance, and we materially breach the Franchise Agreement and fail to cure within 30 days (90 days if we cannot reasonably cure within 30 days) of receiving your written notice (subject to state law).
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Franchise Agreement: Section 13  Service Level Agreement: Sections 2.3 – 2.6  Security Agreement: Section 7  Development Agreement: Section 8.2	We may terminate the Franchise Agreement, the Service Level Agreement, or the Development Agreement, as applicable, upon delivery of notice to you if you commit a default.  If you default under the Security Agreement, we have all rights, options and remedies available to us under the Uniform Commercial Code (as adopted under applicable state law), as well as any other rights, options and remedies available at law or in equity, and have the right to seek the appointment of a receiver over you, your business, and/or its assets.

Provision	Section in Franchise or other Agreement	Summary
g. "Cause" defined – curable defaults	<p>Franchise Agreement: Section 13.2</p> <p>Service Level Agreement: 2.3</p> <p>Security Agreement: Section 6</p> <p>Development Agreement: Sections 8.2 and 9</p>	<p>Franchise Agreement: The following constitute curable defaults: you fail or refuse to make payments due and do not cure within 10 business days; or fail to comply with any provision of the Franchise Agreement not mentioned in (h.) below or any mandatory specification and do not cure within 30 days (including failure to complete FIX AUTO Integration within 15 weeks of the effective date of the Franchise Agreement, unless you have requested an extension of that 15-week period in writing and been approved, and failure to comply with the requirements of any CMIP).</p> <p>Service Level Agreement: If you fail to perform any obligation under the Service Level Agreement other than those mentioned in (h.) below, and fail to cure the default within 30 days after written notice from us, we will have the right to terminate the Service Level Agreement or remove you from one or more insurance programs, as determined by us in our sole discretion.</p> <p>Security Agreement: Failure to perform or observe terms of Security Agreement and cure the default within 30 days after written notice from us.</p> <p>Development Agreement: You have 30 days to cure defaults not listed in (h.) below. Without waiving our option to terminate the Development Agreement, upon your failure to meet your development obligations under the Development Schedule, in lieu of termination, we may, (1) reduce the number of FIX AUTO Shops stated in the Development Schedule; (2) withhold evaluation or approval of site proposal packages for new FIX AUTO Shops; (3) extend the Development Schedule; and/or (4) terminate any limited exclusive rights in the Development Area that you may have under the Development Agreement, without removing your obligation to maintain the Development Schedule.</p>

Provision	Section in Franchise or other Agreement	Summary
h. "Cause" defined - non-curable defaults	<p>Franchise Agreement: Section 13.1</p> <p>Service Level Agreement: Sections 2.4 and 2.5</p> <p>Security Agreement: Section 6</p> <p>Development Agreement: Section 8.2</p>	<p>Franchise Agreement: The following events constitute non-curable defaults: failure to properly establish and equip the Approved Premises and vehicles; failure to complete training; make a material misrepresentation or omission in the application for the franchise; conviction or plea of no contest to a felony, or other crime or offense that can adversely affect the reputation of you, us or the Franchised Business; failure to meet Minimum Performance Standards following any corrective process implemented by us; misuse of the Operations Playbook or unauthorized disclosure of Confidential Information; abandonment of the business for 5 consecutive days unless otherwise approved; surrender of control of the business; unauthorized transfer; you are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; your misuse of the Marks; failure on 2 occasions within any 12 consecutive-month period to pay amounts due, or otherwise to comply with the Franchise Agreement; violate any health, safety or sanitation law or conduct your operation in a manner creating a safety hazard; violating the rights and restrictions of your Territory; or operating a competing business.</p> <p>Service Level Agreement: The following events constitute non-curable defaults: committing fraud of any kind; ceasing business; failure to comply with the carrier requirements or our requirements; lapse or revocation of any required license, permit, or certificate; bankruptcy or similar proceeding; default under and/or termination of any of your franchise agreements; or unauthorized transfer. With respect to the preceding non-curable defaults, except an unauthorized transfer, in lieu of termination, we may suspend the Service Level Agreement.</p> <p>Security Agreement: The following events constitute non-curable defaults: Failure to completely and timely meet your payment obligations under the Franchise Agreement, materially incorrect or misleading representations in Security Agreement, financial statement or other document, notice of bulk sale of your Franchised Business's assets, bankruptcy-related events, challenge validity or enforceability of Security</p>

Provision	Section in Franchise or other Agreement	Summary
		<p>Agreement or the perfection or priority of lien granted to us, or material adverse change in your financial condition or ability to make payments under the Franchise Agreement.</p> <p>Development Agreement: The following events constitute non-curable defaults: failure to sign purchase agreement, lease, or sublease for any FIX AUTO Shop by applicable secure deadline; failure to develop and open any FIX AUTO Shop by applicable opening deadline; failure to have open and operating at least the cumulative number of new FIX AUTO Shops in the Development Area then required by the Development Schedule; termination of any franchise agreement between you (or any of your affiliates) and us by us; insolvency; bankruptcy-related events; conviction of or pleading no contest to a felony, a crime involving moral turpitude, or any other crime or offense that is likely to affect adversely the reputation and goodwill associated with the FIX AUTO franchise system and the Marks; abandonment or failure to actively operate; violation of laws or regulations; unauthorized transfer; or violation of non-compete or confidentiality restrictions.</p>

Provision	Section in Franchise or other Agreement	Summary
i. Franchisee's obligation on termination/non-renewal	Franchise Agreement: Section 14  Development Agreement: Section 8.3	Franchise Agreement: Stop operations of the Franchised Business; stop using the Marks and items bearing the Marks; cancel all fictitious or assumed names or equivalent registrations relating to your use of any Marks; assign any assumed names to us; de-identify the Approved Premises from any confusingly similar decoration, design or other imitation of a FIX AUTO Shop; stop advertising as a FIX AUTO Shop; pay all sums owed; pay all damages and costs we incur in enforcing the termination of the Franchise Agreement; return all manuals and other Confidential Information to us; return all signs bearing the Marks to us; and assign your telephone and facsimile numbers, e-mail and Internet addresses to us (except those numbers and addresses owned by you prior to signing the Franchise Agreement).  Development Agreement: Cease using Confidential Information and return confidential materials to us.
j. Assignment of contract by franchisor	Franchise Agreement: Section 12.1  Development Agreement: Section 12	There are no restrictions on our right to assign except that, under the Franchise Agreement, assignee must expressly assume our obligations.
k. "Transfer" by franchisee definition	Franchise Agreement: Section 12.2  Service Level Agreement: Section 2.5  Development Agreement: Section 13	Franchise Agreement: Transfer of franchise, Franchise Agreement, you (if you are a business entity) (including any direct or indirect ownership interest in you), your Franchised Business, the business conducted at the Franchised Business or any ownership interest in, or assets of, any of them.  Service Level Agreement: Sale of all or substantially all of the assets of the Franchised Business or your assets; merger or any other business combination of you and another person or entity; or any investment in you by a competitor of ours or one of our affiliates.  Development Agreement: Includes transfer of any interest in the Development Agreement or transfer of any direct or indirect ownership in you.

Provision	Section in Franchise or other Agreement	Summary
l. Franchisor approval of transfer by franchisee	<p>Franchise Agreement: Section 12.2</p> <p>Service Level Agreement: Section 2.5</p> <p>Development Agreement: Section 13</p>	<p>Franchise Agreement: Except for transfers to a business entity or for estate planning purposes, we have the right to approve all transfers, but will not unreasonably delay or withhold approval. We may place reasonable conditions on our approval of any transfer.</p> <p>We will not consent to a transfer to a transferee if the transferee (or any of the transferee’s direct or indirect owners or affiliates) operates, has an ownership interest in, or performs services for a same or substantially similar business. If you terminate or attempt to terminate the Franchise Agreement to engage in a transfer that violates the preceding sentence, we will be entitled to injunctive relief prohibiting the transfer, which transfer will be void.</p> <p>Service Level Agreement: You must obtain our prior written consent with respect to transfers.</p> <p>Development Agreement: We have the right to approve all transfers.</p>
m. Conditions for franchisor approval of transfer	<p>Franchise Agreement: Section 12.3</p> <p>Development Agreement: Sections 13 and 14</p>	<p>Franchise Agreement: You must provide any prospective party to a transfer a copy of the Franchise Agreement before entering into any negotiations relating to a transfer; you must be in substantial compliance with all agreements, the Operations Playbook, all contracts with any party, and transferee must assume all obligations under these agreements; transferee must meet our then-current reasonable requirements and complete or agree to complete our training program for new franchisees; all sums due must be paid or assumed by the transferee; transferee and its owners and affiliates are not in a “same or substantially similar business” (defined in (q.) below); all undisputed obligations to third parties must be satisfied; the Franchised Business must be in substantial compliance with the Operations Playbook and standards and specifications for new FIX AUTO Shops; transferee must agree to be bound by all terms of the Franchise Agreement (including renewal options), or transferee may be required to sign a new franchise agreement with different terms and conditions; payment must be made of the then-current transfer fee; you must sign a general release</p>

Provision	Section in Franchise or other Agreement	Summary
		<p>in a form satisfactory to us (if state law allows); you must provide customer and warranty information to the transferee, and the transferee must agree to honor all valid warranties on work performed by you for a period of 24 months after the transfer; and you must agree not to compete with transferee.</p> <p>The transfer will occur through the use of an escrow or a closing attorney, as applicable, and the escrow or closing instructions will provide for (i) payments of all fees owed to us, including transfer fees, training fees and any other amounts; and (ii) a reasonable ‘hold back’ or retention in the amount of 2% of the Franchised Business’s annual Gross Sales for a period not to exceed 24 months, to provide for correction of defects in workmanship committed by you, or for payment to the transferee of warranted work performed by you.</p> <p>Different conditions apply to transfers to a business entity and to immediate family members (intra-family transfers).</p> <p>Development Agreement: You may only transfer the Development Agreement with a transfer of all FIX AUTO Shops that you (and, if applicable, your affiliates) own and operate.</p> <p>We will consent to the assignment of the Development Agreement to an entity that you form for convenience of ownership if the entity is newly formed; the entity has and will have no other business other than the development and operation of FIX AUTO Shops; you and the entity satisfy our then-current transfer conditions; you hold all equity interests in the entity or, if you are owned by multiple individuals, each owner’s proportionate equity interest in the entity is the same as his/her equity interest in you pre-transfer; and you and the entity comply with the developer entity requirements in the Development Agreement.</p>

Provision	Section in Franchise or other Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement: Section 12.5B	During the term of the Franchise Agreement and for the 6-month period following expiration or termination of the Franchise Agreement, we may match any third-party offer for the Franchised Business's assets, interest in you or interest in the franchise (as applicable). We may accept the offer within 90 days of our receipt of all required items if you receive the third-party offer during the term of the Franchise Agreement or during the 6-month period following expiration or termination of the Franchise Agreement and the proposed purchaser and its affiliates are not engaged in a same or substantially similar business or within 180 days of our receipt of all required information if you receive the third-party offer during the 6-month period following expiration or termination of the Franchise Agreement and the proposed purchaser and its affiliates are engaged in a same or substantially similar business. We may assign our right of first refusal.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement: Section 12.5A	If you initiate or attempt to initiate a transfer to a same or substantially similar business (including an independent operator) during the term of the Franchise Agreement, we will have the right for 90 days following our receipt of all required information to inform you that we intend to purchase the assets of the Franchised Business at fair market value, excluding any goodwill, and obtain an assignment of the lease or sublease for the Approved Premises, or purchase on substantially the same terms and conditions as your proposed transfer. If the parties are unable to agree on the fair market value of the assets, the purchase price will be determined by an independent appraiser we select. If you or a related individual or entity own the Approved Premises, we will have the option to enter into a lease with you for the Approved Premises. We may assign our purchase option.



Provision	Section in Franchise or other Agreement	Summary
p. Death or disability of franchisee	Franchise Agreement: Section 12.4	Interest in the Franchise Agreement, the franchise and/or the Franchisee will be transferred to a third party. A “permanent disability” occurs if you are not able to personally, actively participate in the management of your Franchised Business for 6 consecutive months. Any transfer will be completed within 6 months from the date of death or permanent disability. If no transfer occurs, the Franchise Agreement will automatically terminate at the end of the period, unless a written extension is granted by us in our business judgment.
q. Non-competition covenants during the term of the franchise	Franchise Agreement: Section 11  Development Agreement: Section 11	<p>You and your subsidiaries, affiliates, and owners may not have any direct or indirect interest anywhere in any same or substantially similar business to a FIX AUTO Shop, or in any entity awarding franchises or licenses or establishing joint ventures or other business enterprises for the operation of a same or substantially similar business without our prior written consent (subject to state law). “Same or substantially similar business” means a collision repair facility or body shop business but specifically excludes: (a) any automobile collision repair facility that you were already operating as of the date of the Franchise Agreement or Development Agreement (as applicable); and (b) any other automotive business franchised by Driven Brands Holdings or its subsidiaries.</p> <p>In addition, unless specifically authorized by us, you may not join, participate in, become a member, or otherwise be associated with any other collision repair network or affiliation, branded or unbranded, that provides services similar to those we provide, including participation in DRPs and supplier purchasing programs (subject to state law).</p>
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable

<b>Provision</b>	<b>Section in Franchise or other Agreement</b>	<b>Summary</b>
s. Modification of agreement	<p>Franchise Agreement: Sections 4.1 and 17B</p> <p>Service Level Agreement: Section 3.0</p> <p>Security Agreement: Section 9.1</p> <p>Development Agreement: Section 16</p>	<p>Franchise Agreement and Development Agreement: The applicable Agreement can be modified only by written agreement between us and you. Under the Franchise Agreement, we can modify or change the System through changes in the Operations Playbook.</p> <p>Service Level Agreement: We may modify, by providing you written notice, the list of our master service agreements with carriers and our requirements for participation in the insurance programs.</p> <p>Security Agreement: The Security Agreement can be waived, amended, terminated or discharged, and FUSA's security interest and liens can be released, only explicitly in a writing signed by FUSA, and, in the case of amendment, in a writing signed by you and FUSA.</p>
t. Integration/merger clause	<p>Franchise Agreement: Section 17B</p> <p>Development Agreement: Section 17</p>	<p>Only the terms of the applicable Agreement are binding (subject to state law) and, under the Franchise Agreement, may only be modified to the extent required by an appropriate court to make the Franchise Agreement enforceable. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the Disclosure Document we furnished to you.</p>
u. Dispute resolution by arbitration or mediation	<p>Franchise Agreement: Section 15.1</p> <p>Development Agreement: Section 21.1</p>	<p>Disputes/claims are first subject to a face-to-face meeting, and if unresolved, binding arbitration before a single arbitrator in the county where our then-current headquarters is located.</p> <p>Disputes/claims relating primarily to the validity of the Marks and/or any FIX AUTO intellectual property licensed to you, however, may be subjected to court proceedings, subject to certain conditions. Parties retain the right to seek injunctive relief. These provisions are subject to state law.</p>

Provision	Section in Franchise or other Agreement	Summary
v. Choice of forum	Franchise Agreement: Section 15.2  Security Agreement: Section 9.3  Development Agreement: Section 21.2	Any action must be brought in state or federal court in the jurisdiction where our then-current headquarters is located (subject to state law).
w. Choice of law	Franchise Agreement: Section 15.8  Security Agreement: Section 9.4  Development Agreement: Section 21.8	North Carolina law applies (subject to applicable state law).

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in **Exhibit G** to this Disclosure Document.

## **ITEM 18 PUBLIC FIGURES**

We do not currently use any public figure or personality to promote the franchise.

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

### **A. Gross Sales and Key Performance Indicators**

Part A of this financial performance representation reflects the historical average and historical median annual Gross Sales and certain key performance indicators (“KPIs”) for certain franchised FIX AUTO Shops from December 31, 2023 through December 28, 2024 (the “2024 Fiscal Year”). The purpose of this financial performance representation is to illustrate to conversion franchisees and other prospects knowledgeable in the automotive repair business

how FUSA and its relationship with Driven Brands has enabled operational efficiencies and sales growth for the whole FIX AUTO franchise network.

Of the 212 total FIX AUTO Shops open and operating as of the end of the 2024 Fiscal Year, we included the Gross Sales and KPI results of 170 FIX AUTO Shops and excluded the results of: (a) 18 FIX AUTO Shops that opened during the 2024 Fiscal Year; and (b) 24 FIX AUTO Shops that did not submit Gross Sales information for 1 or more months during the 2024 Fiscal Year. Also excluded are 8 FIX AUTO Shops that closed during the 2024 Fiscal Year (none of which operated for less than 12 months).

We separated the 170 FIX AUTO Shops included in Part A of this financial performance representation into the top performing 50% and bottom performing 50% based on average Gross Sales, with the top performing 50% reflecting the results of those FIX AUTO Shops with the highest average Gross Sales for the 2024 Fiscal Year, and the bottom performing 50% reflecting the results of those FIX AUTO Shops with the lowest average Gross Sales for the 2024 Fiscal Year. The 170 FIX AUTO Shops use the prototypical business format and operating procedures for a FIX AUTO Shop that form the basis of the franchise opportunity that we offer in this Disclosure Document. These FIX AUTO Shops operate in metropolitan and suburban locations within greater metropolitan areas of U.S. cities primarily in Midwestern and Western states. These FIX AUTO Shops had operated for an average of 7.5 years as of the end of the 2024 Fiscal Year.

<b>Gross Sales and KPIs</b>	<b>Bottom 50%</b>	<b>Top 50%</b>	<b>Median for all FIX AUTO Shops</b>	<b>Average for all FIX AUTO Shops</b>	<b>#/% Met/Exceeded Average</b>
FIX AUTO Shop Count	85	85	170	170	
Gross Sales	\$1,880,492	\$4,486,929	\$2,741,145	\$3,183,710	71 / 42%
PBAs	3.3	3.5	3.0	3.4	79 / 46%
DRPs	8.0	9.2	9.0	8.6	87 / 51%

<b>Gross Sales</b>	<b>Bottom 50%</b>	<b>Top 50%</b>
Lowest Gross Sales	\$257,127	\$2,750,482
Highest Gross Sales	\$2,731,809	\$22,191,912
Median Gross Sales	\$1,940,727	\$3,891,725
#/% Met/Exceeded Average	45 / 53%	26 / 31%

Footnotes to this Financial Performance Representation:

1. “PBAs” is the number of performance-based agreements, which are a type of DRPs that includes additional performance metrics in the contract with the insurer, requiring participating FIX AUTO Shops to achieve KPIs for the carrier’s customers and to maintain standard levels of support.
2. “DRPs” is the number of direct repair programs, which are FIX AUTO-managed insurance programs with third-party auto insurers in which FIX AUTO Shops can choose to participate.

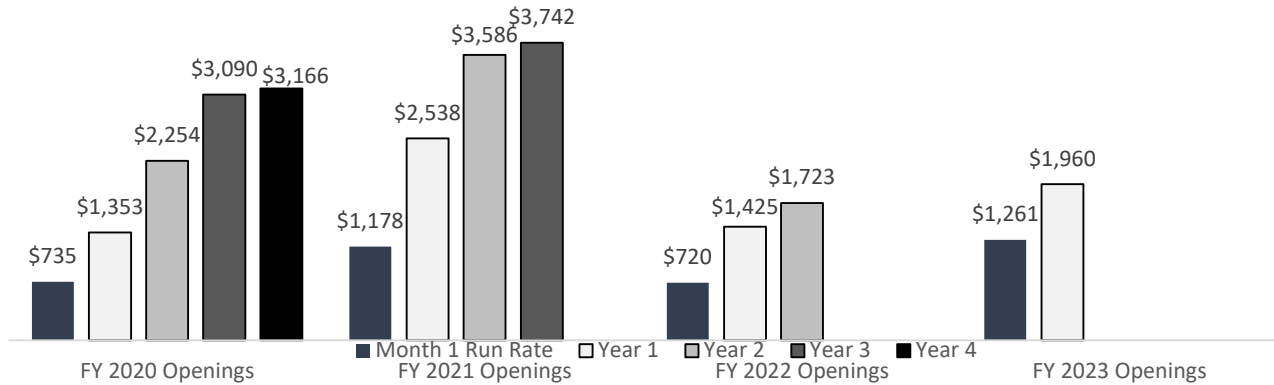
3. “Gross Sales” means all revenues (including the proceeds from any business interruption insurance, sublet labor and new and used replacement parts, direct labor and refinish material) derived, directly or indirectly, from all business conducted upon, from or in connection with the FIX AUTO Shop, whether these revenues are evidenced by check, cash, cash equivalent, credit, charge account, exchange or otherwise, and includes the amounts received from the sale of goods, wares and merchandise, tangible property of every kind and nature, promotional or otherwise, and for services performed at the FIX AUTO Shop. Gross Sales does not include the amount of any refunds, discounts, coupons or returns or any sales tax imposed by any federal, state or other governmental authority directly on sales and collected from customers, provided that the amount is added to the selling price or specifically absorbed within the price, and actually paid by the franchisee to the governmental authority. Each charge or sale upon installment or credit will be treated as a sale for the full price in the month during which the charge or sale was received. In addition, we may, periodically, permit or allow certain other items to be excluded from Gross Sales.

**B. Gross Sales Ramp**

Part B of this financial performance representation reflects the historical average and historical median Gross Sales ramps for 63 FIX AUTO Shops operated by franchisees that converted their existing repair businesses to FIX AUTO Shops within the FIX AUTO franchise network during the 4-year period from December 29, 2019 through December 30, 2023. There were 79 total new FIX AUTO Shops that joined the FIX AUTO franchise network during this period. We have excluded 16 FIX AUTO Shops from this financial performance representation, 10 of which did not submit Gross Sales information for one or more months during this period and through the end of the 2024 Fiscal Year, and 6 of which had operated for fewer than 12 months as of the end of the 2024 Fiscal Year. We did not include the results of any FIX AUTO Shops that opened during the 2024 Fiscal Year because they had not operated for one full year by December 28, 2024.

We separated the Gross Sales ramp results of the 63 FIX AUTO Shops included in Part B of this financial performance representation by the fiscal year in which they converted and opened for business as a FIX AUTO Shop within the FIX AUTO franchise network. In the charts and tables below: (a) “FY 2020 Openings” include the Gross Sales ramp for the first 4 years of operation for those FIX AUTO Shops that opened between December 29, 2019 through December 26, 2020 (the “2020 Fiscal Year”); (b) “FY 2021 Openings” include the Gross Sales ramp for the first 3 years of operation for those FIX AUTO Shops that opened between December 27, 2020 through December 25, 2021 (the “2021 Fiscal Year”); (c) “FY 2022 Openings” include the Gross Sales ramp for the first 2 years of operation for those FIX AUTO Shops that opened between December 26, 2021 through December 31, 2022 (the “2022 Fiscal Year”); and (d) “FY 2023 Openings” include the Gross Sales ramp for the first year of operation for those FIX AUTO Shops that opened between January 1, 2023 and December 30, 2023 (the “2023 Fiscal Year”).

## Annual Gross Sales Ramp (in thousands)



FY 2020 Openings	Month 1 Run Rate	Year 1	Year 2	Year 3	Year 4
FIX Auto Shop Count	18	18	17	16	13
Average Gross Sales	\$734,632	\$1,352,665	\$2,253,962	\$3,089,758	\$3,165,948
Highest Gross Sales	\$2,305,928	\$3,120,325	\$5,177,081	\$7,617,665	\$8,378,924
Lowest Gross Sales	\$31,864	\$309,717	\$837,753	\$1,133,495	\$1,145,443
Median Gross Sales	\$428,082	\$1,111,354	\$2,009,560	\$2,536,840	\$2,466,983
# Met/Exceeded Avg	6	8	7	6	5
% Met/Exceeded Avg	33.3%	44.4%	41.2%	37.5%	38.5%

FY 2021 Openings	Month 1 Run Rate	Year 1	Year 2	Year 3
FIX Auto Shop Count	20	20	20	18
Average Gross Sales	\$1,177,630	\$2,537,790	\$3,586,042	\$3,741,834
Highest Gross Sales	\$3,895,789	\$13,040,970	\$18,505,758	\$23,547,270
Lowest Gross Sales	\$19,580	\$497,600	\$856,463	\$670,328
Median Gross Sales	\$990,300	\$1,826,568	\$2,777,973	\$2,563,418
# Met/Exceeded Avg	7	6	7	4
% Met/Exceeded Avg	35.0%	30.0%	35.0%	22.2%

FY 2022 Openings	Month 1 Run Rate	Year 1	Year 2
FIX Auto Shop Count	11	11	7
Average Gross Sales	\$720,440	\$1,425,310	\$1,723,277
Highest Gross Sales	\$1,588,811	\$2,637,811	\$2,641,658
Lowest Gross Sales	\$46,822	\$885,037	\$1,002,556
Median Gross Sales	\$579,759	\$1,270,265	\$1,598,972
# Met/Exceeded Avg	4	5	3
% Met/Exceeded Avg	36.4%	45.5%	42.9%

FY 2023 Openings	Month 1 Run Rate	Year 1
FIX Auto Shop Count	14	14
Average Gross Sales	\$1,261,380	\$1,960,289
Highest Gross Sales	\$3,436,174	\$4,489,826
Lowest Gross Sales	\$175,059	\$336,309
Median Gross Sales	\$1,234,183	\$1,773,015
# Met/Exceeded Avg	7	6
% Met/Exceeded Avg	50.0%	42.9%

Footnotes to this Financial Performance Representation:

1. We have excluded the calendar month that each FIX AUTO Shop opened, since the number of days in that first month ranged from 1 day only to 30 days. The beginning and ending dates of “Year 1,” “Year 2,” “Year 3,” and “Year 4” in this financial performance representation differ for each FIX AUTO Shop because each FIX AUTO Shop opened for business on a different date.
2. “Month 1 Run Rate” is the product of the average first full month of Gross Sales reported by the FIX AUTO Shops in this analysis multiplied by 12 to arrive at a baseline estimate for the average annual Gross Sales each FIX AUTO Shop starts with when it joins the FIX AUTO franchise network.
3. There were 5 FIX AUTO Shops that opened during this period, were open and operating for at least 1 full year, and closed on or before December 28, 2024, which Shops submitted all their monthly Gross Sales information to us prior to their respective closing dates.
  - (a) Of these 5 FIX AUTO Shops, 3 opened during the 2020 Fiscal Year. All 3 FIX AUTO Shops were open for at least one full year, and we included their first year of Gross Sales results in “Year 1” in the “FY 2020 Openings” chart. One of the 3 FIX AUTO Shops operated for at least one full year, but less than 2 full years, and, as a result, its Gross Sales results for its second year of operation are not included in “Year 2” in the “FY 2020 Openings” chart. One of the 3 FIX AUTO Shops operated for at least 2 full years, but less than 3 full years, and, as a result, its Gross Sales results are not included in “Year 3” in the “FY 2020 Openings” chart. The remaining one FIX AUTO Shop operated for at least 3 full years, but less than 4 full years, and, as a result, its Gross Sales results are not included in “Year 4” in the “FY 2020 Openings” chart.
  - (b) Of these 5 FIX AUTO Shops, one opened during the 2021 Fiscal Year. The one FIX AUTO Shop operated for at least 3 full years (3.5 years) but subsequently closed before December 28, 2024; therefore, we included its Gross Sales results for its first, second, and third year of operation in “Year 1,” “Year 2,” and “Year 3” in the “FY 2021 Openings” chart.
  - (c) Of these 5 FIX AUTO Shops, none opened during the 2022 Fiscal Year.
  - (d) Of these 5 FIX AUTO Shops, one opened during the 2023 Fiscal Year. The one FIX AUTO Shop was open for at least one full year (1.4 years) but subsequently closed before December 28, 2024; therefore, we included its first year of Gross Sales results in “Year 1” in the “FY 2023 Openings” chart.
4. In the “FY 2020 Openings” chart, there were 2 FIX AUTO Shops that opened at the end of the 2020 Fiscal Year. As a result of their opening dates, timing of their Month 1 Run Rates and other negotiated changes to their franchise agreements, these FIX AUTO Shops did not have a full 12 months of Gross Sales information for their fourth year of operation by December 28, 2024. Therefore, the Gross Sales results of these 2 FIX AUTO Shops for their fourth year of operation are not included in “Year 4” in the “FY 2020 Openings” chart above.
5. In the “FY 2021 Openings” chart, there were 2 FIX AUTO Shops that opened at the end of the 2021 Fiscal Year. As a result of their opening dates, timing of their Month 1 Run Rates and other negotiated changes to their franchise agreements, these FIX AUTO Shops did not have a full 12 months of Gross Sales information for their third year of operation by December 28, 2024. Therefore, the Gross Sales results of these 2 FIX AUTO Shops for their third year of operation are not included in “Year 3” in the “FY 2021 Openings” chart above.

6. In the “FY 2022 Openings” chart, there were 4 FIX AUTO Shops that opened at the end of the 2022 Fiscal Year. As a result of their opening dates, timing of their Month 1 Run Rates and other negotiated changes to their franchise agreements, these FIX AUTO Shops did not have a full 12 months of Gross Sales information for their second year of operation by December 28, 2024. Therefore, the Gross Sales results of these 4 FIX AUTO Shops for their second year of operation are not included in “Year 2” in the “FY 2022 Openings” chart above.

\* \* \*

**Some FIX AUTO Shops have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**

We obtained the information above from Gross Sales reports and other reports we received from our franchisees. Written substantiation for the financial performance representation will be made available to you upon reasonable request.

The financial performance representations figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your FIX AUTO Shop. Franchisees or former franchisees, listed in this Disclosure Document, may be one source of this information.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Scott O’Melia, 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 or (704) 377-8855, the Federal Trade Commission, and the appropriate state regulatory agencies.

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## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

All numbers appearing in Tables 1 through 5 below for 2024, 2023, and 2022 are as of our fiscal year ends of December 28, 2024, December 30, 2023, and December 31, 2022, respectively. One of our affiliates operated 10 FIX AUTO Shops under franchise agreements with us before transferring them to one of our franchisees, effective January 2024; these FIX AUTO Shops are included, both before and after that transfer, as franchised outlets in Table 3 below.

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchise Outlets	2022	181	178	-3
	2023	178	202	+25
	2024	202	212	+10
Company Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	181	178	-3
	2023	178	202	+25
	2024	202	212	+10

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

State	Year	Number of Transfers
AZ	2022	1
	2023	0
	2024	0
CA	2022	1
	2023	4
	2024	15
IL	2022	1
	2023	0
	2024	0
NV	2022	0
	2023	2
	2024	0
OR	2022	0
	2023	4
	2024	0

State	Year	Number of Transfers
WA	2022	5
	2023	3
	2024	0
Totals	2022	8
	2023	13
	2024	15

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

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reason	Outlets at End of the Year
AK	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
AZ	2022	14	0	1	0	0	0	13
	2023	13	1	0	0	0	0	14
	2024	14	2	0	0	0	0	16
CA	2022	123	10	9	0	0	0	124
	2023	124	20	4	0	0	0	140
	2024	140	12	4	0	0	0	148
CO	2022	3	0	2	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
FL	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
ID	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
IL	2022	6	0	1	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
MN	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NV	2022	7	0	0	0	0	0	7
	2023	7	1	0	0	0	0	8
	2024	8	0	4	0	0	0	4

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reason	Outlets at End of the Year
OH	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
OK	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
OR	2022	7	0	1	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
PA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TX	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
UT	2022	3	1	0	0	0	0	4
	2023	4	2	0	0	0	0	6
	2024	6	1	0	0	0	0	7
WA	2022	14	0	1	0	0	0	13
	2023	13	0	0	0	0	0	13
	2024	13	1	0	0	0	0	14
Totals	2022	181	12	15	0	0	0	178
	2023	178	28	4	0	0	0	202
	2024	202	18	8	0	0	0	212

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

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

**Table No. 5**  
**Projected Openings as of December 28, 2024**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company - Owned Outlet in the Next Fiscal Year
CA	2	1	0
NV	2	1	0
Totals	4	2	0

A list of the names, addresses and telephone numbers of our current franchisees as of the issuance date of this Disclosure Document is attached as **Exhibit H**.

A list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or area development agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document, is attached as **Exhibit I**.

### **Confidentiality Clauses**

During the past 3 fiscal years, some franchisees have signed confidentiality agreements or clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the FIX AUTO franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

### **Trademark-Specific Franchisee Organizations**

There are no trademark-specific franchisee organizations.

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

## **ITEM 21 FINANCIAL STATEMENTS**

Attached as **Exhibit C** are the audited consolidated financial statements of Driven Systems, our parent company, and its subsidiaries for the fiscal years ended December 28, 2024, December 30, 2023, and December 31, 2022; and Driven Systems' unaudited balance sheet as of March 29, 2025, and its unaudited statements of income and cash flows for the 3-month period ended March 29, 2025. Driven Systems guarantees the performance of FUSA. A copy of the guarantee of Driven Systems is attached to this Disclosure Document as **Exhibit K**.

As reflected in Item 1, Driven Brands will be providing required support and services to franchisees under a management agreement with us. Attached as **Exhibit C** are the audited consolidated financial statements of Driven Brands and its subsidiaries for the fiscal years ended December 28, 2024, December 30, 2023, and December 31, 2022; and Driven Brands' unaudited balance sheet as of March 29, 2025, and its unaudited statements of income and cash flows for the 3-month period ended March 29, 2025. These financial statements are being provided for disclosure purposes only. Driven Brands is not a party to the Franchise Agreement or Development Agreement we sign with franchisees, nor does it guarantee our obligations under the Franchise Agreement or Development Agreement we sign with franchisees.

As noted in Item 1, Driven Brands and certain entities affiliated with Driven Brands have entered into several secured financing transactions in addition to the Secured Financing Transaction (and may enter into other securitization/financing transactions in the future). Certain indirect subsidiaries of Driven Brands, including FUSA, have, as of the closing date of the transactions or thereafter, guaranteed the indebtedness incurred in connection with these transactions. See the Footnotes to the financial statements in **Exhibit C** for more information about these transactions.

## **ITEM 22      CONTRACTS**

The following agreements are attached to this Disclosure Document:

### **Exhibit B** Franchise Agreement (with Exhibits)

Exhibit 1.1(A)	Approved Premises, Territory, Pre-Existing Businesses, Design and Appearance, and Initial Franchise Fee
Exhibit 2.3	List of Preferred Suppliers
Exhibit 2.12	Total Loss Processing Program Addendum
Exhibit 2.13	Call Center Program Addendum
Exhibit 2.15(A)	Electronic Funds Transfer Agreement
Exhibit 2.15(B)	Electronic Debit Authorization
Exhibit 2.17	Security Agreement
Exhibit 4.10(B)-1	Franchisee Ownership Information
Exhibit 4.10(B)-2	Guaranty, Indemnification and Acknowledgment
Exhibit 4.14	Service Level Agreement
Exhibit 6.1	FIX AUTO Claims Solutions ("FCS") Agreement
Exhibit 12.5	Items Franchisee is Required to Provide to Trigger Franchisor Option Period and/or Franchisor Evaluation Period Pursuant to Section 12.5 of the Franchise Agreement

### **Exhibit D** Statement of Prospective Franchisee

### **Exhibit F** General Release of All Claims

### **Exhibit G** State Riders to Franchise Agreement

### **Exhibit J** Area Development Agreement (with Exhibits)

Exhibit 2.1(A)	Development Area
Exhibit 2.1(B)	Development Information
Exhibit 2.2(B)	Developer Notice and Ownership Information
Exhibit 2.2(C)	Guaranty and Assumption of Obligations

## **ITEM 23      RECEIPTS**

Our and your copies of the Franchise Disclosure Document Receipt are located on the last 2 pages of this Disclosure Document.

**EXHIBIT A  
TO FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF STATE AGENTS FOR SERVICE OF PROCESS  
AND STATE ADMINISTRATORS**

## **STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

### **CALIFORNIA**

Commissioner of Department of Financial  
Protection & Innovation  
Department of Financial Protection &  
Innovation  
Toll Free: 1 (866) 275-2677  
www.dfpi.ca.gov  
Ask.DFPI@dfpi.ca.gov

#### ***Los Angeles***

Suite 750  
320 West 4<sup>th</sup> Street  
Los Angeles, California 90013-2344  
(213) 576-7500

#### ***Sacramento***

651 Bannon Street, Suite 300  
Sacramento, California 95811  
(866) 275-2677

#### ***San Diego***

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 525-4233

#### ***San Francisco***

One Sansome Street, Suite 600  
San Francisco, California 94104-4428  
(415) 972-8559

### **HAWAII**

(for service of process)

Commissioner of Securities  
Department of Commerce  
and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

(for other matters)

Commissioner of Securities  
Department of Commerce  
and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722

### **ILLINOIS**

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465



## **INDIANA**

(for service of process)

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

(state agency)

Indiana Secretary of State  
Securities Division  
Room E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

## **MARYLAND**

(for service of process)

Maryland Securities Commissioner  
at the Office of Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-6360

(state agency)

Office of the Attorney General-  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-6360

## **MICHIGAN**

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1st Floor  
525 West Ottawa Street  
Lansing, Michigan 48933  
(517) 335-7567

## **MINNESOTA**

Commissioner of Commerce  
Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1500

## **NEW YORK**

(for service of process)

Attention: New York Secretary of State  
New York Department of State  
One Commerce Plaza,  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, New York 12231-0001  
(518) 473-2492

(Administrator)

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005  
(212) 416-8236

## **NORTH DAKOTA**

(for service of process)

Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol, Fourteenth Floor, Dept. 414  
Bismarck, North Dakota 58505  
(701) 328-4712

(state agency)

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol, Fourteenth Floor, Dept. 414  
Bismarck, North Dakota 58505  
(701) 328-2910

## **OREGON**

Oregon Division of Financial Regulation  
350 Winter Street NE, Suite 410  
Salem, Oregon 97301  
(503) 378-4140

## **RHODE ISLAND**

Securities Division  
Department of Business Regulations  
1511 Pontiac Avenue  
John O. Pastore Complex-Building 69-1  
Cranston, Rhode Island 02920  
(401) 462-9500

## **SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

## **VIRGINIA**

(for service of process)

Clerk, State Corporation Commission  
1300 East Main Street  
First Floor  
Richmond, Virginia 23219  
(804) 371-9733

(for other matters)

State Corporation Commission  
Division of Securities and Retail Franchising  
Tyler Building, 9th Floor  
1300 East Main Street  
Richmond, Virginia 23219  
(804) 371-9051

## **WASHINGTON**

(for service of process)

Director Department of Financial Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, Washington 98501  
(362) 902-8760

(for other matters)

Department of Financial Institutions  
Securities Division  
P. O. Box 41200  
Olympia, Washington 98504-1200  
(362) 902-8760

## **WISCONSIN**

(for service of process)

Administrator, Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-2139

(state administrator)

Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-9555

**EXHIBIT B  
TO FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT AND EXHIBITS**

**FUSA FRANCHISOR SPV LLC**  
**FRANCHISE AGREEMENT AND RELATED EXHIBITS**

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## FIX AUTO FRANCHISE AGREEMENT

Effective Date: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

Franchisor: **FUSA Franchisor SPV LLC**, a Delaware limited liability company

Franchisee: \_\_\_\_\_

Approved Premises: \_\_\_\_\_

### RECITALS

A. Franchisor and its predecessors have expended time, effort and money to develop a distinctive concept and operating system for the establishment and operation of a network of businesses specializing in auto body repair work and offering complete after-collision services (the “**System**”).

B. Mondofix, Inc., a Canadian corporation (“**Licensor**”), is the owner of the right, title, and interest together with all the goodwill connected thereto in and to the trade names, including, but not limited to, the name “**FIX AUTO**”, service marks, trademarks, logos, and other commercial symbols, as are now designated (and may hereinafter be designated by Franchisor in writing) as part of the System (collectively, the “**Marks**”).

C. Licensor has granted Franchisor (and in the past Franchisor’s predecessor) an exclusive right and license in the United States to use the Marks in connection with the System pursuant to that Second Amended and Restated License Agreement dated December 17, 2008, as amended November 1, 2010, which was renewed on September 17, 2017.

D. In addition to the Marks, the System includes certain standards with respect to the nature and quality of the automobile collision repair facilities (the “**FIX AUTO Shops**”) and the related services, including, without limitation, a FIX AUTO confidential operational manual (the “**Operations Playbook**”), technical assistance in the development of FIX AUTO Shops and their on-going success based on defined and uniform specifications with respect to layouts, equipment, supply, personnel recruiting, hiring and training, marketing and advertising, record keeping and reporting, unique customer follow-up and quality control programs, and other distinctive elements, all of which may be changed, improved and further developed by Franchisor from time to time.

E. Franchisee understands the importance to Franchisor of maintaining high and uniform standards of quality and service and the necessity of ensuring that the development and operation of the FIX AUTO Shops conform with the System and Franchisor’s standards and specifications.

F. Franchisor understands, in most instances, Franchisee is already operating an automobile collision repair facility (the “**Pre-existing Business**”) and, to the extent the standards currently employed by Franchisee meet or exceed the standards proposed by Franchisor, Franchisee will not be required to alter its pre-existing methods and standards.

G. Franchisee, being fully informed of the above and after discussions with Franchisor over the terms and conditions of the contractual relationship contemplated by this Agreement,

wishes to obtain a license to use the System in the development and operation of a FIX AUTO Shop at the location specified in this Agreement (the “**Franchised Business**”).

**NOW, THEREFORE**, in consideration of the foregoing, the fees and other sums payable by Franchisee and of the mutual covenants contained in this Agreement, the parties agree as follows:

## **1. LICENSE: SCOPE AND TERM**

### **1.1 Premises and Territory**

A. Franchisor grants to Franchisee a non-exclusive license, subject to the terms and conditions hereof, for the Term (as defined in Section 1.4) of this Agreement to use the System and the Marks, and such other marks as Franchisor may authorize from time to time in the operation of a FIX AUTO Shop located at the Approved Premises described on Page 1, and as more fully described in Exhibit 1.1A attached hereto (the “**Approved Premises**”). Franchisor agrees that, so long as Franchisee is in Good Standing (as defined in Section 4.17), neither it nor its affiliates will establish or operate, or authorize another FIX AUTO franchisee to establish or operate, a FIX AUTO Shop using the System or Marks within a one (1)-mile radius from the Approved Premises (as measured in a straight line—as the crow flies—from the exterior walls of the Approved Premises) (the “**Territory**”). Franchisee will not receive an exclusive territory. During the Term of this Agreement, the Approved Premises shall be used solely for the operation and promotion of the Franchised Business.

B. Franchisor and Franchisee’s rights in the Territory are exactly (and only) as expressly set forth in this Section 1.1. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control or impose conditions on the location, operation or otherwise of present or future FIX AUTO (or any other brand) Shops or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to the Approved Premises and whether or not they provide goods or services to customers within the Territory. Franchisee does not have any rights with respect to other and/or related businesses, products and/or services, in which Franchisor or any of Franchisor’s affiliates may be involved, now or in the future.

C. Franchisor and its parents and affiliates expressly reserve all other rights, and can (along with anyone Franchisor designates):

(1) open, own and/or operate any kind of business:

(i) in the Territory (including any competing business), except for a FIX AUTO Shop, so long as Franchisee meets the minimum performance standards (“**Performance Standards**”) (as set forth in Section 13.5 of this Agreement) and complies with all other provisions in this Agreement; and

(ii) outside the Territory, including, without limitation, FIX AUTO Shops;

(2) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere, including any competing concept in the Territory; and

(3) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. Such transactions may include (but are not limited to) arrangements involving existing or future competing outlets and brand conversions (to or from the Marks and System). Franchisee may be responsible for reasonable conversion



costs associated with its external signage. Franchisee will have a reasonable time in which to make this conversion.

D. Except as set forth in Section 1.1A, Franchisor may sell products and services to customers located anywhere (including within the Territory), even if such products and services are similar to what Franchisor offers to a FIX AUTO franchisee, except that Franchisor will not license another individual or Entity (as defined in Section 4.10) to operate a FIX AUTO Shop in the Territory. This means that, among other things, Franchisor may contract with and sell services to other collision repair businesses in Franchisee's Territory, or Franchisor's affiliates may do so.

E. Except as set forth in this Agreement or in Section 1.1A, this license is non-exclusive, is for the Approved Premises and Territory only, and does not in any way grant to, or confer upon, Franchisee any proprietary rights or goodwill rights to the Marks or to any country, province, state, area, market or territory. Franchisee may face competition from other FIX AUTO franchisees located outside the Territory, and from pre-existing businesses inside the Territory, or from shops owned by Franchisor or from other channels of distribution or competitive brands controlled by Franchisor.

F. Franchisor may develop, establish or acquire other franchise systems for the same, similar or different services and may grant licenses thereto, without providing Franchisee any right therein.

G. Franchisee must not conduct a FIX AUTO Shop, use the Marks and/or System, from any location other than the Approved Premises, or for any other purpose (other than Franchisee's Pre-existing Business) except as approved by Franchisor in writing, which approval shall not unreasonably be withheld or delayed, or as described in Exhibit 1.1A hereto. Franchisee must not conduct any activities from the Approved Premises other than the operation of the Franchised Business. Franchisee will not engage in any other business or activity that may conflict with its obligations under this Agreement, unless given Franchisor's prior written approval, which approval will not be unreasonably withheld or delayed.

## **1.2 Site Selection**

Before entering into this Agreement: (a) Franchisee acquired or leased, at its expense, the Approved Premises pursuant to the terms of a lease, sublease, or purchase agreement for the Approved Premises (a "**Location Agreement**") that Franchisee provided to Franchisor for Franchisor's review and acceptance prior to its execution and that Franchisor accepted, subject, if applicable, to certain written modifications to the Location Agreement required by Franchisor; (b) Franchisee provided Franchisor a fully executed copy of the Location Agreement; and (c) Franchisor and Franchisee mutually agreed upon any improvements that must be made to the Approved Premises. Acceptance by Franchisor of any site is not a recommendation, approval or endorsement of such site. Factors Franchisor considers in approving a site include demographics, accessibility, suitability, competing facilities and other factors. Franchisor makes no representations or warranties as to the success of any site, the fairness of the Location Agreement, or Franchisee's ability to comply with the terms of the Location Agreement. Neither Franchisor, nor any of its affiliates, will have any liability for any site-related matter or due to Franchisor's review and acceptance of the Location Agreement. Franchisee agrees not to make any claims against Franchisor or any of its affiliates with specific regard to the Approved Premises or the Location Agreement. If, during the Term of this Agreement, Franchisee enters into a new Location Agreement for the Approved Premises, Franchisee must provide Franchisor for Franchisor's review and acceptance a copy of the proposed new Location Agreement in accordance with this Section 1.2.

### **1.3     Initial Term**

The initial term of this Agreement (the “**Initial Term**”) is for five (5) years commencing on the Effective Date of this Agreement. Franchisee agrees to operate the FIX AUTO Shop for the entire Initial Term of this Agreement, unless Franchisee receives Franchisor’s prior written approval to transfer its interest in the franchise pursuant to Section 12 of this Agreement, or unless the Location Agreement for the Approved Premises is terminated at no fault of Franchisee and Franchisee cannot find an alternative location to operate the franchise that is acceptable to Franchisor.

### **1.4     Renewal; Terms and Conditions**

A. Franchisee may, at its option, renew this franchise for five (5) additional consecutive five (5)-year terms (each, a “**Renewal Term**” and, collectively with the Initial Term, the “**Term**” of this Agreement), provided that:

(1) Franchisee has given Franchisor written notice of its decision to renew not less than six (6) months nor more than twelve (12) months before the expiration of the then-current term;

(2) Franchisee must pay all past due amounts under this Agreement and any other agreements between Franchisee and Franchisor or its affiliates;

(3) Franchisee is not in default of any term or condition of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates on the date of Franchisee’s notice of renewal and the effective date of renewal, and has substantially complied with all the terms and conditions of this Agreement and of all other agreements between Franchisee and Franchisor or any of its affiliates, throughout the then-current term, including meeting Franchisor’s minimum Performance Standards as set forth in Section 13.5 of this Agreement;

(4) Franchisee executes upon renewal Franchisor’s then-current form of franchise agreement, which agreement shall supersede in all respects this Agreement, and the terms of which may differ materially from the terms of this Agreement in financial and other ways and terms;

(5) Franchisee and Owners (as defined in Section 4.10(B)) execute a general release in a form and substance satisfactory to Franchisor, releasing any and all claims against Franchisor and its affiliates, officers, directors, employees and agents;

(6) Franchisee has, at its expense, made such reasonable capital expenditures necessary to remodel, modernize and redecorate the Approved Premises of the Franchised Business and to replace and modernize the furniture, fixtures, supplies and equipment used in Franchisee’s business so that Franchisee’s business reflects the then-current physical appearance of new FIX AUTO Shops generally;

(7) Franchisee has, at its expense, substantially complied with Franchisor’s then-current qualification and training requirements as Franchisor reasonably requires;

(8) Franchisee has paid a renewal processing fee of One Thousand Dollars (\$1,000) to Franchisor at least thirty (30) days before the then-current term expires to compensate Franchisor for direct and indirect costs and expenses associated with the renewal; and

(9) Franchisee is able to secure a renewal or extension of the Location Agreement (if applicable) for the Approved Premises.

B. Due to the nature of Franchisor's preferred programs, if Franchisee has not provided written notice within the specified time of its intent to exercise its right to renew, Franchisor, following five (5) days prior written notice to Franchisee, may notify its vendors and insurance partners of the possibility of nonrenewal by Franchisee. Franchisee's continued participation in those programs will be at the discretion of the vendors and insurance partners.

**This Agreement does not automatically renew, nor is any successor franchise automatically awarded.**

### **1.5 Franchisor's Refusal to Renew Franchise**

Franchisor may refuse to renew the franchise if Franchisee is in default under this Agreement, or any other agreement with Franchisor or an affiliate of Franchisor, or if Franchisee fails to satisfy any of the foregoing conditions. Subject to the above, Franchisor will not unreasonably deny renewal of this Franchise.

### **1.6 Notice of Expiration Required by Law**

If applicable law requires that Franchisor give a longer period of notice to Franchisee than herein provided prior to the expiration of the Initial Term or any additional Renewal Term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement shall remain in effect on a month-to-month basis until Franchisee has received such required notice. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or Franchise Disclosure Document, or is not lawfully able to offer Franchisee its then-current form of franchise agreement, at the time Franchisee delivers to Franchisor a notice to renew under the terms of this Agreement, then Franchisor may, in its reasonable discretion: (i) offer to renew this Agreement upon the same terms set forth herein or (ii) offer to extend the current term on a week-to-week basis following the expiration of the Term for as long as Franchisor deems it necessary or appropriate so that Franchisor may lawfully offer Franchisee its then-current form of franchise agreement.

### **1.7 Holdover**

If Franchisee does not timely renew this franchise in accordance with Section 1.4, above, and Franchisor permits Franchisee to continue after the franchise and/or Term would otherwise end pursuant to this Agreement, then (but without prejudice to any of Franchisor's other rights or remedies):

- (a) Franchisee must continue to operate the Franchised Business on a monthly basis;
- (b) Franchisee shall operate the Franchised Business on the same terms and conditions as are contained in this Agreement so far as such terms would be applicable to a monthly license;
- (c) Franchisor may increase the monthly Base Fee by fifty percent (50%);
- (d) the monthly license may be terminated by either party by giving the other party thirty (30) days' advance written notice, which such monthly license shall terminate as of the close of business on the thirtieth (30<sup>th</sup>) day of such notice period; and
- (e) if Franchisee elects to renew the franchise for another term, the renewal processing fee will be increased to Ten Thousand Dollars (\$10,000).

## **1.8     Relocation**

Except in cases when Franchisee is in default of its Location Agreement, if the Approved Premises are lost through condemnation, loss of lease, fire or other casualty, Franchisee may identify a new location within the same Territory in which the Franchised Business was located, subject to consent of Franchisor. Franchisee must apply for Franchisor's consent to relocate to the new location for the Franchised Business and execute a general release in favor of Franchisor, both in the form prescribed by Franchisor. Franchisor will consent to or reject Franchisee's relocation application in accordance with its then-current relocation and closure policy. If the Franchised Business is temporarily closed pending relocation, Franchisee may not assign any interest in the franchise to another party or Entity until such time as the Franchised Business is once again in operation, as determined by Franchisor. Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee for any costs incurred by Franchisor, and a reasonable fee for its services, in connection with any such relocation. Upon relocating, Franchisee must de-identify the former location. If Franchisee fails to de-identify the former location, Franchisee must reimburse and indemnify and hold Franchisor harmless from all costs and expenses, including attorneys' fees, arising out of Franchisee's failure to de-identify the former location.

## **2.     FEES, METHODS OF PAYMENT AND INTEREST**

### **2.1     Initial Franchise Fee**

In consideration of the granting of this license, Franchisee shall pay to Franchisor, on or before the execution of this Agreement, a franchise fee (the "**Initial Franchise Fee**") in the amount of Ten Thousand Dollars (\$10,000). The Initial Franchise Fee is fully earned by Franchisor upon the execution and delivery of this Agreement and is non-refundable. In Franchisor's sole discretion, Franchisor may waive or decrease the Initial Franchise Fee for special programs or certain situations.

### **2.2     Integration Fee**

Franchisee agrees to pay Franchisor an integration fee (the "**Integration Fee**") in the sum of Ten Thousand Dollars (\$10,000) upon the Effective Date in connection with FIX AUTO Integration (as defined in Section 3.2), provided that, if Franchisee is an existing FIX AUTO franchisee and Franchisor is granting Franchisee a franchise for an additional FIX AUTO Shop pursuant to this Agreement, Franchisee will not be required to pay Franchisor the Integration Fee. The Integration Fee is fully earned by Franchisor upon the execution and delivery of this Agreement and is non-refundable.

### **2.3     Base Fee (Minimum Monthly Fee)**

Franchisee will pay Franchisor a monthly fee ("**Base Fee**") in an amount equal to three percent (3%) of the monthly Gross Sales of the Franchised Business (as further defined in Section 2.14). Monthly Gross Sales will be calculated on a monthly basis, looking back at the prior month.

Franchisee must pay a minimum Base Fee of Two Thousand Dollars (\$2,000) per month. Provided that Franchisee uses one of Franchisor's Preferred Suppliers (defined below) of paint, Franchisee will not be required to pay more than the maximum Base Fee, which is currently Seven Thousand Five Hundred Dollars (\$7,500) per month. Franchisor reserves the right to increase the Base Fee annually; however, such increase shall not exceed five percent (5%) in any given year. Franchisor shall provide Franchisee with thirty (30) days written notice of any increase in the Base Fee.

If Franchisee is in and remains in Good Standing, the Base Fee will be discounted according to Franchisee's use of certain preferred suppliers ("**Preferred Suppliers**"). A current list of

Preferred Suppliers and the products for which they are Preferred Suppliers is set forth in Exhibit 2.3 hereto. If Franchisee uses one of the Preferred Suppliers of paint, Franchisee will receive a 0.45% discount on the Base Fee, resulting in a Base Fee of 2.55%. Franchisee will receive an additional 0.225% discount on the Base Fee for each additional Preferred Supplier that Franchisee uses. Accordingly, if Franchisee uses one of the Preferred Suppliers of paint and two (2) other Preferred Suppliers, Franchisee will receive a discount of 0.9%, resulting in a Base Fee of 2.1% of Franchisee's monthly Gross Sales. Franchisee's actual supplier discount will be calculated monthly based on the number of Preferred Suppliers used by Franchisee.

If Franchisee is and remains in Good Standing and also purchases paint from one of Franchisor's Preferred Suppliers of paint, the Base Fee will also be discounted according to Franchisee's results and ranking under Franchisor's Performance Management Program. If Franchisee meets or exceeds Franchisor's Performance Standards on a quarterly basis, Franchisee will receive an additional 0.1875% discount. In order to be eligible for a discount under the Performance Management Program, Franchisee must be using one of Franchisor's Preferred Suppliers of paint. Notwithstanding anything to the contrary in this Section 2.3, Franchisee will not receive any discount on the Base Fee if Franchisee purchases from any Preferred Supplier of paint any of the following brands of paint: value brand paint products, including, but not limited to, Duxone, Nason XL, Montana Big Sky, Challenger, and/or Metalux.

Franchisor also has approved certain other suppliers that sell or lease goods, services, supplies, fixtures, equipment, and/or inventory to the System ("**Approved Suppliers**"), which Approved Suppliers may include Franchisor and/or Franchisor's affiliates. Unaffiliated third-party Approved Suppliers provide group discounts directly to FIX AUTO franchisees. The Preferred Suppliers and unaffiliated third-party Approved Suppliers also pay Franchisor a fee, based on goods and services purchased or leased by Franchisee, in return for access to the System. Franchisee recognizes that Franchisor generates revenue, above and beyond royalties, brand and other fees, from these Preferred Supplier and Approved Supplier relationships. This anticipated revenue stream from Preferred Suppliers and Approved Suppliers is part of Franchisor's economic model and is factored into the services it provides, and the other royalties and fees that it may charge Franchisee. Franchisee may, in good faith, choose to use, or not use, a Preferred Supplier. If Franchisee does not use a Preferred Supplier, it must use an Approved Supplier or a supplier designated by Franchisor pursuant to Section 4.2, if Franchisor has identified such a supplier for the particular product or service. Franchisor may designate the manner or method in which purchases are made by Franchisee through Preferred Suppliers, Approved Suppliers, and/or designated suppliers. Franchisor may periodically modify the Preferred Supplier list and Approved Supplier list by providing written notice to Franchisee (through the Operations Playbook or otherwise).

## **2.4 Growth Fee**

On a quarterly basis, Franchisee will pay Franchisor a "**Growth Fee.**" The Growth Fee will be calculated by comparing the difference between Franchisee's Gross Sales in a particular quarter versus the Quarterly Base Volume. If Franchisee's quarterly Gross Sales are greater than the Quarterly Base Volume, Franchisor will assess a Growth Fee of three percent (3%) on the growth amount. If Franchisee's Gross Sales do not increase in the current year's quarter versus the Quarterly Base Volume, then Franchisee will not be required to pay a Growth Fee for that particular quarter. Franchisor may, but is not obligated to, offer a discount on the Growth Fee to Franchisee if Franchisee owns multiple FIX AUTO Shops.

For purposes of this Section 2.4:

(a) "**Quarterly Base Volume**" means the amount equal to the Annual Base Volume (as hereafter defined) divided by four (4). The Quarterly Base Volume is set forth on Exhibit 1.1A.

(b) “**Annual Base Volume**” means the average annual Gross Sales of the Franchised Business during the one (1)-year period immediately preceding the Effective Date of this Agreement, as calculated by Franchisor. If the Franchised Business has operated for less than one (1) year as of the Effective Date, Franchisor shall calculate the Franchised Business’s Annual Base Volume by annualizing the average monthly Gross Sales of the Franchised Business from the Franchised Business’s opening date to the Effective Date of this Agreement. Franchisee must provide Franchisor all financial statements and/or other information that Franchisor reasonably requests to verify the Franchised Business’s Gross Sales during the one (1)-year period prior to the Effective Date.

## **2.5     Advertising Fee**

Each month during the Term, Franchisee will pay to Franchisor an “**Advertising Fee**” in an amount equal to three quarters of one percent (0.75%) of Franchisee’s Gross Sales, which amount will not exceed Nine Hundred Fifty Dollars (\$950) per month, unless a majority of franchisees in a DMA agree to a higher amount. This fee covers the Advertising Program for Franchisee’s DMA. (See Section 6.2 in this Agreement for additional information concerning the Advertising Fee.)

## **2.6     Central Review Fee**

Each month during the Term, Franchisee will pay to Franchisor its then-current “**Central Review Fee**” equal to a percentage of Franchisee’s Gross Sales generated by Corporately Managed Insurance Programs (defined in Section 4.14). The Central Review Fee is applied towards the costs of Franchisor’s central review program, including the cost of managing and administering Corporately Managed Insurance Programs, and negotiating and administering contracts, with auto insurance companies and other third parties, and may be applied to additional insurance programs that mandate Franchisor’s central review oversight. Franchisor may increase the amount of the Central Review Fee at any time during the Term by providing Franchisee thirty (30) days’ prior written notice.

## **2.7     Additional Marketing Campaigns**

From time to time, Franchisee’s region may elect by a majority vote of franchisees within the region to conduct additional advertising not previously included in the region’s marketing budget. Franchisee will be responsible for its share of these funds which will be added to Franchisee’s monthly invoice issued by Franchisor (as described in Section 2.15); provided, however, that Franchisee’s annual share of such advertising shall not exceed Ten Thousand Dollars (\$10,000) without either a majority vote of the franchisees within the region or the prior written consent of Franchisee.

## **2.8     Training Fee**

For a flat fee of Two Hundred Ninety-Nine Dollars (\$299) per year (subject to change upon thirty (30) days’ prior written notice), Franchisee is provided access to web-based training on Franchisor’s intranet (Collision University). This fee, which includes annual license fees and content development, is payable to Franchisor and is non-refundable. It is payable in a lump sum on January 15th each year. Franchisee’s first training fee is prorated and will be due on the fifteenth (15<sup>th</sup>) day of the fourth (4<sup>th</sup>) month following the Effective Date of this Agreement. Specific instructor-led courses may be made available periodically at a per course fee. This fee is payable to Franchisor and is non-refundable.

## **2.9     Non-reporting Fee**

Franchisor has the right to assess Franchisee a fee of Seven Hundred Fifty Dollars (\$750) per month each time Franchisee fails to submit any of the reports required by Franchisor when due. This

fee shall be in addition to any other fee set forth in this Section 2. Franchisee will receive written notification that a required report is past due. If Franchisee does not submit the required report by the end of the third (3<sup>rd</sup>) business day after Franchisor provides Franchisee with written notification, Franchisor will assess a non-refundable non-reporting fee of Seven Hundred Fifty Dollars (\$750) against Franchisee for each month the required report is not submitted.

#### **2.10 Software Fees**

Franchisee must select and purchase a management system for the Franchised Business only from a designated supplier. Franchisee shall pay such supplier the applicable installation and training fees in connection with the initial set-up and installation of the management system that Franchisee purchases for the Franchised Business. Franchisee also agrees to pay the supplier any monthly or other recurring fees for mandatory or optional support, assistance, or other programs or services provided to Franchisee in connection with such management system, as set forth in Franchisor's then-current Franchise Disclosure Document, the Operations Playbook or otherwise in writing by Franchisor. Franchisee must submit payment of the management system fees imposed by the supplier to Franchisor, if Franchisor collects these fees on the supplier's behalf. Franchisee acknowledges and agrees that the installation and training fees and monthly or other recurring fees payable in connection with the management system for the Franchised Business may be due and payable to the supplier (or Franchisor, as applicable) beginning ninety (90) days prior to the Franchised Business's opening date.

#### **2.11 fixautousa.com Fee**

Franchisee and certain Franchised Business employees are assigned e-mail addresses at Franchisor's fixautousa.com domain, and Franchisee must pay Franchisor its then-current e-mail address fees. To maintain uniformity of the naming convention, Franchisee may not modify/change the accounts Franchisor provides. Franchisor will communicate with Franchisee by e-mail only through the e-mail address Franchisor provides to Franchisee on the fixautousa.com domain.

#### **2.12 Total Loss Processing Fee**

Franchisor has an optional centralized program, pursuant to which Franchisor will complete the total loss estimate for applicable total loss claims submitted by participating FIX AUTO franchisees (the "**Total Loss Processing Program**"). If Franchisee desires to participate in the Total Loss Processing Program, Franchisee must first be approved by Franchisor. If Franchisor approves Franchisee to participate in the Total Loss Processing Program, Franchisee will sign an addendum to this Agreement, which sets forth the terms and conditions of the Total Loss Processing Program (the "**Total Loss Processing Program Addendum**"), the current form of which is attached as Exhibit 2.12, and any other documents that Franchisor may reasonably require in connection with Franchisee's participation in the Total Loss Processing Program. Under the terms of the Total Loss Processing Program Addendum, Franchisee will, among other things, pay Franchisor a fee for each total loss estimate request that Franchisee submits to Franchisor, and Franchisor accepts, regardless of whether Franchisor determines that the claim is a total loss (the "**Total Loss Processing Fee**").

#### **2.13 Call Center Fee**

Franchisor has another optional program, pursuant to which Franchisor will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as determined by Franchisor in its sole discretion) participating FIX AUTO Shop (the "**Call Center Program**"). If Franchisee desires to participate in the Call Center Program, Franchisee must first be approved by Franchisor. If Franchisor approves Franchisee to participate in the Call Center Program,

Franchisee will sign an addendum to this Agreement, which sets forth the terms and conditions of the Call Center Program (the “**Call Center Program Addendum**”), the current form of which is attached as Exhibit 2.13, and any other documents that Franchisor may reasonably require in connection with Franchisee’s participation in the Call Center Program. Under the terms of the Call Center Program Addendum, Franchisee will, among other things, pay Franchisor a fee (the “**Call Center Fee**”) during any period in which Franchisee participates in the Call Center Program.

#### **2.14    Gross Sales**

The term “**Gross Sales**” as used in this Agreement shall mean all revenues (including the proceeds from any Business Interruption insurance, sublet labor and new and used replacement parts, direct labor and refinish material) derived, directly or indirectly, from all business conducted upon, from or in connection with the Franchised Business, whether such revenues be evidenced by check, cash, cash equivalent, credit, charge account, exchange or otherwise, and shall include, but not be limited to, the amounts received from the sale of goods, wares and merchandise, tangible property of every kind and nature, promotional or otherwise, and for services performed at the Franchised Business. Gross Sales shall not include the amount of any refunds, discounts, coupons or returns or any sales tax imposed by any federal, state or other governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or specifically absorbed therein, and actually paid by Franchisee to such governmental authority. Each charge or sale upon installment or credit shall be treated as a sale for the full price in the month during which such charge or sale shall be received. In addition, Franchisor may, from time to time, permit or allow certain other items to be excluded from Gross Sales. In order to be effective, any such permission or allowance must be granted by Franchisor in writing, and any such permission or allowance may be revoked or withdrawn at the reasonable discretion of Franchisor at any time. The granting by Franchisor of any such permission or allowance shall be applicable only to the items expressly specified in writing and shall not constitute a waiver by Franchisor of its rights thereafter to require strict compliance with the terms hereof.

#### **2.15    Method of Payment**

Each month during the Term, Franchisee will pay to Franchisor on or before the day of each month that Franchisor specifies (the “**Payment Day**”), the Base Fee, the Advertising Fee, the Growth Fee (which, for the avoidance of doubt, is billed quarterly), the Central Review Fee, the Total Loss Processing Fee (if applicable), the Call Center Fee (if applicable), and any and all other fees due under this Agreement and billed on the monthly invoice statement (the “**Monthly Invoice**”). For the avoidance of doubt, Franchisor may modify the Payment Day and corresponding reporting period at any time in Franchisor’s sole discretion. If Franchisor requires it, Franchisee agrees that it will participate in Franchisor’s current electronic funds transfer and reporting program(s) and will execute the Electronic Funds Transfer Agreement and the Debit Authorization Form set forth in Exhibits 2.15(A) and (B) to this Agreement. Currently, Franchisor requires that all payments owed to it, or any of its affiliates, and any other amounts designated by Franchisor, must be received or credited to Franchisor’s account by pre-authorized bank debit or charges against Franchisee’s checking account. Franchisee will sign Franchisor’s then-current electronic funds transfer agreement and electronic debit authorization form.

#### **2.16    Interest and Late Fees**

Franchisor reserves the right to charge Franchisee interest at the highest applicable legal rate for open account business credit, but not to exceed one and one-half percent (1.5%) per month, on all amounts not paid when due, until paid in full. Additionally, Franchisor may require Franchisee to pay an administrative late fee of Fifty Dollars (\$50) for each late payment. If Franchisor experiences repeated late payments by Franchisee, then Franchisor may require Franchisee to pay all amounts by cashier’s check.



Franchisor may charge Franchisee for any fees and costs, including third-party processing fees, spent collecting debts or amounts owed to it by Franchisee.

### **2.17 Payment Security**

To secure payment of the fees and any and all other amounts owed to Franchisor and/or any of its affiliates under this Agreement and any and all other agreements between Franchisor (or any of its affiliates) and Franchisee (or any of its Owners or affiliates), Franchisee must execute the security agreement attached as Exhibit 2.17 to this Agreement (the “**Security Agreement**”), pursuant to which Franchisee shall grant to Franchisor a continuing security interest in all assets of the Franchised Business, whether now owned or hereafter acquired, and all books and records relating to and all proceeds of all of such assets of the Franchised Business. This security interest shall secure all payment obligations hereunder or related hereto, whenever and however arising, to Franchisor and/or any of its affiliates. Any default under this Agreement shall be a default under the Security Agreement. Except as otherwise provided in this Agreement or the Security Agreement, Franchisee agrees that no lien will be created upon or security interest granted in the assets of the Franchised Business without Franchisor’s prior written consent.

### **2.18 Additional Fees**

In addition to the fees set forth in this Agreement, Franchisor reserves the right to establish new or additional fees to offset the costs that Franchisor incurs during the Term of this Agreement to (a) provide specific services to Franchisee and (b) implement new programs and other modifications to the System. Franchisor shall provide at least ninety (90) days’ notice to Franchisee before implementing any such new or additional fee.

### **2.19 Applying and Withholding Payments and Franchisor’s Right of Set-Off**

Despite any designation that Franchisee makes, Franchisor may apply any of Franchisee’s payments to any of Franchisee’s past due indebtedness to Franchisor or its affiliates. Franchisor may set-off any amounts that Franchisee or Owners owe Franchisor or its affiliates against any amounts that Franchisor or its affiliates might owe Franchisee or Owners, whether in connection with this Agreement or otherwise. Franchisee may not withhold payment of any amounts owed to Franchisor or its affiliates on the grounds of Franchisor’s or their alleged nonperformance of any of its or their obligations under this Agreement or any other agreement.

## **3. SERVICES AVAILABLE TO FRANCHISEE**

### **3.1 Building Plans, Equipment Supplies and Inventory**

In the event Franchisor is aware that Franchisee intends to build a new location for the Franchised Business or the existing facility for the Franchised Business requires modifications, Franchisor will provide Franchisee with Franchisor’s standard building plans, including exterior and interior layouts, and will designate the standard fixtures, equipment, supplies, signs and initial inventory for use in the Franchised Business. In addition, Franchisor will provide Franchisee with lists of approved products and/or suppliers, as further described in Section 4 herein and/or the Operations Playbook.

### **3.2 FIX AUTO Integration**

A. In order to be eligible for participation in Franchisor’s programs (such as insurance, procurement, and marketing) being offered as part of the System, Franchisee must complete the FIX AUTO Integration Program (“**FIX AUTO Integration**”) within fifteen (15) weeks after the Effective

Date (the “**FIX AUTO Integration Period**”). During the first week of the FIX AUTO Integration Period, initial administrative matters will be addressed. Thereafter, in order to complete FIX AUTO Integration, Franchisee should complete all tasks required, including, but not limited to, those listed below, within the fifteen (15)-week timeline with assistance from representatives from Franchisor’s franchise services, operations, training, marketing, technology, and procurement departments:

(1) Franchisee (or its designated management employee) must attend Franchisor’s orientation/training program, which is provided, in Franchisor’s sole discretion, at a location designated by Franchisor or virtually;

(2) Install and immediately begin using an approved management system and related software (see Sections 4.2 and 4.6);

(3) Use FIX AUTO Enhanced Warranty and National Warranty Programs materials (in compliance with Section 4.12);

(4) Purchase paper supplies (letterhead and business cards) incorporating the Marks, which comply with Franchisor’s specifications;

(5) Order name badges and/or career wear for office staff;

(6) Within thirty (30) days after the Effective Date of this Agreement, obtain access to Collision University. Franchisee and its employees must successfully complete all online courses listed in the “FIX AUTO Integration Learning Program” within the FIX AUTO Integration Period;

(7) Submit insurance certificates and endorsements in compliance with Section 8.3;

(8) Incorporate “FIX AUTO” in phone greeting;

(9) Adopt approved “FIX AUTO” fictitious name; and

(10) Complete such items as specified in the current FIX AUTO Integration timeline, along with other work and improvements as are required to bring the Franchised Business up to Franchisor’s standards.

Upon Franchisee’s written request, Franchisor may extend the FIX AUTO Integration Period. Any extension granted will be for a period of up to thirty (30) days, as determined by Franchisor. Franchisor will not unreasonably deny a request by Franchisee for an extension, provided that Franchisee has diligently pursued commencement and completion of FIX AUTO Integration activities. Franchisee must complete all tasks required in accordance with Franchisor’s standards and specifications and complete FIX AUTO Integration before participation in certain programs will be allowed.

B. Franchisee acknowledges and agrees that Franchisor will have no liability or obligation to Franchisee for any losses, obligations, liabilities or expenses incurred by Franchisee in the event that this Agreement is terminated prior to the completion of FIX AUTO Integration or at any other time because Franchisee has not fully complied with the terms and conditions of this Agreement, including any amendments hereto.

### 3.3 Training

A. Franchisor will, at its expense, provide management training courses to Franchisee pursuant to Section 4.11 below, at Franchisor's then-current headquarters or at another location Franchisor designates. Franchisee (or its designated management employee) must successfully complete certain of these training courses prior to opening Franchisee's FIX AUTO Shop or shortly thereafter. Franchisor has the right to reasonably designate the actual course selection and scheduling for Franchisee. Franchisee will be responsible for travel costs, room and board, salaries, fringe benefits and other expenses incurred by Franchisee and/or its designated management employee, if applicable, in attending the training courses.

B. No individual will be permitted or authorized at any time during the Term of this Agreement to manage the Franchised Business unless he/she has successfully completed the training courses designated by Franchisor. If Franchisee (or its designated management employee) fails to successfully complete the applicable training courses, Franchisor may treat such failure as a breach of a material obligation under this Agreement, following notice to Franchisee with reasonable opportunity to cure, and terminate this Agreement.

C. If Franchisee is given notice of default, as set forth in Sections 13 and 16, and the default relates, in whole or in part, to Franchisee's failure to meet any operational standards, Franchisor has the right to require as a condition of curing the default that Franchisee, at Franchisee's expense, comply with the reasonable additional training requirements prescribed by Franchisor. Franchisee will be responsible for travel costs, room and board, salaries, fringe benefits and other expenses incurred by Franchisee and/or its designated management employee, if applicable, in attending the training courses.

D. At the reasonable request of Franchisor, Franchisee, the FIX AUTO Shop manager, or a designated representative of Franchisee shall attend supplemental or refresher training programs, sales meetings, operations meetings, advertising meetings and conventions which may be offered by Franchisor from time to time during the Term. All reasonable expenses incurred for the aforementioned programs, meetings and conventions, including, without limitation, the cost of the meeting, travel, room, board and wages, shall be borne by Franchisee. Franchisee is required to attend a maximum of one, multi-day event per year, which is called the National Conference. If Franchisee fails to attend the National Conference any year during the Term, Franchisee shall remain liable for payment of regular convention registration costs, as if Franchisee had attended. Notwithstanding the foregoing, if Franchisee owns and operates more than one (1) FIX AUTO Shop: (1) Franchisee may send one (1) representative to the National Conference to represent all of the FIX AUTO Shops that Franchisee owns and operates; (2) if Franchisee sends at least one (1) representative to the National Conference, Franchisee will pay Franchisor's then-current registration fee for each of Franchisee's attendees; and (3) if Franchisee fails to send a representative to the National Conference, Franchisee will pay Franchisor's then-current registration fee for each of Franchisee's FIX AUTO Shops.

Franchisee further agrees that Franchisee, or a management employee designated by Franchisee, shall attend franchisee meetings held locally or regionally approximately six (6) to nine (9) times per year. If Franchisee owns and operates multiple FIX AUTO Shops, then Franchisee must designate and require a management employee from each FIX AUTO Shop to attend the required franchisee meetings. Franchisee may miss one required franchisee meeting per calendar year. If Franchisee (or its designated management employee) misses more than one required franchisee meetings during a calendar year, Franchisor may, at its discretion, charge Franchisee a fee in the amount of Five Hundred Dollars (\$500) (the "**Non-Attendance Fee**") for each additional required franchisee meeting Franchisee fails to attend. The Non-Attendance Fee will be used to cover Franchisor's costs in conducting the monthly meetings. Franchisor agrees to make reasonable efforts to limit the amount of time Franchisees will be required to attend franchisee-related meetings away from their offices during normal business hours.

E. Franchisee, at its sole expense, shall conduct ongoing training programs at the Franchised Business for employees.

F. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of Franchisor's control, Franchisor reserves the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences.

### **3.4 Loaning of the Operations Playbook**

If not previously provided to Franchisee, concurrent with the execution of this Agreement and for the Term, Franchisor shall loan Franchisee the most current versions of the Operations Playbook, as well as other written standards, specifications, procedures and guidelines as well as approved or designated vendors or sources for the System. The Operations Playbook and all other such information shall be returned to Franchisor promptly upon the expiration or earlier termination of this Agreement. Franchisor may provide the Operations Playbook to Franchisee through Collision University or otherwise on the Internet.

### **3.5 Initial and Ongoing Assistance**

Franchisor shall provide, at Franchisor's expense, such initial and continuing advisory assistance in connection with the operation of Franchisee's FIX AUTO Shop as it deems appropriate. Such assistance may be provided, in Franchisor's discretion, by Franchisor's directives, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals. Franchisor may provide regular consultation and advice to Franchisee in response to inquiries from Franchisee regarding administrative and operating issues that Franchisee brings to Franchisor's attention. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone will establish all requirements, consistent with Franchisor's policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the FIX AUTO Shop for which Franchisor has not established Approved Suppliers. The rendering of any consultation, advice, assistance, consent, approval or services by Franchisor, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of Franchisee's business. Any Franchisor services set forth in this Agreement may be provided by Franchisor and/or representative(s) or designee(s) of Franchisor.

## **4. STANDARDS OF OPERATION**

### **4.1 The Operations Playbook**

The parties agree that the adherence of all franchisees to Franchisor's high standards in FIX AUTO Shop designs and color schemes, signage, interior décor, equipment systems, product and supplies specifications, service methods and procedures is necessary and essential to the image and success of each FIX AUTO Shop and the System. The Operations Playbook contains mandatory and suggested minimum FIX AUTO Shop operating standards, specifications and procedures as prescribed from time to time by Franchisor for the operation of a FIX AUTO Shop. Any required specifications, standards, and/or operating procedures exist to protect Franchisor's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to Franchisee. With respect to the Franchised

Business, Franchisee shall strictly adhere to the standards, specifications and procedures set forth in the Operations Playbook or other written directives issued by Franchisor. The Operations Playbook and such directives shall be kept at the Franchised Business at all times. Franchisee agrees to accept and comply with any changes, modifications, revisions and additions to the Operations Playbook and the System made by Franchisor in its exercise of its Business Judgment as to what is in the best interests of the System. Upon receipt, all such changes, modifications, revisions and additions to the Operations Playbook prescribed by Franchisor shall be inserted in any hardcopy version of the Operations Playbook in Franchisee's possession or control.

Franchisee acknowledges and agrees that the material contained in the Operations Playbook and the written directives described in the preceding paragraph consist of confidential trade secrets of Franchisor. The Operations Playbook also contains proprietary information related to the Marks owned by Licensor. Franchisor is the owner of the Operations Playbook and of all proprietary rights in and to the material and information contained therein, notwithstanding the Marks owned by Licensor. The Operations Playbook is to be used by Franchisee only in connection with the operation of the Franchised Business.

Franchisee shall at all times treat the Operations Playbook and the information contained therein as well as any written directives as confidential and will use all reasonable efforts to maintain such information as secret and confidential. Franchisee will not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the Operations Playbook or written directives, in whole or in part, or otherwise make the same available to any unauthorized person or available on the Internet.

#### **4.2 Mandatory Designated Suppliers**

In order to adhere to FIX AUTO Shop operating standards, specifications and procedures, as prescribed from time to time by Franchisor, Franchisee must use the services of those suppliers that Franchisor designates, which currently include CCC Information Services (CCCOne Innovate Management System and CCC Update Plus Service, Calendar, Engage, Repair Methods, and Photo Estimating). Additionally, Franchisee must maintain I-CAR Gold Class certification. Franchisor, at its sole discretion, may modify this list of mandatory designated suppliers at any time.

#### **4.3 Design and Appearance of Premises**

The Franchised Business and Approved Premises shall be constructed and improved, only as authorized and approved in writing by Franchisor, and in conformity with all applicable laws and ordinances. Franchisor and Franchisee will mutually agree upon any required construction and improvements, which may be generally described and set forth in Exhibit 1.1A, either prior to the signing of this Agreement, or within thirty (30) days after signing. From time to time, additional improvements may be required to update the appearance, correct damages or otherwise refresh the Approved Premises from normal wear and tear. The appearance of the Franchised Business and the condition of the Approved Premises shall not be altered thereafter except as may be approved in writing by Franchisor. The Franchised Business shall be designed, decorated, furnished and equipped with furnishings and auto body shop equipment that meet Franchisor's specifications described in the Operations Playbook. The Franchised Business shall include all necessary equipment to perform collision repair services, including among other things those items defined in Section 4.5 below. In addition, each Franchisee shall maintain electronic estimating capabilities, an appropriate shop management system, high-speed internet access, a customer lobby, and an appraiser station. Franchisee shall maintain the Franchised Business and Approved Premises (including, without limitation, its landscaping, lighting, fixtures, furnishings, décor, and signs) in good condition and in conformity with the System, and shall make any improvements and alterations as may be

determined by Franchisor to be necessary. Franchisee shall undertake and complete such repairs, improvements and alterations as may be required by Franchisor within a reasonable time as specified by Franchisor.

Franchisee acknowledges and agrees that although Franchisor may provide Franchisee with various standard or sample plans and specifications with respect to constructing and equipping the Franchised Business, Franchisor is not acting as a general contractor or providing construction advice to Franchisee. Franchisee must hire its own licensed general contractor and architect to complete the construction or remodeling of the Franchised Business and/or to comply with local ordinances and codes, and Franchisee alone is responsible for the build out of the Approved Premises. Franchisee shall maintain the Franchised Business and the Approved Premises in conformity with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, Americans with Disabilities Act and all other requirements that may be prescribed by any federal, state or local governmental agency. Any modification to the Franchised Business or Approved Premises, whether required by land zoning or building laws or otherwise, shall be approved in advance by Franchisor and shall also be made at Franchisee's expense.

Although Franchisor may set a specification or require use of an Approved Supplier in its sole discretion, Franchisor makes no representations or warranties about the specification, or about the goods or services provided by such Approved Supplier. Franchisor is not liable for any damages, injuries or losses caused by or due to the actions, services or products supplied to Franchisee from any third-party Approved Supplier approved by Franchisor. Franchisee acknowledges that it is responsible for supervising the build-out of the Franchised Business and the installation of equipment, fixtures and signage.

In the event the Franchised Business or Approved Premises shall be damaged or destroyed by fire or other casualty, or be required to be repaired or reconstructed by any governmental authority, Franchisee shall repair or reconstruct the Franchised Business or Approved Premises in accordance with Franchisor's design standards in effect at the time of the repair or reconstruction within a reasonable time in light of the circumstances. Notwithstanding the above, in the event of termination of the Location Agreement for any FIX AUTO Shop or Approved Premises resulting from such damage or destruction, this Agreement shall terminate on the date of such Location Agreement termination.

#### **4.4     Signs**

Franchisee shall display the Marks only in the manner authorized by Franchisor. Franchisee shall maintain and display any and all signs as are reasonably required by Franchisor from time to time. Franchisee shall not place additional signs, posters or similar items on the Approved Premises without Franchisor's prior written consent. Franchisee shall promptly discontinue the use of and destroy such items as are declared non-conforming or obsolete by Franchisor.

#### **4.5     Equipment**

Franchisee shall use only equipment approved by Franchisor in the Franchised Business. The Franchised Business must be equipped to meet the minimum requirements for a "Collision Repair Provider" as identified in the Collision Industry Conference ("CIC") Definitions Committee 2017 report (and as such may be amended or updated by CIC from time to time). Franchisee shall maintain such equipment in a condition that meets standards set forth in the Operations Playbook or otherwise prescribed by Franchisor and shall replace equipment as necessary. Replacement equipment shall conform to the standards for the same type of equipment which is being installed in new FIX AUTO Shops at the time Franchisee is implementing such replacement equipment, except as may be approved in writing in advance

by Franchisor. If Franchisor should determine that additional or replacement equipment is needed in order to test or change approved methods of service at Franchisee's FIX AUTO Shop, Franchisee shall promptly obtain and install such new additional or replacement equipment within the reasonable timeline specified by Franchisor. Upon notification that any equipment, furnishings or supplies do not meet Franchisor's specifications or standards, Franchisee shall immediately cease using such non-conforming equipment, furnishings, or supplies.

#### **4.6     Computer System**

At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, such computer hardware and software (including, but not limited to, comprehensive body shop management software and estimating software), dedicated high speed communications equipment and services, dedicated telephone and power lines, modem(s), printer(s), and other computer-related accessories or peripheral equipment as Franchisor specifies, for the purpose of, among other functions, recording sales and services, and other record keeping and central functions.

Franchisee shall provide such assistance as may be required to connect its computer system with a computer system used by Franchisor. Franchisor shall have the right, on an occasional or regular basis, to retrieve such data and information (including, but not limited to, claims-related data and financial activity) from Franchisee's computer system as Franchisor, in its sole and exclusive discretion, deems necessary or desirable. Franchisor shall not retrieve or otherwise access any information not directly related to the operation of the Franchised Business, including any personal or financial information, unless such information is required to be reviewed in connection with a legal proceeding or investigation of fraudulent activity in the operation of the Franchised Business. In view of the interconnection of computer systems and the necessity that such systems be compatible with each other, Franchisee expressly agrees that it will strictly comply with Franchisor's standards and specifications for all item(s) associated with Franchisee's computer system and will otherwise operate its computer system in accordance with the System's requirements, procedures, rules and regulations.

Franchisee agrees to keep its computer system in good maintenance and repair at its own expense to ensure full operational efficiency and optimum communication capability between and among computer systems installed by Franchisee, Franchisor, and other FIX AUTO franchisees. If Franchisor determines during the Term that it is necessary for changes, modifications, substitutions, additions and/or replacements to be made to Franchisee's computer hardware, software, communications equipment and services, telephone and power lines, and other computer-related components and/or systems, Franchisee agrees, at its expense, promptly to undertake and complete all of Franchisor's directives with respect to such components and systems.

Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders, and Franchisee waives any and all claims against Franchisor as the direct or indirect result of such disruptions, failures, or attacks.

Franchisee agrees to take all reasonable and prudent steps necessary to ensure that its and its customers' data is protected at all times from unauthorized access or use by a third party or misuse, damage or destruction by any person.

#### **4.7     Products, Materials, Supplies and Services**

Franchisee will purchase or lease from such sources as shall be approved by Franchisor, which sources may include Franchisor and/or its affiliates, all products, materials, supplies, and services

necessary for the operation of the Franchised Business, as shall be specified in the Operations Playbook or otherwise prescribed by Franchisor. Such items shall include, but are not limited to, uniforms, signs, vehicle decals, business forms, posters, promotional materials, warranty cards, advertising services, and the services of an independent third-party company that verifies a shop's overall ability to deliver high quality collision repairs consistently. Franchisor may also develop programs to assist Franchisee to purchase those items and services required for the repair process, including, but not limited to, estimating and management system software, rental/replacement vehicle services, towing services, paint and refinish materials, OEM and alternative parts, repair tools and equipment, and capital equipment such as paint booths and frame racks.

Franchisee shall purchase or lease only from Preferred Suppliers, Approved Suppliers, or suppliers designated by Franchisor pursuant to Section 4.2, if Franchisor has identified such a supplier with respect to the particular good or service. If Franchisee purchases materials from Preferred Suppliers, certain fees that Franchisee owes Franchisor will be discounted as provided in Section 2.3. Franchisor and/or its affiliates may derive revenue based on Franchisee's purchases and leases, including from charging Franchisee (at prices exceeding Franchisor's and their costs) for services and products that Franchisor or its affiliates sell Franchisee and from promotional allowances, rebates, volume discounts, and other amounts paid to Franchisor and its affiliates by Preferred Suppliers, Approved Suppliers, and other suppliers that Franchisor designates, approves, or recommends for some or all FIX AUTO franchisees. Franchisor and its affiliates may use all amounts received from such suppliers, whether or not based on Franchisee's and other franchisees' prospective or actual dealings with them, without restriction for any purposes that Franchisor and its affiliates consider appropriate.

#### **4.8     Opening**

Franchisor will authorize the opening of Franchisee's FIX AUTO Shop when (i) all of the pre-opening obligations have been fulfilled, (ii) pre-opening training has been completed, (iii) all amounts due Franchisor (and/or any affiliate) have been paid, and (iv) copies of all insurance policies (and payment of premiums) and all other required documents have been received by Franchisor.

#### **4.9     Hours of Operation**

The Franchised Business shall be open for business consistent with the most stringent requirements set forth in any referral agreement or contract that the FIX AUTO Shop may have with an insurance company, but at least for a minimum of eight (8) hours per day, five (5) days a week, fifty-two (52) weeks a year, unless otherwise authorized or directed by Franchisor. The precise hours of operation may be determined by Franchisee, subject to applicable government regulation and Franchisor's approval. Notwithstanding the above, the Franchised Business may be closed on recognized federal or state holidays. In the event of fire, flood or other acts of God, this requirement shall be waived.

#### **4.10    Business Entity Franchisee**

If Franchisee is, at any time, a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity (each, an "**Entity**"):

A.       Upon Franchisor's request, Franchisee agrees to provide Franchisor with copies of Franchisee's governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Franchisee's formation. During the Term, Franchisee's governing documents must provide that no Ownership Interest (as defined below) in Franchisee may be transferred or issued, except in accordance with the applicable provisions of Section 12. In addition, all certificates and other documents representing Ownership Interests in Franchisee will bear a conspicuous printed legend to



that effect. In this Agreement, “**Ownership Interests**” means (1) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (2) in relation to a limited liability company, membership interests or other equity interests; (3) in relation to a partnership, a general or limited partnership interest; (4) in relation to a trust, a beneficial interest in the trust; and (5) in relation to any Entity (including those described in (1) through (4) above), any other interest in that Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the direction of the management of the Entity or its business (including a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Franchised Business, the Entity, or its business.

B. Franchisee agrees and represents that Exhibit 4.10(B)-1 to this Agreement completely and accurately describes all Owners (defined below) and their Ownership Interests in Franchisee, Franchisee’s officers and principal executives, and Franchisee’s Designated Operator(s) (as defined in Section 4.11). In this Agreement, “Owner” means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in Franchisee. Simultaneously with Franchisee’s execution of this Agreement (or, if Franchisee is not then an Entity, at any such time that Franchisee becomes an Entity (including, but not limited to, in the event that this Agreement is transferred to an Entity in accordance with Section 12)), each Owner shall execute Franchisor’s then-current form of personal guaranty (the “**Personal Guaranty**”), the current version of which is attached hereto as Exhibit 4.10(B)-2. In addition, any individual or Entity that becomes an Owner at any time after the date of this Agreement, whether pursuant to Section 12 or otherwise, shall, as a condition of becoming an Owner, execute the Personal Guaranty. Subject to Franchisor’s rights and Franchisee’s obligations under Section 12 as such Section applies to transfers by Franchisee and Owners, Franchisee and Owners agree to sign and deliver to Franchisor promptly a revised Exhibit 4.10(B)-1 to reflect any changes in the information that Exhibit 4.10(B)-1 now includes.

#### **4.11 Management and Personnel**

A. Franchisee will keep Franchisor advised, in writing, of all supervisory or managerial personnel involved in the operation of the Franchised Business. The Franchised Business must be personally managed on a full-time basis by a person who has successfully completed mandatory training and meets Franchisor’s then-current standards (the “**Designated Operator**”). All supervisory or managerial personnel must successfully complete Franchisor’s training program (which may be provided at Franchisor’s then-current headquarters or other location it may designate) within a reasonable time (not to exceed six (6) months) of beginning their duties. Franchisee will be responsible for all costs associated with the required training, including travel, living, incidental costs and other expenses. Franchisor strongly recommends full term on-site management by Franchisee or its Designated Operator. Franchisee understands that absentee ownership involves a significantly greater risk of failure.

B. All employees Franchisee hires or employs at the Franchised Business will be Franchisee’s employees, and will not, for any purpose, be deemed to be Franchisor’s employees or subject to Franchisor’s direct or indirect control, including, without limitation, with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. Franchisee will file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for its employees and operations. Franchisor will not have the power to hire or fire Franchisee’s employees. Franchisor’s authority under this Agreement to train and approve Franchisee’s supervisory or managerial personnel for qualification to perform certain functions at the Franchised Business does not directly or indirectly vest Franchisor with the power to hire, fire or control any of Franchisee’s personnel. Franchisee will be solely responsible for all hiring and employment decisions and functions relating to the Franchised Business,

including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules and regulations of federal, state and local governmental agencies, including, without limitation, all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws. Franchisee shall make all necessary filings with, and pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Any guidance Franchisor may give Franchisee regarding employment policies should be considered merely examples. Franchisee will be responsible for establishing and implementing its own employment policies, and should do so in consultation with local legal counsel who is experienced in employment law.

#### **4.12 Customer Service and Warranty Programs**

Franchisee will ensure that services are rendered to all customers of the Franchised Business in a prompt, workman-like and courteous manner. All customer complaints will be dealt with promptly and courteously. Franchisee will provide to all customers those warranties and guarantees required by Franchisor, including, but not limited to, the FIX AUTO Enhanced Warranty and National Warranty Programs, and will use any and all applicable forms required and furnished by Franchisor.

Except as otherwise set forth in this Agreement, in every case involving a claim arising out of the Franchised Business (a “**Franchised Business Claim**”), whether or not the Franchised Business Claim is initially presented to Franchisee for handling, Franchisee shall control all handling of the Franchised Business Claim, including, but not limited to, settlement negotiations, court proceedings and determination of where and by whom the work will be performed (to the extent permitted by law). Franchisee will honor all valid Franchised Business Claims presented in accordance with any warranties and/or guarantees Franchisee, Franchisor and other FIX AUTO franchisees reasonably make, and will not require customers to provide any unreasonable payment or reimbursement therefor. With respect to any Franchised Business Claim, Franchisee shall have no right to commit Franchisor to take any action or to otherwise be responsible for any payment associated with resolving the Franchised Business Claim unless Franchisor agrees to do so in writing.

#### **4.13 Reimbursement Policies**

A. Franchisee acknowledges and agrees that there may be instances in which a customer chooses to have a Franchised Business Claim addressed at a different FIX AUTO Shop from where the services were originally performed; consequently, therefore, Franchisee agrees to reimburse the owner of such other FIX AUTO Shop, within five (5) days after receipt of an invoice for reimbursement, for any and all services such other FIX AUTO Shop performs in honoring a valid warranty or guarantee arising from a Franchised Business Claim originating at Franchisee’s FIX AUTO Shop.

B. Franchisor may require Franchisee to perform services to customers who initially had their vehicles serviced at a FIX AUTO Shop owned and operated by another FIX AUTO franchisee. Franchisee will be reimbursed, at a rate consistent with its then-current pricing, for any services it performs in honoring a valid warranty or guarantee Franchisor or another FIX AUTO franchisee issues.

#### **4.14 Insurance Programs**

Franchisor has entered into verbal and/or written agreements with certain insurance companies (“**Corporately Managed Insurance Programs**” or “**CMIP**”) whereby the CMIP partners may

provide preferred access to participation in their direct repair programs (“**DRPs**”) or performance-based agreements (“**PBAs**”). To be considered for preferred access to these DRPs or PBAs, Franchisee must have completed the FIX AUTO Integration process, and any other participation requirements as Franchisor may set forth from time to time to include more items and/or remove some requirements as the collision and insurance industry standards adjust with the advent of new repair procedures. In connection with Franchisee’s participation in one (1) or more Corporately Managed Insurance Programs, Franchisee must sign such documents and agreements as Franchisor may reasonably require, including, but not limited to, a service level agreement in the form prescribed by Franchisor (the “**Service Level Agreement**”), the current version of which is attached as Exhibit 4.14 hereto. If the Shop is Franchisee’s first FIX AUTO Shop and/or Franchisee is not a party to an effective FIX AUTO service level agreement as of the date on which Franchisee signs this Agreement, Franchisee will execute the Service Level Agreement simultaneously with Franchisee’s execution of this Agreement.

Provided that Franchisee has completed the FIX AUTO Integration process in accordance with the requirements of Section 3.2 herein, Franchisor may assist Franchisee with submitting applications for participation in Corporately Managed Insurance Programs. A CMIP partner, however, may reserve the right to accept or deny individual shop participation based on qualification criteria unique to its DRP or PBA, or a surplus of existing shops in Franchisee’s area. Selection for participation in a CMIP qualifies Franchisee to receive work from the DRP or PBA, but neither Franchisor nor the CMIP partner provides a guaranty of any specific level of referral volume.

If, at any time, Franchisee is not in compliance with all requirements under this Agreement, Franchisor reserves the right to notify all CMIP partners of such noncompliance, at which time a CMIP partner may suspend Franchisee from participation in a DRP or PBA.

#### **4.15 Compliance with Laws and Ethical Business Practices**

A. Franchisee will operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with the Franchised Business. It is Franchisee’s sole responsibility to identify and obtain all authorizations necessary to operate its FIX AUTO Shop. Other than the right to use the Marks as provided herein, Franchisee will obtain and maintain in effect all required licenses, permits and certificates related to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable federal, state and local laws, ordinances and regulations, including, without limitation, all government regulations relating to (1) licensing and certification; (2) occupational hazards and health; (3) handling, storage and disposal of chemicals and other materials of a similar nature; (4) the Occupational Safety and Health Act (OSHA); (5) environmental matters, (6) worker’s compensation; (7) insurance; (8) unemployment insurance and withholding; (9) the Americans with Disabilities Act (ADA) and state law equivalents; (10) payment of federal and state income taxes, Social Security taxes, and sales taxes; (11) the CAN-SPAM Act; (12) the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR) and other federal state anti-solicitation laws regulating phone calls, spamming and faxing; and (13) federal and state laws that regulate data security and privacy (including, but not limited to, the use, storage, transmission and disposal of data regardless of media type). Franchisee must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Franchised Business. Franchisee must comply with Franchisor’s instructions in responding to any data breach. Franchisor (and its designated affiliates) have the right, but no obligation, to control the direction and handling of any data breach and any related investigation, litigation, administrative proceeding or other proceeding at Franchisee’s expense. Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in its business activities. Franchisee will notify Franchisor in writing within five (5) days of the commencement

of any legal proceeding related to Franchisee or its Franchised Business and/or of the issuance of any governmental order or action impacting Franchisee and/or its FIX AUTO Shop.

B. Franchisee shall honor all credit, charge, courtesy and cash cards that Franchisor approves in writing. To the extent Franchisee stores, processes, transmits or otherwise accesses or possesses cardholder data in connection with the sale of products and services at the Franchised Business, Franchisee is required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org) for the protection of cardholder data throughout the Term and after termination or expiration of this Agreement. Franchisee is responsible for the security of cardholder data in its possession or control and in the possession or control of any of its employees that Franchisee engages to process credit cards. At Franchisor's request, Franchisee agrees to provide appropriate documentation to Franchisor to demonstrate compliance by Franchisee and all its employees with the Payment Card Industry Data Security Standard ("PCI DSS") requirements. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, Franchisee must immediately notify Franchisor in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion. In the event of termination or expiration of this Agreement, Franchisee and its respective successors and permitted assigns shall ensure compliance with PCI DSS requirements subsequent to such termination or expiration of this Agreement.

#### **4.16 Access to Premises**

Franchisor or its authorized representative shall have the unrestricted right at any time during normal business hours, without prior notification, if there is good reason to enter the Franchised Business and Approved Premises to (i) observe, inspect, photograph, and videotape the Franchised Business and its operation and the Approved Premises during such periods as Franchisor may reasonably deem necessary, (ii) inspect any and all equipment, materials and supplies, (iii) interview personnel at the Franchised Business (at reasonable times), (iv) interview customers and prospective customers of the Franchised Business, (v) conduct various surveys, and (vi) inspect, photocopy, review or audit any books, records and documents relating to the operation of the Franchised Business. Unless required for review in association with a legal proceeding or investigation of ethical or legal misconduct, excluded from review and audit are Franchisee's personal documents unrelated to the Franchised Business. Franchisee agrees that Franchisor's access to the Franchised Business and activities described in this Section 4.16 may be undertaken without prior notice by Franchisor to Franchisee or its Designated Operator. Franchisee agrees to cooperate fully with Franchisor in connection with this Section 4.16.

#### **4.17 Good Standing**

Franchisee will be considered in "Good Standing" if Franchisee is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the Operations Playbook or other System requirements.

#### **4.18 Non-Disparagement**

Franchisee agrees that disparaging remarks or negative behavior are counter-productive, damage the flow of open communications, and, if sent to third parties (including vendors, customers, or the media), can damage the FIX AUTO® brand and the System. Therefore, during the Term and after its expiration or earlier termination, Franchisee and its officers, directors, and Owners (collectively, "**Franchisee Representatives**") each agree not to make any disparaging remarks, whether orally, in writing, or electronically, in any media, including, without limitation, via print publication or other writing,

spoken communication, e-mail, or social media, concerning Franchisor, Franchisor's affiliates, officers, directors, members, managers, partners and employees, the FIX AUTO® brand or the System. Franchisee acknowledges that any such disparaging would cause irreparable harm that would be difficult to measure. Thus, if Franchisee or the Franchisee Representatives violate the provisions of this Section 4.18, Franchisee shall pay to Franchisor as liquidated damages, and not as a penalty, the sum of Five Hundred Dollars (\$500) for each such violation, or Franchisor may choose to terminate this Agreement for one or more violations of this provision by Franchisee. Notwithstanding any other provision of this Section 4.18, Franchisee shall have the right to communicate candidly with anyone as necessary in order to: (i) comply with a legal process or with other legal requirements; (ii) convey information to its business, legal, tax, or other similar advisers; or (iii) discuss or communicate Franchisee's experience with the FIX AUTO Shop franchise system with existing or prospective franchisees pursuant to applicable law.

## **5. DISPLAY AND USE OF THE MARKS**

### **5.1 Goodwill and Ownership of Marks**

Franchisee has a non-exclusive right to use the Marks and only as expressly authorized by Franchisor under this Agreement and the Operations Playbook. Licensor retains all rights in and to the Marks. All goodwill associated with the Mark belongs exclusively to Licensor. Franchisee will not obtain any goodwill in the Marks as a result of this Agreement or the operation of the Franchised Business. Any unauthorized use of the Marks is a breach of this Agreement. Franchisee agrees that if it breaches any obligation regarding the Marks, Franchisor would have no adequate remedy at law and Franchisor would be entitled to equitable relief in order to cause Franchisee to cease further violations of its obligations with respect to the Marks. This Agreement applies to all trademarks, service marks and other commercial symbols that Franchisor may authorize Franchisee to use with respect to the Franchised Business throughout the Term.

### **5.2 Limitations and Use of Marks**

Franchisee will not use any Mark, or modified version or derivative of a Mark, or any other mark or form of commercial identification confusingly similar to the Marks or Trade Dress, as part of any business or trade name or in any other manner not expressly authorized by Franchisor in advance and in writing. Prior to adoption and/or use, any proposed Entity and/or trade name is subject to approval by Franchisor in its Business Judgment. Franchisee will give such trademark and other notices (including notices of independent ownership) as Franchisor directs, and will, at its expense, obtain fictitious or assumed name registrations as may be required under law. Franchisee will display the Marks as required by Franchisor and will not use the Marks in any manner which could negatively affect the goodwill associated with the Marks or Licensor's ownership interest in the Marks. Franchisee will not use any Mark in connection with the performance or sale of any unauthorized services or products or at any location other than its FIX AUTO Shop or in any other manner not expressly authorized in writing by Franchisor. Franchisee must not establish a website on the Internet using any domain name containing the Marks or any variation thereof without the prior written consent of Franchisor.

### **5.3 Notification of Infringements and Claims**

Franchisee agrees to immediately notify Franchisor of any apparent or actual infringement of, or of any challenge to Franchisee's use of, the Marks, or claim by any person of any rights in any Mark. Franchisee will not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor will take such action as Franchisor deems appropriate in its sole judgment. As owner of the Marks, Licensor will have the exclusive right to initiate

and control any settlement, litigation or proceeding arising out of or related to any such matters affecting the Marks.

#### **5.4 Modification, Discontinuance or Substitution.**

As the System evolves over time, the current logo, trade name, and Marks may change. Franchisor reserves the right, in Franchisor's sole judgment or upon the expiration or termination of the current licensing agreement with Licensor, to add to, delete, modify, substitute or discontinue the use of any or all of the Marks, including, but not limited to, the principal Mark(s) of the System on a national or regional basis. Upon receipt of notice of any such change from Franchisor, Franchisee shall, within sixty (60) calendar days and at Franchisee's expense, adopt and/or cease using, as may be applicable, the Mark(s), including, but not limited to, a new principal Mark(s) designated by Franchisor to identify the Franchised Business. Franchisor shall have no liability or obligation for any expenses or damages incurred by Franchisee as a result of a change in the use of any or all of the Marks.

### **6. MARKETING AND PROMOTION**

#### **6.1 FCS MSO Program**

Under the Fix Auto Claims Solutions ("FCS") Multi-Shop Operator ("MSO") Program, Franchisor will actively promote Franchisee's business to regional and national insurance carriers, fleet organizations and other potential work providers by offering a single-point-of-contact relationship to such work providers to manage their claims administration. Franchisor's personnel will work closely with the work providers to establish management plans, performance standards, reporting mechanisms, audit responsibilities and any other critical elements that may advance the System and FIX AUTO franchisees. To participate in the FCS MSO Program, Franchisee will be required to sign an FCS Agreement in the form provided in Exhibit 6.1 to this Agreement. Upon executing the FCS Agreement, Franchisee agrees that all vehicle repairs received in the FCS MSO Program are the result of Franchisor's relationship with the work providers.

#### **6.2 Advertising Program**

Franchisor has the right (at any time during the Term) to create or modify a Designated Market Area ("DMA") for the geographic area in which the Franchised Business and other franchisees' FIX AUTO Shops are located. Franchisee must participate in, support and contribute to a local advertising program (the "**Advertising Program**") if one has been or is established by Franchisor for such DMA. Unless the Advertising Fee remains unchanged from the prior year, Franchisor will annually notify Franchisee of the exact percentage of monthly Gross Sales to be paid as an Advertising Fee, except that such amount shall not exceed three quarters of one percent (0.75%) of Gross Sales, or a maximum of Nine Hundred Fifty Dollars (\$950) per month, unless a majority of franchisees in the DMA agree to a higher amount. Franchisor will administer the Advertising Program as it deems appropriate, although it has no fiduciary obligations to any FIX AUTO franchisee regarding the Advertising Program. During scheduled meetings with Franchisee and the other franchisees within the DMA, Franchisor will provide a report on the allocation of the funds in the Advertising Program and work with the franchisees to adjust the allocations to maximize the efficacy of advertising in the DMA. Proceeds from Advertising Fees received by Franchisor will generally be spent on conducting advertising and promotional activities within the DMA and maintaining a direct, local sales staff, although Franchisor cannot ensure that Franchisee will benefit directly or on a pro rata basis from the future placement of any advertising in the DMA. Upon request by Franchisee, Franchisor will prepare and make available annual or periodic financial statements for the Advertising Program. Franchisor may use Advertising Fees collected from FIX AUTO franchisees to cover expenses associated with administering the Advertising Program. Franchisor has the right, in its sole

judgment, to establish rules governing the Advertising Program, or to dissolve or modify any Advertising Program, including the right to establish advertising cooperatives.

### **6.3     Advertising and Promotional Materials**

Franchisee agrees to comply with the advertising standards established from time to time by Franchisor. All advertising by Franchisee shall be completely factual, in good taste as determined by Franchisor and shall conform to the highest standards of ethical advertising. Franchisee shall use, sell or distribute, by means, including, but not limited to, television, radio, the Internet, newspapers, magazines, flyers, posters, billboards, mailing circulars, coupons or gift certificates, only those advertising or promotional materials or items which are made available or authorized by Franchisor in writing prior to use.

### **6.4     E-Commerce**

Franchisee's use of the Internet, social networking sites, any URLs and other electronic or other means of marketing and distribution of goods and/or services can be reasonably restricted by Franchisor in its Business Judgment. Franchisee will not market or sell through such venue(s) or any channel of distribution other than the Franchised Business without Franchisor's prior written consent, which can be granted, conditioned or denied in its Business Judgment. Any website or webpage and any URLs approved by Franchisor must be linked to the FIX AUTO website in accordance with the specifications dictated by Franchisor.

## **7.     ACCOUNTING PROCEDURES; RIGHT OF AUDIT**

### **7.1     Bookkeeping, Accounting and Records**

For the Franchised Business, Franchisee must maintain books and records, including records of purchases and sales, tax returns, and other records typical for a business of this type and size. Such records shall include, but are not limited to, sales and operations reports for each month, quarter and year; fiscal year-end balance sheet and income statement for Franchisee's business, verified and signed by Franchisee; customer data and information; records of complaints and warranty obligations; and such other data as Franchisor may from time to time require.

### **7.2     Reports, Financial Statements and Tax Returns**

If Franchisor requests it, Franchisee will provide to Franchisor copies or access to information regarding customer data and related information; records of complaints and warranty obligations; sales and operation of the Franchised Business; tax returns relating to the Franchised Business and each of the principal Owners; and in such form and format, as Franchisor reasonably specifies from time to time in its Business Judgment.

### **7.3     Audit**

To verify compliance with this Agreement, Franchisor and/or its agents will have the right, after notice, at any time during business hours, and without prior notice to Franchisee, to inspect and/or audit business records relating in any way to the Franchised Business, and the books and records of any person(s) or Entity that holds, or does business with, the Franchised Business. Such business records may include, but are not limited to, bookkeeping and accounting records, sales and income tax records and returns, cash register tapes, invoices, and deposit receipts. Franchisor's right to audit includes the right to access all cash registers, computers and other equipment by electronic means. Franchisee agrees to

cooperate fully with such an audit. Unless deemed necessary in the investigation of ethical, legal or regulatory infraction, Franchisor will have no access to Franchisee's personal information, including personal accounting information. If an audit should reveal that payments due Franchisor have been understated in any report to Franchisor, or that a charge on a repair did not reflect the actual method of repair, then Franchisee will immediately pay Franchisor the amount understated or the amount overcharged, as the case may be, upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. If any audit discloses an understatement in any report of two percent (2%) or more or if an audit is made necessary by Franchisee's failure to provide reports, supporting records, or other information, as required under this Agreement, Franchisee will, in addition, reimburse Franchisor for any and all costs and expenses connected with the audit (the charges of any independent accountant and/or third-party vendor and attorneys' fees, and per diem fees and costs of Franchisor's employees, related travel and lodging and other out-of-pocket costs), plus interest. The foregoing remedies will be in addition to any other remedies Franchisor may have, including, without limitation, the remedies for default. Franchisee must fully cooperate with the conduct of the audit and the failure of Franchisee to cooperate is a material breach of this Agreement.

#### **7.4 Use of Financial Data, Customer Information, Surveys and Quality Controls**

Franchisee agrees that Franchisor has the right to use any financial report, performance report or statement of Franchisee, or any information derived from such reports or statements, relating to the Franchised Business, for statistical purposes, such as in an operational performance representation, or for marketing the franchise system to insurers, fleet accounts or other entities, with or without Franchisee's name. By executing this Agreement and joining the System, Franchisee grants specific permission for Franchisor to use the data described herein in the manner described, and no further acknowledgment or permission by Franchisee is required for such use. Franchisee further consents to Franchisor's use and publication of income and expense information related to the Franchised Business, including identification of the Franchised Business by name, within the System via Franchisor's intranet (Collision University) or other non-public media. Franchisee agrees that Franchisee shall comply with all state and federal laws relating to consumer privacy, electronic privacy, credit card data and information protection and privacy. Franchisor shall also comply with all state and federal laws relating to consumer privacy. Franchisor may, at Franchisor's expense, institute various programs for auditing customer satisfaction and/or other quality control measures. Franchisee agrees to request its customers to participate in any surveys performed by or on behalf of Franchisor, using forms prescribed by Franchisor from time to time. Furthermore, Franchisee hereby grants Franchisor the right to request and receive information from any third-party service provider or carrier that may be collecting or reporting on such information.

### **8. INSURANCE**

#### **8.1 Procurement of Insurance**

Franchisee must obtain and maintain in full force, at all times, during the Term, policies of insurance issued by carriers reasonably approved by Franchisor covering various risks, as specified by Franchisor from time to time. Franchisor may specify the types and amounts of coverage required under such policies and require different and/or additional kinds of insurance at any time, including excess liability insurance. Each insurance policy must: (i) name Franchisor and its affiliates as additional named insureds; (ii) contain a waiver of all subrogation rights against Franchisor, its affiliates and any successors and assigns; and (iii) provide thirty (30) days' prior written notice to Franchisor of any material modifications, cancellation, or expiration of such policies.



The “Additional Insured Endorsement” must be approved in writing by Franchisor and name Franchisor and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20 26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on its general liability policies continuously during the Term of this Agreement.

## **8.2 Minimum Coverage**

The policy or policies must be written by an insurance company licensed in the state in which Franchisee operates its Franchised Business. Such insurance company must have at least an “A” Rating Classification as indicated in A.M. Best’s Key Rating Guide in accordance with standards and specifications set forth in the Operations Playbook or otherwise in writing, and shall include, at a minimum (except as different coverages and policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Operations Playbook or otherwise in writing), the following:

A. All “Risks” or “Special” form coverage insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business.

B. Workers’ Compensation with statutory limits, as required by law in the jurisdiction where the Franchised Business is located; and Employers Liability (or “Stop Gap” insurance for monopolistic states), with limits of not less than One Million Dollars (\$1,000,000) each accident, One Million Dollars (\$1,000,000) each employee for disease, and One Million Dollars (\$1,000,000) policy aggregate for disease.

C. Liability Insurance in the types, forms, and minimum limits, as set forth below, insuring Franchisee and Franchisor against all claims, suits, obligations, liabilities and damages, including attorneys’ fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Franchised Business:

(1) Commercial General Liability: Insurance Services Office simplified form, 1986 edition or later, or equivalent, including Coverage A (bodily injury and property damage liability; to include coverage for products-completed operations) and Coverage B (personal and advertising injury liability) with minimum limits of Two Million Dollars (\$2,000,000) per occurrence (Coverage A) and per person or organization (Coverage B).

(2) Auto Liability and Garage-keepers Liability: Covering garage operations, including all owned, non-owned, and hired automobiles to be used by and at the Franchised Business, with minimum coverage limits of One Million Dollars (\$1,000,000) per accident.

(3) Cyber Liability: Covering network security and privacy liability, including the failure to allow access to the Franchised Business’s computer system by authorized users, the failure to prevent unauthorized access to the computer system of the Franchised Business or the private or confidential information contained therein, the theft or loss of private or confidential information of others, and the failure to prevent the transmission of a virus or malicious code to others, with minimum coverage limits of One Million Dollars (\$1,000,000) per loss.

(4) **Umbrella Liability (excess liability insurance)**: Coverage over and above the General Liability, Employers Liability, and Auto Liability limits listed above, with minimum coverage limits of Five Million Dollars (\$5,000,000) per occurrence.

D. Business Interruption Insurance for actual losses sustained for a twelve (12)-month period minimum.

E. Garage Liability Insurance should be written with symbol “21”, any auto, which will include owned, hired and non-owned vehicles coverage.

F. Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 9.3 of this Agreement.

G. Such additional insurance and types of coverage as may be required by the terms of any Location Agreement for the Approved Premises, or as may be reasonably required from time to time by Franchisor.

H. Should Franchisee, for any reason, not obtain and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) to immediately obtain such insurance coverage and to charge same to Franchisee.

I. Franchisor reserves the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. Within sixty (60) days of receipt of notice from Franchisor, Franchisee agrees to revise its coverage, as specified in any notice from Franchisor.

J. The insurance policies described above are minimum requirements, and Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. In addition to the preceding minimum requirements, pursuant to the Service Level Agreement, Franchisee shall, at its sole expense, obtain and maintain such insurance policies and in such amounts set forth in the CMIPs in which Franchisee participates for claims that may arise from or in connection with Franchisee’s performance of services at the Franchised Business under the terms of the Service Level Agreement.

### **8.3 Insurance Certificates and Endorsements**

A. Franchisee will forward to Franchisor copies of the certificate(s) of such insurance, insurance policy endorsements, and any other evidence of compliance required by Franchisor, within sixty (60) days of the signing of this Agreement, but in no event later than thirty (30) days prior to commencement of operations of the Franchised Business, and, on any renewal of such insurance while the Agreement is in effect.

B. The certificate(s) will provide that:

(1) for Commercial Garage Liability Insurance, Franchisor and its affiliates be named as additional “insureds”, as their interest may appear, with respect to this Agreement;

(2) thirty (30) days prior written notice of cancellation, material change or exclusions to the policy will be given to Franchisor;

(3) coverage is primary and not excess of, or contributory with, any other valid and collectible insurance purchased or maintained by Franchisor; and

(4) Reasonable Mutual Waiver of Subrogation, as respects the Commercial General Liability, Automobile Liability, Workers Compensation and Employers Liability Insurance.

FOR ITEMS (1), (2), (3) and (4), WITHIN THIS SECTION 8.3B, SEPARATE ENDORSEMENTS SHALL BE ATTACHED.

C. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor. Franchisee's insurance procurement obligations under this Section 8 are separate and independent of Franchisee's indemnity obligations. Certificate of Insurance showing compliance with the foregoing requirements shall be furnished by Franchisee to Franchisor for approval.

## **9. INDEPENDENT CONTACTOR AND INDEMNIFICATION**

### **9.1 Independent Contractor**

Franchisee will always identify itself to all persons and in all dealings of its FIX AUTO Shop as an independent contractor operating the Franchised Business pursuant to a FIX AUTO franchise, clearly indicating that the Franchised Business is separate and distinct from Franchisor's business. Franchisee will include notices of independent ownership on such forms, business cards, stationery, advertising, signs and other materials, as Franchisor requires from time to time. Subject to the requirements of this Agreement and the Operations Playbook, Franchisee will have complete operational control of its business, including the right to hire, manage and fire each employee.

### **9.2 No Agency Relationship; No Liability for Acts of other Party**

Franchisee will not represent that its relationship with Franchisor is anything other than that of independent Franchisor and Franchisee. No agency is created by this Agreement, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employer, employee, general contractor, or servant or fiduciary of the other for any purposes whatsoever. Neither Franchisee nor Franchisor will have any liability under any acts, omissions, agreements or representations made by the other that are not expressly authorized in writing.

### **9.3 Indemnification**

A. From and after the date of this Agreement, Franchisee and Owners, jointly and severally, shall indemnify Franchisor and its affiliates and their respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal predecessors, legal successors, and assigns of each of the foregoing Entities/individuals (in their Entity and individual capacities) (collectively, all such individuals and entities are referred to herein as the "**Franchisor Indemnitees**") and hold the Franchisor Indemnitees harmless to the fullest extent permitted by applicable laws, from any and all Losses and Expenses incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of the Franchised Business, including the failure of Franchisee to perform any covenant or agreement under this Agreement or any activities of Franchisee on or after the date of this Agreement, or any claims by any employee of Franchisee arising out of or relating to his or her employment with Franchisee (collectively, "**Event**"), and regardless

of whether it resulted from any strict or vicarious liability imposed by law on the Franchisor Indemnitees; provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by any of the Franchisor Indemnitees or the gross negligence or willful acts of any of the Franchisor Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee). **“Losses and Expenses”** means losses, liabilities, claims, penalties, damages (compensatory, exemplary, and punitive), fines, payments, attorneys’ fees, experts’ fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to Franchisor’s reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses.

B. Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a **“Third-Party Claim”**), the Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section 9.3, give a claim notice to Franchisee with respect to such Third-Party Claim. No delay or failure on the part of the Franchisor Indemnitee in so notifying Franchisee will limit any liability or obligation for indemnification pursuant to this Section 9.3, except to the extent of any material prejudice to Franchisee with respect to such claim caused by or arising out of such delay or failure. Franchisor will have the right to assume control of the defense of such Third-Party Claim, and Franchisee and Owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim. Franchisee and Owners will furnish Franchisor with such information as they may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist Franchisor in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by Franchisor will be considered Losses and Expenses for purposes of this Agreement. Franchisor may as it deems necessary and appropriate take such actions to take remedial or corrective action with respect thereof as may be, in Franchisor’s reasonable discretion, necessary for the protection of the Franchisor Indemnitees or FIX AUTO Shops generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of Franchisee and Owners, which will not be unreasonably withheld, conditioned or delayed and which must be provided if such settlement or compromise of the Third-Party Claim includes a written release from liability of such claim for Franchisee and Owners. Sections 9.3A and 9.3B will continue in full force and effect subsequent to and notwithstanding the expiration or earlier termination of this Agreement.

C. Unless Franchisor gives Franchisee a specific written warranty for a particular item or service, any goods and/or services provided by Franchisor, Franchisor’s affiliates and/or any “approved” supplier are provided without any warranties, express or implied, **THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED**, absent a specific written warranty expressly provided in connection with a particular product or service. For all equipment approved for use in the Franchised Business, Franchisee will receive from the respective manufacturer such warranty as they customarily may provide. It is Franchisee’s obligation to maintain all equipment in accordance with the applicable warranty obligations and to make any and all warranty claims directly to the supplier or manufacturer.

## **10. CONFIDENTIAL INFORMATION**

**“Confidential Information”** includes all information relating to the System, including, among other things, all current and future: (i) manuals (including, but not limited to, the Operations Playbook), specifications, standards, training, techniques, processes, policies, procedures, systems, data and know-how regarding the development, marketing, operation and franchising of FIX AUTO Shops; (ii) specifications

and information about products and services; (iii) all information regarding suppliers to the System; and (iv) all information associated with customers of the Franchised Business operated by Franchisee. Specifically, and without limitation, Franchisor owns and controls all Confidential Information and it owns and controls domain names and URLs relating to any and all FIX AUTO Shops. Franchisee's interest in the Confidential Information is limited solely to the right to use it pursuant to this Agreement. By signing this Agreement, Franchisee acknowledges and agrees that Franchisor owns all proprietary information associated with the FIX AUTO® brand and the System. Notwithstanding the above, Confidential Information shall not include: (1) any information generally known or available to the public, or which becomes generally known or available to the public through no fault of Franchisee; or (2) any information generated by or relating to Franchisee's Pre-existing Business or to any information, discovery or processes developed by Franchisee in its Pre-existing Business either before or after the date of this Agreement.

Franchisee agrees (1) to use the Confidential Information only for the operation of its Franchised Business under a FIX AUTO Franchise Agreement; (2) to maintain the confidentiality of the Confidential Information during the Term and thereafter; (3) not to make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (4) to implement all reasonable procedures prescribed by Franchisor for prevention of unauthorized use or disclosure of the Confidential Information.

Franchisee acknowledges and agrees that Franchisor has the perpetual right to use, and to authorize others to use, all ideas, techniques, methods and processes relating to the Franchised Business, which are conceived or developed by Franchisee and/or its employees.

## **11. RESTRICTIONS ON SIMILAR BUSINESSES**

During the Term of this Agreement, Franchisee, its subsidiaries and affiliates and Owners will not have any direct or indirect interest anywhere in any same or substantially similar business to the Franchised Business, or in any Entity awarding franchises or licenses or establishing joint ventures or other business enterprises for the operation of a same or substantially similar business without prior written consent from Franchisor. As used herein, "**same or substantially similar business**" shall mean a collision repair facility or body shop business; "same or substantially similar business" shall specifically exclude: (a) Franchisee's Pre-existing Business; and (b) any other automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries. Unless specifically authorized by Franchisor, Franchisee agrees that it will not join, participate in, become a member, or otherwise be associated with any other collision repair network or affiliation, branded or unbranded, which provides services similar to those provided by Franchisor, including specifically, participation in insurance company DRPs and supplier purchasing programs.

## **12. TRANSFERS**

### **12.1 Transfers by Franchisor**

This Agreement, and any or all of its rights and/or obligations under it, are fully transferable by Franchisor, in whole or in part, without Franchisee's consent. If Franchisor transfers this Agreement, only the transferee will have obligations to Franchisee and Franchisor's obligations (and those of Franchisor's affiliates) will be extinguished. Franchisee specifically agrees that Franchisor may be sold and/or Franchisor may sell any or all of its intellectual property and/or other assets (including the Marks); go public; engage in a private or other placement of some or all of its securities; merge, acquire other entities and/or assets (competitive or not); be acquired by a competitive or other Entity; and/or undertake any refinancing, leveraged buy-out and/or other transaction. Franchisee agrees that Franchisor will have no liability to Franchisee resulting from its entering into any transactions permitted hereunder. Franchisor also may, on a permanent or temporary basis, delegate any or all of its duties to another company to perform.

In such event, Franchisee will look only to such other company for the performance of such duties, and such other company will agree to assume such duties under the terms of this Agreement.

## **12.2 Transfers by Franchisee**

A. **Permitted Transfers Requiring Notice, But Not Franchisor Approval Nor Payment of Any Fee.** Franchisee and Owners will remain jointly and severally liable to Franchisor for all obligations owed by Franchisee, and Franchisee must give Franchisor notice of a transfer to an Entity of affiliate company at least thirty (30) days prior to the planned transfer date, but no Franchisor approval, nor payment of a transfer fee is required if Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to an Entity that is wholly-owned by Franchisee and formed for the convenience of ownership, so long as the terms and conditions of the this Agreement remain unchanged, and Franchisee shall own and control all of the Ownership Interests in the transferee Entity and, if Franchisee is more than one individual, each individual shall have the same proportionate Ownership Interest in the Entity as he or she had in Franchisee prior to the transfer.

B. **Transfers Requiring Notice, Payment of a Transfer Fee and Prior Approval.** The rights and duties created by this Agreement are personal to Franchisee (or Owners, if Franchisee is an Entity). Franchisor has awarded the franchise relying on the individual integrity, ability, experience and financial resources of Franchisee or Owners. Therefore, this Agreement, the franchise, Franchisee (including any direct or indirect Ownership in Franchisee), the Franchised Business or the business conducted at the Franchised Business (or any interest in, or the ownership or assets of, any of them) may not be transferred without Franchisor's prior written approval, which approval shall not be unreasonably delayed or withheld. Franchisor may place reasonable conditions on its approval of any transfer by Franchisee. While Franchisor acknowledges that Franchisee may be a family business which may be transferred within the immediate family as the current Owner retires or otherwise desires to leave the business, Franchisor still retains its right to approve or disapprove such a transfer, consistent with the criteria and conditions set forth below. In the event of an intra-family transfer, Franchisor will waive the franchise transfer fees described in Subsection (8) of Section 12.3A. Any purported transfer not in accordance with this Section 12.2, occurring by operation of law or otherwise, including any assignment to or by a trustee in bankruptcy, without Franchisor's prior written consent, will be void and will be a material default of this Agreement. Franchisee agrees to provide any prospective party to a transfer a copy of this Agreement before entering into any negotiations relating to a transfer.

## **12.3 Conditions for Approval of Any Transfer by Franchisee**

A. All of the following conditions must be met prior to, or concurrently with, the effective date of any transfer by Franchisee. Franchisor may waive any condition in its sole and absolute discretion.

(1) Franchisee must be in substantial compliance with this Agreement (including, without limitation, Section 12.5), the Operations Playbook, all other agreements between Franchisee and Franchisor (including any of its respective affiliates), and all leases/subleases with any party, and the transferee must expressly assume all obligations under all such agreements. If Franchisor believes Franchisee is not in substantial compliance with any of the agreements, then Franchisor shall notify Franchisee in writing specifically detailing the noncompliance and shall give Franchisee (except in those cases where there is no cure period) an opportunity to cure as set forth herein.

(2) The transferee and its owners must meet Franchisor's then-current reasonable requirements for new FIX AUTO franchisees, including, but not limited to, business experience, aptitude and financial resources, and the transferee must complete or agree to complete Franchisor's

training program for new franchisees. If the transfer is among immediate family members, Franchisor may waive some or all of the training requirement depending on the transferee's active involvement in the business.

(3) Any and all promissory notes owed by Franchisee to Franchisor or its affiliates shall be accelerated and paid in full or assumed by the transferee (with Franchisee to remain jointly obligated).

(4) Neither the transferee nor any of its direct or indirect owners or affiliates operates, has a direct or indirect ownership interest in, or performs services for a same or substantially similar business as a FIX AUTO Shop.

(5) All undisputed obligations to third parties in connection with the Franchised Business must be satisfied or assumed by the transferee.

(6) The Franchised Business must have been brought into substantial compliance with the Operations Playbook and specifications and standards then-applicable for new FIX AUTO Shops.

(7) The transfer will occur through the use of an escrow or a closing attorney, as applicable, and the escrow or closing instructions will provide for (i) payments of all fees owed to Franchisor, including transfer fees, training fees and any other amounts; and (ii) a 'hold back' in the amount of two percent (2%) of the Franchised Business's annual Gross Sales for a period not to exceed twenty-four (24) months, to provide for correction of defects in workmanship committed by Franchisee or for payment to the transferee of warrantied work performed by Franchisee.

(8) The transferee must, at Franchisor's option, (i) agree to be bound by all the terms and conditions of this Agreement for the remainder of the term (including renewal options), or (ii) execute Franchisor's then-current form of franchise agreement and ancillary documents (including execution of Personal Guarantees by the transferee's direct and indirect owners) as are then customarily used by Franchisor in the grant of franchises; the term of such new franchise agreement shall, at its option, be either for the balance of the Term of this Agreement (including renewal options) or for the full term generally awarded to new franchisees as of the time of the transfer.

(9) Franchisee must pay Franchisor a transfer fee in the amount of Seven Thousand Five Hundred Dollars (\$7,500) with its application for a transfer. The transfer fee, less any administrative costs incurred by Franchisor to review the proposed transfer and evaluate the prospective transferee, is refundable if the proposed transfer is not approved by Franchisor.

(10) Franchisee and each Owner must execute a general release, in a form prescribed by Franchisor.

(11) Franchisee must provide customer and warranty information to the transferee, and the transferee must agree to honor all valid warranties on work performed by Franchisee for a period of twenty-four (24) months after the transfer.

(12) In connection with the sale of goodwill by Franchisee, Franchisee will agree with the transferee not to compete with the transferee using the System, after the transfer in accordance with restrictions reasonably acceptable to Franchisor and Franchisee and substantially similar to those described in Section 11, above. Unless specifically agreed to by Franchisee, such agreement will

not include: (a) Franchisee's Pre-existing Business, as the same may change from time to time; or (b) any other automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries.

(13) Franchisee shall pay Franchisor a commission if Franchisor procures a purchaser for the franchise. Such commission, which shall not exceed Franchisor's then-current standard Initial Franchise Fee, shall be payable upon closing.

B. Franchisor may withhold or reasonably condition its consent to any transfer if Franchisor believes that the terms of transfer jeopardize the economic viability of the franchise, result in an individual owner controlling more than ten percent (10%) of the total number of franchisees and/or if Franchisor would not normally directly award a franchise in such a situation.

C. Neither Franchisee nor any transferee shall rely on Franchisor to assist in the evaluation of the terms of any proposed transfer. Franchisee acknowledges and agrees that an approval of a proposed transfer shall not be deemed to be an approval of the terms, nor any indication as to any likelihood of success or economic viability.

**FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISEE MAY NOT INITIATE OR ATTEMPT TO INITIATE A TRANSFER TO A TRANSFeree IF SUCH TRANSFeree (OR ANY OF ITS DIRECT OR INDIRECT OWNERS OR AFFILIATES) OPERATES, HAS A DIRECT OR INDIRECT OWNERSHIP INTEREST IN, OR PERFORMS SERVICES FOR, A SAME OR SUBSTANTIALLY SIMILAR BUSINESS AS A FIX AUTO SHOP. FOR THE AVOIDANCE OF DOUBT, FRANCHISOR SHALL NOT CONSENT TO SUCH TRANSFER, AND FRANCHISOR'S REFUSAL TO CONSENT TO SUCH TRANSFER SHALL NOT BE DEEMED UNREASONABLE.** If Franchisee terminates or attempts to terminate this Agreement for the purpose of engaging in a transfer in violation of this Section 12, Franchisor shall be entitled to injunctive relief prohibiting such transfer, and any such transfer shall be void.

#### **12.4 Transfers Upon Death, Disability or Incapacity of Franchisee**

If Franchisee, or if any Owner with a controlling Ownership Interest in Franchisee, dies or is permanently disabled or permanently incapacitated, then his or her interest in this Agreement, the franchise and/or Franchisee shall be transferred to a third party subject to all of the provisions of this Section 12, including the ability to transfer this Agreement to a family member. A "permanent disability" or "permanent incapacity" occurs if Franchisee is not able to personally, actively participate in the management of its Franchised Business for six (6) consecutive months. Any transfer under this Section shall be completed within six (6) months from the date of death or permanent disability or permanent incapacity. If no transfer occurs, the franchise will automatically terminate at the end of such period, unless a written extension is granted by Franchisor in its Business Judgment.

#### **12.5 Franchisor Purchase Option and Right of First Refusal**

##### **A. Franchisor Purchase Option in the Event of Unauthorized Transfer**

(1) In the event that, prior to the expiration of the full term, Franchisee initiates or attempts to initiate a transfer of the franchise, Franchisee (including any direct or indirect Ownership Interest in Franchisee), the Franchised Business or the business conducted at the Franchised Business (or any interest in, or the ownership or assets of, any of them) to a same or substantially similar business (including an independent operator), then, without limiting any other rights or remedies that Franchisor has under this Agreement or applicable law, Franchisor shall have the right for a period of ninety (90) days commencing on the date that Franchisor receives all of the items listed in Exhibit 12.5 to this Agreement



(the “**Franchisor Option Period**”), to, at Franchisor’s election and in Franchisor’s sole discretion, inform Franchisee that it intends to (i) purchase the assets of the Franchised Business at fair market value, exclusive of any goodwill, and obtain an assignment of the Location Agreement for the Approved Premises, or (ii) purchase on substantially the same terms and conditions as Franchisee’s proposed transfer. If Franchisee and Franchisor are unable to agree on the fair market value of the assets, the fair market value shall be determined by an independent appraiser selected by Franchisor, at its sole expense. If Franchisee does not have a Location Agreement for the Approved Premises because Franchisee or any Owner (or any Entity under any Owner’s control) owns the real property on which the Approved Premises is located, then Franchisor shall have the option to enter into a lease with Franchisee for the Approved Premises of the Franchised Business at fair market rent for a term of at least ten (10) years. If Franchisee and Franchisor are unable to agree on the fair market rent for the Approved Premises, the fair market rent shall be determined by an independent appraiser selected by Franchisor, at its sole expense. If Franchisor elects to exercise its rights pursuant to this Section, then Franchisor shall provide a written notice of such intent to Franchisee (the “**Franchisor Option Notice**”) before the expiration of the Franchisor Option Period.

(2) If Franchisor provides the Franchisor Option Notice to Franchisee, Franchisor and Franchisee (and/or Owners) will negotiate in good faith a purchase agreement on substantially the same material terms and conditions of the third-party offer, except as outlined herein, and such other terms and conditions reasonably satisfactory to Franchisor and Franchisee. The purchase agreement shall contain such agreements, representations, warranties, covenants, indemnities and customer warranty reserve funds, and requiring such documents at closing, as are reasonably necessary to protect each party’s interests. The closing shall occur not more than ninety (90) days after the date of the Franchisor Option Notice unless the closing is delayed for reasons beyond Franchisor’s reasonable control. In the event the consideration offered by the same or substantially similar business (or independent operator) is such that Franchisor may not reasonably be able to provide the same form of consideration, then Franchisor may purchase the interest proposed to be sold for the reasonable value equivalent in cash. If Franchisor and Franchisee are unable to agree on the reasonable value equivalent in cash of the consideration, Franchisor may designate, at its sole expense, an independent appraiser to determine the reasonable value equivalent in cash of the consideration. The independent appraiser’s determination shall be binding.

(3) Franchisor shall have the right to assign its rights (in whole or in part) under this Section 12.5A or designate another person or Entity to exercise such rights. For the avoidance of doubt, either Franchisor or its third-party assignee can exercise the rights set out in this Section 12.5A. Franchisee expressly agrees that the items provided by Franchisee to Franchisor pursuant to Exhibit 12.5 of this Agreement may be disclosed by Franchisor to one (1) or more potential third-party designees. The rights and restrictions in this Section 12.5A are in addition to any rights and restrictions set forth in this Agreement, including, without limitation, Section 12.5B.

#### **B. Right of First Refusal**

(1) During the Term of this Agreement and for a six (6)-month period following expiration (in the event of non-renewal) or termination of this Agreement, Franchisor shall have a right to match any offer by a third party to purchase the assets of the Franchised Business, the interests in Franchisee (including any direct or indirect Ownership Interest in Franchisee) or this Agreement (as applicable) (“**Right of First Refusal**” or “**ROFR**”). With respect to any such proposed sale, Franchisee or Owners will (1) provide to Franchisor all of the items listed in Exhibit 12.5 to this Agreement, and (2) offer Franchisor the right to purchase on the same terms and conditions as the proposed purchaser. Franchisor will have the right to accept such offer (i) at any time within ninety (90) days from the date that Franchisor receives all of the items listed on Exhibit 12.5 of this Agreement, if Franchisee receives the third-party offer during the Term of this Agreement or during the six (6)-month period following expiration (in the event of non-renewal) or termination of this Agreement and the proposed purchaser and its affiliates are not engaged

in a same or substantially similar business; or (ii) at any time within one hundred eighty (180) days from the date that Franchisor receives all of the items listed on Exhibit 12.5 of this Agreement, if Franchisee receives the third-party offer during the six (6)-month period following expiration (in the event of non-renewal) or termination of this Agreement and the proposed purchaser and its affiliates are engaged in a same or substantially similar business (the applicable period, the “**Franchisor Evaluation Period**”). For the avoidance of doubt, any transfer to a same or substantially similar business (including an independent operator) during the Term of this Agreement shall be subject to the terms and conditions set forth in Section 12.5A. If Franchisor elects to exercise its rights pursuant to this Section, then Franchisor shall provide a written notice of such intent to Franchisee (the “**Franchisor Intent Notice**”) before the expiration of the Franchisor Evaluation Period.

(2) If Franchisor provides the Franchisor Intent Notice to Franchisee, Franchisor and Franchisee (and/or Owners) will negotiate in good faith a purchase agreement on substantially the same material terms and conditions of the third-party offer, except as outlined herein, and such other terms and conditions reasonably satisfactory to Franchisor and Franchisee. The purchase agreement shall contain such agreements, representations, warranties, covenants, indemnities and customer warranty reserve funds, and requiring such documents at closing, as are reasonably necessary to protect each party’s interests. The closing shall occur not more than ninety (90) days after the date of the Franchisor Intent Notice unless the closing is delayed for reasons beyond Franchisor’s reasonable control. In the event the consideration offered by a third party is such that Franchisor may not reasonably be able to provide the same form of consideration, then Franchisor may purchase the interest proposed to be sold for the reasonable value equivalent in cash. If Franchisor and Franchisee are unable to agree on the reasonable value equivalent in cash of the consideration, Franchisor may designate, at its sole expense, an independent appraiser to determine the reasonable value equivalent in cash of the consideration. The independent appraiser’s determination shall be binding. In addition, if the third-party purchaser and Franchisee have including terms in the proposed offer that, in Franchisor’s reasonable judgment, are intended to make it difficult or impossible for Franchisor to exercise its rights under this Section, Franchisor shall not be required to match such terms in exercising the Right of First Refusal.

(3) If Franchisor does not provide the Franchisor Intent Notice to Franchisee, then Franchisee or Owners will be free to sell to a third-party purchaser, provided that the terms and conditions of sale, including price, are no more favorable to the third-party purchaser than what was offered to Franchisor. If (i) Franchisee or Owners determine that they are willing to accept terms and conditions from any third-party purchaser that are more favorable to the third-party purchaser than what has been offered to Franchisor, or (ii) more than ninety (90) days has passed since the expiration of the Franchisor Evaluation Period and the proposed sale has not occurred, Franchisee or Owners must again (a) notify Franchisor and (b) offer in writing the same terms and conditions to Franchisor, and Franchisor will have ninety (90) days after the date of receipt of such notification to accept Franchisee’s or Owner(s)’s offer. Franchisee expressly agrees to provide Franchisor the executed purchase agreement signed at the closing of the sale to the third-party purchaser so that Franchisor may confirm that the terms of the transaction are consistent with the offer made to Franchisor.

(4) Franchisor shall have the right to assign the ROFR (in whole or in part) or designate another person or Entity to exercise such ROFR. For the avoidance of doubt, either Franchisor or its third-party assignee can exercise the Right of First Refusal set out in this Section 12.5B. Franchisee expressly agrees that the items provided by Franchisee to Franchisor pursuant to Exhibit 12.5 of this Agreement may be disclosed by Franchisor to one (1) or more potential third-party designees.

## **12.6    Liquidated Damages**

If this Agreement is terminated pursuant to Section 13.1F herein, Franchisee must pay Franchisor, on demand, liquidated damages equal to an amount calculated as follows: (i) the number of months then remaining in the Term as of the effective date of termination multiplied by the average monthly Advertising Fees that Franchisee owed Franchisor during the twelve (12)-month period before the month of termination (or such lesser period that the Franchised Business has been open, if less than twelve (12) months); provided, however, that such average monthly amount shall not exceed Nine Hundred Fifty Dollars (\$950) or the then agreed upon cap on the monthly Advertising Fee amount; (ii) the amount of any marketing or Advertising Program Fees previously agreed upon by Franchisor and Franchisee in addition to the standard monthly Advertising Fee and which have not been paid and received by Franchisor; (iii) the number of months then remaining in the Term as of the effective date of termination multiplied by the average monthly Central Review Fees that Franchisee owed Franchisor during the twelve (12)-month period before the month of termination (or such lesser period that the Franchised Business has been open, if less than twelve (12) months); and (iv) the number of months then remaining in the Term as of the effective date of termination multiplied by the average monthly Base Fees that Franchisee owed Franchisor during the twelve (12)-month period before the month of termination (or such lesser period that the Franchised Business has been open, if less than twelve (12) months), but before the application of any discounts on the Base Fee on account of Preferred Suppliers used by Franchisee (the “**Average Monthly Base Fee**”); provided, however, that such Average Monthly Base Fee amount shall not exceed any cap on the monthly Base Fee amount payable by Franchisee under this Agreement (the “**Base Fees LD**”). Notwithstanding the foregoing in subpart (iv), if the termination of this Agreement under Section 13.1F results from Franchisee’s breach of Section 12.5, then the amount of the Base Fees LD payable as part of the liquidated damages hereunder shall be increased by an amount equal to the lesser of (a) one hundred percent (100%) of the Base Fees LD or (b) twenty-four (24) multiplied by the Average Monthly Base Fee. The parties acknowledge and agree that Franchisee’s payment of liquidated damages to Franchisor hereunder shall not be a penalty for Franchisee’s breach of this Agreement, but rather a reasonable estimate of the losses Franchisor will incur as a result of the Franchised Business closing prior to the expiration of the Term. Franchisee’s obligation to pay such amounts under this Section 12.6 shall be in addition to Franchisee’s obligations to (A) pay all other amounts still owed hereunder by it to Franchisor as of the effective date of termination, and (B) adhere to Franchisee’s other post-termination obligations under this Agreement. Franchisor’s right to receive liquidated damages under this Section 12.6 shall be in addition to all other post-termination remedies available to Franchisor under this Agreement.

## **13.    TERMINATION OF THE FRANCHISE**

### **13.1    Defaults with No Right to Cure**

This Agreement will automatically terminate upon delivery of Franchisor’s written notice of default and termination (“**Notice of Default and Termination**”) to Franchisee in compliance with Section 16 (without further action by Franchisor and without opportunity to cure) if Franchisee (or any Owner):

A.       Operates the Franchised Business in any manner which might pose a danger to public health and/or safety;

B.       abandons or fails to operate the Franchised Business for more than seven (7) consecutive calendar days, unless failure is due to acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe);

C. makes any material misrepresentation or omission in its application for the franchise, including (but not limited to) failure to disclose any prior litigation or criminal convictions (other than minor traffic offenses);

D. is judged bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, is unable to pay its debts as they become due, or a petition under any bankruptcy law is filed by or against Franchisee or any Owner or a receiver or other custodian is appointed for a substantial part of the assets of the Franchised Business;

E. is convicted of, or plead no contest to, a felony, or to any crime or offense, or engaged in any misconduct (including, but not limited to, child abuse, health or safety hazards, drug or alcohol problems, or permitting unlawful activities at the Franchised Business) that is likely to adversely affect (in a material and substantial manner) the reputation of the franchise or any Owner, the Franchised Business, Franchisor or the goodwill associated with the Marks;

F. knowingly and willfully makes, or attempts to make, a transfer of the Franchised Business that is not in accordance with Section 12 of this Agreement;

G. violates any of the restrictions against competition provided in Section 11 (or any other person identified therein commits such a violation); or

H. fails to reasonably permit or cooperate with Franchisor or Franchisor's designee in any audit or inspection or fails to retain (or to produce on request) any records required to be maintained by Franchisee.

### **13.2 Defaults with Right to Cure**

This Agreement will automatically terminate on delivery of Franchisor's written Notice of Default and Termination to Franchisee in compliance with Section 16 (without further action by Franchisor and without further opportunity to cure beyond that set forth in this Section):

A. 10-Day Cure. If within ten (10) calendar days after delivery of Franchisor's written notice to Franchisee, Franchisee (or any Owner) does not cure any:

- (1) failure to maintain required insurance;
- (2) failure to submit any report due under this Agreement;
- (3) failure to make payments of any amounts due Franchisor or its affiliates;

or

(4) failure to comply with any of the dispute resolution provisions of this Agreement, including (but not limited to) failure to pay/deposit any amounts required, and/or unexcused failure to appear or respond to any dispute resolution proceedings.

With respect to items A.(1) and/or A.(2) above, Franchisor may require Franchisee to immediately cease all operations until such defaults are fully cured.

B. 30-Day Cure. If within thirty (30) calendar days after delivery of Franchisor's written Notice of Default and Termination to Franchisee, Franchisee (or any Owner) does not cure any:

(1) delinquency in Franchisee's obligations to any supplier/creditor of Franchisee, taxing authorities, landlords, equipment lessors, suppliers and/or others;

(2) failure to comply with any other material provision of this Agreement, any other agreement with Franchisor and/or its affiliates, or any material specification, standard or operating procedure or rule prescribed by Franchisor in the Operations Playbook or by other writing which does not provide for a shorter notice period;

(3) failure to complete FIX AUTO Integration within fifteen (15) weeks of the Effective Date of this Agreement, unless Franchisee has requested an extension of such fifteen (15)-week period in writing and been approved;

(4) failure to comply with the requirements of any Corporately Managed Insurance Program, as may be set forth in the applicable Service Level Agreement for such program; or

(5) failure to timely meet the site selection, development, opening and other requirements provided in Sections 1.2 and 4.

If any such default under this Section 13.2B cannot reasonably be corrected within such thirty (30)-day period, then Franchisee must undertake diligent efforts within such thirty (30)-day period to come into full compliance. Franchisee must furnish, at Franchisor's request, proof acceptable to Franchisor of such efforts and the date full compliance will be achieved. In any event, all such defaults must be fully cured within ninety (90) days after delivery of the initial written Notice of Termination to Franchisee.

### **13.3 Repeated Defaults**

This Agreement will automatically terminate upon delivery of Franchisor's written Notice of Default and Termination to Franchisee in compliance with Section 16 (without further action by Franchisor and without opportunity to cure) if Franchisee has committed three (3) or more applicable defaults within any calendar year, or five (5) or more applicable defaults within any twenty-four (24) consecutive months. An "applicable default" is a material single breach of any obligation under this Agreement and/or the Operations Playbook, or under any other agreement with Franchisor and/or any of its affiliates.

### **13.4 Cross-Defaults**

Any default by Franchisee (or any of its Owners or affiliates) under this Agreement may be regarded by Franchisor as a default under any other agreement between Franchisor (or any Franchisor affiliate) and Franchisee (or any of its Owners or affiliates). Any default by Franchisee (or any of its Owners or affiliates) under any other agreement or any other obligation between Franchisor (or any Franchisor affiliate) and Franchisee (or any of its Owners or affiliates) may be regarded as a default under this Agreement.

### **13.5 Failure to Meet Performance Standards**

A. Franchisee and Franchisor have a shared interest in the Franchised Business not performing below the System standards, and Franchisor would not have entered into this franchise relationship if it had anticipated that Franchisee would not meet the System standards.

B. FIX AUTO System Standards. Franchisor may choose, in its Business Judgment, to evaluate the Franchised Business for compliance with the System standards using various methods (including, but not limited to, inspections, field service visits, customer comments/surveys, and secret shopper reports).

C. FIX AUTO Performance Management Program. Franchisor has created a documented Performance Management Program (“PMP”) that establishes clear performance guidelines, structured progressive support and remediation milestones that will be applied to franchisees. If Franchisee does not meet the minimum PMP performance guidelines prescribed by Franchisor from time to time in the Operations Playbook or otherwise in writing, Franchisor will implement the PMP remediation steps. If Franchisee fails to improve its performance per the PMP performance guidelines within sixty (60) days of being notified of non-compliance, Franchisor can, at its election suspend Franchisee from any Service Level Agreement or other work provider contracts and implement the correction process as described below in Section 13.5H. If Franchisee fails to meet the PMP performance guidelines within six (6) months of being notified of non-compliance, Franchisor can, at its election terminate this Agreement.

D. FIX AUTO Minimum Annual Sales Standard. At any time, Franchisor may choose, in its Business Judgment, to compare Franchisee’s sales from the prior twelve (12) months with the then-current applicable “Minimum Annual Sales Standard” prescribed by Franchisor from time to time in the Operations Playbook or otherwise in writing. If Franchisee drops below the applicable Minimum Annual Sales Standard, Franchisor can implement the correction process as described in Section 13.5H and thereafter terminate this Agreement in the event Franchisee fails to achieve the Minimum Annual Sales Standard for its Franchised Business.

E. FIX AUTO Insurance Referrals Standard. Franchisee must maintain and provide to Franchisor a minimum of three (3) positive insurance company references. If Franchisee does not maintain the minimum positive insurance company references, Franchisor can, at its election, suspend Franchisee from a specific insurance company’s flow of work or terminate this Agreement.

F. Franchisor reserves the right to make reasonable revisions to elements of the Performance Standards on six (6) months written advance notice to Franchisee.

G. Franchisor may (but is not required to) implement the correction process described in Section 13.5H, if Franchisee fails to meet the Performance Standards, as described in this Section 13.

H. Correction Process

(1) If Franchisor notifies Franchisee of its failure to meet any Performance Standards, then Franchisee will have six (6) months from Franchisor’s delivery of written notice to Franchisee in accordance with Section 16, below, to meet all applicable Standards. If Franchisee does not meet all applicable Standards within six (6) months, Franchisor can, at its election, terminate this Agreement.

(2) Franchisor will reasonably cooperate with and assist Franchisee in its efforts to meet its performance requirements. Among other things, Franchisor can (i) require Franchisee and/or its manager to attend and successfully complete a re-training seminar at Franchisor’s then-current headquarters, with Franchisee to pay all related travel, meals, lodging and incidental expenses, or (ii) send a trainer to the Approved Premises to present a re-training seminar, which Franchisee and its manager must successfully complete, at Franchisee’s expense.

(3) As part of the correction process, Franchisee agrees to sign a probation report which clearly sets forth an admission by Franchisee of the problems identified, the remedial actions taken, and the consequences for repeated failure or defaults.

I. If within such six (6)-month period the Franchised Business does not meet the Performance Standards, then Franchisor can reduce, eliminate or otherwise modify referrals made to Franchisee for work from insurance companies and/or reduce or eliminate Franchisee's Territory or exclusivity.

J. Nothing in this Section is intended to limit or diminish in any way any rights or remedies provided Franchisor under this or any other agreement, at law or in equity. The fact that any correction process may be ongoing shall not prevent Franchisor from exercising any such rights and/or remedies, including any right to terminate this Agreement for another default under this or any other agreement.

### **13.6 Non-Exclusive Remedies**

Whenever Franchisor has a right to terminate this Agreement, Franchisor (and any Franchisor affiliate) will have all remedies allowed at law and in equity. No right or remedy which Franchisor may have (including termination) is exclusive of any other right or remedy, and Franchisor may pursue any rights and/or remedies available. In every instance in which Franchisor has the right to terminate this Agreement under this Section 13, Franchisor may elect in its reasonable Business Judgment to cancel any and/or all of Franchisee's territorial rights or limit or eliminate referrals to Franchisee.

### **13.7 Franchisor's Right to Discontinue Supplying Items upon Default**

Franchisor and any Franchisor affiliate has the right, in addition to all other rights and remedies, to require upon the issuance of a default that Franchisee pay by certified check for any goods/services related to the operation of its Franchised Business. Franchisor and any Franchisor affiliate also have the right to stop selling and/or providing any goods and/or services to Franchisee until Franchisee has cured all defaults.

### **13.8 Prompt Notice of Claims by Franchisee**

If Franchisee claims that a default has been committed by Franchisor (or that Franchisee has any other basis for terminating its obligations and Franchisor's rights under this Agreement or making any other claim against Franchisor), Franchisee must give Franchisor written notice and thirty (30) days to cure. If Franchisor cannot reasonably cure within such thirty (30)-day period, and Franchisor is diligently continuing efforts to cure, then Franchisor will have ninety (90) days to cure. Any applicable statutes of limitations will be tolled during such thirty (30)-/ninety (90)-day periods. Franchisee further understands that it is not permitted to terminate this Agreement for any default committed by Franchisor, except as permitted herein or by applicable law.

### **13.9 Force Majeure**

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties. In this Agreement, the term "Force Majeure" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, lack of

water, materials, power or telephone transmissions specified or reasonably necessary in connection with the production, storage, shipment, or sale of goods and services; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the production, storage, shipment, or sale of goods or services. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall not apply or not result in an extension of the Term of this Agreement.

## **14. RIGHTS AND OBLIGATIONS ON TRANSFER, REPURCHASE, TERMINATION AND/OR EXPIRATION OF THE FRANCHISE**

### **14.1 Payments of All Amounts Owed**

Franchisee must pay all amounts of any kind owed to Franchisor and/or any Franchisor affiliate in conjunction with the transfer, termination or expiration of the franchise. These amounts include a warranty 'hold back' in the amount of two percent (2%) of the Franchised Business's annual Gross Sales for a period not to exceed twenty-four (24) months to provide for correction of defects in workmanship committed by Franchisee or for payment to a transferee (as applicable) with respect to warrantied work performed by Franchisee.

### **14.2 Intellectual Property, Confidential Information and Trade Dress**

After any transfer, termination or expiration of the franchise:

A. Franchisee agrees to immediately and permanently discontinue its Franchised Business and any use of the Confidential Information, the Marks or the System, and will not use any similar or derivative marks, or materials, or colorable imitations of any of the Confidential Information, Marks or System in any medium or manner or for any purpose;

B. Franchisee will return to Franchisor or (at Franchisor's option) destroy all manuals (including, but not limited to, the Operations Playbook), forms, materials, signage and any other items containing any FIX AUTO intellectual property or Marks, or otherwise identifying or relating to the Franchised Business (to the extent they have not been assigned in connection with an authorized transfer);

C. Franchisee will take such actions as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks that have not been assigned in connection with an authorized transfer;

D. Franchisee will remove from the Approved Premises any distinctive signage, physical and/or structural features associated with the FIX AUTO Shop(s), so that the Approved Premises are clearly distinguished from other FIX AUTO Shops and do not create any public confusion (to the extent they have not been assigned in connection with an authorized transfer). If Franchisee fails to initiate immediately and complete such changes within thirty (30) days of the effective date of termination or expiration as required by this Section 14.2, Franchisee agrees that Franchisor may, at its option, either: (i) directly or through its authorized agent or contractor, enter the Approved Premises and adjacent areas at any time after that thirty (30)-day period to make such changes, at Franchisee's sole risk and expense, without liability for trespass or other tort or criminal act; (ii) charge Franchisee a holdover signage fee of Three Thousand Five Hundred Dollars (\$3,500) per month (the "**Holdover Signage Fee**"); or (iii) continue to require and demand that Franchisee undertake to meet its de-identification obligations directly, in which



case Franchisor reserves all rights against Franchisee at law and in equity. Franchisee expressly acknowledges that its failure to make the changes required herein will cause irreparable injury to Franchisor. Franchisee agrees that any signs provided on loan by Franchisor can be removed by Franchisor immediately upon termination or expiration of this Agreement;

E. Franchisee agrees not to identify itself, or any business it may operate or in which it may become involved, or to advertise or promote itself in any manner, as a present or former FIX AUTO franchisee; and

F. Franchisee will furnish to Franchisor within thirty (30) days satisfactory evidence of its compliance with the obligations described in this Section 14.2 and in Section 14.3. If Franchisee operates any business using any of Franchisor's intellectual property, Marks, Confidential Information or any aspect of the System, Franchisor's remedies will include (but will not be limited to) recovery of the greater of (1) all profits earned by Franchisee in the operation of such business, or (2) all royalties, advertising contributions and other amounts which would have been due if this Agreement remained in effect with Franchisee. For purposes of this Section, FIX AUTO intellectual property and Confidential Information shall not include: (i) information that is in the public domain (through no fault of Franchisee); (ii) information considered to be a best or common practice in the collision repair business; or (iii) information or legacy practices used by Franchisee in the business prior to Franchisee's execution of this Agreement. Upon termination or expiration of this Agreement, Franchisee shall retain the right to service all customers serviced by Franchisee at any time prior to the termination. Nothing in this Section 14.2 shall prohibit Franchisee from owning and operating an automotive collision repair shop after termination or expiration of the Agreement which would not otherwise be a violation of any terms of this Agreement.

#### **14.3 Telephone and Other Directory Listings and Internet Sites**

Franchisee understands and agrees that Franchisor owns all FIX AUTO telephone numbers, domain names, Internet addresses/sites and/or other communications services links (collectively, the "**Numbers**"), and any related FIX AUTO directory listings/advertising, used in connection with the operation of the Franchised Business, with the exception of any Numbers owned by Franchisee prior to executing this Agreement; those Numbers will remain the property of Franchisee. Franchisor may, in its Business Judgment, require Franchisee to sign an assignment of the applicable Numbers prior to training or at another time. After any termination and/or expiration of the franchise, Franchisee will promptly transfer, call-forward, discontinue or otherwise deal with the Numbers and any related directory listings/advertising as Franchisor directs, at Franchisee's expense. Franchisee agrees to sign any documents and/or pay any amounts required by a telephone/communication services provider as a condition to Franchisor exercising any rights under this Section 14.3. Such companies may accept this Agreement as conclusive evidence of Franchisor's exclusive rights in such Numbers and related directory listings, web pages and advertising/marketing. If Franchisor is required to pay any amounts owed by Franchisee, to any telephone/communication services provider or otherwise, in connection with exercising its rights under this Section 14.3 or otherwise obtaining/exercising rights to the Numbers, Franchisee will immediately reimburse Franchisor for such amounts and all related costs, on demand. Notwithstanding the above, in the event Franchisee or Franchisor terminates this Agreement at any time then Franchisee shall retain any telephone numbers, websites or any of the other mediums listed above and used by Franchisee in connection with Franchisee's Pre-existing Business, as the same may change from time to time, and Franchisee may utilize any and all of the above referenced mediums in connection with the continuation of Franchisee's Pre-existing Business provided only: (1) Franchisee shall not have access to the System; and (2) Franchisee may not use the Marks or any reference to name as part of its advertising efforts.

#### **14.4 Continuing Obligations**

A. Except as otherwise provided in this Agreement, all obligations and rights which expressly or by their nature survive the transfer, expiration or termination of this Agreement will continue in full force and effect until they are satisfied or by their nature expire.

B. If this Agreement is terminated because of a default by Franchisee, Franchisee will not be released or discharged from its obligations, including payment of all amounts then due. Franchisor's remedies will include (but are not limited to) the right to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to Franchisor or any of its affiliates. Franchisee (and each Owner) agrees to sign a general release if Franchisor chooses in its Business Judgment to waive its rights to collect any amounts that would have become due if Franchisee had continued in operation as a FIX AUTO franchisee.

C. If this Agreement is terminated because Franchisor ceases to be in the business of both awarding and maintaining FIX AUTO franchises, then Franchisee may enter into a similar business so long as none of the FIX AUTO intellectual property, Marks, System, Trade Dress, materials, supplies and anything else utilized in the creating or delivery of the System are not used in any way in the operation or creation of the similar business.

### **15. DISPUTE AVOIDANCE AND RESOLUTION**

For the purposes of this Section 15, "Franchisee" shall be deemed to include its Owners, affiliates and its respective employees, and "Franchisor" shall be deemed to include its owners, affiliates and its respective employees.

#### **15.1 Mandatory Binding Arbitration, and Waiver of Court Trial**

Franchisee and Franchisor believe that it is important to attempt to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Franchisee and Franchisor have agreed that the provisions of this Section 15.1 support these mutual objectives and, therefore, agree as follows:

A. Claim Process: All controversies, disputes, or claims between Franchisor (and/or its affiliates) and Franchisee (and/or its affiliates) arising out of or related to: (i) this Agreement or any other agreement between Franchisee and Franchisor or any of its affiliates; (ii) Franchisor's (or any of its affiliates') relationship with Franchisee; (iii) the scope or validity of this Agreement or any other agreement between Franchisee and Franchisor or any of its affiliates, or any provision of any of those agreements (including the validity and scope of the arbitration obligation under this Section 15.1, which Franchisor and Franchisee acknowledge is to be determined by an arbitrator, not a court); or (iv) any aspect of the Franchised Business or any System standard (collectively referred to as "**Claims**") must be resolved as follows:

(1) First, discussed in a face-to-face meeting held within thirty (30) days after either Franchisee or Franchisor give written notice to the other proposing such a meeting.

(2) Second, submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor's then headquarters is located, and in accordance with the arbitration rules of the American Arbitration Association or its successor. Judgment on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction (subject

to the opportunity for appeal as contemplated below). The arbitrator shall have no authority to select a different hearing locale.

B. Confidentiality: The parties to any meeting or arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

C. Fees and Costs: The parties will bear their own fees and costs, including attorneys' fees, provided that for matters not settled through agreement of the parties, the non-prevailing party in that proceeding (as determined by the judge or arbitrator, as applicable) must reimburse the prevailing party for all of the prevailing party's costs and expenses that it incurs, including reasonable accounting, attorneys', arbitrators', and related fees.

D. Disputes Not Subject to the Arbitration Process: Claims or disputes relating primarily to the validity of the Marks and/or any FIX AUTO intellectual property licensed to Franchisee may be subjected to court proceedings, at Franchisor's or Licensor's sole election, provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any FIX AUTO intellectual property licensed to Franchisee and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the process outlined above.

E. Franchisee's and Franchisor's Intentions: Franchisee and Franchisor mutually agree (and have expressly had a meeting of the minds) that:

(1) all issues relating to arbitration and/or the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(2) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, shortened periods in which to bring Claims;

(3) Franchisee and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(4) Franchisee and Franchisor each knowingly waive all rights to a court trial (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring arbitration as provided in this Agreement; and

(5) the terms of this Agreement (including, but not limited to, this Section 15.1) shall control with respect to any matters of choice of law.

## **15.2 Venue**

Without in any way limiting or otherwise affecting Franchisee's and Franchisor's obligations under Section 15.1, Franchisee and Franchisor agree that any litigation will be brought in the state or federal court in the jurisdiction where Franchisor's then-current headquarters is located and Franchisee irrevocably submits to the jurisdiction of those courts and waives any objection it may have to either the jurisdiction or venue in those courts.

**15.3 Terms Applicable to All Proceedings, Waiver of Trial by Jury, Certain Claims, and Class Action Rights**

With respect to any arbitration, litigation or other proceeding of any kind, Franchisee and Franchisor:

A. IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER FRANCHISOR OR FRANCHISEE.

B. AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND FRANCHISEE MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON.

**15.4 Limitations on Claims**

EXCEPT FOR PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, FRANCHISOR AND FRANCHISEE WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES (INCLUDING LIQUIDATED DAMAGES) IT SUSTAINS.

**15.5 Periods in Which to Make Claims**

No arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either Franchisee or Franchisor will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of the earlier of:

(1) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(2) Eighteen (18) months after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. If any federal, state or provincial law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party(ies) have been found liable and any time for appeals has run in the underlying action.

**15.6 “Business Judgment” and “Sole Discretion” of Franchisor**

When Franchisor uses the phrase “Business Judgment,” whether in this Agreement or another context, Franchisee and Franchisor agree that Franchisor has the wholly unrestricted right to take

or withhold an action, or to grant or decline to grant Franchisee the right to take or omit an action, make its decision or exercise its rights based on information readily available to it and its judgment of what is in the best interests of Franchisor, FIX AUTO Shops and the System generally at the time the decision is made, without regard to whether Franchisor could have made other reasonable or even arguably preferable alternative decisions or whether its decision promotes Franchisor's financial or other interest. Whenever the phrases "sole and absolute discretion" or "sole discretion" are used in this Agreement or in another context, Franchisee and Franchisor agree that Franchisor has the wholly unrestricted right to take or withhold an action, or to grant or decline to grant Franchisee the right to take or omit an action. Franchisor has established a franchisee advisory committee (the "**Market Leaders Council**") with the number of members determined by Franchisor, but consisting of not fewer than five (5) franchisee members, that, from time to time, which provides input on System standards, including, but not limited to, Performance Standards, the Operations Playbook, approval of required products and services, and ethics standards. Franchisee, Franchisor and all other franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including, but not limited to, the competitive environment, new regulatory developments and emerging business opportunities. Franchisee and Franchisor acknowledge and agree that the Market Leaders Council functions in an advisory capacity only and the ultimate decision-making responsibility for the System is vested solely in Franchisor.

#### **15.7 Severability of Provisions**

Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

#### **15.8 Choice of Laws**

Franchisee and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Franchisee and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to, respective rights and obligations, concerning Franchisee and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of North Carolina, except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, and/or relationship laws) shall **not** apply unless that state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section 15.8. Franchisee and Franchisor agree that this provision shall be enforced without regard to the laws of North Carolina relating to conflicts of laws or choice of law.

#### **15.9 No Recourse; Joint and Several Liability**

A. Franchisee acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (i) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (iii) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are

authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

B. Franchisor has the right to elect in its Business Judgment to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, in a lawful manner without liability.

C. If two (2) or more persons are at any time Franchisee or Owners, all of their obligations and liabilities under this or any other agreement with Franchisor and/or any Franchisor affiliate will be joint and several.

#### **15.10 Designated Operator(s)**

The Designated Operator(s) (there may be up to two (2) such individuals but only one address to which Franchisor communicates to regarding the franchise) named has the authority to act for Franchisee in all matters relating to the FIX AUTO franchise, including voting responsibilities. Only those individuals who are party to this Agreement and have an Ownership Interest in the franchise Entity may be listed as a Designated Operator(s). Franchisee shall promptly notify Franchisor of any change in any such information.

### **16. NOTICES**

All written notices and reports to be delivered by the provisions of this Agreement or of the Operations Playbook will be deemed so delivered when delivered by hand, immediately on transmission by e-mail or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to Franchisor (at Franchisor's then-current headquarters) to the attention of the Brand President, and to Franchisee, at its Franchised Business. Until the Franchised Business has opened for business, Franchisor may send Franchisee notices at any address appearing in Franchisee's application for a franchise or in Franchisor's records.

### **17. ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT AND NO FIDUCIARY RELATIONSHIP**

A. Franchisee and Franchisor agree that their relationship is not a fiduciary or similar special relationship, but rather is an ordinary commercial relationship between independent business people with arms-length dealings.

B. Franchisee and Franchisor agree that this Agreement contains the final, complete and exclusive expression of the terms of their agreement (along with concurrently signed writings, such as but not limited to personal guarantees, addenda, exhibits, releases and any other related documents (collectively, the “**Related Documents**”)) and supersedes all other agreements and/or representations of any kind or nature. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations Franchisor made to Franchisee in the Franchise Disclosure Document or in any related document that Franchisor heretofore furnished to Franchisee.

C. Franchisee represents, warrants and covenants that, if Franchisee has obtained or intends to obtain from a lender a loan in connection with the Franchised Business in which funding is provided with the assistance of the United States Small Business Administration (“**SBA**”), Franchisee must

promptly notify Franchisor. Upon receipt of such notice, Franchisor will deliver to Franchisee a copy of Franchisor's SBA addendum to franchise agreement (the "**SBA Addendum**"), which SBA Addendum modifies certain provisions of this Agreement to comply with requirements related to SBA-assisted financing. Franchisee agrees to sign the SBA Addendum and return such signed SBA Addendum to Franchisor within five (5) days after receipt thereof from Franchisor.

D. The following acknowledgments are made by and binding upon all franchisees signing this Agreement, except those franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this Agreement are expressly disclaimed by Franchisee and Franchisor, including, but not limited to, any promises, options, rights of first refusal, guarantees, and/or warranties of any nature (excepting only the written representations made by Franchisee in connection with its application for this franchise and representations made by Franchisor in its Franchise Disclosure Document). Neither Franchisee nor Franchisor believes it to be fair or reasonable for the other party to have to deal with allegations about understandings and representations not fully expressed in writing in this Agreement.

#### **18. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

*[Signatures on Following Page]*

**IN WITNESS WHEREOF**, Franchisee and Franchisor have executed and delivered this Agreement in counterparts on the day and year first above written. This Agreement may be signed with full legal force and effect using electronic signatures and records.

**THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS AND UNTIL SIGNED BY THE DESIGNATED OFFICER OF FRANCHISOR. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR FRANCHISOR.**

**FRANCHISOR:**

**FUSA FRANCHISOR SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**

If Franchisee is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Franchisee is an Entity:

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Entity

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**FIX AUTO  
EXHIBIT 1.1A**

**APPROVED PREMISES, PRE-EXISTING BUSINESSES,  
DESIGN AND APPEARANCE, AND QUARTERLY BASE VOLUME**

**Approved Premises**

The address and location of the “Approved Premises” are set forth on the first page of the Franchise Agreement dated \_\_\_\_\_.

**Pre-existing Businesses**

Franchisee currently operates the following businesses at or near the Approved Premises. The operation of other businesses at or near the Approved Premises would normally violate the terms of the Franchise Agreement. However, Franchisor hereby consents to the operation of these businesses (but no others) from the Approved Premises:

Name of Business	Relationship to Franchisee	Nature of Business
_____		
_____		
_____		

Franchisee represents and warrants that any and all existing franchise agreements, stockholder agreements, partnership agreements, option agreements or any other third party rights relating to the Pre-existing Business do not contain any covenants, terms and conditions which do now, or may in the future, prohibit the execution of the Franchise Agreement and the participation of any Owners, managers or employees of Franchisee in the Franchised Business and other than the consents of Franchisee and Franchisor there is no other third party consent required for the acquisition of the franchise to be legally binding and effective, and there are no existing restrictive covenants, other than those which the Pre-existing Business has waived, binding on Franchisee or any of its Owners, agents representatives or employees that would be breached by the acquisition and operation of the Franchised Business.

**Quarterly Base Volume**

The Quarterly Base Volume for the Franchised Business is: \_\_\_\_\_.

**Design and Appearance of Premises**

Franchisor and Franchisee mutually agree that the following construction and improvements, described generally, are to be made to the Approved Premises in the timeframe described herein, in order to conform the Approved Premises to the Fix Auto Design and Appearance Standards:

**Exterior:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Interior:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Franchisee agrees that non-structural, cosmetic changes which do not require a permit shall be made within thirty (30) days of execution of this Agreement, or within thirty (30) days of identification of the required change. For changes which require permits (e.g., exterior signage or construction), Franchisee shall use its best efforts to work diligently to obtain bids, specifications and permits for the required change, which, at any rate, must be made no later than six (6) months after execution of this Agreement, unless performance is excused by Franchisor in its discretion.

Detailed specifications and blueprints may be provided separately or at a later date. Rough drawings of the Approved Premises identifying areas for refresh, repair or change may be attached, dated, initialed by the parties and incorporated into this Exhibit 1.1A.

**FRANCHISOR:**  
**FUSA FRANCHISOR SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**  
If Franchisee is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Franchisee is an Entity:

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Entity

By:

\_\_\_\_\_

Printed Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

Date:

\_\_\_\_\_

**FIX AUTO  
EXHIBIT 2.3**

**LIST OF PREFERRED SUPPLIERS**

Below is a list of Preferred Suppliers and the product(s) for which each is a Preferred Supplier, current as of June 1, 2025:

<b>Preferred Supplier</b>	<b>Applicable Product(s)</b>
3M	Associated Products (AP), which include, but are not limited to, abrasives, tapes, adhesives, masking paper, body fillers, spray and mixing cups, detail products and safety equipment.
Axalta Coating Systems	Paint
PPG Industries	Paint
Enterprise Rent A Car	Rental Car
Sherwin-Williams	Paint
BASF	Paint

As stated in Section 2.3, Franchisor may periodically modify its List of Preferred Suppliers by providing written notice to Franchisee (through the Operations Playbook or otherwise).

**FIX AUTO  
EXHIBIT 2.12**

**TOTAL LOSS PROCESSING PROGRAM ADDENDUM**

**FUSA FRANCHISOR SPV LLC**  
**TOTAL LOSS PROCESSING PROGRAM ADDENDUM TO FRANCHISE AGREEMENT**

(Contract Number: \_\_\_\_\_)

This Addendum (this “**Addendum**”) is entered into on \_\_\_\_\_ (the “**Addendum Effective Date**”) by and between **FUSA FRANCHISOR SPV LLC**, a Delaware limited liability company (“**Franchisor**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Franchisee**” and together with Franchisor, the “**Parties**” and, each, a “**Party**”). Capitalized terms used but not defined herein will have the meanings ascribed to such terms in the Franchise Agreement (defined below).

**RECITALS**

Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”), pursuant to which Franchisor granted Franchisee the right to operate FIX AUTO Shop No. \_\_\_\_\_ located at \_\_\_\_\_ (the “**Franchised Business**”).

Franchisor has an optional centralized program, pursuant to which Franchisor will complete the total loss estimate for applicable total loss claims submitted by participating FIX AUTO franchisees (the “**Total Loss Processing Program**”).

Franchisee desires to participate in the Total Loss Processing Program in connection with its operation of the Franchised Business, and Franchisor has approved Franchisee to participate in the Total Loss Processing Program in connection with the operation of the Franchised Business on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the Parties agree to amend the Franchise Agreement as follows:

**1. TOTAL LOSS PROCESSING PROGRAM**

**1.1** Franchisor hereby agrees that Franchisee may participate in the Total Loss Processing Program in connection with Franchisee’s operation of the Franchised Business. To request that Franchisor provide an estimate under the Total Loss Processing Program for a particular claim, Franchisee must submit the request (an “**Estimate Request**”) by (a) creating a claim in the Franchised Business’s CCCOne Innovate Management System (“**CCC**”), and (b) sending an e-mail to Franchisor’s central review team at john.burns@drivenbrands.com, which includes the applicable claim number and requests the estimate. If Franchisor accepts the Estimate Request and determines such claim is a total loss, Franchisor will (i) write the estimate for the claim into CCC, and (ii) send the estimate for the claim to the applicable insurance carrier ((i) and (ii), together, a “**Total Loss Response**”). If Franchisor accepts the Estimate Request but determines that such claim is not a total loss, Franchisor will provide applicable information to Franchisee for Franchisee to complete the estimate (a “**Non-Total Loss Response**”).

**1.2** With respect to each Total Loss Response and each Non-Total Loss Response, Franchisee will pay Franchisor a fee (the “**Total Loss Processing Fee**”) in the amount of \$ \_\_\_\_\_. Franchisor may increase the amount of the Total Loss Processing Fee at any time during the Term by providing Franchisee thirty (30) days’ prior written notice. Franchisor will invoice Franchisee for the Total Loss Processing Fees on a periodic (as determined by Franchisor) basis. Unless otherwise stated in the applicable invoice, payment of Total Loss Processing Fees will be made in the same manner and with the same frequency as payment of the Base Fee (i.e., on or before the Payment Day).

**1.3** Franchisor may, at will and without penalty, upon notice to Franchisee (a) determine not to accept one or more Estimate Requests, and/or (b) immediately terminate, without cause, Franchisee's participation in the Total Loss Processing Program and this Addendum by providing written notice to Franchisee.

**1.4** Franchisee may, at any time, elect to cease participating in the Total Loss Processing Program and terminate this Addendum by providing Franchisor thirty (30) days' prior written notice.

## **2. MISCELLANEOUS**

This Addendum will be deemed a supplement to, and form part of, the Franchise Agreement. This Addendum will be binding upon and inure to the benefit of the executors, administrators, heirs, beneficiaries, assigns and successors in interest of each of the Parties. This Addendum may not be modified except by a written agreement signed by the Parties. This Addendum embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to the subject matter hereof. To the extent the terms of the Franchise Agreement and this Addendum conflict, the terms of this Addendum will control. This Addendum may be executed in one or more counterparts (which may be delivered electronically), each counterpart to be considered an original portion of this Addendum.

*[Signature Page Follows]*

The Parties acknowledge their agreement to this Addendum as evidenced by signatures hereon effective as of the Addendum Effective Date.

**FRANCHISOR:**

**FUSA FRANCHISOR SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**

If Franchisee is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Franchisee is an Entity:

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Entity

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**FIX AUTO  
EXHIBIT 2.13**

**CALL CENTER PROGRAM ADDENDUM**

**FUSA FRANCHISOR SPV LLC**  
**CALL CENTER PROGRAM ADDENDUM TO FRANCHISE AGREEMENT**

(Contract Number: \_\_\_\_\_)

This Addendum (this “**Addendum**”) is entered into on \_\_\_\_\_ (the “**Addendum Effective Date**”) by and between **FUSA FRANCHISOR SPV LLC**, a Delaware limited liability company (“**Franchisor**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Franchisee**” and together with Franchisor, the “**Parties**” and, each, a “**Party**”). Capitalized terms used but not defined herein will have the meanings ascribed to such terms in the Franchise Agreement (defined below).

**RECITALS**

Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”), pursuant to which Franchisor granted Franchisee the right to operate FIX AUTO Shop No. \_\_\_\_\_ located at \_\_\_\_\_ (the “**Franchised Business**”).

Franchisor has an optional program (the “**Call Center Program**”), pursuant to which Franchisor will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as determined by Franchisor in its sole discretion) participating FIX AUTO Shop (the “**Applicable Shop**”).

Franchisee desires to participate in the Call Center Program in connection with its operation of the Franchised Business, and Franchisor has approved Franchisee to participate in the Call Center Program in connection with its operation of the Franchised Business on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Franchise Agreement as follows:

**1. CALL CENTER PROGRAM**

**1.1 Term**

The initial term of this Addendum (the “**Initial Call Center Term**”) expires on the twelve (12)-month anniversary of the Addendum Effective Date, unless this Addendum and/or the Franchise Agreement is/are earlier terminated by its/their respective terms. Upon the expiration of the Initial Call Center Term, this Addendum will automatically renew for successive twelve (12)-month renewal terms (each, a “**Renewal Call Center Term**”), unless (a) this Addendum and/or the Franchise Agreement has/have been terminated by its/their respective terms, or (b) Franchisee provides Franchisor written notice at least sixty (60) days prior to the expiration of the then-current term of this Addendum of Franchisee’s decision not to renew this Addendum. In this Addendum, the Initial Call Center Term and any and all Renewal Call Center Terms will be collectively referred to as the “**Call Center Term**.”

**1.2 Call Center Services**

During the Call Center Term, Franchisor will, in its sole discretion and only at the times and with the frequencies as Franchisor deems appropriate, (a) direct calls that Franchisor has received relating to potential claims and repair service estimates to Franchisee if Franchisee operates the Applicable Shop, (b) contact potential customers of the Franchised Business who have made a claim reported in the Franchised Business’s CCCOne Innovate Management System (“**CCC**”) to assist in scheduling estimates

and repairs, and (c) contact applicable customers of Franchisee to confirm scheduling with respect to non-drivable vehicles as reported in CCC.

### **1.3 Call Center Fee**

Franchisee will pay Franchisor a call center fee (the “**Call Center Fee**”) equal to [\_\_\_\_\_] Dollars (\$[\_\_\_]) per FIX AUTO Shop per month during any period in which Franchisee participates in the Call Center Program. Franchisor may increase the amount of the Call Center Fee at any time during the Call Center Term by providing Franchisee thirty (30) days’ prior written notice. Franchisor will invoice Franchisee for the Call Center Fees on a periodic (as determined by Franchisor) basis. Unless otherwise stated in the applicable invoice, payment of the Call Center Fees will be made in the same manner and with the same frequency as payment of the Base Fee (*i.e.*, on or before the Payment Day).

### **1.4 Trial Period**

Notwithstanding anything to the contrary in this Addendum, Franchisor will waive the Call Center Fee for any period prior to the first day of [Month] [Year] (the “**Cutoff Date**”).

### **1.5 Termination by Franchisee**

Franchisee may terminate this Addendum and Franchisee’s participation in the Call Center Program by providing written notice to Franchisor: (a) within seven (7) days of Franchisor’s providing Franchisee written notice of an increase in the Call Center Fee pursuant to Section 1.3, with such termination to be deemed effective thirty (30) days after Franchisor’s notice of the increase in the Call Center Fee to Franchisee; or (b) prior to the Cutoff Date, with such termination to be deemed effective on the Cutoff Date.

### **1.6 Termination by Franchisor**

Franchisor may, at will and without penalty, terminate this Addendum and Franchisee’s participation in the Call Center Program: (a) without cause by providing Franchisee seven (7) days’ prior written notice, or (b) immediately by providing Franchisee written notice, with no opportunity to cure, if Franchisee is then in default under the Franchise Agreement.

## **2. MISCELLANEOUS**

This Addendum will be deemed a supplement to, and form part of, the Franchise Agreement. This Addendum will be binding upon and inure to the benefit of the executors, administrators, heirs, beneficiaries, assigns and successors in interest of each of the Parties. This Addendum may not be modified except by a written agreement signed by the Parties. This Addendum embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to the subject matter hereof. To the extent the terms of the Franchise Agreement and this Addendum conflict, the terms of this Addendum will control. This Addendum may be executed in one or more counterparts (which may be delivered electronically), each counterpart to be considered an original portion of this Addendum.

The Parties acknowledge their agreement to this Addendum as evidenced by signatures hereon effective as of the Addendum Effective Date.

**FRANCHISOR:**

**FUSA FRANCHISOR SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**

If Franchisee is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Franchisee is an Entity:

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Entity

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FIX AUTO  
EXHIBIT 2.15(A)**

**ELECTRONIC FUNDS TRANSFER AGREEMENT**

THIS ELECTRONIC FUNDS TRANSFER AGREEMENT (this “**Addendum**”) is made on \_\_\_\_\_, by and between FUSA Franchisor SPV LLC (“**Franchisor**”) and \_\_\_\_\_, or his assignee, if a partnership, corporation or limited liability company is later formed (collectively, “**Franchisee**”).

WHEREAS, Franchisor and Franchisee are parties to a FIX AUTO Shop Franchise Agreement executed on even date herewith (the “**Franchise Agreement**”) and desire to enter into this Addendum to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and as an inducement to Franchisor to execute the Franchise Agreement, the parties agree as follows:

A. Franchisee shall pay any and all fees and other charges in connection with this Addendum and the Franchise Agreement (including, without limitation, the Base Fee, the Growth Fee, the Advertising Fee, the Central Review Fee, the Total Loss Processing Fee (if applicable), the Call Center Fee (if applicable), and any applicable late fees and interest charges) by electronic, computer, wire, automated transfer, ACH debiting, and bank clearing services (collectively, “**electronic funds transfers**” or “**EFT**”), and Franchisee shall undertake all action necessary to accomplish such transfers.

B. Upon execution and delivery of this Addendum, Franchisee shall execute and deliver two (2) originals of the “Electronic Debit Authorization” attached as Exhibit 2.15(B) to the Franchise Agreement, which authorizes Franchisee’s bank or other financial institution to accept debit originations, electronic debit entries, or other EFT, and electronically deposit fees and contributions owing Franchisor directly to Franchisor’s bank account(s). Upon Franchisor’s request, Franchisee shall deliver to Franchisor all additional information that Franchisor deems necessary (including, without limitation, financial institution of origin and relevant accounts and ABA/transit numbers for any new bank accounts that Franchisee opens after the date of this Addendum) in connection with such EFT.

C. By executing this Addendum, Franchisee authorizes Franchisor to withdraw funds at such days and times as Franchisor shall determine via EFT from Franchisee’s bank account for all fees and other charges in connection with the Franchise Agreement and this Addendum, as described in the first sentence of this Paragraph. Franchisee authorizes monthly ACH debits via EFT based on an amount equal to the Monthly Invoice (as that term is defined in Section 2.15 of the Franchise Agreement).

D. If Franchisor has not received by 5:00 P.M., on the 22<sup>nd</sup> day of each calendar month, an amount equal to the amount due on the Month Invoice, then Franchisor shall be entitled to withdraw by EFT from Franchisee’s bank account(s) the total amount due.

E. Franchisee is responsible for paying all service charges and other fees imposed or otherwise resulting from action by Franchisee’s bank in connection with EFT by Franchisor, including, without limitation, any and all service charges and other fees arising in connection with any EFT by Franchisor not being honored or processed by Franchisee’s bank for any reason and a Fifty Dollar (\$50) charge by Franchisor for processing the EFT. Upon written notice by Franchisor to Franchisee, Franchisee may be required to pay any amount(s) due under the Franchise Agreement and/or this Addendum directly to Franchisor by check or other non-electronic means in lieu of EFT at Franchisor’s discretion. It shall be a non-curable event of default under Section 14 of the Franchise Agreement if Franchisee closes any bank

account without completing all of the following forthwith after such closing: (1) immediately notifying Franchisor thereof in writing, (2) immediately establishing another bank account, and (3) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by EFT as this Addendum permits.

F. Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

WHEREFORE, the parties have set forth their hand and seal on the day and date first above written.

**FRANCHISOR:**  
**FUSA FRANCHISOR SPV LLC**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FIX AUTO  
EXHIBIT 2.15(B)**

**ELECTRONIC DEBIT AUTHORIZATION FORM**

FRANCHISOR: FUSA FRANCHISOR SPV LLC

FRANCHISOR ID NUMBER: \_\_\_\_\_

The undersigned hereby authorizes FUSA Franchisor SPV LLC (the “**Franchisor**”) to initiate debit entries to the undersigned’s checking account indicated below and the depository named below (the “**Depository**”), to debit the same to such account.

Depository Name: \_\_\_\_\_  
Branch: \_\_\_\_\_  
City State and Zip Code: \_\_\_\_\_  
Transit/ABA No.: \_\_\_\_\_  
Account Number: \_\_\_\_\_

This authority is to remain in full force and effect until the underlying obligations under the Franchise Agreement have been satisfied in full or released in writing by Franchisor.

This authorization further confirms my understanding of Exhibit 2.15(A) to the Franchise Agreement signed by me/us in which I/we expressly agree that this authorization shall apply to any and all Depositories and bank accounts with which I/we open accounts during the term of the Franchise Agreement and any renewals. Without limiting the generality of the forgoing, I/we understand that if I/we close any bank account, I/we are obligated immediately to: (i) notify Franchisor thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means. I/we specifically agree and declare that this Authorization shall be the only written authorization needed from me/us in order to initiate debit entries/ACH debit originations to my/our bank account(s) established with any Depository in the future.

DATE: \_\_\_\_\_

ID NUMBER: \_\_\_\_\_

PRINT NAME(S):

SIGNATURE(S):

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**FIX AUTO  
EXHIBIT 2.17**

**SECURITY AGREEMENT**

**THIS SECURITY AGREEMENT** is made and entered into as of \_\_\_\_\_  
\_\_\_\_\_ (this “**Agreement**”), by and among FUSA Franchisor SPV LLC, a  
Delaware limited liability company (the “**Secured Party**”), and \_\_\_\_\_, a(n) \_\_\_\_\_  
\_\_\_\_\_, whose principal business address is \_\_\_\_\_  
\_\_\_\_\_ (“**Debtor**”).

A. Debtor will develop and operate a “FIX AUTO®” automobile collision repair facility (the “**Franchised Business**”) pursuant to that certain Franchise Agreement dated as of the date hereof (the “**Franchise Agreement**”), by and between Secured Party and Debtor.

B. To secure payment of the fees and any and all other amounts owed to Secured Party and/or its affiliates under the Franchise Agreement and any and all other agreements between Secured Party (or any of its affiliates) and Debtor (or any of its owners or affiliates), Debtor wishes to grant to Secured Party a continuing security interest in the Collateral (as defined below).

**ACCORDINGLY**, for good and valuable consideration, the adequacy, sufficiency, and actual receipt of which are hereby mutually acknowledged by the parties, the parties hereby agree as follows:

1. Security Interest. In order to secure (i) complete and timely payment of Debtor’s financial obligations arising under or in respect of the Franchise Agreement, this Agreement, and any and all other agreements between Secured Party (or any of its affiliates) and Debtor (or any of its owners or affiliates), including, but not limited to, any extensions, modifications, substitutions, increases or renewals thereof, (ii) complete and timely payment of all amounts advanced or incurred by Secured Party to preserve, protect, defend, and enforce its rights under this Agreement, the Franchise Agreement, and/or with respect to the Collateral, and (iii) complete and timely payment of all fees, costs and expenses incurred by Secured Party in connection therewith (collectively, the “**Obligations**”), Debtor hereby pledges, grants, and assigns to Secured Party a continuing, general, valid, and unavoidable security interest in and lien on, all of Debtor’s right, title, and interest in and to all of the following property, wherever located, however held, whether now owned or hereafter acquired or arising (collectively, the “**Collateral**”):

- (a) all accounts;
- (b) all certificated securities;
- (c) all chattel paper;
- (d) all computer hardware and software and all rights with respect thereto, including, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;
- (e) all contract rights;
- (f) all deposit accounts;



- (g) all documents;
- (h) all electronic chattel paper;
- (i) all equipment;
- (j) all financial assets;
- (k) all fixtures;
- (l) all general intangibles, including payment intangibles and software;
- (m) all goods (including, without limitation, all equipment, furniture, fixtures and inventory), and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
- (n) all instruments;
- (o) all intellectual property;
- (p) all inventory;
- (q) all investment property;
- (r) all money (of every jurisdiction whatsoever);
- (s) all letter-of-credit rights;
- (t) all payment intangibles;
- (u) all security entitlements;
- (v) all supporting obligations;
- (w) all uncertificated securities;
- (x) (I) all commercial tort claims; (II) the right to payment of, for, or on account of all commercial tort claims; and
- (y) to the extent not included in the foregoing, all other personal property of any kind or description wherever located or however held;

together with all books, records, writings, data bases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing, provided that to the extent that the provisions of any lease or license of computer hardware and software or intellectual property expressly prohibit (and such prohibition is enforceable under applicable law) any assignment thereof, and the grant of a security interest therein, Secured Party will not enforce its security interest in any of Debtor's rights under such lease or license (other than in respect of the proceeds thereof) for so long as such prohibition continues, it being understood that upon request of Secured Party, Debtor

will in good faith use reasonable efforts to obtain consent for the creation of a security interest in favor of Secured Party (and to Secured Party's enforcement of such security interest) in such rights under such lease or license. For purposes of this Agreement, the terms used in this Section 1 shall have the meanings ascribed to them in Article 9 of the Uniform Commercial Code.

2. Representations; Warranties. Debtor represents and warrants to Secured Party as follows: Debtor has good and valid title to the Collateral, free from any right or claim of any security interest, lien, claim or encumbrance (collectively, a "**Lien**"), except for purchase money security interests incurred in the ordinary course of business and the permitted Liens listed in Schedule A. Debtor has full corporate power and authority to enter into, execute, and deliver this Agreement and to perform its obligations under this Agreement, and to incur and perform the Obligations, all of which have been duly authorized by all necessary corporate action. This Agreement constitutes the valid and legally binding obligation of Debtor, enforceable against it in accordance with its terms. Bankruptcy proceedings have not been commenced by or against Debtor under any federal bankruptcy law or other federal or state law.

3. Insurance. Debtor shall at all times bear the entire risk of any loss, theft, damage to, or destruction of, any of the Collateral from any cause whatsoever. Debtor shall keep the Collateral insured against loss or damage by fire and extended coverage perils, theft, burglary, and against all such other risks, casualties, and contingencies as Secured Party may reasonably require. Such insurance shall be payable to Secured Party as loss payee under a standard loss payee clause.

4. Notices. Debtor shall provide Secured Party at least thirty (30) days' written notice prior to: (i) any change in Debtor's name; (ii) any change in the jurisdiction of incorporation or organization of Debtor; or (iii) any of the Collateral being lost, stolen, missing, destroyed, materially damaged, or worn out.

5. Authorization and Agreement to Perfect Liens. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements, including a UCC financing statement, and amendments thereto or continuations thereof that: (i) describe the Collateral; and/or (ii) provide any other information required by Article 9 of the Uniform Commercial Code of the state where the Franchised Business is located or such other jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment. Debtor agrees to furnish such information to Secured Party promptly upon Secured Party's request. Debtor further irrevocably authorizes Secured Party to take any and other measures deemed necessary or proper by Secured Party, in Secured Party's sole and absolute discretion, in order to perfect Secured Party's liens, claims, interests, and encumbrances in, to, or on the Collateral or any part of the Collateral, further hereby appointing Secured Party as Debtor's attorney-in-fact for such purposes with full power to execute, record, and/or file any and all documents on behalf of Debtor for such purposes.

6. Events of Default. Each of the following shall constitute an event of default ("**Event of Default**") under this Agreement:

6.1 Failure by Debtor to completely and timely pay or perform any Obligation when due and to correct such failure in accordance with the terms and conditions of the Franchise Agreement;

6.2 Failure by Debtor to duly perform or observe any other term, covenant or agreement contained in this Agreement, which failure shall have continued unremedied for a period of thirty (30) days after written notice thereof from Secured Party to Debtor;

6.3 Any representation or warranty made by Debtor in this Agreement, any financial statement, or any statement or representation made in any other report or other document delivered in connection with this Agreement or the Franchise Agreement proves to have been incorrect or misleading in any material respect when made;

6.4 Debtor makes or sends notice of an intended bulk sale of any of the Collateral;

6.5 Debtor is judged bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, is unable to pay its debts as they become due, or a petition under any bankruptcy law is filed by or against Debtor or any of its owners or a receiver or other custodian is appointed for a substantial part of the assets of the Franchised Business;

6.6 Debtor, or any other affiliate of Debtor, shall challenge or contest, in any action, suit or proceeding, the validity or enforceability of this Agreement, or any related documents, the legality or the enforceability of any of the Obligations or the perfection or priority of any Lien granted to Secured Party; or

6.7 There shall be any material adverse change in the financial condition of Debtor or any other event shall occur that, as determined by Secured Party, materially impairs the ability of Debtor to pay the Obligations.

7. Remedies Upon Event of Default. Upon the occurrence of any Event of Default, the Obligations shall become immediately due and payable upon declaration to that effect delivered by Secured Party to Debtor; provided, however, that upon the happening of any event specified in Section 6.5 herein, the Obligations shall be immediately due and payable without declaration or other notice to Debtor. Upon the occurrence of and during the continuance of an Event of Default under this Agreement, Secured Party, in addition to all other rights, options, and remedies granted to Secured Party under this Agreement, (i) shall have all rights, options and remedies available to it under the Uniform Commercial Code, as adopted from time to time under the internal laws of the state where the Franchised Business is located, as well as any other rights, options and remedies at law or in equity; and (ii) shall have the right to seek the appointment of a receiver over Debtor, Debtor's business, and/or the Collateral, with respect to which such appointment Debtor hereby irrevocably and unconditionally consents. Debtor agrees that a notice received by it at least five (5) days before the time of any intended public sale, or the time after which any private sale or other disposition of the Collateral or any portion thereof is to be made, shall be deemed to be reasonable notice of such sale or other disposition.

8. Nature of Remedies. All rights and remedies granted Secured Party under this Agreement and under any other related documents, or otherwise available at law or in equity, shall be deemed concurrent and cumulative.

9. General.

9.1 Amendment. This Agreement can be waived, amended, terminated or discharged, and the security interest and Liens of Secured Party can be released, only explicitly in a writing signed by Secured Party, and, in the case of amendment, in a writing signed by Debtor and Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given.

9.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns (except that Debtor may not assign its obligations under or rights in this Agreement without the prior written consent of Secured Party, which

consent may be withheld in Secured Party's sole discretion) and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party's acceptance of this Agreement.

9.3 Jurisdiction and Venue. Debtor agrees all actions arising under this Agreement must be commenced in the state or federal court in the jurisdiction where Secured Party's then-current headquarters is located, and Debtor irrevocably submits to the jurisdiction of those courts and waives any objection it might have to either the jurisdiction or venue in those courts. Notwithstanding the foregoing, Debtor agrees that Secured Party may enforce this Agreement and any orders and awards in the federal or state courts of the state in which Debtor is domiciled.

9.4 Governing Law. Except to the extent governed by the Uniform Commercial Code, as adopted from time to time under the internal laws of the state where the Franchised Business is located, this Agreement and all other matters, including, but not limited to, respective rights and obligations, concerning Secured Party and Debtor, will be governed by, and construed and enforced in accordance with, the laws of North Carolina. Secured Party and Debtor agree that this provision shall be enforced without regard to the laws of North Carolina relating to conflicts of laws or choice of law.

9.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but which counterparts together shall constitute but one and the same instrument.

9.6 Notice. All written notices and reports to be delivered by the provisions of this Agreement will be deemed so delivered when delivered by hand, immediately on transmission by facsimile transmission or other electronic system, including e-mail or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to Secured Party (at Secured Party's then-current headquarters) to the attention of the Brand President, and to Debtor, at its Franchised Business. Until the Franchised Business has opened for business, Secured Party may send Debtor notices at any address appearing in Debtor's application for a franchise or in Secured Party's records.

9.7 Waiver of Jury Trial. DEBTOR HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, OR ANY RELATED DOCUMENTS.

*[Signatures on Following Page]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

**THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS AND UNTIL SIGNED BY THE DESIGNATED OFFICER OF SECURED PARTY. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR SECURED PARTY.**

**SECURED PARTY:**  
**FUSA FRANCHISOR SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DEBTOR:**

If Debtor is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Debtor is a corporation or other entity:

\_\_\_\_\_  
Legal Name of Debtor Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Corporation, LLC or Partnership

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule A**  
**Permitted Liens**

**FIX AUTO**  
**EXHIBIT 4.10(B)-1**  
**FRANCHISEE OWNERSHIP INFORMATION**  
(if applicable)

1. Franchisee's Entity Type (e.g., corporation, limited liability company, general or limited partnership): \_\_\_\_\_

2. Franchisee's State/Commonwealth of Formation/Organization/Incorporation: \_\_\_\_\_

3. Franchisee's Date of Formation/Organization/Incorporation: \_\_\_\_\_

4. Franchisee's ownership structure is as follows:

Owner	Ownership Interest in Franchisee
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____

5. Franchisee's officers and principal executives are as follows:

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

6. Designated Operator(s) (Section 4.11): \_\_\_\_\_

**FRANCHISOR:**

**FUSA FRANCHISOR SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**

If Franchisee is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Franchisee is an Entity:

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Entity

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**FIX AUTO  
EXHIBIT 4.10(B)-2**

**GUARANTY, INDEMNIFICATION AND ACKNOWLEDGMENT**

For value received, and in consideration for, and as an inducement to FUSA Franchisor SPV LLC (“**Franchisor**”) to execute the FIX AUTO Franchise Agreement (the “**Franchise Agreement**”), of even date herewith, by and between Franchisor and \_\_\_\_\_, or his assignee, if an Entity is later formed (collectively, “**Franchisee**”), \_\_\_\_\_ (“**Guarantor**”), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Franchisee of each obligation undertaken by Franchisee under the terms of the Franchise Agreement, including all of Franchisee’s monetary obligations arising under or by virtue of the Franchise Agreement.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor(s) hereby waives any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor(s) under this Guaranty, Indemnification and Acknowledgment, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor(s) waives notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee and agrees to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor(s) hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorneys’ fees, reasonable costs of investigations, court costs, arbitration fees and expenses, and interest on such fees, costs and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor(s) hereby acknowledges and agrees to be individually bound by all covenants contained in the Franchise Agreement and all terms and conditions of the Franchise Agreement requiring Franchisee not to disclose confidential information.

This Guaranty shall terminate upon the expiration or termination of the Franchise Agreement, except that all obligations and liabilities of Guarantor(s) that arise from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by Guarantor(s), and all covenants that by their terms continue in force after termination or expiration of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guaranty, but only for defaults and obligations existing at the time of death, and the obligations of the other Guarantor(s) will continue in full force and effect.

The validity of this Guaranty and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guaranty, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

This Guaranty is to be performed in Charlotte, North Carolina, and shall be governed by and construed in accordance with the laws of the State of North Carolina. Guarantor(s) specifically agrees that the state and federal courts situated in Charlotte, North Carolina, shall have exclusive jurisdiction over Guarantor(s) and this Guarantee, and further agrees that any action relating to this Guarantee may be brought solely in such courts. In connection therewith, each of the undersigned hereby appoints the Secretary of State for the State of North Carolina as his agent for service of process to receive summons issued by the court in connection with any such litigation. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guaranty shall be resolved by arbitration pursuant to Section 15 of the Franchise Agreement (except as otherwise provided in Section 15 of the Franchise Agreement).

IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty as of the date of the Franchise Agreement.

**GUARANTOR**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

SS #: \_\_\_\_\_

DOB: \_\_\_\_\_

Driver's License No. \_\_\_\_\_

**GUARANTOR**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

SS #: \_\_\_\_\_

DOB: \_\_\_\_\_

Driver's License No: \_\_\_\_\_

**FIX AUTO  
EXHIBIT 4.14**

**SERVICE LEVEL AGREEMENT**

***[COMPLETE ALL FIELDS BEFORE SIGNING]***

**FUSA FRANCHISOR SPV LLC**

**SERVICE LEVEL AGREEMENT**

## SERVICE LEVEL AGREEMENT

This SERVICE LEVEL AGREEMENT (this “Agreement”) is entered into as of \_\_\_\_\_ (the “Effective Date”) by and between FUSA FRANCHISOR SPV LLC, a Delaware limited liability company with a principal place of business located at 440 S. Church Street, Suite 700, Charlotte, NC 28202 (“Franchisor”), and FRANCHISEE (“Franchisee”).

**WHEREAS**, Franchisee operates one or more collision repair centers at the location(s) set forth on Exhibit A hereto (each, a “Repair Shop” and, collectively, the “Repair Shops”) pursuant to one or more franchise agreements by and between Franchisor (or an affiliate thereof) and Franchisee (each, a “Franchise Agreement” and, collectively, the “Franchise Agreements”);

**WHEREAS**, Franchisor, Driven Brands Inc., a Delaware corporation (“DBI”), on behalf of Franchisor, or an affiliate of either DBI and Franchisor has entered into the master service and other similar franchisor-managed or performance-based agreements, including any statements of work thereunder, listed on Exhibit B hereto (each, a “Master Service Agreement” and, collectively, the “Master Service Agreements”) with various insurance carrier customers (each such customer a “Carrier” and, collectively, the “Carriers”) pursuant to which a Repair Shop will participate in a Carrier’s repair program (each, a “Program” and, collectively, the “Programs”); and

**WHEREAS**, Franchisor and Franchisee desire to enter into this Agreement to set forth the terms and conditions on which Franchisee may participate in the Programs.

**NOW, THEREFORE**, in consideration of the mutual covenants contained in this agreement and intending to be legally bound, Franchisee and Franchisor agree as follows:

### 1.0 AMENDMENT AND RESTATEMENT

The Parties acknowledge and agree that all existing Service Level Agreements between the Parties (and any similar agreements between the Parties that govern or relate to Franchisee’s participation in one or more Programs) entered into prior to the Effective Date are hereby amended and restated by mutual agreement of the Parties and replaced in their entirety by this Agreement. Notwithstanding anything to the contrary in this Section 1.0, any Fix Auto Claims Solutions Agreement (“FCS Agreement”) entered into by and between Franchisor and Franchisee remains in full force and effect. In the event of a conflict between the FCS Agreement and this Agreement, the terms and conditions in the FCS Agreement shall control.

### 2.0 TERM AND TERMINATION

2.1 The term of this Agreement shall commence on the Effective Date and continue until the date on which all of the Master Services Agreements either expire or are terminated as permitted thereunder (the “Term”), unless otherwise terminated in accordance with the terms of this Agreement.

2.2 This Agreement shall terminate automatically with no further action by the Parties if all of the Master Service Agreements expire or are terminated for any reason.

2.3 Notwithstanding anything in this Agreement to the contrary, if Franchisee neglects or fails to perform any of its obligations under this Agreement and such failure continues for a period of thirty (30) days after written notice to Franchisee, Franchisor shall have the right either to terminate this Agreement entirely or to remove Franchisee from one or more Programs by amending Exhibit B hereto, in each case in its sole discretion.

2.4 Franchisor may immediately suspend or terminate this Agreement, without offering Franchisee any right to cure the default, upon the occurrence of any of the following (each, an “Event of Default”):

- (a) Franchisee commits fraud of any kind, including, but not limited to, charging a customer or policyholder of a Carrier or a Carrier itself for any work not performed or charging for new parts but installing used parts;
- (b) A cessation of business by Franchisee;
- (c) Franchisee’s failure to comply with either the Carrier Requirements (as defined below) or the Franchisor Requirements (as defined below), including any attachments hereto;
- (d) A lapse or revocation of any license, permit, or certificate necessary for Franchisee to provide the services hereunder;
- (e) The filing of any petition for bankruptcy, reorganization, insolvency, liquidation, suspension of payments, or commencement of any similar proceeding by or against Franchisee; or
- (f) Default under and/or termination of any one of the Franchise Agreements.

2.5 Franchisor shall have the right to immediately terminate this Agreement without notice and in its sole discretion if a Transfer (as defined below) occurs without Franchisee obtaining Franchisor’s prior written consent. All of the following events shall be deemed a “Transfer” for purposes of this Agreement:

- (a) sale of all or substantially all of the assets associated with a Repair Shop, or of Franchisee in general;
- (b) merger, consolidation, or any other business combination of Franchisee with another person or entity; or
- (c) any investment of any kind in Franchisee by a competitor of Franchisor or one of Franchisor’s affiliates.

2.6 If Franchisor has a commercially reasonable basis to believe that a Franchise Agreement or this Agreement will be terminated due to either an Event of Default or a Transfer, then notwithstanding any confidentiality or other requirements applicable to the relationship between Franchisor and Franchisee, Franchisee expressly authorizes and agrees that Franchisor may inform one or more Carriers of such pending termination or transfer.

### **3.0 MASTER SERVICE AGREEMENTS**

Franchisee acknowledges and agrees that Franchisor, DBI, or an affiliate of Franchisor and DBI has entered into the Master Service Agreements set forth on Exhibit B. Franchisee further acknowledges and agrees that, in consideration for its access to and participation in the Programs, Franchisor may amend, restate, supplement, and otherwise modify Exhibit B from time to time in Franchisor’s sole discretion by providing written notice to Franchisee; provided, that Franchisor timely provides any copies of applicable Carrier Requirements.

### **4.0 LICENSES**

Franchisee shall secure, maintain, and hold the required permits, licenses, and certifications to be compliant with all local, state, and federal laws and regulations. At Franchisor’s request, Franchisee shall provide proof of this compliance. Compliance with the requirements of this section is a requirement for participation under this Agreement, including any attachments to this Agreement.

### **5.0 COMPLIANCE AND PARTICIPATION**

5.1 In performing services for customers or policyholders of the Carriers and/or the Carriers themselves, Franchisee agrees to participate in all of the Programs and provide the services described in the

Master Service Agreements as if Franchisee were the “provider,” “supplier,” “vendor,” or such similar designated party thereunder. Franchisee hereby makes all of the representations and warranties, agrees to all of the affirmative and negative covenants, and generally agrees to comply with and be bound by all of the terms and conditions and obligations set forth in the Master Service Agreements (including, for the avoidance of doubt, all schedules, exhibits, and other attachments thereto) that apply to such service providers thereunder (collectively, the “Carrier Requirements”). The Carrier Requirements include, but are not limited to, terms and conditions in the Master Service Agreements related to fees and expenses, discounts, estimates, rental cars, shop management, valet programs, confidentiality, subcontracting, indemnification, insurance coverage, privacy and data security, inspections, quality control, business continuity and disaster recovery, background checks, anti-fraud training, intellectual property, gifts and gratuities, inducements, environmental responsibility, governance, codes of conduct, and any service-level objectives and key performance indicators. Franchisor shall provide a summary of the Carrier Requirements to Franchisee as necessary to facilitate Franchisee’s compliance therewith, but due to confidentiality and other obligations Franchisor shall not be obligated to provide a copy of a Master Service Agreement to Franchisee.

5.2 In consideration for its access to and participation in the Programs, Franchisee agrees that it will use, participate, and otherwise comply with, as applicable, all of Franchisor’s minimum requirements for participation in the Programs as set forth on Exhibit C (collectively, the “Franchisor Requirements”). Franchisee acknowledges and agrees that Franchisor may amend, restate, supplement, and otherwise modify Exhibit C from time to time in Franchisor’s sole discretion by providing written notice to Franchisee, which notice shall include copies of any agreed-upon terms and conditions with vendors that Franchisee is required to use.

5.3 Franchisee acknowledges and agrees that during the term of this Agreement Franchisor in its sole discretion will conduct a continuous periodic review of Franchisee’s participation in the Programs and the estimates provided by Franchisee thereunder (“Central Review”). Pursuant to Central Review, Franchisor will from time to time in its sole discretion review the estimates provided by Franchisee for (i) best practices, (ii) compliance with applicable industry standards, (iii) quality control, and (iv) certain other metrics determined by Franchisor from time to time. Franchisee expressly agrees to participate and cooperate fully in the Central Review process as implemented by Franchisor hereunder.

## **6.0 PENALTY ASSESSMENT**

6.1 Franchisee hereby expressly agrees to comply with any penalty assessments contained in the Master Service Agreements. Franchisee acknowledges and agrees that, if any Repair Shop fails, and/or applicable participating repair shops collectively fail, to meet certain key performance indicators applicable to one (1) or more Master Service Agreements during the measurement period(s) set forth in such Master Service Agreement(s), Franchisee may be assessed a penalty or be required to provide a bottom-line discount on the chargeable price of repair assignments, the amount of which may be higher depending on the performance of the Repair Shop(s) and other factors as determined by Franchisor. Any discount or penalty assessed pursuant to this paragraph shall be paid or provided to the customer and/or Carrier and is not retained by Franchisor.

6.2 In the event that Franchisor or a Carrier has identified that repair quality is of concern with respect to any Repair Shop or that Franchisee is in material default under any Carrier Requirements, then Franchisor may, upon written notice to Franchisee, require Franchisee to engage an approved third party vendor to assist in oversight of quality assurance at Franchisee’s sole expense.

## **7.0 WARRANTY**

Each Franchisee shall provide and agree to honor a limited lifetime nationwide warranty of its and other “FIX AUTO” franchisees’ workmanship for as long as the original customer or policyholder owns the vehicle (wear and tear excepted). A copy of this warranty will be provided to the vehicle owner by Franchisee.

## **8.0 RECORDS**

Each Franchisee will maintain all records, including support documentation, in one file for each vehicle repaired and agrees to make such records available for inspection, and/or re-inspection to each Carrier during normal business hours as required by Franchisor, or for the minimum time period required under the applicable Master Service Agreement.

## **9.0 FRANCHISEE REPRESENTATIONS ON SERVICE AND QUALITY**

9.1 In providing services to customers and policyholders of the Carriers and to the Carriers themselves, Franchisee will perform all such services in accordance with all applicable manufacturer guidelines and specifications and in accordance with any applicable regulatory safety standards and guidelines.

9.2 Franchisee shall provide services to customers and policyholders of the Carriers and to the Carriers themselves in a convenient manner to such customers, policyholders, and Carriers during the Term.

9.3 To facilitate receipt of assignments from each Carrier as well as to assist in developing appraisals and estimates, Franchisee shall secure a license to use the estimating and referral software currently designated by each such Carrier.

9.4 Franchisee will maintain an e-mail address to facilitate communications between Franchisee and each Carrier.

9.5 Franchisee will allow re-inspections of all estimates, documents, and repair work at any time before, during, and after the repair process, including any re-inspection required pursuant by Franchisor pursuant to Central Review.

## **10.0 INSURANCE**

During the Term, Franchisee will, at its sole cost and expense, maintain insurance against claims which may arise from or in connection with the performance of any of the services hereunder at the Repair Shops and in the minimum coverage amounts set forth in the Master Service Agreements.

## **11.0 INDEMNIFICATION**

Franchisee shall defend, indemnify and hold harmless Franchisor and its affiliates and their respective officers, directors, employees, agents, contractors, successors, and assigns from and against any and all damages, losses, fines, penalties, costs, and other amounts (including reasonable attorney's fees and expenses) (collectively, "Losses") arising from or in connection with any actual or threatened claims, demands, investigations, and causes of actions by third parties (each, a "Claim") to the extent such Claim is based on or arises from or relates to (i) bodily injury (including death) or damage to or loss of any tangible property caused by the willful misconduct and/or negligent acts or omissions of Franchisee, its affiliated and subsidiary companies, and their respective officers, directors, employees, agents, contractors, subcontractors, successors and assigns, (ii) any breach of or default under any provision of this Agreement; (iii) the use of any product or service being licensed by or provided to any Carrier or to Franchisor under this Agreement that infringes on any patent, copyright, license, or other proprietary right of any third party; or (iv) any other negligent or intentional acts or omissions of Franchisee.



## **12.0 USE OF CARRIER NAMES**

Franchisee shall not use the name of any Carrier or any of their member companies in any advertising, publicity release, or other communication without the express written consent of such Carrier, or such member company, respectively. Franchisee shall identify the appropriate Carrier or member company name in all of its communications with such Carrier's customers, policyholders, and claimants.

## **13.0 CONFIDENTIALITY, PRIVACY, AND DATA SECURITY**

Franchisee acknowledges and agrees that "Confidential Information" (as such term or any similar term is defined in any Master Service Agreement) includes, but is not limited to, financial information, strategic business plans, policies and/or marketing information, claims, sales, underwriting strategy, decision-making processes, third-party intellectual property, and pricing and/or profit information, in each case as disclosed to Franchisee pursuant to or in connection with Franchisee's participation in any Program. Franchisee agrees to implement and maintain measures to comply with any applicable federal, state, or local law or regulation governing the provision, receipt, maintenance, use, storage, or disclosure of personal information about any customer, policyholder, or claimant of a Carrier.

## **14.0 DISPUTE RESOLUTION**

In consideration for its access to and participation in the Programs, Franchisee agrees that Franchisor may, in its commercially reasonable discretion, resolve any claim or dispute with a Carrier for relationship management purposes, and Franchisee hereby authorizes Franchisor to settle any such claims or disputes on Franchisee's behalf and bill Franchisee for the actual cost of such settlement.

## **15.0 NOTICES**

In the event that any party is required to provide notification to any other party, notice shall be in writing and will be delivered in person or by delivery service or mailed by certified mail, return receipt requested, or delivered by confirmed facsimile transmission or e-mail, to the respective parties at the following addresses unless and until a different address or facsimile number or e-mail address has been designated by written notice to the other party:

If to Franchisor:

Contact Name: Insurance Relations Department  
Address: FUSA Franchisor SPV LLC  
440 South Church Street Suite 700  
Charlotte, NC 28202

Email : \_\_\_\_\_

If to the Franchisee:

Owner Name: \_\_\_\_\_  
Franchisee Name: \_\_\_\_\_  
Manager Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**FUSA FRANCHISOR SPV LLC**

**FRANCHISEE**

By \_\_\_\_\_  
(Signature)

Name \_\_\_\_\_  
(Printed Name)

Title \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_  
(Signature)

Name \_\_\_\_\_  
(Printed Name)

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT A**  
**REPAIR SHOPS**

## **EXHIBIT B**

### **MASTER SERVICE AGREEMENTS**

## **EXHIBIT C**

### **FRANCHISOR REQUIREMENTS**

1. Acknowledgement of the location handling typical mechanical operations (i.e., suspension, restraint system, frame replacement, etc.) in house. Subletting work for these typical operations would be offered at “book time x approved labor rate.”
2. CCC suite including, but not limited to Update Plus, Calendar, Engage, Repair Methods, Photo Estimating
3. Central Review participation for applicable partnerships
4. Call Center participation for applicable partnerships
5. I-CAR Gold Class certification
6. I-CAR Welding Qualified (or AWS equivalent): Welding certificates must be held by working technicians completing welding repairs. Any welding repairs must be performed by I-CAR certified welders.
7. All tooling and equipment required to perform OEM repair procedures including, but not limited to three dimensional measuring, frame machine and fixtures, squeeze type resistance spot welder (STRSW), pulse mig welder, scanning device(s)
8. FIX AUTO Integration Program compliance
9. Maintain professional working relationship with all insurance representatives
10. Participation with a scanning & diagnostics provider that is approved by Franchisor (including but not limited to AsTech or OPUS IVS)

**FIX AUTO  
EXHIBIT 6.1**

**FIX AUTO CLAIMS SOLUTIONS (“FCS”) AGREEMENT**

This FCS Agreement (this “**Agreement**”) is entered into on \_\_\_\_\_ (the “**Effective Date**”), by and between FUSA Franchisor SPV LLC, a Delaware limited liability company (“**FIX AUTO**”), and \_\_\_\_\_ (the “**SHOP**” or “**SHOPS**”), located at \_\_\_\_\_ (hereinafter, collectively referred to as the “**SHOP**”). The primary contact name and phone number for the SHOP is \_\_\_\_\_.

WHEREAS, FIX AUTO has entered into a business relationship known as the FCS Multi-Shop Operator (“**MSO**”) Program with a certain insurance carrier (“**CARRIER**”) to provide high quality, consistent collision repairs to CARRIER’s insured and claimants.

WHEREAS, CARRIER is well regarded for their superior customer service and remains committed to working with only those partners who share their vision for delivering a best in class customer experience.

WHEREAS, CARRIER has selected FIX AUTO to serve as a single point of contact to administer and manage the execution of vehicle repairs through FIX AUTO USA MEMBER SHOPS (“**MEMBER SHOPS**”). A master agreement has been executed by CARRIER and FIX AUTO to officiate this relationship.

WHEREAS, FIX AUTO and CARRIER will select a group of MEMBER SHOPS, who qualify to perform CARRIER’s requested vehicle repairs (“**Assignments**”), and who agree to undertake the responsibilities outlined in this Agreement.

NOW, THEREFORE, the parties agree to the following conditions:

1. This Agreement is in addition to the CARRIER’S direct repair program (“**DRP**”).
2. The SHOP will identify a manager (the “**Manager**”) and a designated estimator (the “**Estimator**”) to manage and administer CARRIER’s DRP and the FCS MSO PROGRAM.
3. FIX AUTO will be the single point of contact between CARRIER and the SHOP, and has the authority to review CARRIER Assignments, claims and work quality performed by the SHOP under this Agreement.
4. The SHOP understands and acknowledges that FIX AUTO will help to mediate any customer complaint that rises above the SHOP level.
5. The SHOP must use FIX AUTO’s Outbound Assignment Scheduling Program for all CARRIER Assignments.
6. The Manager and Estimator for the CARRIER account must complete the FIX AUTO Carrier Online Training Module (if available) and pass the test within 30 days of the Effective Date of this Agreement. The SHOP agrees to have any new staff assigned to the CARRIER account trained and tested within 30 days of Assignment.
7. The Manager and Estimator for the CARRIER account agree to participate in all conference calls and on-site meetings with Fix Auto personnel, which may be called from time to time for the purposes of discussing performance issues, program enhancements, training or other program related matters.

8. The SHOP agrees to have its Performance KPI Data on CARRIER claims shared with CARRIER and other MEMBER SHOPS participating in this Agreement.

9. The SHOP must maintain a minimum performance requirement, which varies by carrier.

a. Failure to meet the minimum performance requirement may result in suspension or removal from the FCS MSO Program. Service Level Objectives (“**SLOS**”) vary by carrier.

b. FIX AUTO and/or CARRIER may change the minimum performance requirement at any time with or without notice. The SHOP’s ability to meet the minimum performance requirement should not be considered a guarantee from FIX AUTO or CARRIER to remain in the FCS MSO Program, as other factors will be measured and may impact the SHOP’s participation under this Agreement.

10. This Agreement remains in effect for the duration of the FCS MSO Program unless the SHOP is removed from the FCS MSO Program for any reason whatsoever. This Agreement may be cancelled by FIX AUTO or the SHOP with a 30-day written notice to the other parties to this Agreement; however, cancelation of this Agreement may result in the SHOP being removed from the CARRIER’s DRP. CARRIER has the right to terminate its relationship with the SHOP with or without cause at any time.

11. Upon termination of that certain franchise agreement dated \_\_\_\_\_, by and between FIX AUTO and the SHOP (the “**Franchise Agreement**”), FIX AUTO will notify CARRIER that the SHOP is no longer a MEMBER SHOP and, therefore, is no longer qualified to perform work for CARRIER under the terms of this Agreement. The SHOP understands and acknowledges that notification by FIX AUTO to CARRIER of the termination of the Franchise Agreement may result in the removal of the SHOP from the CARRIER’s program.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement in counterparts on the day and year first above written.

FIX AUTO

SHOP

FUSA Franchisor SPV LLC, a Delaware limited liability company

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**FIX AUTO  
EXHIBIT 12.5**

**ITEMS FRANCHISEE IS REQUIRED TO PROVIDE TO TRIGGER FRANCHISOR OPTION  
PERIOD AND/OR FRANCHISOR EVALUATION PERIOD PURSUANT TO SECTION 12.5 OF  
THE FRANCHISE AGREEMENT**

Franchisee expressly acknowledges that the Franchisor Option Period or Franchisor Evaluation Period (as applicable) shall not begin until Franchisee provides Franchisor all of the following materials:

1. An exact duplicate of the actual signed letter of intent between Franchisee and the third-party purchaser that includes:
  - a. The assets being purchased;
  - b. The purchase price; and
  - c. All other material terms (including, but not limited to, a detailed listing of any hold back amounts).
2. Profit and loss statements for the current fiscal year, and the two (2) fiscal years preceding the current fiscal year.
3. Franchisee's tax returns for the two (2) years preceding the current year.
4. A roster of all employees identifying the names, pay rates and job titles.
5. A list of key management employees with names and titles.
6. A list of all real estate details, including:
  - a. Square footage;
  - b. Whether the property is rented or owned;
  - c. Copies of any leases; and
  - d. Landlord contact information.
7. Annual payroll details for the current fiscal year, and the two (2) fiscal years preceding the current fiscal year.
8. Copies of shop certifications.
9. Detailed equipment list.
10. Copies of any key vendor contracts (i.e., paint contracts).



**EXHIBIT C**  
**TO FRANCHISE DISCLOSURE DOCUMENT**

**FINANCIAL STATEMENTS**

**DRIVEN SYSTEMS LLC**

Consolidated Financial Statements and Report of  
Independent Auditors

**Driven Systems LLC and Subsidiaries**

For the years ended  
December 28, 2024, December 30, 2023  
and December 31, 2022

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## **Report of Independent Auditors**

To the Management of Driven Systems LLC

### ***Opinion***

We have audited the accompanying consolidated financial statements of Driven Systems LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 28, 2024, December 30, 2023, and December 31, 2022, and the related consolidated statements of operations, of member's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 28, 2024, December 30, 2023, and December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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



In performing an audit in accordance with US GAAS, we:

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

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

*PricewaterhouseCoopers LLP*

Charlotte, North Carolina  
May 22, 2025

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 855	\$ 1,000	\$ 1,000
Accounts and notes receivable, net	72,891	4,817	7,028
<b>Total current assets</b>	<b>73,746</b>	<b>5,817</b>	<b>8,028</b>
Other assets	1,867	736	454
Intangible assets, net	475,519	482,680	488,626
Goodwill	10,158	19,390	19,390
<b>Total assets</b>	<b>\$ 561,290</b>	<b>\$ 508,623</b>	<b>\$ 516,498</b>
<b>Liabilities and members' equity</b>			
Current liabilities:			
Deferred franchise revenue	\$ 30,599	\$ 27,762	\$ 25,682
<b>Total liabilities</b>	<b>30,599</b>	<b>27,762</b>	<b>25,682</b>
Members' equity	530,691	480,861	490,816
<b>Total members' equity</b>	<b>530,691</b>	<b>480,861</b>	<b>490,816</b>
<b>Total liabilities and members' equity</b>	<b>\$ 561,290</b>	<b>\$ 508,623</b>	<b>\$ 516,498</b>

The accompanying notes are an integral part of these consolidated financial statements.

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the years ended		
	December 28, 2024	December 30, 2023	December 31, 2022
<i>(in thousands)</i>			
<b>Revenue:</b>			
Franchise fee revenue	\$ 240,426	\$ 245,135	\$ 211,935
Other revenue	29,751	44,581	49,382
<b>Total revenue</b>	<u>270,177</u>	<u>289,716</u>	<u>261,317</u>
<b>Costs and expenses:</b>			
Operating expenses	95,028	84,039	75,834
Loss on sale of business	—	1,620	—
Amortization	8,887	8,989	8,925
<b>Total costs and expenses</b>	<u>103,915</u>	<u>94,648</u>	<u>84,759</u>
<b>Net income</b>	<u>\$ 166,262</u>	<u>\$ 195,068</u>	<u>\$ 176,558</u>

The accompanying notes are an integral part of these consolidated financial statements.



**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY**

*in thousands*

<b>Balance as of December 25, 2021</b>	\$ 509,206
Net income	176,558
Deemed distribution to Parent	(194,948)
<b>Balance as of December 31, 2022</b>	\$ 490,816
Net income	195,068
Maaco contribution	4,838
Deemed distribution to Parent	(209,861)
<b>Balance as of December 30, 2023</b>	\$ 480,861
Net income	166,262
Deemed distribution to Parent	(116,432)
<b>Balance as of December 28, 2024</b>	\$ 530,691

The accompanying notes are an integral part of these consolidated financial statements.

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the years ended		
	December 28, 2024	December 30, 2023	December 31, 2022
<i>(in thousands)</i>			
<b>Net income</b>	\$ 166,262	\$ 195,068	\$ 176,558
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	8,887	8,989	8,925
Loss on sale of business	—	1,620	3,144
Other	(1,727)	174	—
<b>Changes in assets and liabilities:</b>			
Accounts and notes receivable, net	(69,205)	1,930	2,352
Deferred franchise revenue	2,837	2,080	3,969
<b>Cash provided by operating activities</b>	<b>107,054</b>	<b>209,861</b>	<b>194,948</b>
<b>Cash flow from investing activities:</b>			
Proceeds from sale of business	9,233	—	—
<b>Cash flows provided by investing activities</b>	<b>9,233</b>	<b>—</b>	<b>—</b>
<b>Cash flows from financing activities:</b>			
Deemed distribution to parent	(116,432)	(209,861)	(194,948)
<b>Cash used in financing activities</b>	<b>(116,432)</b>	<b>(209,861)</b>	<b>(194,948)</b>
<b>Net change in cash</b>	<b>(145)</b>	<b>—</b>	<b>—</b>
<b>Cash, beginning of period</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Cash, end of period</b>	<b>\$ 855</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>
<b>Supplemental cash flow disclosures - non-cash items:</b>			
Contributed accounts receivable, net	61,645	—	—

The accompanying notes are an integral part of these consolidated financial statements.

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1—Description of Business**

***Description of Business***

Driven Systems LLC (the “Company”) is a single member limited liability company organized in the state of Delaware on June 9, 2015. The Company, together with its subsidiaries, are referred to herein as the “Securitization Entities.” The other Securitization Entities include Meineke Franchisor SPV LLC, Maaco Franchisor SPV LLC, Econo Lube Franchisor SPV LLC, Take 5 Franchisor SPV LLC, Merlin Franchisor SPV LLC, 1-800 Radiator Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, FUSA Franchisor SPV LLC and ABRA Franchisor SPV LLC. The Company is a direct, wholly-owned subsidiary of Driven Brands Funding, LLC, (“Driven Funding”) which is a direct, wholly-owned subsidiary of Driven Funding Holdco, LLC (“Driven Holdco”), which is a direct, wholly-owned subsidiary of Driven Brands, Inc. (the “Parent”), which is a direct, wholly-owned subsidiary of Driven Holdings, LLC (“Driven Holdings”), which is a direct, wholly-owned subsidiary of Driven Brands Holdings Inc. (the “Ultimate Parent”). The assets and liabilities of Drive N Style Franchisor SPV, LLC were sold on July 17, 2023.

As of December 28, 2024, Driven Brands, Inc. and its subsidiaries comprised the worldwide operations of Meineke Car Care Centers (“Meineke”), Maaco Collision Repair and Auto Painting (“Maaco”), Merlin’s 200,000 Miles shops (“Merlin’s”), Pro Oil Change (“Pro Oil”), Take 5 Oil Change (“Take 5”), Econo-Lube N’ Tune (“Econo Lube”), 1-800-Radiator & A/C (“Radiator”), Spire Supply, CARSTAR auto body repair experts (“CARSTAR”), Fix Auto USA (“FUSA”) and ABRA Auto Body Repair of America (“ABRA”), (collectively, the “Driven Franchise Brands”). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. Driven Brands, Inc. is also comprised of Automotive Training Institute (“ATI”) and Clairus Group (“Clairus”), and Auto Glass Now (“AGN”), which are not contributed to the Securitization Entities. ATI provides automotive business training services to assist shop owners with efficiencies and profitability, and Clairus and AGN are providers of on-demand auto glass, calibration services, and auto appearance services. As of December 28, 2024, the Securitization Entities encompassed approximately 3,850 units worldwide, with 83% located within the United States and the remainder located in Canada. Approximately 81% of the units were franchised as of December 28, 2024. The assets and liabilities of nine FUSA company-operated stores were sold in January 2024.

Meineke, Merlin’s, Pro Oil, and Econo Lube each provide automotive repair and maintenance services through retail locations. Maaco, CARSTAR, and ABRA provide auto body repairs and painting services through retail locations. Take 5 is an operator of oil change centers, offering rapid oil changes and light maintenance services within the United States and Canada. Spire Supply is a distribution and sourcing company serving as a single point for inventory sourcing for the Company.

On July 31, 2015, the Parent contributed to the various Securitization Entities, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. and Canadian intellectual property, trademarks/tradenames, franchise agreements, development agreements, and all rights to develop and expand the Driven Franchise Brands excluding CARSTAR, Take 5, FUSA, and ABRA (collectively, the “Securitization IP”) along with certain franchisee notes receivable, (collectively the “Managed Assets”). The Parent, certain non-securitization Canadian subsidiaries, and the Securitization Entities entered into the Driven Brands License Agreement, Econo Lube License Agreement, Pro Oil Canadian Franchisor License Agreement, Meineke Canadian Franchisor License Agreement, 1-800 Radiator Canadian Franchisor License Agreement and Maaco Canadian Franchisor License Agreement (collectively the “License Agreements”) pursuant to which the Securitization Entities, collectively, granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Securitization IP in connection with owning and operating the company-owned store locations and (ii) an exclusive license to use and sublicense the Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

## DRIVEN SYSTEMS LLC AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On May 13, 2016, the Parent contributed to Carstar Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, development agreements, and all rights to develop and expand the CARSTAR franchise brand (collectively, the “Carstar Securitization IP”) at a value of approximately \$18 million. The Parent, certain non-securitization Canadian subsidiaries, and Carstar Franchisor SPV LLC entered into the 2016 Amended and Restated Master License Agreement whereby Carstar Franchisor SPV LLC granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Carstar Securitization IP in connection with owning and operating the company-owned store locations and (ii) an exclusive license to use and sublicense the Carstar Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

On April 24, 2018, the Parent contributed to Take 5 Properties SPV LLC and Take 5 Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, development agreements, lease assets and all rights to develop and expand the Take 5 franchise brand (collectively, the “Take 5 Securitization IP”), along with property and equipment, (collectively, the “Take 5 Managed Assets”) at a value of approximately \$113 million (\$81 million in property and equipment, \$35 million in intangible assets and \$3 million in deferred rent liabilities). The Parent, certain non-securitization subsidiaries, Take 5 Properties SPV LLC, and Take 5 Franchisor SPV LLC entered into the 2018 Amended and Restated Master License Agreement whereby Take 5 Franchisor SPV LLC granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Take 5 Securitization IP in connection with owning and operating the company-owned store locations and (ii) an exclusive license to use and sublicense the Take 5 Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

On April 24, 2018, the Parent contributed to Driven Product Sourcing LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, and certain product sourcing contracts (collectively, the “Spire Supply Assets”) of Spire Supply at a value of \$0.

On October 4, 2019, the Parent contributed to ABRA Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, and all rights to develop and expand the ABRA franchise brand (collectively, the “ABRA Securitization IP”) at a value of approximately \$38 million. The Parent, certain non-securitization subsidiaries, and ABRA Franchisor SPV LLC entered into the 2019 Amended and Restated Master License Agreement whereby ABRA Franchisor SPV LLC granted to Parent an exclusive license to use and sublicense the ABRA Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

During the year ended December 28, 2019, the Parent contributed to Take 5 Properties SPV LLC, through the Company and Driven Brands Funding, LLC, property and equipment at a value of approximately \$31 million.

On July 6, 2020, the Parent contributed to FUSA Properties SPV LLC and FUSA Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, development agreements, lease assets, and all rights to develop and expand the Fix Auto franchise brand (collectively, the “FUSA Securitization IP”), along with property and equipment, (collectively, the “FUSA Managed Assets”) at a value of approximately \$35 million, which included \$19 million of goodwill. The Parent, certain non-securitization subsidiaries, FUSA Properties SPV LLC and FUSA Franchisor SPV LLC entered into the 2020 Mondofix License Assignment Agreement whereby FUSA Franchisor SPV LLC was granted an exclusive license to use and sublicense the FUSA Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

The contributions of the Take 5 Securitization IP, CARSTAR Securitization IP, FUSA Securitization IP, Radiator Securitization IP, FUSA Managed Assets, Radiator Managed Assets, ABRA Securitization IP, cash, and franchisee notes receivable are between entities under common control and were recorded at book value. No gain or loss has been realized on the transactions.

## DRIVEN SYSTEMS LLC AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Securitization Entities entered into an amended and restated Management Agreement dated April 24, 2018, amended on October 4, 2019 and July 6, 2020 (“the Management Agreement”), which obligates the Parent (the “Manager”) to manage and service the Managed Assets, Carstar Securitization IP, Take 5 Securitization IP, Take 5 Managed Assets, Spire Supply Assets, FUSA Securitization IP, FUSA Managed Assets, and ABRA Securitization IP as defined in the Management Agreement. The primary responsibilities of the Manager under the Management Agreement include administering collections and otherwise managing the Managed Assets, Carstar Securitization IP, Take 5 Securitization IP, Take 5 Managed Assets, Spire Supply Assets, FUSA Securitization IP, FUSA Managed Assets, and ABRA Securitization IP on behalf of the Securitization Entities, and to perform certain franchising, marketing, intellectual property and operation and reporting services on behalf of the Securitization Entities with respect to the Managed Assets. In performing its obligations under the Management Agreement, the Manager acts solely as an independent contractor of the Securitization Entities, except to the extent the Manager is deemed to be an agent of the Securitization Entities by virtue of engaging in franchise sales activities, or receiving payments on behalf of the Securitization Entities. In exchange for providing such services, the Manager is entitled to receive a management fee on a weekly basis.

#### **Note 2—Summary of Significant Accounting Policies**

##### ***Fiscal Year***

The Company operates and reports financial information on a 52 or 53-week year with the fiscal year ending on the last Saturday in December. Our fiscal years ending December 28, 2024 and December 30, 2023 both consisted of 52-weeks. Fiscal year ending December 31, 2022 consisted of 53-weeks.

##### ***Basis of Presentation***

The consolidated financial statements include the accounts of the Securitization entities. Intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the valuation of intangible assets and goodwill, as well as impairment of intangible assets and goodwill, and allowance for credit losses. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

The year ended December 30, 2023 includes an adjustment to the Consolidated Balance Sheets and Statement of Members' Equity for items that originated in prior years. The adjustment increased intangible assets, net and members' equity by \$4.9 million and \$4.9 million, respectively. The Company evaluated the materiality of the adjustments on prior period financial statements and recorded the adjustments were immaterial to both the current and prior financial statements.

##### ***Summary of Significant Accounting Policies***

##### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. The Company maintains cash balances in interest bearing transaction accounts with various financial institutions, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250 thousand. The Company has not experienced any losses of cash, despite maintaining balances that exceed the federally insured limit.

## **DRIVEN SYSTEMS LLC AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

#### ***Accounts and Notes Receivable***

The Company's accounts receivable consists principally of amounts due related to product sales, centrally billed commercial fleet work, centrally billed insurance claims, advertising, franchise fees, rent due from franchisees and training services. These receivables are generally due within 30 days of the period in which the corresponding sales occur and are classified as Accounts and notes receivable, net on the Consolidated Balance Sheets. Accounts receivable are reported at their estimated net realizable value.

Notes receivable are primarily from franchisees and relate to financing arrangements for certain past due balances or to partially finance the acquisition of company-operated stores or refranchising locations. The notes are typically collateralized by the assets of the store being purchased. Interest income recognized on these notes is included in Other revenue on the accompanying Consolidated Statements of Operations. The Company places notes receivable on a non-accrual status based on management's determination if it is probable that the principal balance is not expected to be repaid per the contractual terms. When the Company places a note receivable on a non-accrual status, interest income recorded on the note is reversed through Other revenue.

#### ***Goodwill and Indefinite-Lived Intangible Assets***

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. The Company's indefinite-lived intangibles are comprised of trademarks and tradenames. Management tests goodwill for impairment on the first day of the fourth quarter every year or more frequently if events or changes in circumstances indicate the asset might be impaired.

In performing a quantitative test for impairment of goodwill, we primarily use the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of goodwill and indefinite-lived intangible assets. Significant assumptions are made by management in estimating fair value under the discounted cash flow model including future trends in sales and terminal growth rates, operating expenses, overhead expenses, tax depreciation, capital expenditures, and changes in working capital, along with an appropriate discount rate based on our estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied.

In the process of a quantitative test of our trademark intangible assets, we primarily use the relief-from-royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate, and a discount rate to be applied to the forecasted revenue stream.

There is an inherent degree of uncertainty in preparing any forecast of future results. Future trends in system-wide sales are dependent to a significant extent on national, regional, and local economic conditions. Any decreases in customer traffic or average repair order due to these or other reasons could reduce gross sales at franchise locations, resulting in lower royalty and other payments from franchisees, as well as lower sales at company-operated locations. This could reduce the profitability of franchise locations, potentially impacting the ability of franchisees to make royalty payments owed to us when due (which could adversely impact our current cash flow from franchise operations), and company-operated sites.

The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite.

Management tests goodwill for impairment at the reporting unit level on the first day of the fourth quarter every year or more frequently if events or changes in circumstances indicate the asset might be impaired.

#### ***Definite Lived Intangible Assets***

The Company's definite lived intangible assets are comprised primarily of trademarks, franchise agreements, and license agreements.



## DRIVEN SYSTEMS LLC AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset as follows:

	Estimated Useful Life
Franchise agreements	3 to 30 years
License agreements	7 to 19 years

The lives of definite lived intangibles are reviewed and reduced if changes in their planned use occurs. If changes in the assets planned use are identified, management reviews the useful life and carrying value of the asset to assess the recoverability of the assets if facts and circumstances indicate the carrying value may not be recoverable. The recoverability test requires management to compare the undiscounted cash flows expected to be generated by the intangible asset or asset group to the carrying value. If the carrying amounts of the intangible asset is not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent the carrying value exceeds its fair value.

Management reviews business combinations to identify intangible assets, which are typically tradenames and customer relationships, and value the assets based on information and assumptions available to us at the date of purchase utilizing income and market approaches to determine fair value.

#### ***Revenue Recognition***

In accordance with the Management Agreement, 2016 Amended and Restated Master License Agreement, 2018 Amended and Restated Master License Agreement and License Agreements, the 2019 Amended and Restated Master License Agreement and License Agreements, and 2020 Amended and Restated Master License Agreements, revenue is recognized for amounts received or due to the Company for the use of the Company's intellectual property.

Franchise revenue is comprised of royalties generated from franchisee fees as well as the Parent's company owned stores. Franchise fee royalty revenue is based on the fee agreements defined in the subsidiaries' franchise agreements. Royalties generated from the Parent's company owned stores are based on the fee agreements defined in the Management Agreement, Amended and Restated Master License Agreement, and any applicable sub-license agreements. Company-owned store revenue is driven by servicing of customer vehicles, net of operating expenses except for rent expense. Product distribution margin revenue is based on paint and supply products delivered to franchisees. Advertising fee royalty revenue is based on the fee arrangements set forth in the subsidiaries' franchise agreements and is recognized net of advertising expenditures. Initial franchise fees are recognized on a straight-line basis over the life of the franchise agreement as the performance obligation is satisfied.

#### ***Income Taxes***

The Company is a limited liability company treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the member. As such, no recognition of federal or state income taxes for the Company or its subsidiaries that are organized as limited liability companies have been provided for in the accompanying consolidated financial statements. Any uncertain tax position taken by the member is not an uncertain position of the Company.

As it pertains to the Company and the impact on the Ultimate Parent, the Company follows applicable authoritative guidance with respect to the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. The Company records any interest and penalties associated as additional income tax expense in the Consolidated Statements of Operations. Based on management analysis, the Company does not believe any unrecognized tax benefits significantly changed in the current period. Furthermore, the Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year.

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 3—Accounts and Notes Receivable, net**

The balance on the Consolidated Balance Sheets is primarily related to customers, vendors, and franchisees. In June 2024, Driven Brands, Inc. contributed assets to Driven Brands Funding LLC. Assets contributed included accounts receivable for the following brands: Radiator, ABRA, CARSTAR, FUSA, Meineke, Maaco, Product Sourcing, and Take 5. The impact of the accounts receivable contribution was \$62 million.

Accounts and notes receivable, net consisted of the following:

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
Accounts receivable	\$ 78,088	\$ 7,673	\$ 12,835
Notes receivable	2,113	927	645
<b>Accounts and notes receivables, gross</b>	<b>80,201</b>	<b>8,600</b>	<b>13,480</b>
Less:			
Allowance for doubtful accounts	(5,443)	(3,047)	(5,998)
<b>Accounts and notes receivables, net</b>	<b>\$ 74,758</b>	<b>\$ 5,553</b>	<b>\$ 7,482</b>
Accounts and notes receivable long-term	\$ 1,867	\$ 736	\$ 454
Accounts and notes receivable current	72,891	4,817	7,028
<b>Accounts and notes receivables, net</b>	<b>\$ 74,758</b>	<b>\$ 5,553</b>	<b>\$ 7,482</b>

**Note 4— Goodwill and Intangible Assets**

Changes in the carrying amount of goodwill for the years ended December 28, 2024 and December 30, 2023 are as follows:

<i>(in thousands)</i>	<b>Total</b>
<b>Balance at December 30, 2023</b>	<b>19,390</b>
Sale of business unit	(9,232)
<b>Balance at December 28, 2024</b>	<b>\$ 10,158</b>

During the year ended December 28, 2024, Driven Funding sold nine FUSA company-operated stores to a franchisee. The Company allocated \$9 million of goodwill based on the fair value at the time of sale.

Intangible assets consisted of the following:

<i>(in thousands)</i>	<b>December 28, 2024</b>		
	<b>Gross carrying value</b>	<b>Accumulated amortization</b>	<b>Net Carrying Value</b>
<b>Definite-lived intangible assets</b>			
Franchise Agreements	\$ 198,764	\$ 66,469	132,295
License Agreements	10,700	6,739	3,961
	209,464	73,208	136,256
<b>Indefinite-lived intangible assets</b>			
Trademarks	339,263	—	339,263
<b>Total intangible assets</b>	<b>\$ 548,727</b>	<b>\$ 73,208</b>	<b>\$ 475,519</b>



**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

<i>(in thousands)</i>	December 30, 2023		
	Gross carrying value	Accumulated amortization	Net Carrying Value
<b>Definite-lived intangible assets</b>			
Franchise Agreements	\$ 196,363	\$ 58,863	\$ 137,500
License Agreements	10,700	5,458	5,242
	207,063	64,321	142,742
<b>Indefinite-lived intangible assets</b>			
Trademarks	339,938	—	339,938
<b>Total intangible assets</b>	<b>\$ 547,001</b>	<b>\$ 64,321</b>	<b>\$ 482,680</b>

<i>(in thousands)</i>	December 31, 2022		
	Gross carrying value	Accumulated amortization	Net Carrying Value
<b>Definite-lived intangible assets</b>			
Franchise Agreements	\$ 198,874	\$ 51,998	\$ 146,876
License Agreements	10,517	3,967	6,550
	209,391	55,965	153,426
<b>Indefinite-lived intangible assets</b>			
Trademarks	335,200	—	335,200
<b>Total intangible assets</b>	<b>\$ 544,591</b>	<b>\$ 55,965</b>	<b>\$ 488,626</b>

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset. Intangible asset amortization expense was \$9 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022.

Amortization expense related to intangible assets for the next five fiscal years and thereafter is as follows:

<i>(in thousands)</i>	
2025	\$ 8,939
2026	8,939
2027	8,933
2028	7,839
2029	7,805
Thereafter	93,801
<b>Total amortization</b>	<b>\$ 136,256</b>

**Note 5—Related Party Transactions**

Cash collections from revenue and cash disbursements for management fees, interest expense and other operating expenses are made at Driven Holdco. Because the revenue and expenses related to these cash flows are recorded on the consolidated financial statements of the Company, the Company has recorded deemed distributions to Driven Holdco of \$116 million, \$210 million, and \$195 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively.

In exchange for providing management services, the Parent is entitled to receive certain management fees on a weekly basis. The Company's management fees to the Parent were \$50 million, \$40 million, and \$36 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022 respectively. These fees are included in Operating expenses on the Consolidated Statements of Operations.

## **DRIVEN SYSTEMS LLC AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Driven Brands Funding, LLC (the “Issuer”) holds approximately \$2 billion in debt in the form of six Senior Notes maturing in April 2049, October 2049, January 2051, October 2051, October 2052, and October 2054. The Senior Notes are secured by substantially all assets of the Issuer and guaranteed by Driven Holdco and subsidiaries of the Issuer. The interest expense allocated to the Company was \$44 million, \$44 million, and \$40 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively. These amounts are included in Operating expenses on the Consolidated Statements of Operations.

#### **Note 6—Subsequent Events**

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 22, 2025, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

**THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN  
AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO  
CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR  
EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.**

Consolidated Financial Statements  
(Unaudited)

**Driven Systems LLC and Subsidiaries**

For the three months ended  
March 29, 2025 and March 30, 2024

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(in thousands)</i>	<b>March 29, 2025</b>	<b>December 28, 2024</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 837	\$ 855
Accounts and notes receivable, net	93,438	72,891
<b>Total current assets</b>	<b>94,275</b>	<b>73,746</b>
Notes receivable, net	1,632	1,867
Intangible assets, net	473,285	475,519
Goodwill	10,158	10,158
<b>Total assets</b>	<b>\$ 579,350</b>	<b>\$ 561,290</b>
<b>Liabilities and members' equity</b>		
Current liabilities:		
Deferred franchise revenue	\$ 30,416	\$ 30,599
<b>Total liabilities</b>	<b>30,416</b>	<b>30,599</b>
Members' equity	548,934	530,691
<b>Total members' equity</b>	<b>548,934</b>	<b>530,691</b>
<b>Total liabilities and members' equity</b>	<b>\$ 579,350</b>	<b>\$ 561,290</b>

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	<b>Three months ended</b>	
<i>(in thousands)</i>	<b>March 29, 2025</b>	<b>March 30, 2024</b>
<b>Revenue:</b>		
Franchise fee revenue	\$ 60,197	\$ 53,105
Other revenue	3,378	6,878
<b>Total revenue</b>	<b>63,575</b>	<b>59,983</b>
<b>Costs and expenses:</b>		
Operating expenses	5,633	16,848
Amortization	2,328	2,220
<b>Total costs and expenses</b>	<b>7,961</b>	<b>19,068</b>
<b>Net income</b>	<b>\$ 55,614</b>	<b>\$ 40,915</b>

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY**  
**(UNAUDITED)**

*in thousands*

<b>Balance as of December 30, 2023</b>	\$ 480,861
Net income	40,915
Deemed distribution to Parent	<u>(41,176)</u>
<b>Balance as of March 30, 2024</b>	<u><u>\$ 480,600</u></u>
<b>Balance as of December 28, 2024</b>	\$ 530,691
Net income	55,614
Deemed distribution to Parent	<u>(37,371)</u>
<b>Balance as of March 29, 2025</b>	<u><u>\$ 548,934</u></u>

**DRIVEN SYSTEMS LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>Three months ended</b>	
<i>(in thousands)</i>	<b>March 29, 2025</b>	<b>March 30, 2024</b>
<b>Net income</b>	\$ 55,614	\$ 40,915
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	2,328	2,220
Other operating, net	(94)	—
<b>Changes in assets and liabilities:</b>		
Accounts and notes receivable, net	(20,312)	(3,064)
Deferred franchise revenue	(183)	1,105
<b>Cash provided by operating activities</b>	<b>37,353</b>	<b>41,176</b>
<b>Cash flows from financing activities:</b>		
Distributions to parent	(37,371)	(41,176)
<b>Cash used in financing activities</b>	<b>(37,371)</b>	<b>(41,176)</b>
<b>Net change in cash</b>	<b>(18)</b>	<b>—</b>
<b>Cash, beginning of period</b>	<b>855</b>	<b>1,000</b>
<b>Cash, end of period</b>	<b>\$ 837</b>	<b>\$ 1,000</b>



**DRIVEN BRANDS, INC.**

Consolidated Financial Statements and Report of  
Independent Auditors

**Driven Brands Inc. and Subsidiaries**

For the years ended  
December 28, 2024, December 30, 2023  
and December 31, 2022

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## **Report of Independent Auditors**

To the Management of Driven Brands, Inc.

### ***Opinion***

We have audited the accompanying consolidated financial statements of Driven Brands, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 28, 2024, December 30, 2023, and December 31, 2022, and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 28, 2024, December 30, 2023, and December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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



In performing an audit in accordance with US GAAS, we:

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

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

*PricewaterhouseCoopers LLP*

Charlotte, North Carolina  
May 22, 2025

**DRIVEN BRANDS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 129,633	\$ 150,581	\$ 158,799
Restricted cash	358	657	657
Accounts and notes receivable, net	174,234	146,295	167,249
Inventory	55,900	63,612	54,696
Prepaid and other assets	24,005	25,031	26,878
Related party receivable	378,222	328,953	258,476
Income tax receivable	—	3,680	1,698
Assets held for sale	73,109	—	—
Advertising fund assets, restricted	49,716	45,627	36,421
<b>Total current assets</b>	885,177	764,436	704,874
Related party receivable	128,144	128,144	128,144
Property and equipment, net	406,906	361,330	303,893
Operating lease right-of-use assets	412,544	397,211	335,760
Deferred commissions	7,246	6,312	7,121
Intangibles, net	634,794	703,573	727,646
Goodwill	1,205,531	1,238,504	1,225,457
Deferred tax asset	—	2,576	1,827
Other assets	126,098	55,248	28,414
<b>Total assets</b>	<b>\$ 3,806,440</b>	<b>\$ 3,657,334</b>	<b>\$ 3,463,136</b>
<b>Liabilities and shareholders' equity</b>			
Current liabilities:			
Accounts payable	\$ 78,779	\$ 51,280	\$ 41,348
Income taxes payable	58,250	42,446	4,834
Accrued expenses and other liabilities	155,893	146,104	184,561
Current portion of long-term debt	27,185	26,426	27,605
Advertising fund liabilities	22,030	23,392	36,726
<b>Total current liabilities</b>	342,137	289,648	295,074
Long-term debt, net	2,122,346	2,177,283	2,213,218
Operating lease liabilities	397,652	371,404	313,644
Deferred tax liabilities	118,209	141,909	139,568
Deferred revenue	31,314	30,507	29,310
Long-term accrued expenses and other liabilities	2,037	3,749	5,947
<b>Total liabilities</b>	3,013,695	3,014,500	2,996,761
Shareholders' equity:			
Class A common stock, \$.01 par value, authorized 60,000,000 voting shares; 56,560,217 shares issued and outstanding at December 28, 2024, December 30, 2023, and December 31, 2022	565	565	565
Class B common stock, \$.01 par value, authorized 12,461,152 non-voting shares; 0 shares issued and outstanding at December 30, 2023 and December 31, 2022	—	—	—
Additional paid-in-capital	339,565	291,426	274,922
Retained earnings	458,822	364,781	209,246
Accumulated other comprehensive loss	(6,207)	(14,321)	(18,728)
<b>Total shareholders' equity attributable to Driven Brands Inc.</b>	792,745	642,451	466,005
<b>Non-controlling interests</b>	—	383	370
<b>Total shareholders' equity</b>	792,745	642,834	466,375
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,806,440</b>	<b>\$ 3,657,334</b>	<b>\$ 3,463,136</b>

The accompanying notes are an integral part of these consolidated financial statements.

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

<i>(in thousands)</i>	<b>Fiscal year ended</b>		
	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
Net revenue:			
Franchise royalties and fees	\$ 188,634	\$ 190,367	\$ 171,734
Company-operated store sales	1,176,774	1,130,996	933,906
Advertising contributions	101,316	98,850	87,750
Supply and other revenue	285,625	286,072	247,084
<b>Total net revenue</b>	<b>1,752,349</b>	<b>1,706,285</b>	<b>1,440,474</b>
Operating expenses:			
Company-operated store expenses	747,096	697,317	553,650
Advertising expenses	101,617	97,290	87,986
Supply and other expenses	137,176	154,586	140,107
Selling, general and administrative expenses	433,995	357,192	325,462
Acquisition costs	2,439	7,589	9,657
Store opening costs	5,135	4,885	2,809
Depreciation and amortization	77,505	75,933	55,892
Asset impairment charges	9,320	4,542	107
<b>Total operating expenses</b>	<b>1,514,283</b>	<b>1,399,334</b>	<b>1,175,670</b>
<b>Operating income</b>	<b>238,066</b>	<b>306,951</b>	<b>264,804</b>
Other (income) expense, net			
Interest expense, net	104,648	108,002	88,124
Loss on debt extinguishment	205	—	—
Loss (gain) on foreign currency transactions, net	12,836	(1,997)	5,511
<b>Total other expenses, net</b>	<b>117,689</b>	<b>106,005</b>	<b>93,635</b>
Income before taxes	120,377	200,946	171,169
Income tax expense	26,336	45,411	17,538
<b>Net income</b>	<b>94,041</b>	<b>155,535</b>	<b>153,631</b>
Net loss attributable to non-controlling interests	—	—	—
<b>Net income attributable to Driven Brands Inc.</b>	<b>\$ 94,041</b>	<b>\$ 155,535</b>	<b>\$ 153,631</b>

The accompanying notes are an integral part of these consolidated financial statements.

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(in thousands)</i>	<b>Fiscal year ended</b>		
	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
<b>Net income</b>	<b>\$ 94,041</b>	<b>\$ 155,535</b>	<b>\$ 153,631</b>
Other comprehensive income:			
Foreign currency translation adjustments	7,489	1,062	(15,275)
Gain (loss) on swap, net	625	3,345	(1,866)
Other comprehensive income (loss), net	8,114	4,407	(17,141)
Total comprehensive income	102,155	159,942	136,490
Comprehensive gain (loss) attributable to non-controlling interests	—	\$ 13	\$ (36)
<b>Comprehensive income attributable to Driven Brands Inc.</b>	<b>\$ 102,155</b>	<b>\$ 159,929</b>	<b>\$ 136,526</b>

The accompanying notes are an integral part of these consolidated financial statements.



**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

<i>in thousands</i>	<b>Common stock, Class A and B</b>	<b>Additional paid-in- capital</b>	<b>Retained earnings</b>	<b>Accumulated other comprehensive income (loss)</b>	<b>Non- controlling interests</b>	<b>Total equity</b>
<b>Balance as of December 25, 2021</b>	\$ 565	\$ 247,505	\$ 55,615	\$ (1,623)	\$ 406	\$ 302,468
Net income	—	—	153,631	—	—	153,631
Other comprehensive loss	—	—	—	(17,105)	(36)	(17,141)
Equity-based compensation expense	—	20,583	—	—	—	20,583
Contributions	—	6,834	—	—	—	6,834
<b>Balance as of December 31, 2022</b>	\$ 565	\$ 274,922	\$ 209,246	\$ (18,728)	\$ 370	\$ 466,375
Net income	—	—	155,535	—	—	155,535
Other comprehensive income	—	—	—	4,407	13	4,420
Equity-based compensation expense	—	15,300	—	—	—	15,300
Contributions	—	1,204	—	—	—	1,204
<b>Balance as of December 30, 2023</b>	\$ 565	\$ 291,426	\$ 364,781	\$ (14,321)	\$ 383	\$ 642,834
Net income	—	—	94,041	—	—	94,041
Other comprehensive income	—	—	—	8,114	—	8,114
Equity-based compensation expense	—	48,139	—	—	—	48,139
Acquisition of non-controlling interest	—	—	—	—	(383)	(383)
<b>Balance as of December 28, 2024</b>	\$ 565	\$ 339,565	\$ 458,822	\$ (6,207)	\$ —	\$ 792,745

The accompanying notes are an integral part of these consolidated financial statements.

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(in thousands)</i>	Year ended		
	December 28, 2024	December 30, 2023	December 25, 2022
<b>Net income</b>	\$ 94,041	\$ 155,535	\$ 153,631
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	77,505	75,933	55,892
Equity-based compensation expense	48,139	15,300	20,583
Loss (gain) on foreign denominated transactions	20,620	(4,581)	10,287
(Gain) loss on foreign currency derivative	(7,784)	2,584	(4,776)
Loss (gain) on sale of fixed assets	14,687	(3,787)	(13,918)
Bad debt expense	6,525	1,838	5,746
Asset impairment costs	9,320	4,542	107
Amortization of cloud computing	8,270	1,923	—
Amortization of deferred financing costs and bond discounts	8,412	8,558	7,058
(Benefit) provision for deferred income taxes	(19,303)	373	2,467
Loss on extinguishment of debt	205	—	—
Other, net	13,964	14,800	1,104
<b>Changes in assets and liabilities:</b>			
Accounts and notes receivable, net	(46,091)	6,064	(49,043)
Inventory	(4,377)	(9,515)	(16,836)
Prepaid and other assets	1,074	3,014	(9,333)
Related party receivable	(49,002)	(69,840)	126,011
Advertising fund assets and liabilities, restricted	(5,451)	(16,861)	13,495
Other assets	(79,214)	(41,677)	(22,907)
Deferred commissions	(934)	418	3,407
Deferred revenue	807	1,937	1,925
Accounts payable	27,472	10,402	(31,122)
Accrued expenses and other liabilities	15,664	(27,272)	(51,271)
Income tax payable	17,631	35,497	352
<b>Cash provided by operating activities</b>	<b>152,180</b>	<b>165,185</b>	<b>202,859</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(298,260)	(158,225)	(103,239)
Cash used in business acquisitions, net of cash acquired	(2,055)	(36,727)	(405,011)
Proceeds from sale-leaseback transactions	51,370	39,168	16,107
Proceeds from sale or disposal of businesses and fixed assets	144,764	8,234	19,918
<b>Cash used in investing activities</b>	<b>(104,181)</b>	<b>(147,550)</b>	<b>(472,225)</b>
<b>Cash flows from financing activities:</b>			
Payment of debt extinguishment and issuance costs	(9,441)	—	(7,172)
Proceeds from the issuance of long-term debt	274,794	—	365,000
Repayment of long-term debt	(327,538)	(22,971)	(20,159)
Acquisition of non-controlling interest	(383)	—	—

Repayment of principal portion of finance lease liability	(2,760)	(3,844)	(2,561)
(Distribution to) contribution from parent	—	(3,118)	6,834
Other, net	—	227	321
<b>Cash provided by financing activities</b>	<b>(65,328)</b>	<b>(29,706)</b>	<b>342,263</b>
Effect of exchange rate changes on cash	(3,525)	9,519	(2,489)
<b>Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted</b>	<b>(20,854)</b>	<b>(2,552)</b>	<b>70,408</b>
Cash and cash equivalents, beginning of period	150,581	158,799	82,676
Cash included in advertising fund assets, restricted, beginning of period	38,537	32,871	38,586
Restricted cash, beginning of period	657	657	657
<b>Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period</b>	<b>189,775</b>	<b>192,327</b>	<b>121,919</b>
Cash and cash equivalents, end of period	129,633	150,581	158,799
Cash included in advertising fund assets, restricted, end of period	38,930	38,537	32,871
Restricted cash, end of period	358	657	657
<b>Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period</b>	<b>\$ 168,921</b>	<b>\$ 189,775</b>	<b>\$ 192,327</b>

**Supplemental cash flow disclosures  
- non-cash items:**

Capital expenditures included in accrued expenses and other liabilities	\$ 9,578	\$ 2,127	\$ 4,492
Related party asset purchases included in capital expenditures	134,860	—	—
Deferred consideration included in accrued expenses and other liabilities	1,596	2,630	27,303

**Supplemental cash flow disclosures  
- cash paid for:**

Interest	\$ 97,080	\$ 108,119	\$ 88,655
Income taxes	—	—	13,202

The accompanying notes are an integral part of these consolidated financial statements.

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1—Description of Business**

***Description of Business***

Driven Brands Inc. and Subsidiaries (collectively, “the Company”) comprises the worldwide operations of Meineke Car Care Centers (“Meineke”), Maaco Collision Repair and Auto Painting (“Maaco”), Fix Auto USA (“FUSA”), Merlin’s 200,000 Miles shops (“Merlin’s”), Uniban (“Go Glass”), Econo-Lube N’ Tune (“Econo”), 1-800-Radiator & A/C (“Radiator”), Spire Supply, Drive N Style, Take 5 Oil Change (“Take 5”), CARSTAR auto body repair experts (“CARSTAR”), ABRA Auto Body Repair of America (“ABRA”), and Clairus Group (“Clairus”) (collectively, the “Driven Franchise Brands”). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. The Company is also comprised of Automotive Training Institute (“ATI”), which provides business-to-business automotive training services, and Auto Glass Now (“AGN”), which is comprised of our U.S. Glass business. As of December 28, 2024, the Driven Franchise Brands and AGN encompass 4,077 units worldwide, with 84% located within the United States and the remainder located primarily in Canada. Approximately 77% of the units are franchised. The Company is a direct, wholly-owned subsidiary of Driven Holdings, LLC, which is a direct wholly-owned subsidiary of Driven Brands Holdings Inc. (the “Ultimate Parent”). The assets and liabilities of Drive N Style Franchisor SPV, LLC were sold in July 2023. The assets and liabilities of nine FUSA company-operated stores were sold in January 2024.

Meineke, Merlin’s, and Econo each provide automotive repair and maintenance services through retail locations. Maaco, CARSTAR, FUSA, and ABRA, provide auto body repairs and painting services through retail locations. Radiator provides certain automotive parts to automotive repair stores, automotive parts stores, body shops and service stations. Take 5 is an operator of oil change centers, offering rapid oil changes and light maintenance services within the United States and Canada. Spire Supply and PH Vitres D’Auto (“PH Glass”) are distribution and sourcing companies serving as a single point for inventory sourcing for the Company. PH Glass was sold in August 2024. AGN, Driven Glass, Go Glass, and Clairus are providers of on-demand auto glass, calibration services, and auto appearance services. ATI provides automotive business training services to assist shop owners with efficiencies and profitability. The Company has also completed acquisition transactions, and in certain circumstances has retained the target’s brand name.

**Note 2—Summary of Significant Accounting Policies**

***Fiscal Year***

The Company operates and reports financial information on a 52 or 53-week year with the fiscal year ending on the last Saturday in December. Our fiscal years ending December 28, 2024 and December 30, 2023 both consisted of 52-weeks. Fiscal year ending December 31, 2022 consisted of 53-weeks.

***Basis of Presentation***

The consolidated financial statements include the accounts of the Company. Intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”) requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the valuation of intangible assets and goodwill, as well as impairment of intangible assets and goodwill, income tax, allowance for credit losses, valuation of derivatives, and self-insurance claims. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

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***Summary of Significant Accounting Policies***

***Cash and Cash Equivalents***

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. These investments are carried at cost, which approximates fair value. The Company continually monitors its positions with, and the credit quality of, the financial institutions in which it maintains its deposits. As of December 28, 2024 and December 30, 2023, the Company maintained balances in various cash accounts in excess of federally insured limits.

***Restricted Cash***

The Company had total restricted cash of \$39 million, \$39 million, and \$34 million at December 28, 2024, December 30, 2023, and December 31, 2022, respectively, which primarily consisted of funds from franchisees pursuant to franchise agreements, the usage of which was restricted to advertising activities, and letters of credit collateral. Advertising funds are presented within Advertising fund assets, restricted, on the Consolidated Balance Sheets.

***Accounts and Notes Receivable***

The Company's accounts receivable consists principally of amounts due related to product sales, centrally billed commercial fleet work, centrally billed insurance claims, advertising, franchise fees, rent due from franchisees and training services. These receivables are generally due within 30 days of the period in which the corresponding sales occur and are classified as Accounts and notes receivable, net on the Consolidated Balance Sheets. Accounts receivable are reported at their estimated net realizable value.

Notes receivable are primarily from franchisees and relate to financing arrangements for certain past due balances or to partially finance the acquisition of company-operated stores or refranchising locations. The notes are typically collateralized by the assets of the store being purchased. Interest income recognized on these notes is included in Supply and other revenue on the accompanying Consolidated Statements of Operations. The Company places notes receivable on a non-accrual status based on management's determination if it is probable that the principal balance is not expected to be repaid per the contractual terms. When the Company places a note receivable on a non-accrual status, interest income recorded on the note is reversed through Supply and other revenue. The Company recorded an immaterial amount of interest income related to its notes receivables during the years ended December 28, 2024, December 30, 2023, and December 31, 2022.

***Allowance for Credit Losses***

Expected credit losses for uncollectible receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions considered include predefined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

***Inventory***

Inventory is stated at the lower of cost or net realizable value. The Company primarily purchases its oil, lubricants, and auto glass in bulk quantities to take advantage of volume discounts and to ensure inventory availability to complete services. Inventories are presented net of volume rebates.

***Property and Equipment, net***

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are depreciated over the shorter of the estimated useful life or the remaining lease term of the related asset.

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Estimated useful lives are as follows:

Buildings and improvements	5 to 40 years
Furniture and fixtures	5 to 7 years
Store equipment	5 to 15 years
Leasehold improvements	5 to 15 years
Vehicles	3 to 5 years
Computer equipment and software	3 to 5 years

***Cloud computing arrangements***

The Company capitalizes qualified cloud computing implementation costs associated with the application development stage and subsequently amortize these costs over the term of the hosting arrangement and stated renewal period, if it is reasonably certain we will renew. Capitalized costs are included in Other assets on the Consolidated Balance Sheets. The Company recorded capitalized cloud computing arrangement costs of \$116 million and \$52 million as of December 28, 2024 and December 30, 2023, respectively, which included \$46 million and \$29 million of cloud computing assets not-in-service and accumulated amortization of \$10 million and \$2 million, respectively. During the years ended December 28, 2024 and December 30, 2023, we recorded cloud computing amortization of \$8 million and \$2 million, respectively. As of December 31, 2022, no cloud computing arrangements were in service.

***Leases***

The lease standard requires the lessee in an operating lease to record a balance sheet gross-up upon lease commencement by recognizing a ROU asset and lease liability equal to the present value of the lease payments over the expected lease term. The ROU asset and lease liability are derecognized in a manner that effectively yields a straight-line lease expense over the lease term. In addition to the changes to the lessee operating lease accounting requirements, amendments may change the types of costs that can be capitalized related to a lease agreement for both lessees and lessors.

Finance lease ROU assets are depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Finance lease liabilities are recognized using the effective interest method, with interest determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Interest associated with finance lease liabilities is recognized in Interest expense, net, on the Consolidated Statements of Operations and is included in changes in Accrued expenses and other liabilities in the Consolidated Statements of Cash Flows.

At contract inception, we determine whether the contract is or contains a lease based on the terms and conditions of the contract. Lease contracts are recognized on our Consolidated Balance Sheets as ROU assets and lease liabilities; however, we have elected not to recognize ROU assets and lease liabilities on leases with terms of one year or less. Variable lease payments that are dependent on usage, output, or may vary for other reasons are excluded from lease payments in the measurement of the ROU assets and lease liabilities and are recognized as lease expense in the period the obligation is incurred. For lease agreements entered into or reassessed after the adoption of Topic 842, we combine lease and non-lease components. The Company's vehicle and equipment leases are comprised of a single lease component.

If a lease does not provide enough information to determine the implicit interest rate in the agreements, the Company uses its incremental borrowing rate in calculating the lease liability. The Company determines its incremental borrowing rate for each lease by reference to yield rates on collateralized debt issuances, which approximates borrowings on a collateralized basis, by companies of a similar credit rating as the Company, with adjustments for differences in years to maturity and implied company-specific credit spreads.

Certain leases include renewal and termination options and the option to renew is under our sole discretion. These lease renewals are included in the lease term in determining the ROU assets and liabilities when we are reasonably certain we will exercise the option.

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The ROU asset also includes initial direct costs paid less lease incentives received from the lessor. The Company also records lease income for subleases of franchise stores to certain franchisees. Lease income from sublease rentals is recognized on a straight-line basis over the lease term.

***Impairment of Long-Lived Assets***

Long-lived assets that are used in operations are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through undiscounted future cash flows. Recognition and measurement of a potential impairment is performed on assets grouped with other assets and liabilities at the lowest level where identifiable cash flows are largely independent of the cash flows of other assets and liabilities. An impairment loss is the amount by which the carrying amount of a long-lived asset or asset group exceeds its estimated fair value. Fair value is generally estimated by internal specialists based on the present value of anticipated future cash flows or, if required, with the assistance of independent third-party valuation specialists, depending on the nature of the assets or asset group.

***Goodwill and Indefinite-Lived Intangible Assets***

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. The Company's indefinite-lived intangibles are comprised of trademarks and tradenames. Management tests goodwill for impairment on the first day of the fourth quarter every year or more frequently if events or changes in circumstances indicate the asset might be impaired.

In performing a quantitative test for impairment of goodwill, we primarily use the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of goodwill and indefinite-lived intangible assets. Significant assumptions are made by management in estimating fair value under the discounted cash flow model including future trends in sales and terminal growth rates, operating expenses, overhead expenses, tax depreciation, capital expenditures, and changes in working capital, along with an appropriate discount rate based on our estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied.

In the process of a quantitative test of our trademark intangible assets, we primarily use the relief-from-royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate, and a discount rate to be applied to the forecasted revenue stream.

There is an inherent degree of uncertainty in preparing any forecast of future results. Future trends in system-wide sales are dependent to a significant extent on national, regional, and local economic conditions. Any decreases in customer traffic or average repair order due to these or other reasons could reduce gross sales at franchise locations, resulting in lower royalty and other payments from franchisees, as well as lower sales at company-operated locations. This could reduce the profitability of franchise locations, potentially impacting the ability of franchisees to make royalty payments owed to us when due (which could adversely impact our current cash flow from franchise operations), and company-operated sites.

The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite. On September 29, 2024, the first day of the fourth quarter, the Company performed its annual impairment assessment of goodwill and indefinite-lived intangibles and determined there was no impairment in the years ended December 28, 2024, December 30, 2023, and December 31, 2022.

***Definite Lived Intangible Assets***

The Company's definite lived intangible assets are comprised primarily of trademarks, franchise agreements, license agreements, membership agreements, customer relationships, and developed technology.



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Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset as follows:

	<b>Estimated Useful Life</b>
Trademarks	2 to 3 years
Franchise agreements	3 to 30 years
License agreements	7 to 19 years
Membership agreements	7 to 9 years
Customer relationships	13 to 16 years
Developed technology	5 to 8 years

The lives of definite lived intangibles are reviewed and reduced if changes in their planned use occurs. If changes in the assets planned use are identified, management reviews the useful life and carrying value of the asset to assess the recoverability of the assets if facts and circumstances indicate the carrying value may not be recoverable. The recoverability test requires management to compare the undiscounted cash flows expected to be generated by the intangible asset or asset group to the carrying value. If the carrying amounts of the intangible asset is not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent the carrying value exceeds its fair value.

Management reviews business combinations to identify intangible assets, which are typically trademarks and customer relationships, and value the assets based on information and assumptions available to us at the date of purchase utilizing income and market approaches to determine fair value.

***Assets Held for Sale***

Assets currently available for sale and expected to be sold within one year are classified as assets held for sale. During the year ended December 28, 2024, assets held for sale were purchased from a Related Party and continue to be marketed by the Company. During the year, the Company purchased approximately \$123 million, sold \$43 million, and impaired \$7 million, resulting in a net gain of \$6 million for the year ended December 28, 2024. There were no assets designated as held for sale as of December 30, 2023 or December 31, 2022.

***Derivative instruments***

We utilize derivative financial instruments to manage our interest rate and foreign exchange exposure. For derivatives instruments where we have not elected hedge accounting, the change in fair value is recognized in earnings. For derivative instruments where we have elected hedge accounting, the changes in the derivative and the hedged item attributable to the hedged risks are recognized in the same line within our Consolidated Statements of Operations. For derivatives designated as cash flow hedges, changes in the fair value of the derivative is initially recorded in Accumulated other comprehensive income (loss) and subsequently recorded to the Statement of Operations when the hedged item impacts earnings. Derivatives designated as hedge accounting are assessed at inception and on an ongoing basis whether the instrument is, and will continue to be, highly effective in offsetting cash flow or fair value of the hedged item and whether it remains probable the forecasted transaction will occur. Changes in the fair value for derivative instruments that do not qualify as hedge accounting are recognized in the Consolidated Statements of Operations.

***Revenue Recognition***

***Franchise royalties and fees***

Franchisees are required to pay an upfront license fee prior to the opening of a location. The initial license payment received is recognized ratably over the life of the franchise agreement. Franchisees will also pay continuing royalty fees, at least monthly, based on a percentage of the store level retail sales or a flat amount, depending on the brand. The royalty income is recognized as the underlying sales occur. In addition to the initial fees and royalties, the Company also recognizes revenue associated with development fees charged to franchisees, which are



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recognized as income over the life of the associated franchise agreement. Development fees relate to the right of a franchisee to open additional locations in an agreed upon territory.

*Company-operated store sales*

Company-operated store sales are recognized, net of sales discounts, upon delivery of services and the service-related product.

The states and municipalities in which the Company operates impose sales tax on all of the Company's nonexempt revenue. The Company collects the sales tax from its customers and remits the entire amount to the appropriate taxing authority. The Company's policy is to exclude the tax collected and remitted from net revenue and direct costs. The Company accrues sales tax liabilities as it records sales, maintaining the amount owed to the taxing authorities in Accrued expenses and other liabilities in the Consolidated Balance Sheets.

*Advertising contributions*

Franchised and company-operated stores are generally required to contribute advertising dollars according to the terms of their respective contract (typically based on a percentage of sales) that are used for, among other activities, advertising the brand on a national and local basis, as determined by the brand's franchisor. The Company's franchisees make their contributions to a marketing fund which in turn administers and distributes their advertising contributions directly to the franchisor. This advertising fee revenue is recognized as the underlying sales occur. Advertising expenses are recorded as incurred. Revenues and expenses related to these advertising collections and expenditures are reported on a gross basis in the Consolidated Statements of Operations. The assets related to the advertising fund are considered restricted and disclosed as such on the Company's Consolidated Balance Sheets.

Any excess or deficiency of advertising fee revenue compared to advertising expenditures is recognized in the fourth quarter of the Company's fiscal year. Any excess of revenue over expenditures is recognized only to the extent of previously recognized deficits. When advertising revenues exceed the related advertising expenses and there is no recovery of a previously recognized deficit of advertising revenues, advertising costs are accrued up to the amount of revenues.

*Supply and other revenue*

Supply and other revenue includes revenue related to product sales, vendor incentive revenue, insurance licensing fees, store leases, software maintenance fees and automotive training services revenue. Supply and other revenue is recognized once title of goods is transferred to franchisees or other independent parties, as the sales of the related products occur, or ratably. Vendor incentive revenue is recognized as sales of the related product occur. Insurance licensing fee revenue is generated when the Company is acting as an agent on behalf of its franchisees and is recognized once title of goods is transferred to franchisees. The insurance license revenue is presented net of any related expense with any residual revenue reflecting the management fee the Company charges for the program. Store lease revenue is recognized ratably over the underlying property lease term. Software maintenance fee revenue is recognized monthly in connection with providing and servicing software. Automotive training services provided to third party shop owner/operators are recognized in accordance with agreed upon contract terms. These contracts may be for one-time shop visits or agreements to receive access to education and training programs for multiple years. For one-time shop visits, revenue is recognized at the time the service is rendered. For the multi-year education and training contracts, revenue is recognized ratably over the contract term.

*Assets Recognized from the Costs to Obtain a Contract with a Customer*

The Company has elected a practical expedient to expense costs as incurred for costs to obtain a contract when the amortization period would have been one year or less. The Company records contract assets for the incremental costs of obtaining a contract, included in Deferred commissions on the accompanying Consolidated Balance Sheets, with a customer if we expect the benefit of those costs to be longer than one year and if such costs are material. Commission expenses, a primary cost associated with the sale of franchise licenses, are amortized to Selling, general and administrative expenses in the Consolidated Statements of Operations ratably over the life of the associated franchise agreement.

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*Contract Balances*

The Company generally records a contract liability when cash is provided for a contract with a customer before the Company has completed its contractual performance obligation. This includes cash payments for initial franchise fees as well as upfront payments on store owner consulting and education contracts. Franchise fees and shop owner consulting contract payments are recognized over the life of the agreement, which range from five to 20 and three to four year terms, respectively.

*Company-Operated Store Expenses*

Company-operated store expenses consist of payroll and benefit costs for employees at company-operated locations, as well as rent, costs associated with procuring materials from suppliers, and other store-level operating costs. The Company receives volume rebates based on a variety of factors which are included in Accounts receivable on the accompanying Consolidated Balance Sheets and accounted for as a reduction of company-operated store expenses as they are earned. Sales discounts received from suppliers are recorded as a reduction of the cost of inventory. Advanced rebates are included in Accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets and are accounted for as a reduction of company-operated store expenses as they are earned over the term of the supply agreement. Additionally, the Company includes subleasing expense associated with the subleasing of store buildings to franchisees within Supply and other expenses in the Consolidated Statements of Operations.

*Store Opening Costs*

Store opening costs consist of employee, facility, and grand opening marketing costs that company-operated stores incur prior to opening. The Company typically incurs store opening costs when opening new company-operated stores and when converting independently branded, acquired company-operated stores to one of its brands. These expenses are charged to expense as incurred.

*Equity-based Compensation*

The Company recognizes expense related to equity-based compensation awards over the service period (generally the vesting period) in the consolidated financial statements based on the estimated fair value of the award on the grant-date.

*Fair Value of Financial Instruments*

Fair value measurements enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories.

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3:** Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company estimates the fair values of financial instruments using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value for non-traded financial instruments. Accordingly, such estimates are not necessarily indicative of the amounts that the Company would realize in a current market exchange. The carrying amount for cash and cash equivalents, accounts receivable, inventory, other current assets, accounts payable and accrued expenses approximate fair value because of their short maturities.

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Financial assets and liabilities measured at fair value on a recurring basis as of December 28, 2024 are summarized as follows:

<i>(in thousands)</i>	Level 1	Significant other observable inputs (Level 2)	Total
Derivative assets, recorded in Other assets	—	5,742	5,742
Derivative liabilities, recorded in Accrued expenses and other liabilities	—	19	19

Financial assets and liabilities measured at fair value on a recurring basis as of December 30, 2023 are summarized as follows:

<i>(in thousands)</i>	Level 1	Significant other observable inputs (Level 2)	Total
Derivative assets, recorded in Other assets	—	285	285
Derivative liabilities, recorded in Accrued expenses and other liabilities	—	233	233

Financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 are summarized as follows:

<i>(in thousands)</i>	Level 1	Significant other observable inputs (Level 2)	Total
Mutual fund investments held in rabbi trust	\$ 758	\$ —	\$ 758
Derivative assets, recorded in Accrued expenses and other liabilities	—	2,148	2,148
Derivative liabilities, recorded in Long-term accrued expenses and other liabilities	—	165	165

The fair value of the Company's derivative instruments are derived from valuation models, which use observable inputs such as quoted market prices, interest rates and forward yield curves.

The carrying value and estimated fair value of total long-term debt were as follows:

	<b>December 28, 2024</b>		<b>December 30, 2023</b>		<b>December 31, 2022</b>	
<i>(in thousands)</i>	Carrying value	Estimated fair value	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Long-term debt	\$2,178,626	\$2,109,965	\$2,231,959	\$2,067,579	\$2,277,675	\$1,998,250

***Income Taxes***

The Company accounts for income taxes under the liability method whereby deferred tax assets and liabilities are measured using enacted tax laws and rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effects on deferred tax assets and liabilities of subsequent changes in the tax laws and rates are recognized in income during the year the changes are enacted.

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the

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position. The tax benefits recognized on the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with tax authorities. The Company records any interest and penalties associated as additional Income tax expense in the Consolidated Statements of Operations.

***Deferred Financing Costs***

The costs related to the issuance of debt are presented in the accompanying balance sheets as a direct deduction from the carrying amount of that debt and amortized over the terms of the related debt agreements as interest expense using the effective interest method.

***Insurance Reserves***

The Company is partially self-insured for employee medical coverage. The Company records a liability for the ultimate settlement of claims incurred as of the balance sheet date based upon estimates provided by the third-party that administers the claims on the Company's behalf. The Company also reviews historical payment trends and knowledge of specific claims in determining the reasonableness of the reserve. Adjustments to the reserve are made when the facts and circumstances of the underlying claims change. If the actual settlements of the medical claims are greater than the estimated amount, additional expense will be recognized.

***Foreign Currency Translation***

We translate assets and liabilities of non-U.S. operations into U.S. dollars at rates of exchange in effect at the balance sheet date, and revenues and expenses at the average exchange rates prevailing during the period. Resulting translation adjustments are recorded as a separate component of other comprehensive income (loss). Transactions resulting in foreign exchange gains and losses are included in the Consolidated Statements of Operations.

***Recently Issued Accounting Standards***

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures. This ASU improves the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the tax rate reconciliation as well as disaggregation of income taxes paid by jurisdiction. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

**Note 3—Accounts and Notes Receivable, net**

Accounts and notes receivable, net consisted of the following:

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
Accounts receivable	\$ 189,662	\$ 157,653	\$ 185,569
Notes receivable	3,073	3,816	4,335
<b>Total gross receivables</b>	<b>192,735</b>	<b>161,469</b>	<b>189,904</b>
Less allowance for doubtful accounts	(15,674)	(11,604)	(19,504)
Less current portion of accounts and notes receivable	(174,234)	(146,295)	(167,249)
<b>Notes receivable, long term</b>	<b>\$ 2,827</b>	<b>\$ 3,570</b>	<b>\$ 3,151</b>

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The changes in the allowance for accounts and notes receivable are as follows:

*(in thousands)*

<b>Balance as of December 31, 2021</b>	<b>\$ 18,421</b>
Bad debt expense	5,745
Write-off of uncollectible receivables	(4,662)
<b>Balance as of December 25, 2022</b>	<b>\$ 19,504</b>
Bad debt expense	1,837
Write-off of uncollectible receivables	(9,737)
<b>Balance at December 30, 2023</b>	<b>\$ 11,604</b>
Bad debt expense, net of recoveries	6,525
Write-off of uncollectible receivables	(2,455)
<b>Balance at December 28, 2024</b>	<b>\$ 15,674</b>

**Note 4—Business Combinations**

The Company strategically acquires companies in order to increase its footprint and offer products and services that diversify its existing offerings, primarily through asset purchase agreements. These acquisitions are accounted for as business combinations using the acquisition method, whereby the purchase price is allocated to the assets acquired and liabilities assumed, based on their estimated fair values at the date of the acquisition with the remaining amount recorded in goodwill.

**2024 Acquisitions**

The Company completed one acquisition within the Maintenance business unit during the twelve months ended December 28, 2024, representing two sites for an aggregate cash consideration, net of cash acquired and liabilities assumed, of less than \$1 million.

**2023 Acquisitions**

The Company completed six acquisitions in the Maintenance business unit during the year ended December 30, 2023, representing six sites. The aggregate cash consideration for these acquisitions, net of cash acquired and liabilities assumed, was approximately \$9 million.

The Company completed two acquisitions in the Paint, Collision & Glass business unit during the year ended December 30, 2023, representing two sites. The aggregate cash consideration for these acquisitions, net of cash acquired and liabilities assumed, was approximately \$6 million.

The Company estimated the fair value of acquired assets and liabilities as of the date of acquisition based on information currently available. As the Company finalizes the fair value of assets acquired and liabilities assumed, additional purchase price adjustments may be recorded during the measurement period. The amounts for assets acquired and liabilities assumed for the 2023 acquisitions are as follows:

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**2023 Maintenance Business unit**

<i>(in thousands)</i>	<b>Maintenance</b>
<b>Assets:</b>	
Operating lease right-of-use assets	\$ 3,693
Property and equipment, net	3,855
<b>Assets acquired</b>	<b>7,548</b>
<b>Liabilities:</b>	
Accrued expenses and other liabilities	275
Operating lease liabilities	3,394
<b>Total liabilities assumed</b>	<b>3,669</b>
Cash consideration, net of cash acquired	8,108
Deferred consideration	490
<b>Total consideration, net of cash acquired</b>	<b>\$ 8,598</b>
<b>Goodwill</b>	<b>\$ 4,719</b>

**2023 Paint, Collision & Glass Business unit**

<i>(in thousands)</i>	<b>Paint, Collision &amp; Glass</b>
<b>Assets:</b>	
Inventory	\$ 35
Property and equipment, net	667
<b>Assets acquired</b>	<b>702</b>
Cash consideration, net of cash acquired	4,947
Deferred consideration	695
<b>Total consideration, net of cash acquired</b>	<b>\$ 5,642</b>
<b>Goodwill</b>	<b>\$ 4,940</b>

**2022 Acquisitions**

The Company completed 6 acquisitions in the Maintenance business unit during the year ended December 31, 2022, representing 14 sites, each individually immaterial, which were deemed to be business combinations. The aggregate cash consideration for these acquisitions, net of cash acquired and liabilities assumed, was \$25 million.

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The Company completed 10 acquisitions in the Paint, Collision & Glass business unit during the year ended December 31, 2022 representing 174 sites, which were deemed to be business combinations. The aggregate cash consideration for these acquisitions, net of cash acquired, was \$406 million. On December 30, 2021 the Company acquired AGN, which was comprised of 79 sites at the time of the Company's acquisition, for a total consideration of \$171 million. The purchase price allocation resulted in the recognition of \$49 million of intangible assets, \$37 million of which was a trade name intangible asset. The fair value of the acquired trade name was estimated using an income approach, specifically, the relief-from-royalty method. The Company utilized assumptions with respect to forecasted sales, the discount rate, and the royalty rate in determining the fair value of the acquired trade name. The purchase price allocation was considered complete for AGN as of December 31, 2022. On April 28, 2022, the Company acquired All Star Glass ("ASG"), which was comprised of 31 sites at the time of the acquisition for a total consideration of \$36 million. On July 6, 2022, the Company acquired K&K Glass, which was comprised of 8 sites for a total consideration of \$40 million. On July 27, 2022, the Company acquired Jack Morris Auto Glass, which was comprised of 9 sites for a total consideration of \$54 million. On September 8, 2022, the Company acquired Auto Glass Fitters Inc., which was comprised of 24 sites for a total consideration of \$72 million. The Company will amortize the acquired lease right of use assets, customer list intangibles, and definite lived trade name over their estimated remaining lives of 4 years, 13 years, and 1 year, respectively.

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**2022 Paint, Collision & Glass Business unit**

The provisional amounts for assets acquired and liabilities assumed for the 2022 Paint, Collision & Glass acquisitions are as follows:

<i>(in thousands)</i>	<b>Auto Glass Fitters Inc.</b>	<b>Jack Morris Auto Glass</b>	<b>K&amp;K Glass</b>	<b>All Star Glass</b>	<b>Auto Glass Now</b>	<b>All Other Paint, Collision &amp; Glass</b>	<b>Total PC&amp;G</b>
<b>Assets:</b>							
Accounts and notes receivable, net	5,264	1,162	—	2,349	—	832	9,607
Inventory	134	1,150	1,067	546	—	1,518	4,415
Prepaid and other assets	64	70	—	119	—	14	267
Property and equipment, net	417	418	1,553	568	1,064	1,628	5,648
Operating lease right-of-use assets	1,016	1,558	587	5,943	11,177	2,865	23,146
Intangibles, net	20,600	16,100	16,600	8,500	49,100	—	110,900
Goodwill	48,038	35,651	20,836	26,548	119,569	29,689	280,331
Deferred tax asset	—	—	—	—	—	84	84
<b>Total assets acquired</b>	<b>75,533</b>	<b>56,109</b>	<b>40,643</b>	<b>44,573</b>	<b>180,910</b>	<b>36,630</b>	<b>434,398</b>
<b>Liabilities:</b>							
Accounts payable	2,010	630	—	1,825	—	229	4,694
Accrued expenses and other liabilities	817	644	195	2,152	1,932	768	6,508
Current portion of long-term debt	—	—	—	10	31	—	41
Long-term debt, net	—	—	—	21	89	—	110
Operating lease liabilities	262	1,030	392	4,223	8,229	2,024	16,160
Deferred tax liabilities	375	19	—	—	—	—	394
<b>Total liabilities assumed</b>	<b>3,464</b>	<b>2,323</b>	<b>587</b>	<b>8,231</b>	<b>10,281</b>	<b>3,021</b>	<b>27,907</b>
Cash Consideration, net of cash acquired	<b>56,044</b>	<b>48,386</b>	<b>40,056</b>	<b>36,342</b>	<b>170,629</b>	<b>30,209</b>	<b>381,666</b>
Deferred Consideration	16,025	5,400	—	—	—	3,400	24,825
<b>Consideration, net of cash acquired</b>	<b>\$ 72,069</b>	<b>\$ 53,786</b>	<b>\$ 40,056</b>	<b>\$ 36,342</b>	<b>\$ 170,629</b>	<b>\$ 33,609</b>	<b>\$ 406,491</b>



**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**2022 Maintenance Business unit**

The provisional amounts for assets acquired and liabilities assumed for the 2022 Maintenance acquisitions are as follows:

<i>(in thousands)</i>	<b>Maintenance</b>
<b>Assets:</b>	
Inventory	362
Property and equipment, net	5,040
Operating lease right-of-use assets	10,323
Goodwill	18,542
Deferred tax asset	844
<b>Total assets acquired</b>	<b>35,111</b>
<b>Liabilities:</b>	
Accrued expenses and other liabilities	792
Operating lease liabilities	9,402
<b>Total liabilities assumed</b>	<b>10,194</b>
Cash Consideration, net of cash acquired	22,849
Deferred Consideration	2,068
<b>Total Consideration, net of cash acquired</b>	<b>\$ 24,917</b>

Goodwill represents the excess of the consideration paid over the fair value of net assets acquired and includes the expected benefit of synergies within the existing business units and intangible assets that do not qualify for separate recognition. Goodwill, which was allocated to the Maintenance and Paint, Collision & Glass business units, is substantially all deductible for income tax purposes.

**Deferred Consideration and Transaction Costs**

Deferred consideration is typically paid six months to one-year after the acquisition closing date once all conditions under the purchase agreement have been satisfied. Included in the total consideration amounts above for the acquisitions in 2023 was \$1 million of consideration not paid on the closing date. The Company had \$2 million, \$3 million, and \$27 million of deferred consideration related to acquisitions at December 28, 2024, December 30, 2023, December 31, 2022, respectively. The Company paid \$1 million, \$24 million, and less than \$1 million of deferred consideration related to prior acquisitions during the years ended December 28, 2024, December 30, 2023, December 31, 2022, respectively. Deferred consideration is recorded within investing activities on the Consolidated Statements of Cash Flow at the time of payment.

**Divestitures**

During the third quarter of 2024, the Company completed the sale of its Canadian distribution business, primarily operated under the PH Vitres D'Auto brand at a sale price of approximately \$78 million. The sale included essentially all assets and liabilities associated with the business as well as allocated goodwill of \$13 million resulting in a loss of \$2 million on the sale of business within Selling, general and administrative expenses on the Consolidated Statements of Operations during the year ended December 28, 2024. Approximately \$47 million of the sale proceeds were utilized to repay a portion of outstanding secured senior notes with the remainder paid to a Related Party.

During the year ended December 28, 2024, the Company sold nine FUSA company-operated stores to a franchisee at a sale price of \$18 million. The Company sold certain store assets as well as allocated \$9 million of goodwill based on the fair value at the time of sale, resulting in a gain of \$5 million on the sale of businesses within Selling, general, and administrative expenses on the Consolidated Statements of Operations during the year ended December 28, 2024.

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
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**Note 5 —Property and Equipment**

Property and equipment consisted of the following:

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
Buildings	\$ 69,940	\$ 35,468	\$ 20,967
Land	20,349	16,633	2,864
Furniture and fixtures	35,687	32,449	23,464
Computer equipment and software	74,184	75,788	35,607
Store equipment	68,455	34,921	30,053
Leasehold improvements	256,997	239,533	201,416
Finance lease right-of-use assets	14,824	16,567	36,246
Vehicles	14,440	8,448	7,527
Construction in progress	61,038	54,416	59,669
Total property and equipment	615,914	514,223	417,813
Less: accumulated depreciation	(209,008)	(152,893)	(113,920)
<b>Total property and equipment, net</b>	<b>\$ 406,906</b>	<b>\$ 361,330</b>	<b>\$ 303,893</b>

Depreciation expense was \$51 million, \$51 million, and 33 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively.

**Note 6 —Goodwill and Other Intangible Assets**

Changes in the carrying amount of goodwill are as follows:

<i>(in thousands)</i>	<b>Total</b>
<b>Balance at December 25, 2021</b>	<b>\$ 938,137</b>
Acquisitions	298,873
Sale of business unit	(3,495)
Purchase price adjustments	(34)
Foreign exchange	(8,024)
<b>Balance at December 31, 2022</b>	<b>\$ 1,225,457</b>
Acquisitions	9,659
Sale of business unit	(587)
Purchase price adjustments	2,324
Foreign exchange	1,651
<b>Balance at December 30, 2023</b>	<b>1,238,504</b>
Acquisitions	599
Sale of business unit	(22,413)
Foreign exchange	(11,159)
<b>Balance at December 28, 2024</b>	<b>\$ 1,205,531</b>

Intangible assets for the years ended are as follows:

(in thousands)

Balance at December 28, 2024			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
<b>Definite-Lived Amortizable</b>			
Franchise agreements	\$ 219,043	\$ (78,386)	\$ 140,657
License agreements	11,893	(7,132)	4,761
Membership agreements	11,600	(7,673)	3,927
Customer relationships	82,108	(17,224)	64,884
Developed technology	25,561	(21,388)	4,173
Trademarks & other	14,243	(13,968)	275
Total definite lived amortizable	364,448	(145,771)	218,677
<b>Indefinite-Lived</b>			
Trademarks	416,117	—	416,117
Total	\$ 780,565	\$ (145,771)	\$ 634,794

Balance at December 30, 2023			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
<b>Definite-Lived Amortizable</b>			
Franchise agreements	\$ 221,996	\$ (69,643)	\$ 152,353
License agreements	11,998	(5,949)	6,049
Membership agreements	11,600	(6,173)	5,427
Customer relationships	129,730	(25,627)	104,103
Developed technology	25,923	(22,046)	3,877
Trademarks & other	14,244	(13,968)	276
Total definite-lived amortizable	415,491	(143,406)	272,085
<b>Indefinite-Lived</b>			
Trademarks	431,488	—	431,488
Total	\$ 846,979	\$ (143,406)	\$ 703,573

Balance at December 31, 2022			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
<b>Definite-Lived Amortizable</b>			
Franchise agreements	\$ 222,617	\$ (59,466)	\$ 163,151
License agreements	11,968	(4,354)	7,614
Membership agreements	11,600	(5,480)	6,120
Customer relationships	128,127	(16,369)	111,758
Developed technology	25,717	(19,788)	5,929
Trademarks & other	12,571	(11,336)	1,235
Total definite-lived amortizable	412,600	(116,793)	295,807
<b>Indefinite-Lived</b>			
Trademarks	431,839	—	431,839
Total	\$ 844,439	\$ (116,793)	\$ 727,646

Intangible assets decreased \$42 million relating to the sale of the Canadian distribution business during the year ended December 28, 2024. Refer to Note 4 for additional information.

Amortization expense was \$23 million, \$25 million, and \$23 million for the years ended December 28, 2024, December 30, 2023, December 31, 2022, respectively.

Amortization expense related to intangible assets for the next five fiscal years and thereafter is as follows:

(in thousands)

2025	\$	20,353
2026		18,504
2027		16,411
2028		15,382
2029		14,879
Thereafter		133,250
<b>Total amortization</b>	<b>\$</b>	<b>218,779</b>

## Note 7—Long-term Debt

Our long-term debt obligations consist of the following:

(in thousands)

	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
Series 2018-1 Securitization Senior Notes, Class A-2	\$ —	\$ 259,188	\$ 261,938
Series 2019-1 Securitization Senior Notes, Class A-2	275,176	285,000	288,000
Series 2019-2 Securitization Senior Notes, Class A-2	254,258	263,313	266,063
Series 2020-1 Securitization Senior Notes, Class A-2	163,081	168,875	170,625
Series 2020-2 Securitization Senior Notes, Class A-2	421,548	436,500	441,000
Series 2021-1 Securitization Senior Notes, Class A-2	424,841	439,875	444,375
Series 2022-1 Securitization Senior Notes, Class A-2	348,156	360,438	364,088
Series 2024-1 Securitization Senior Notes, Class A-2	273,625	—	—
Other debt <sup>(1)</sup>	17,941	18,770	41,586
<b>Total debt</b>	<b>2,178,626</b>	<b>2,231,959</b>	<b>2,277,675</b>
Less: debt issuance costs	(29,095)	(28,250)	(36,852)
Less: current portion of long-term debt	(27,185)	(26,426)	(27,605)
<b>Total long-term debt, net</b>	<b>\$ 2,122,346</b>	<b>\$ 2,177,283</b>	<b>\$ 2,213,218</b>

(1) Amount primarily consists of finance lease obligations.

## 2018-1 Securitization Senior Notes

In April 2018, Driven Brands Funding, LLC (the “Issuer”) issued \$275 million Series 2018-1 Securitization Senior Secured Notes (the “2018-1 Senior Notes”) bearing a fixed interest rate of 4.739% per annum. The 2018-1 Senior Notes had a final legal maturity date in April 2048 and an anticipated repayment date in April 2025. The 2018-1 Senior Notes were secured by substantially all assets of the Issuer and were guaranteed by the Securitization

Entities. The Company capitalized \$7 million of debt issuance costs related to the 2018-1 Senior Notes. The 2018-1 Senior Notes were repaid in July 2024.

#### **2019-1 Securitization Senior Notes**

In March 2019, the Issuer issued \$300 million of Series 2019-1 Securitization Senior Notes (the “2019-1 Senior Notes”) bearing a fixed interest rate of 4.641% per annum. The 2019-1 Senior Notes have a final legal maturity date in April 2049 and an anticipated repayment date in April 2026. The 2019-1 Senior Notes are secured by substantially all assets of the Issuer and are guaranteed by the Securitization Entities. The Company capitalized \$6 million of debt issuance costs related to the 2019-1 Senior Notes.

#### **2019-2 Securitization Senior Notes**

In September 2019, the Issuer issued \$275 million Series 2019-2 Securitization Senior Secured Notes (the “2019-2 Senior Notes”) bearing a fixed interest rate of 3.981% per annum. The 2019-2 Senior Notes have a final legal maturity date in October 2049 and an anticipated repayment date in October 2026. The 2019-2 Senior Notes are secured by substantially all assets of the Issuer and are guaranteed by the Securitization Entities. The Company capitalized \$6 million of debt issuance costs related to the 2019-2 Senior Notes.

#### **Series 2019-3 Variable Funding Securitization Senior Notes**

In December 2019, the Issuer issued Series 2019-3 Variable Funding Senior Notes (the “2019 VFN”) in the revolving amount of \$115 million. The 2019 VFN had a final legal maturity date in January 2050. The commitment under the 2019 VFN was set to expire in July 2022, with the option of three one-year extensions. In July 2023, the Company exercised the second of three one-year extension options. In July 2024, the 2019 VFN was refinanced with the 2024 VFN described below.

#### **2020-1 Securitization Senior Notes**

In July 2020, Driven Brands Funding, LLC and Driven Brands Canada Funding Corporation (together, the “Co-Issuers”), each wholly owned indirect subsidiaries of the Company, issued \$175 million 2020-1 Securitization Senior Notes (the “2020-1 Senior Notes”) bearing a fixed interest rate of 3.786% per annum. The 2020-1 Senior Notes have a final legal maturity date in July 2050 and an anticipated repayment date in July 2027. The 2020-1 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Canadian Co-Issuer and various subsidiaries of the Canadian Co-Issuer. The Company capitalized \$11 million of debt issuance costs related to the 2020-1 Senior Notes.

#### **2020-2 Securitization Senior Notes**

In December 2020, the Co-Issuers issued \$450 million 2020-2 Securitization Senior Notes (the “2020-2 Senior Notes”) bearing a fixed interest rate of 3.237% per annum. The 2020-2 Senior Notes have a final legal maturity date in January 2051; and an anticipated repayment date in January 2028. The 2020-2 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Securitization Entities. The Company capitalized \$8 million of debt issuance costs related to the 2020-2 Senior Notes.

#### **2021-1 Securitization Senior Notes**

In September 2021, the Co-Issuers issued \$450 million of 2021-1 Securitization Senior Notes (the “2021-1 Senior Notes”) bearing a fixed interest rate of 2.791% per annum. The 2021-1 Senior Notes have a final legal maturity date in October 2051 and an anticipated repayment date in October 2028. The 2021-1 Senior Notes are secured by substantially all assets of the Co-issuers and are guaranteed by the Securitization Entities. The Company capitalized \$10 million of debt issuance costs related to the 2021-1 Senior Notes.

#### **2022-1 Securitization Senior Notes**

In October 2022, the Co-Issuers issued \$365 million of 2022-1 Securitization Senior Notes (the “2022-1 Senior Notes”), bearing a fixed interest rate of 7.393% per annum. The 2022-1 Senior Notes have a final legal

maturity date in October 2052, and an anticipated repayment date in October 2027. The 2022-1 Senior Notes are secured by substantially all assets of the Co-issuers and are guaranteed by the Securitization Entities. In conjunction with the issuance of the 2022-1 Senior Notes, the Co-Issuers also issued Series 2022-1 Class A-1 Notes in the amount of \$135 million, which can be accessed at the Issuer's option if certain conditions are met. The Company capitalized \$7 million of debt issuance costs related to the 2022-1 Senior Notes.

### 2024-1 Securitization Senior Notes

In July 2024, the Co-Issuers issued \$275 million of 2024-1 Class A-2 Securitization Senior Notes (the "2024-1 Senior Notes") bearing a fixed interest rate of 6.372% per annum. The 2024-1 Senior Notes have a final legal maturity date in October 2054 and an anticipated repayment date in October 2031. The 2024-1 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Co-Issuers and each of their respective subsidiaries. Proceeds from the 2024-1 Senior Notes were primarily used to repay the Company's 2018-1 Class A-2 Securitization Senior Notes (the "2018-1 Senior Notes"). The Company incurred costs with third parties related to the issuance of the 2024-1 Senior Notes of \$2 million included within Interest expense, net on the Consolidated statements of Operations. The Company capitalized \$10 million of debt issuance costs related to the 2024-1 Senior Notes.

### Series 2024-1 Variable Funding Securitization Senior Notes

In July 2024, the Co-Issuers issued Series 2024-1 Variable Funding Senior Notes, Class A-1 (the "2024 VFN") in the revolving amount of \$400 million. The 2024 VFN have a final legal maturity date in October 2054. The commitment under the 2024 VFN is set to expire in October 2029, with the option of two one-year extensions. The 2024 VFN are secured by substantially all assets of the Co-Issuers and are guaranteed by the Co-Issuers and each of their respective subsidiaries. Borrowings incur interest at the Base Rate plus an applicable margin or SOFR plus an applicable margin. As of December 28, 2024, there were no amounts outstanding under the 2024 VFN and \$26 million of outstanding letters of credit, which reduced the borrowing availability under the 2024 VFN.

Scheduled debt repayments for the next five fiscal years and thereafter is as follows:

<i>(in thousands)</i>	
2025	\$ 27,185
2026	544,482
2027	515,133
2028	823,778
2029	3,406
Thereafter	264,642
<b>Total future repayments</b>	<b>\$ 2,178,626</b>

The Company has potential borrowing availability within the 2022-1 Class A-1 Notes and 2024 VFN for scheduled debt repayments due within 12 months of the date of the issuance of these financials.

### Covenants of the Notes

The 2019-1 Senior Notes, 2019-2 Senior Notes, 2019-3 VFN, 2020-2 Senior Notes, 2021-1 Senior Notes, 2022-1 Senior Notes, and 2024-1 Senior Notes (collectively, the "Notes") are subject to certain quantitative covenants related to debt service coverage and leverage ratios. In addition, the agreements related to the Notes also contain various affirmative and negative operating and financial reporting covenants which are customary for such debt instruments. These covenants, among other things, limit the ability of the Issuer and its subsidiaries to sell assets; engage in mergers, acquisitions, and other business combinations; declare dividends or redeem or repurchase capital stock; incur, assume, or permit to exist additional indebtedness or guarantees; make loans and investments; incur liens; and enter into transactions with affiliates. In the event that certain covenants are not met, the Notes may

become fully due and payable on an accelerated schedule. In addition, the Issuer may voluntarily prepay, in part or in full, any series of Class A-2 Notes at any time, subject to certain make-whole obligations.

As of December 28, 2024, the Issuers was in compliance with all covenants under the agreements discussed above.

Driven Brands Inc. has no material separate cash flows or assets or liabilities as of December 28, 2024. All business operations are conducted through its operating subsidiaries and it has no material independent operations. Driven Brands Inc. has no other material commitments or guarantees. As a result of the restrictions described above, certain of the subsidiaries' net assets are effectively restricted in their ability to be transferred to Driven Brands Inc. as of December 28, 2024.

## Note 9— Leases

The Company's lease and sublease portfolio primarily consists of the real property leases related to franchisee service centers and company-operated service center locations, as well as office space and various vehicle and equipment leases. Leases for real property generally have terms ranging from five to 25 years, with most having one or more renewal options ranging from one to 10 years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. Equipment and vehicle leases generally have terms ranging from one to five years. The Company's portfolio of leases does not contain any material residual value guarantees or restrictive covenants.

The following table details our total investment in operating and finance leases where the Company is the lessee:

<i>(in thousands)</i>	<b>Balance Sheet Location</b>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 25, 2022</b>
<b>Right-of-use assets</b>				
Finance leases	Property and equipment, net	\$ 14,824	\$ 16,534	\$ 36,213
Operating leases	Operating lease right-of-use assets	412,544	397,211	335,760
Total right-of-use assets		<u>\$ 427,368</u>	<u>\$ 413,745</u>	<u>\$ 371,973</u>
<b>Current lease liabilities</b>				
Finance leases	Current portion of long-term debt	\$ 3,906	\$ 3,387	\$ 3,317
Operating leases	Accrued expenses and other liabilities	46,482	44,603	33,689
liabilities		<u>\$ 50,388</u>	<u>\$ 47,990</u>	<u>\$ 37,006</u>
<b>Long-term lease liabilities</b>				
Finance leases	Long-term debt	\$ 11,213	\$ 13,775	\$ 35,390
Operating leases	Operating lease liabilities	397,652	371,404	313,644
Total long-term lease liabilities		<u>\$ 408,865</u>	<u>\$ 385,179</u>	<u>\$ 349,034</u>



The lease cost for operating and finance leases recognized in the Consolidated Statements of Operations were as follows:

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
Amortization of right-of-use assets	\$ 4,278	\$ 1,446	\$ 2,928
Interest on lease liabilities	1,155	845	1,715
Operating lease expense	71,888	67,403	59,550
Short-term lease expense	1,757	145	430
Variable lease expense	573	1,615	1,522
Total lease expense, net	<u>\$ 79,651</u>	<u>\$ 71,454</u>	<u>\$ 66,145</u>

The Company also subleases certain facilities to franchisees and recognized \$5 million of sublease revenue during each of the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively, as a component of Supply and other revenue on the Consolidated Statements of Operations.

For the year ended December 28, 2024, the Company sold 34 maintenance properties in various locations throughout the U. S. for a total of \$51 million, resulting in a net gain of \$7 million. Concurrent with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements have terms ranging from 15 to 25 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately \$41 million and \$41 million, respectively, related to these lease arrangements.

For the year ended December 30, 2023, the Company sold 25 maintenance properties in various locations throughout the U. S. for a total of \$39 million, resulting in a net gain of less than \$4 million. Concurrent with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements have terms ranging from 15 to 20 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately \$25 million and \$25 million, respectively, related to these lease arrangements.

For the year ended December 31, 2022, the Company sold 11 maintenance properties in various locations throughout the U. S. for a total of \$16 million, resulting in a net gain of \$3 million. Concurrently with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements have terms ranging from 15 to 20 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately \$12 million and \$12 million, respectively, related to these lease arrangements.

	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2024</b>
Weighted average remaining lease terms (years)			
Operating	11.1	10.1	15.6
Financing	9.6	10.5	12.0
Weighted average remaining discount rate			
Operating	6.3 %	5.9 %	5.3 %
Financing	4.4 %	4.4 %	5.0 %



Supplemental cash flow information related to the Company's lease arrangements were as follows:

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 31, 2024</b>
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows used in operating leases	\$ 68,189	\$ 60,991	\$ 56,678
Operating cash flows used in finance leases	198	845	1,715
Financing cash flows used in finance leases	2,760	993	1,641
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 49,974	\$ 103,193	\$ 59,772
Finance leases	2,535	—	10,906

As of December 28, 2024, future minimum lease payments under noncancellable leases were as follows:

<i>(in thousands)</i>	<b>Finance</b>	<b>Operating</b>	<b>Income from subleases</b>
2025	\$ 4,549	\$ 74,810	\$ 5,022
2026	4,051	70,852	4,485
2027	3,369	64,317	4,057
2028	1,864	57,540	3,099
2029	1,395	52,119	1,613
Thereafter	3,101	280,957	8,958
Total undiscounted cash flows	18,329	600,595	\$ 27,234
Less: Present value discount	3,210	156,461	
Less: Current lease liabilities	3,906	46,482	
Long-term lease liabilities	\$ 11,213	\$ 397,652	

#### Note 10—Income Taxes

The components of our income tax expense were as follows:

	<b>Year Ended</b>		
<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 25, 2022</b>
Current:			
Federal	\$ 33,608	\$ 38,916	\$ 7,568
State	3,511	6,706	5,158
Foreign	8,520	(680)	600
Deferred:			
Federal	(8,606)	(10,273)	12,984
State	1,619	11,502	(13,067)
Foreign	(12,316)	(760)	4,295
<b>Total income tax expense</b>	<b>\$ 26,336</b>	<b>\$ 45,411</b>	<b>\$ 17,538</b>

Deferred tax assets (liabilities) are comprised of the following:

<i>(in thousands)</i>	<b>December 28, 2024</b>	<b>December 30, 2023</b>	<b>December 25, 2022</b>
<b>Deferred tax asset</b>			
Accrued liabilities	\$ 1,697	\$ 1,572	\$ 6,159
Accounts receivable allowance	3,916	3,289	5,046
Net operating loss carryforwards	—	2,960	9,054
Lease liabilities	108,151	101,835	82,669
Interest expense limitation	30,157	27,249	8,537
Deferred revenue	7,494	7,283	6,693
Other deferred assets	8,838	5,632	5,091
<b>Total deferred tax asset</b>	<b>160,253</b>	<b>149,820</b>	<b>123,249</b>
<b>Less valuation allowance</b>	<b>—</b>	<b>(1,112)</b>	<b>(1,216)</b>
<b>Net deferred tax asset</b>	<b>160,253</b>	<b>148,708</b>	<b>122,033</b>
<b>Deferred tax liabilities</b>			
Goodwill and intangible assets	161,588	166,614	156,429
Right of use lease assets	100,491	97,577	80,156
Fixed asset basis differences	14,414	21,150	17,317
Unrealized foreign exchange differences	(1,180)	(371)	(920)
Other deferred liabilities	3,149	3,071	6,793
<b>Total deferred liabilities</b>	<b>278,462</b>	<b>288,041</b>	<b>259,775</b>
<b>Net deferred liabilities</b>	<b>\$ 118,209</b>	<b>\$ 139,333</b>	<b>\$ 137,742</b>

The Company's effective tax rate for the year ended December 28, 2024, differs from the federal statutory rate primarily due to state tax expense, non-deductible stock compensation, and favorable tax credits and transfer pricing adjustments. The Company's effective tax rate for the year ended December 30, 2023 differs from the federal statutory rate primarily due to state tax expense, non-deductible stock compensation, and favorable tax credits and transfer pricing adjustments. The Company's effective tax rate for the year ended December 31, 2022 differs from the federal statutory rate primarily due to state tax expense, non-deductible stock compensation, and favorable return-to-provision adjustments driven by a check-the-box election made during 2022.

As of December 28, 2024, the Company had a liability for uncertain tax positions of less than \$1 million. The Company has elected to treat interest and penalties associated with uncertain tax position as tax expense. The Company does not estimate any change to the position in the next 12 months. Based on management analysis, the Company does not believe any historical unrecognized tax benefits significantly changed during the years ended December 28, 2024, December 30, 2023, or December 31, 2022. The Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year.

The Company files income tax returns in the U.S., Canada, and various state jurisdictions. Examinations by various taxing authorities covering years 2018 to 2021 are on-going. The Company is generally subject to income tax examinations for years 2017 through 2022 and believes appropriate provisions for all outstanding matters have been made for all jurisdictions and open years.

As of December 28, 2024, the Company has no remaining pre-tax federal or state tax operating loss carry forwards. As of December 28, 2024, the Company has no net operating loss carryforwards in Canada. As of December 28, 2024, the Company had \$516 million of goodwill that was deductible for tax purposes.

## **Note 11—Related-Party Transactions**

The Company has a related party receivable of \$506 million at December 28, 2024 with the Driven Holdings LCC, its parent company, of which \$378 million and \$128 million is classified as current and noncurrent, respectively, on the Consolidated Balance Sheets. The Company had a Related party receivable of \$457 million at December 30, 2023 with the Driven Holdings LCC, its parent company, of which \$329 million and \$128 million is classified as current and noncurrent, respectively on the Consolidated Balance Sheets. The Company had a Related party receivable of \$387 million at December 31, 2022 with the Driven Holdings LCC, its parent company, of which \$258 million and \$128 million is classified as current and noncurrent, respectively on the Consolidated Balance Sheets.

The Company made payments for facilities maintenance services in the aggregate amount of approximately \$4 million, \$7 million, and \$6 million during the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively, to Divisions Maintenance Group, an entity owned by affiliates of Roark Capital Management, LLC, which is related to the company's principal stockholders (Driven Equity Sub LLC, Driven Equity LLC, RC IV Cayman ICW Holdings Sub LLC and RC IV Cayman ICW Holdings LLC). The transactions were reviewed, ratified, and approved by the Audit Committee of the Ultimate Parent's Board of Directors in accordance with the our Related Person Transactions Policy.

## **Note 12—Equity Agreements and Incentive Equity Plan**

On April 17, 2015, Driven Investor LLC established the Driven Investor LLC Incentive Equity Plan (the "Equity Plan"). The Equity Plan, among other things, established the ownership of certain membership units in Driven Investor LLC and defined the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Equity Plan calls for certain restrictions regarding transfers of units, corporate governance, and Board of Director representation.

In April 2015, Driven Investor LLC established certain profits interest units as part of the award agreements (the "Award Agreements") granted pursuant to the Equity Plan. The Award Agreements provide for grants of certain profits interest units to employees, directors, or consultants of Driven Investor LLC and Subsidiaries. For both the Profits Interest Time Units and Profits Interest Performance Units, if the grantee's continuous service terminated for any reason, the grantee forfeits all right, title, and interest in and to any unvested units as of the date of such termination, unless the grantee's continuous service period is terminated by the Company without cause within the six-month period prior to the date of consummation of the change in control and the other vesting criteria are achieved as a result. In addition, the grantee forfeits all right, title, and interest in and to any vested units if the grantee was terminated for cause, breaches any post-termination covenants, or fails to execute any general release required to be executed.

On January 6, 2021, the Ultimate Parent's Board of Directors approved the 2021 Omnibus Incentive Plan (the "Plan") and, effective January 14, 2021, the Ultimate Parent's shareholders adopted and approved the Plan. The Plan provides for the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock units, other stock-based awards, other cash-based awards, or any combination of the foregoing to current and prospective employees and directors of, and consultants and advisors to, the Ultimate Parent and its affiliates. The maximum number of shares of common stock available for issuance under the Plan is 12,533,984 shares. In conjunction with the closing of the Ultimate Parent's initial public offering ("IPO"), our Ultimate Parent's Board granted awards under the Plan to certain of our employees, representing an aggregate of 5,582,522 shares of common stock.

### ***Profits Interest Units***

Prior to IPO, the Ultimate Parent's equity awards included Profits Interest Units as noted above. There were two forms of Profits Interest - Time Units and Performance Units. Time Units generally vested in five installments of 20% on each of the first five anniversaries of the grant date or vesting date, provided that the employee remained in continuous service on each vesting date. All outstanding Time Units were to vest immediately prior to the effective date of a consummated sale transaction. The Time Units were exchanged for time-based restricted stock awards in connection with the IPO. In addition, the Ultimate Parent granted time-based and performance-based

options in connection with the IPO to most employees with Profit Interests (each an “IPO Option”). The exchange of Profits Interest - Time Units for time based time-based restricted stock awards did not require modification accounting.

The Performance Units were to vest immediately prior to the effective date of a consummated sale transaction or qualified public offering, including the IPO (a “Liquidity Event”) and the achievement of the other vesting criteria. The percentage of vesting was based on achieving certain performance criteria. No vesting occurred as a result of the as the other vesting criteria were not achieved. In connection with the IPO, the Performance Units were exchanged for performance-based restricted stock awards. Employees who received IPO Options had the same vesting conditions for the performance-based portion of the IPO Options as the performance-based restricted stock awards.

In October 2023, the Ultimate Parent converted 2,963,829 performance-based restricted stock awards to time-based awards that vest in full on April 30, 2025, subject to a continuous service requirement through the vesting date.

	Unvested Time Awards	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Awards	Weighted Average Grant Date Fair Value, per unit
<b>Outstanding as of December 25, 2021</b>	428,305	\$ 13.31	4,093,509	\$ 15.84
Forfeited/Cancelled	(30,869)	10.34	(77,760)	15.34
Vested	(107,767)	12.95	—	—
<b>Outstanding as of December 31, 2022</b>	289,669	\$ 13.76	4,015,749	\$ 15.84
Modifications	2,963,829	11.15	(2,963,829)	15.94
Forfeited/Cancelled	(53,865)	12.74	(251,895)	12.86
Vested	(96,542)	12.97	—	—
<b>Outstanding as of December 30, 2023</b>	3,103,091	\$ 11.31	800,025	\$ 16.22
Forfeited/Cancelled	(31,078)	12.40	(421,292)	16.55
Vested	(70,611)	14.16	—	—
<b>Outstanding as of December 28, 2024</b>	<u>3,001,402</u>	<u>\$ 11.23</u>	<u>378,733</u>	<u>\$ 15.85</u>

There was approximately \$8 million of unrecognized compensation expense related to the time-based restricted stock awards at December 28, 2024, which is expected to be recognized over a weighted-average vesting period of 0.4 years.

There was \$5 million of unrecognized compensation expense related to the performance-based restricted stock awards at December 28, 2024. No compensation costs were recognized for the performance-based restricted stock awards in the presented years given the performance criteria was not met or probable. Certain former employees continued to hold performance-based awards after the IPO.

#### ***Restricted Stock Units and Performance Stock Units***

The Ultimate Parent issued restricted stock units (“RSUs”) and performance stock units (“PSUs”). Awards are eligible to vest provided that the employee remains in continuous service on each vesting date. The RSUs typically vest ratably in three installments on each of the first three anniversaries of the grant date. The PSUs vest after a three-year performance period. The number of PSUs that vest is contingent on the Ultimate Parent achieving certain performance goals, one being a performance condition and the other being a market condition. The number of PSU shares that vest may range from 0% to 200% of the original grant, based upon the level of performance. Certain awards are considered probable of meeting vesting requirements, and therefore, the Company has started

recognizing expense. For both RSUs and PSUs, if the grantee's continuous service terminates for any reason, the grantee shall forfeit all right, title, and interest in any unvested units as of the termination date.

For RSUs and PSUs with a performance condition the grant date fair value is based upon the market price of the Ultimate Parent's common stock on the date of the grant. For PSUs with a market condition, the Company estimates the grant date fair value using the Monte Carlo valuation model. For all PSUs, the Company reassesses the probability of the achievement of the performance condition at each reporting period.

The range of assumptions used for issued PSUs with a market condition valued using the Monte Carlo model were as follows:

	For the Year Ended		
	December 28, 2024	December 30, 2023	December 31, 2022
Annual dividend yield	—%	—%	—%
Expected term (years)	2.4-2.8	2.6-2.8	2.7-3.0
Risk-free interest rate	3.89%-4.65%	3.65%-4.51%	2.32%-3.05%
Expected volatility	49.2%-54.1%	37.9%-38.8%	40.9%-43.9%
Correlation to the index peer group	42.6%-49.2%	60.2%-60.3%	50.7%-59.5%

There was approximately \$20 million of total unrecognized compensation cost related to the unvested RSUs at December 28, 2024, which is expected to be recognized over a weighted-average vesting period of 1.9 years. In addition, there was approximately \$12 million of total unrecognized compensation cost related to the unvested PSUs, which are expected to be recognized over a weighted-average vesting period of 1.9 years.

The following are the restricted stock units and performance stock units granted:

	Unvested Time Units	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Units	Weighted Average Grant Date Fair Value, per unit
<b>Balance as of December 25, 2021</b>	62,425	\$ 23.38	107,296	\$ 24.58
Granted	300,067	27.96	488,488	32.39
Forfeited/Cancelled	(20,424)	26.18	(46,024)	29.22
Vested	(20,465)	23.41	—	—
<b>Balance as of December 31, 2022</b>	321,603	\$ 27.49	549,760	\$ 31.13
Granted	716,904	20.29	647,359	30.54
Forfeited/Cancelled	(126,822)	27.87	(283,131)	31.06
Performance achievement <sup>(1)</sup>	—	—	13,808	24.69
Vested	(105,149)	27.31	(82,848)	24.69
<b>Balance as of December 30, 2023</b>	806,536	\$ 21.07	844,948	\$ 31.24
Granted	1,580,185	13.91	1,215,468	15.62
Forfeited/Cancelled	(304,462)	16.91	(492,192)	26.38
Vested	(279,525)	21.09	(111,547)	32.20
<b>Balance as of December 28, 2024</b>	<u>1,802,734</u>	<u>\$ 15.27</u>	<u>1,456,677</u>	<u>\$ 19.58</u>

<sup>(1)</sup> Reflects the number of awards achieved above target levels for shares vested in the period.

## Stock Options

The Ultimate Parent issued stock options, which vest provided that the employee remains in continuous service on the vesting date. The stock options were granted at the stock price of the Ultimate Parent on the grant date and permit the holder to exercise them for 10 years from the grant date.

In October 2023, the Company converted 2,438,643 performance-based options to time-based awards that vest in full on April 30, 2025, subject to a continuous service requirement through the vesting date. The remaining stock options generally vest on the fourth anniversary of the grant date or ratably over a vesting period of five years, but such vesting could accelerate for certain options based on certain conditions under the award.

The fair value of all time based units granted or modified was estimated using a Black-Scholes option pricing model using the following weighted-average assumptions for fiscal 2023:

	For the Year Ended December 30, 2023
Annual dividend yield	—%
Weighted-average expected life (years)	6.5
Risk-free interest rate	4.82%
Expected volatility	49.8%

The expected term of the incentive units is based on evaluations of historical and expected future employee behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based on the historical volatility of guideline public entities that are similar to the Ultimate Parent, as the Ultimate Parent did not have sufficient historical transactions of its own shares to calculate expected volatility. The Ultimate Parent does not intend to pay dividends or distributions in the future.

The following are the stock options granted:

	Time Based Stock Options Outstanding	Weighted Average Exercise Price	Performance Based Stock Options Outstanding	Weighted Average Exercise Price
<b>Outstanding as of December 25, 2021</b>	3,685,560	\$ 26.63	3,469,480	\$ 22.00
Forfeited/Cancelled	(68,510)	19.50	(190,544)	22.00
Exercised	(23,721)	21.70	—	—
<b>Outstanding as of December 31, 2022</b>	3,593,329	\$ 26.79	3,278,936	\$ 22.00
Modified	2,438,643	4.15	(2,438,643)	7.32
Forfeited/Cancelled	(448,028)	16.01	(553,038)	7.14
Exercised	(270,376)	22.00	—	—
<b>Outstanding as of December 30, 2023</b>	5,313,568	\$ 17.64	287,255	\$ 7.53
Forfeited/Cancelled	(130,740)	22.00	(287,255)	7.53
<b>Outstanding as of December 28, 2024</b>	5,182,828	\$ 17.59	—	\$ —
<b>Exercisable as of December 28, 2024</b>	687,032	\$ 20.76	—	\$ —

There was approximately \$8 million of total unrecognized compensation cost related to the unvested stock options at December 28, 2024, which is expected to be recognized over a weighted-average vesting period of 1.0 years.

For the years ended December 28, 2024, December 30, 2023, and December 31, 2022, no compensation cost was recognized for the performance-based stock options given the performance criteria was not met or probable. Certain former employees continued to hold performance-based options after the IPO.

#### ***Employee Stock Purchase Plan***

On January 6, 2021, the Ultimate Parent's Board of Directors approved the Employee Stock Purchase Plan (the "ESPP") and effective January 14, 2021, the Ultimate Parent's shareholders adopted and approved the ESPP. On March 22, 2021, the Ultimate Parent's Board of Directors approved the International Employee Stock Purchase Plan (the "International ESPP"). The ESPP and International ESPP provide employees of certain designated subsidiaries of the Ultimate Parent with an opportunity to purchase the Ultimate Parent's common stock at a discount, subject to certain limitations set forth in the ESPP and International ESPP. The ESPP and International ESPP plans authorized the issuance of 1,790,569 shares of the Ultimate Parent's common stock. Total ESPP contributions were \$1 million for each of the years ended December 28, 2024, December 30, 2023, and December 31, 2022 and 73,196, 82,546, and 111,924 shares of the Ultimate Parent's common stock were purchased in each of the respective periods.

The Company recognized share-based compensation expense of \$48 million, \$15 million, and \$21 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively.

#### **Note 14 - Subsequent Events**

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 22, 2025, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

**THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.**



Consolidated Financial Statements  
Unaudited

**Driven Brands Inc. and Subsidiaries**

For the three months ended  
March 29, 2025 and March 30, 2024

**DRIVEN BRANDS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(in thousands)</i>	<b>March 29, 2025</b>	<b>December 28, 2024</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 115,007	\$ 129,633
Restricted cash	332	358
Accounts and notes receivable, net	197,125	174,234
Inventory	53,439	55,900
Prepaid and other assets	33,769	24,005
Related party receivable	352,219	378,222
Assets held for sale	70,691	73,109
Advertising fund assets, restricted	55,140	49,716
<b>Total current assets</b>	<b>877,722</b>	<b>885,177</b>
Related party receivable	128,144	128,144
Property and equipment, net	436,247	406,906
Operating lease right-of-use assets	421,411	412,544
Deferred commissions	7,315	7,246
Intangibles, net	630,558	634,794
Goodwill	1,206,391	1,205,531
Other assets	126,806	126,098
<b>Total assets</b>	<b>\$ 3,834,594</b>	<b>\$ 3,806,440</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 102,722	\$ 78,779
Income taxes payable	56,788	58,250
Accrued expenses and other liabilities	159,641	155,893
Current portion of long-term debt	27,184	27,185
Advertising fund liabilities	24,058	22,030
<b>Total current liabilities</b>	<b>370,393</b>	<b>342,137</b>
Long-term debt, net	2,119,491	2,122,346
Operating lease liabilities	410,762	397,652
Deferred tax liabilities	118,209	118,209
Deferred revenue	31,060	31,314
Long-term accrued expenses and other liabilities	1,596	2,037
<b>Total liabilities</b>	<b>3,051,511</b>	<b>3,013,695</b>
Shareholders' equity:		
Class A common stock, \$.01 par value, authorized 60,000,000 voting shares; 56,560,217 shares issued and outstanding at December 28, 2024 and December 30, 2023	565	565
Additional paid-in-capital	351,353	339,565
Retained earnings	454,435	458,822
Accumulated other comprehensive loss	(23,270)	(6,207)
<b>Total shareholders' equity</b>	<b>783,083</b>	<b>792,745</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,834,594</b>	<b>\$ 3,806,440</b>

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

<i>(in thousands)</i>	<b>Three months ended</b>	
	<b>March 29, 2025</b>	<b>March 30, 2024</b>
Net revenue:		
Franchise royalties and fees	\$ 44,710	\$ 45,045
Company-operated store sales	314,131	284,229
Advertising contributions	25,325	24,070
Supply and other revenue	63,970	74,160
<b>Total net revenue</b>	<b>448,136</b>	<b>427,504</b>
Operating expenses:		
Company-operated store expenses	202,586	168,728
Advertising expenses	37,918	24,070
Supply and other expenses	34,538	35,228
Selling, general and administrative expenses	132,547	99,382
Depreciation and amortization	19,923	18,114
<b>Total operating expenses</b>	<b>427,512</b>	<b>345,522</b>
<b>Operating income</b>	<b>20,624</b>	<b>81,982</b>
Other (income) expense, net		
Interest expense, net	27,004	28,986
Loss (gain) on foreign currency transactions, net	(531)	3,801
<b>Total other expenses, net</b>	<b>26,473</b>	<b>32,787</b>
(Loss) income before taxes	(5,849)	49,195
Income tax (benefit) expense	(1,462)	18,420
<b>Net (loss) income</b>	<b>(4,387)</b>	<b>30,775</b>
<b>Net (loss) income attributable to Driven Brands Inc.</b>	<b>\$ (4,387)</b>	<b>\$ 30,775</b>

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**(UNAUDITED)**

<i>in thousands</i>	<b>Common stock, Class A and B</b>	<b>Additional paid-in- capital</b>	<b>Retained earnings</b>	<b>Accumulated other comprehensive income (loss)</b>	<b>Non- controlling interests</b>	<b>Total equity</b>
<b>Balance as of December 30, 2023</b>	\$ 565	\$ 291,426	\$ 364,781	\$ (14,321)	\$ 383	\$ 642,834
Net income	—	—	30,775	—	—	30,775
Other comprehensive income	—	—	—	(3,086)	—	(3,086)
Equity-based compensation expense	—	11,861	—	—	—	11,861
Contributions	—	—	—	—	—	—
<b>Balance as of March 30, 2024</b>	<u>\$ 565</u>	<u>\$ 303,287</u>	<u>\$ 395,556</u>	<u>\$ (17,407)</u>	<u>\$ 383</u>	<u>\$ 682,384</u>
<b>Balance as of December 28, 2024</b>	\$ 565	\$ 339,565	\$ 458,822	\$ (6,207)	\$ —	\$ 792,745
Net income	—	—	(4,387)	—	—	(4,387)
Other comprehensive income	—	—	—	(17,063)	—	(17,063)
Equity-based compensation expense	—	11,788	—	—	—	11,788
<b>Balance as of March 29, 2025</b>	<u>\$ 565</u>	<u>\$ 351,353</u>	<u>\$ 454,435</u>	<u>\$ (23,270)</u>	<u>\$ —</u>	<u>\$ 783,083</u>

**DRIVEN BRANDS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(in thousands)</i>	Three months ended	
	March 29, 2025	March 30, 2024
<b>Net (loss) income</b>	\$ (4,387)	\$ 30,775
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	19,923	18,114
Equity-based compensation expense	11,788	11,861
Loss (gain) on foreign denominated transactions	(1,071)	5,586
(Gain) loss on foreign currency derivative	363	(1,785)
Gain on sale of fixed assets	(1,906)	(6,310)
Bad debt expense	4,348	2,063
Asset impairment costs	5,194	57
Amortization of cloud computing	1,881	1,345
Amortization of deferred financing costs and bond discounts	2,154	2,048
Provision for deferred income taxes	—	3,906
Other, net	(3,464)	5,893
<b>Changes in assets and liabilities:</b>		
Accounts and notes receivable, net	(27,240)	(16,314)
Inventory	2,462	(3,994)
Prepaid and other assets	(9,764)	(1,937)
Related party receivable	26,004	(84,523)
Advertising fund assets and liabilities, restricted	(3,396)	7,650
Other assets	(9,222)	(31,615)
Deferred commissions	(69)	(331)
Deferred revenue	(254)	1,659
Accounts payable	30,983	15,172
Accrued expenses and other liabilities	(11,389)	70,940
Income tax payable	(1,462)	8,564
<b>Cash provided by operating activities</b>	<b>31,476</b>	<b>38,824</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(49,557)	(24,464)
Cash used in business acquisitions, net of cash acquired	—	(1,160)
Proceeds from sale-leaseback transactions	5,560	4,550
Proceeds from sale or disposal of businesses and fixed assets	3,625	18,249
<b>Cash provided by (used in) investing activities</b>	<b>(40,372)</b>	<b>(2,825)</b>
<b>Cash flows from financing activities:</b>		
Repayment of long-term debt	(5,725)	(7,616)
Repayment of principal portion of finance lease liability	(1,026)	(867)

<b>Cash provided by financing activities</b>	(6,751)	(8,483)
Effect of exchange rate changes on cash	292	(943)
<b>Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted</b>	(15,355)	26,573
Cash and cash equivalents, beginning of period	129,633	150,581
Cash included in advertising fund assets, restricted, beginning of period	38,930	38,537
Restricted cash, beginning of period	358	657
<b>Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period</b>	168,921	189,775
Cash and cash equivalents, end of period	115,007	172,229
Cash included in advertising fund assets, restricted, end of period	38,227	43,462
Restricted cash, end of period	332	657
<b>Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period</b>	<u>\$ 153,566</u>	<u>\$ 216,348</u>

**EXHIBIT D**  
**TO FRANCHISE DISCLOSURE DOCUMENT**

**STATEMENT OF PROSPECTIVE FRANCHISEE**

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

**IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA OR MARYLAND, DO NOT SIGN THIS DOCUMENT.**

### **FRANCHISEE DISCLOSURE STATEMENT**

As you know, FUSA Franchisor SPV LLC and you are preparing to enter into a Franchise Agreement for the operation of a FIX AUTO Franchised Business (the “**Franchised Business**”). In this Franchisee Disclosure Statement, FUSA Franchisor SPV LLC is referred to as “**we**,” “**us**” or “**our**.” The purpose of this Statement is to determine whether any representations or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Disclosure Document and each exhibit, addendum and schedule attached to it, including the Franchise Agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. Do you understand all of the information contained in the Franchise Disclosure Document and each exhibit, addendum and schedule attached to it, including the Franchise Agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

If “No”, what parts of the Franchise Disclosure Document do you not understand?  
(Attach additional pages, if necessary.)

\_\_\_\_\_  
\_\_\_\_\_

3. Do you understand the benefits and risks of operating a Franchised Business, and were you given the time to discuss those benefits and risks with an attorney, accountant or other professional advisor if you so choose?

Yes \_\_\_\_\_ No \_\_\_\_\_

4. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_



5. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the Franchised Business that we or our franchisees operate?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Has any employee or other person speaking on our behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Franchised Business?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a Franchised Business will generate?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Franchised Business that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

If you have answered “Yes” to any of questions five (5) through eleven (11), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of such questions, please leave the following lines blank.

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12. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?

Yes \_\_\_\_\_ No \_\_\_\_\_

You understand that your answers are important to us and that we will rely on them. By signing this Franchisee Disclosure Statement, you are representing that you have responded truthfully to the above questions.

\_\_\_\_\_  
Signature of Franchisee/Applicant

\_\_\_\_\_  
Print Name of Franchisee/Applicant

Date: \_\_\_\_\_

**EXHIBIT E**  
**TO FRANCHISE DISCLOSURE DOCUMENT**

**TABLE OF CONTENTS OF THE OPERATIONS PLAYBOOK**

# Driven Brands Collision Operations Playbook

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**EXHIBIT F  
TO FRANCHISE DISCLOSURE DOCUMENT**

**GENERAL RELEASE OF ALL CLAIMS**



## GENERAL RELEASE OF ALL CLAIMS

\_\_\_\_\_, (“**FRANCHISEE**”) and \_\_\_\_\_, an individual (“**GUARANTOR**”), enter into this General Release on \_\_\_\_\_, with reference to the following facts:

1. On \_\_\_\_\_, FUSA Franchisor SPV LLC, a Delaware limited liability company (“**FRANCHISOR**”), and FRANCHISEE entered into a Franchise Agreement (the “**Franchise Agreement**”) to operate a Franchised Business located at \_\_\_\_\_ (the “**Premises**”). GUARANTOR guaranteed FRANCHISEE’s performance under the Franchise Agreement pursuant to a Guarantee and Assumption of Obligations (the “**Guarantee**”).

2. In consideration of FRANCHISOR’s processing and approval of (check one):

- (i) \_\_\_\_ Franchisee’s request to terminate the Franchise Agreement, the Guarantee and all related agreements;
- (ii) \_\_\_\_ Franchisee’s request to transfer/assign the Franchise Agreement and all related agreements to transferee/assignee;
- (iii) \_\_\_\_ Franchisee’s renewal of the Franchise Agreement and related agreements; or
- (iv) \_\_\_\_ an extension, modification, or release of any indebtedness or obligations of Franchisee, or the settlement, adjustment or compromise of any claims against Franchisee under the terms of the Franchise Agreement or related agreements.

The Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such approval by Franchisor. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

3. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively, “**Damages**”), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Franchised Business, the Premises and the Guarantee.

**[The following language applies only to transactions with California franchisees. Remove the language in all other circumstances.]**

FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

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

Each of FRANCHISEE and GUARANTOR recognize that he, she, or it may have some claim, demand, or cause of action against the released parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this General Release. Each of FRANCHISEE and GUARANTOR hereby waive and relinquish every right or benefit which he, she, or it has under Section 1542 of the California Civil Code, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.]

4. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

5. This General Release shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

\*\*\*\*\*

IN WITNESS WHEREOF, the undersigned have executed this General Release as of the day and year set forth above.

**FRANCHISEE:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GUARANTOR:**

\_\_\_\_\_, an individual

**EXHIBIT G  
TO FRANCHISE DISCLOSURE DOCUMENT**

**STATE-SPECIFIC ADDENDA AND FRANCHISE AGREEMENT RIDERS**

**ADDITIONAL DISCLOSURES TO THE  
MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF  
FUSA FRANCHISOR SPV LLC**

The following are additional disclosures for the Franchise Disclosure Document of FUSA Franchisor SPV LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

**NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

**CALIFORNIA**

A copy of the unaudited balance sheet of FUSA Franchisor SPV LLC as of March 29, 2025 immediately follows.

**FUSA FRANCHISOR SPV LLC**  
**BALANCE SHEET**  
**UNAUDITED**

<i>(in thousands)</i>	<b>March 29, 2025</b>
<b>Assets</b>	
Accounts and notes receivable, net	\$ 4,499
<b>Total current assets</b>	<b>4,499</b>
Intangible assets, net	\$ 6,780
Goodwill	10,158
<b>Total assets</b>	<b>\$ 21,437</b>
<b>Liabilities and member's equity</b>	
Deferred franchise revenue	\$ 709
<b>Total liabilities</b>	<b>709</b>
Members' equity	20,728
<b>Total members' equity</b>	<b>20,728</b>
<b>Total liabilities and members' equity</b>	<b>\$ 21,437</b>

## **MINNESOTA**

1. The following sentence is added at the end of Item 13 of the Disclosure Document:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks, in accordance with and to the extent required by Minn. Stat. Sec. 80C.12 Subd. 1(g).

2. The following paragraphs are added at the end of the chart in Item 17 of the Disclosure Document:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document and Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

\*\*\*\*\*

### **ASSURANCE OF DISCONTINUANCE STATE OF WASHINGTON**

To resolve an investigation by the Washington Attorney General and without admitting any liability, Our Predecessor entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where it agreed to remove from the form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of other FIX AUTO Shop franchisees and/or Our Predecessor's employees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. Our Predecessor agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that FIX AUTO Shop franchisees in Washington amend their existing franchise agreements to remove such provisions, and to notify FIX AUTO Shop franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against Our Predecessor.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
FRANCHISE AGREEMENT**

**RIDER TO THE FUSA FRANCHISOR SPV LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** (this “Rider”) is made and entered into on \_\_\_\_\_, by and between FUSA FRANCHISOR SPV LLC (“Franchisor”) and \_\_\_\_\_ (“Franchisee”).

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the FIX AUTO Shop that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 5.3 of the Franchise Agreement:

Provided Franchisee has complied with all provisions of this Agreement applicable to the Marks, Franchisor will protect Franchisee’s right to use the Marks and will indemnify Franchisee from any loss, costs or expenses arising out of any claims, suits or demands regarding Franchisee’s use of the Marks in accordance with and to the extent required by Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **RELEASES.** The following is added to the end of Sections 1.4(5), 1.8, 12.3A(10) and 14.4B of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **RENEWAL AND TERMINATION.** The following is added to the end of Sections 1.6 and 13 of the Franchise Agreement:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given ninety (90) days’ notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days’ notice of non-renewal of this Agreement.

5. **LIQUIDATED DAMAGES.** The following language is added to the end of Sections 4.18 and 12.6 of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

6. **VENUE.** The following language is added to the end of Section 15.2 of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any



of Franchisee's rights under Minnesota statutes Chapter 80C or Franchisee's rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

7. **WAIVER OF JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Section 15.3.A of the Franchise Agreement is deleted in its entirety.

8. **PERIODS IN WHICH TO MAKE CLAIMS.** The following is added to the end of Section 15.5 of the Franchise Agreement:

Notwithstanding the foregoing, Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

9. **GOVERNING LAW.** The following language is added to the end of Section 15.8 of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of Franchisee's rights under Minnesota Statutes Chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

*[Signatures on Following Page]*

**IN WITNESS WHEREOF**, Franchisee and Franchisor have executed and delivered this Rider in counterparts on the day and year first above written. This Rider may be signed with full legal force and effect using electronic signatures and records.

**FRANCHISOR**

**FUSA Franchisor SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE**

If Franchisee is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Franchisee is a corporation or other entity:

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Corporation, LLC or Partnership

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT H  
TO FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF FRANCHISEES AND THEIR FIX AUTO SHOPS**

**FRANCHISEES AND THEIR FIX AUTO SHOPS  
AS OF DECEMBER 28, 2024**

<b>CENTER NUMBER/SHOP NAME</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE</b>
24168 Fix Auto Avondale	FX Auto Body LLC	Troy Buck	1422 N. Eliseo Felix Jr. Way	Avondale	AZ	24168	(623) 594-3894
24251 Fix Auto El Mirage	Diamond Collision Center LLC	Alfred Fernandez, Barbara Prigge, & Scott Prigge	8552 N. Dysart Road #200B	El Mirage	AZ	85335	(623) 271-7509
24128 Fix Auto Gilbert	Invisible Auto Body LLC	Loren Bates/Mike Havrelock	1625 W. Sunrise Boulevard	Gilbert	AZ	85233	(480) 361-3006
24028 Fix Auto Glendale	Karl's Collision Repair Inc.	Bob Karl	6725 N. 56th Avenue	Glendale	AZ	85301	(623) 931-6092
24034-01 Fix Auto Phoenix-Sky Harbor	American Coach Works, LLC	Kody Copenhaver	4113 E. University Drive	Phoenix	AZ	85034	(480) 968-4775
24036 Fix Auto Phoenix	Coulter Cadillac, Inc.	William Coulter	1188 Camelback Road	Phoenix	AZ	85014	(602) 532-4710
24142 Fix Auto Deer Valley	Werner Collision Center, LLC	Lynn Werner	2015 W. Deer Valley	Phoenix	AZ	85027	(602) 295-1590
24167 Fix Auto Phoenix- City Center	DCGW, LLC	Daniel Weyand	2323 W. Van Buren Street	Phoenix	AZ	85009	(602) 252-2455
24244 Fix Auto Norterra	FA Norterra, LLC	Lynn Werner & Ronald Werner	23869 N. 19th Avenue, Suite 110	Phoenix	AZ	85085	(602) 806-6880
24029 Fix Auto North Scottsdale	Kustom Koachworks, Inc	Colin Johnston	8245 E. Butherus Drive	Scottsdale	AZ	85260	(480) 607-6680
24122 Fix Auto Scottsdale	Mark Kia Collision Center	Marc Dubowy / Joshua Spencer	1000 N. Scottsdale Road	Scottsdale	AZ	85257	(480) 425-5300

<b>CENTER NUMBER/SHOP NAME</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE</b>
24225 Fix Auto Scottsdale Express*** <sup>1</sup>	Mark Enterprises Car Co. V LLC	Joshua Spencer & Marc Dubowy	3305 N. 89 <sup>th</sup> Street	Scottsdale	AZ	85251	(480) 291-8359
24159 Fix Auto Sierra Vista	Morton Collision Centers, LLC	Ian Mortan	4108 La Linda Way	Sierra Vista	AZ	85635	(520) 263-4973
24080 Fix Auto Sun City	Yadin, Inc / Automotive Dynamics	Derek Niday	10222 W. Santa Fe Drive	Sun City	AZ	85351	(623) 972-6100
24172 Fix Auto Tempe	New Image Paint & Body, LLC	Stephen Bozer / Shane Orlano	1865 S. Indiana Bend Road	Tempe	AZ	85288	(480) 921-3368
24059 Fix Auto Tucson Thoroughbred	The Morton Company, LLC	Ian Morton	5133 East 22 <sup>nd</sup> Street	Tucson	AZ	85711	(520) 790-4946
24136 Fix Auto Alameda	Alameda Collision Repair	Arthur Mercado	1911 Park Street	Alameda	CA	94501	(510) 523-4836
24000-01 Fix Auto Anaheim	Puget Collision LLC	Guiseppe “Joe” Morella	1331 S. Auto Center Drive	Anaheim	CA	92806	(714) 772-1313
24134 Fix Auto Anaheim North	David Caulfield’s Autobody Boo-Boo, LLC	David Caulfield	320 North Anaheim Boulevard	Anaheim	CA	92805	(714) 262-4062
24165-01 Fix Auto High Line	Puget Collision LLC	Guiseppe “Joe” Morella	1331 S. Auto Center Drive	Anaheim	CA	92806	(714) 772-1313
24177-01 Fix Auto Express-Anaheim North	Johnnie’s Paint & Body Shop, Inc.	Vatche Derderian	327 N. Anaheim Boulevard	Anaheim	CA	92085	(714) 364-1515
24144-01 Fix Auto Apple Valley	LSM LLC	Luis Partida	13399 Malaki Road	Apple Valley	CA	92345	(760) 503-5502
24188 Fix Auto Green Valley	Green Valley Collision	Greg Padreddii	120A Borland Avenue	Auburn	CA	95603	(530) 888-1046
24198-01 Fix Auto Bakersfield	DC Bakersfield	Vatche Derderian	2101 Q. Street	Bakersfield	CA	93301	(661) 542-9900

<sup>1</sup> This location was switched to an “overflow” facility in 2024.

<b>CENTER NUMBER/SHOP NAME</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE</b>
24209-01 Fix Auto Bakersfield South	DC Bakersfield	Vatche Derderian	4320 Shepard Street	Bakersfield	CA	93313	(661) 577-9900
24221 Fix Auto Bell	HPM Collision Center, Inc.	Jorge Gomez	3510 E. Gage Avenue	Bell	CA	90201	(323) 588-1066
24121 Fix Auto Berkeley	Platinum Auto Collision & Paint	Eugene Young	3033 San Pablo Avenue	Berkeley	CA	94702	(510)-848-1088
24214 Fix Auto Bloomington	EM Auto Body LP	David Kchoyan & Egl Manukyan	2075 S. Riverside Avenue	Bloomington	CA	92316	(909) 877-2022
24139 Fix Auto Brea	Sharper Image Collision	Selvi Rizk	300 N. Orange Avenue	Brea	CA	92821	(714) 255-9600
24004-01 Fix Auto Buena Park	Puget Collision LLC	Guiseppe “Joe” Morella	6830 Stanton Ave.	Buena Park	CA	90621	(714) 522-6177
24065 Fix Auto Burbank	Auto Ventures Inc	Gary Gezalyan	120 East Verdugo Avenue	Burbank	CA	91502	(818) 842-2800
24114 Fix Auto Campbell	Shiro’s Auto Body	Darryl Shiozawa	175 Cristich Lane	Campbell	CA	95008	(408) 378-6956
24133 Fix Auto Carlsbad Village	CMI Carlsbad Village, Inc.	Richard Fish	3191 Tyler Street	Carlsbad	CA	92008	(760) 729-4748
24125 Fix Auto Castro Valley	Alameda Collision Center	Arthur Mercado	3142 Castro Valley Boulevard	Castro Valley	CA	94546	(510) 537-2529
24106 Fix Auto Cathedral City	Henry’s Collision Auto Body & Paint, Inc.	Henry Arroyo	36-085 Cathedral Canyon	Cathedral City	CA	92234	(760) 770-8082
24126 Fix Auto Chatsworth	The Original Haskell’s Body Shop	Do Carlisi	9537 De Sota Avenue	Chatsworth	CA	91311	(818) 709-7333
24048-01 Fix Auto Chico	CCC Partners, Inc.	Arthur Mercado	275 East Park Avenue	Chico	CA	95928	(530) 343-2480
24239 Fix Auto Chino	Chino Collision, Inc.	Selvi Rizk Menard & Samir Rizk	4510 Carter Court	Chino	CA	91710	(909) 403-6006

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24183 Fix Auto Clovis-Fresno Body Works	Dockstader Number Two, Inc.	Dean Dockstader & Maclynn Dockstader	255 Park Creek Drive	Clovis	CA	93611	(559) 374-2414
24220 Fix Auto Concord	JM Auto Painting, Inc.	Javier Magdaleno & Socorro Magdaleno	1932 Arnold Industrial Place	Concord	CA	94520	(925) 609-8585
24006-01 Fix Auto Corona	Puget Collision LLC	Guiseppe “Joe” Morella	51 E. Grand Boulevard	Corona	CA	92879	(951) 270-2943
24008-01 Fix Auto Costa Mesa	Puget Collision LLC	Guiseppe “Joe” Morella	330 Paularino Avenue	Costa Mesa	CA	92626	(714) 557-0780
24135 Fix Auto Daly City	Marvic Vila	Marvic Vila	6888 Mission Street	Daly City	CA	94104	(650) 557-2300
24009 Fix Auto Downey	Little John’s Bodyworks, Inc.	Rick Halopoff	9634 E. Firestone Boulevard	Downey	CA	90241	(562) 861-0377
24047-01 Fix Auto El Cajon	Amazing Collision Center Inc.	Mazin Nemo	1129 Broadway	El Cajon	CA	92021	(619) 593-1387
24076 Fix Auto Downtown El Monte	Auto Werks Paint & Body Shop	Peter Hong	11528 E. Garvey Avenue	El Monte	CA	91732	(626) 442-6558
24180 Fix Auto El Segundo-Jim & Jacks	Jim & Jack’s, Inc.	Richard Kizirian	1605 E. Grand Avenue	El Segundo	CA	90245	(310) 322-5733
24192 Fix Auto El Segundo-Washington Street at Jim & Jacks	Jim & Jack’s, Inc.	Richard Kizirian	348 Washington Street	El Segundo	CA	90245	(310) 322-5733
24012 Fix Auto Escondido	BHKH Inc.	Kirk Henson	656 Metcalf Street	Escondido	CA	92025	(760) 743-5363
24234 Fix Auto Fontana	Banh Collision Center	Phuoc “John” Banh & Ngan “Joe” Banh	8637 Cherry Avenue	Fontana	CA	92335	(909) 743-5114
24175 Fix Auto Fremont	Auto Techies, Inc.	Snehal Shah	41443 Albrae Street	Fremont	CA	94538	(510) 922-0229

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24203 Fix Auto Warm Springs-Fremont	Bumper Express Collision LLC	Carlos Berumen	2030 Warm Springs Court, Unit 7	Fremont	CA	94539	(510) 683-9361
24184 Fix Auto Fresno Body Works North	Dockstader Number One, LLC	Dean Dockstader & Maclynn Dockstader	143 E. Sierra Avenue	Fresno	CA	93710	(559) 436-8060
24185 Fix Auto Fresno Body Works South	Dockstader and Dockstader Incorporated	Dean Dockstader & Maclynn Dockstader	4624 E. Olive Avenue	Fresno	CA	93702	(559) 456-1414
24186 Fix Auto Fresno Body Works West	Dockstader Number Three, Inc.	Dean Dockstader & Maclynn Dockstader	4245 N. Selland Avenue	Fresno	CA	93722	(559) 540-7791
24235 Fix Auto Garden Grove	Banh Collision Center	Phuoc “John” Banh & Ngan “Joe” Banh	9111 Garden Grove Boulevard	Garden Grove	CA	92844	(714) 537-9111
24069 Fix Auto Gilroy	Springer Collision Centers	Steve Springer	6650 Brem Lane	Gilroy	CA	95020	(408) 847-3999
24087-01 Fix Auto Hawthorne	Chilton Auto Body Lax, Inc.	Michael Chilton	3348 W. El Segundo Boulevard	Hawthorne	CA	90250	(424) 456-7528
24222 Fix Auto Hayward	Jefferson Auto Corporation	Mazin Nemo	2964 Arf Avenue	Hayward	CA	94545	(510) 783-0500
24054 Fix Auto Hemet	Diamond Valley Automotive Group LLC	Curt Nixon	320 Carriage Circle	Hemet	CA	92545	(951) 537-6327
24191 Fix Auto Hermosa Beach at Jim & Jacks	Jim & Jack’s, Inc.	Richard Kizirian	555 CA-1	Hermosa Beach	CA	90254	(310) 322-9475
24182-01 Fix Auto Hesperia	FA Hesperia LLC	Nicholas Partida	15439 Bear Valley Road	Hesperia	CA	92345	(760) 995-5708
24200-01 Fix Auto High Desert	Mojave Valley Collision LLC	Phuoc “John” Banh & Ngan “Joe” Banh	16717 Smoke Street	Hesperia	CA	92345	(760) 669-5411



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24253 Fix Auto Magnolia-Riverside	Auto Collision Concierge Services, LLC	Brian Brandler, Bryan Wendt, Benjamin Sanchez, & Sergio Sanchez	12697 Magnolia Avenue	Home Gardens	CA	92503	(951) 893-1232
24107 Fix Auto Indio	Henry's Collision Auto Body and Paint, Inc.	Henry Arroyo	81781 Oleander Avenue	Indio	CA	92201	(760) 342-9824
24002-01 Fix Auto Irvine	Puget Collision LLC	Guiseppe "Joe" Morella	16161 Construction Circle W.	Irvine	CA	92606	(949) 651-1491
24138-01 Fix Auto La Habra	Johnnies Paint & Body, Inc.	Vatche Derderian	920 Leslie Street	La Habra	CA	90631	(714) 578-1200
24031 Fix Auto La Mesa	Sid's Auto Body	Sid Rodriquez	7473 El Cajon Boulevard	La Mesa	CA	91941	(619) 698-7730
24242 Fix Auto West Covina	Philly Auto, Inc.	Alexander Landa & Roman Gamburg	1515 N. Hacienda Boulevard	La Puente	CA	91744	(626) 640-0149
24078 Fix Auto Lake Elsinore	Z-Best Body & Paint	Pat Helferich	18560 Pasadena Street	Lake Elsinore	CA	92530	(951) 471-5530
24162 Fix Auto Lake Forest	San Diego Collision Partners LLC	Richard Fish	23902 Remme Ridge	Lake Forest	CA	92630	(949) 206-7999
24137 Fix Auto Lancaster	Westside Body & Paint	Mike Neis	420 W. Ave. I	Lancaster	CA	93535	(661) 429-3639
24208 Fix Auto Lancaster-Yucca	N/A	Mike Neis	45145 Yucca Avenue	Lancaster	CA	93534	(661) 429-3639
24217 Fix Auto Lancaster-Trevor	ASGA, Inc.	Mike Neis	45231 Trevor Avenue	Lancaster	CA	93534	(661) 429-2696
24037 Fix Auto Lemon Grove	Fix Auto Lemon Grove, Inc.	Gary Ledger	7083 Broadway	Lemon Grove	CA	91945	(619) 462-5010
24094 Fix Auto Long Beach	CMI Long Beach, Inc.	Richard Fish	1381 Obispo Avenue	Long Beach	CA	90804	(562) 494-1100

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24082 Fix Auto Downtown Los Angeles	Globe Auto Body	Matt Ardakani	1360 S. Flower Street	Los Angeles	CA	90015	(213) 747-6261
24170-01 Fix Auto Koreatown LA	Protech Collision Center Inc.	Mimila Koo & Sang Heun Park	2946 West Pico Boulevard	Los Angeles	CA	90006	(213) 908-5777
24199 Fix Auto Beverly Hills	Ronald's Auto Body Shop, Inc.	Ronald Marquez	2640 La Cienega Avenue	Los Angeles	CA	90034	(310) 558-1681
24201 Fix Auto Highland Park	Autobody Ventures Inc.	Gary Gezalyan	5320 York Boulevard	Los Angeles	CA	90042	(626) 755-7745
24249 Fix Auto Madera	Dockstader and Dockstader Incorporated	Dean Dockstader, Tyler Dockstader, Jeff Dockstader, & Rodney Olson	1920 Modoc Street	Madera	CA	93637	(559) 481-4818
24255 Fix Auto Menifee***	Temecula Auto Body & Paint, Inc.	John Volpe	27701 Scott Road, Ste. 1-203	Menifee	CA	92584	(951) 435-1200
24193 Fix Auto Huntington Beach-North	Banh Collision Center	Phuoc "John" Banh & Ngan "Joe" Banh	15142 Beach Boulevard	Midway City	CA	92655	(714) 897-0744
24096 Fix Auto Modesto	Top 1 Collision Repair, Inc.	Krishneel Chand	4619 Spyres Way	Modesto	CA	95356	(209) 571-1048
24150 Fix Auto Modesto City Center	Modesto Autobody Corporation	Krishneel Chand	2121 N. 9 <sup>th</sup> Street	Modesto	CA	95350	(209) 847-3200
24190 Fix Auto Monrovia	Steve Richards Enterprises, Inc.	Razmik Garabedian	264 Kruse Avenue	Monrovia	CA	91016	(626) 303-3008
24007-01 Fix Auto Montclair	Puget Collision LLC	Guiseppe "Joe" Morella	5566 Holt Boulevard	Montclair	CA	91763	(909) 482-1540
24118 Fix Auto Montrose	Johnnie's Paint & Body Shop, Inc.	Vatche Derderian	3722 Park Place	Montrose	CA	91020	(818) 330-7701

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24132 Fix Auto Moorpark	Superior Collision, Inc.	Gary Bisgrove and Gary Hesselbrock	5395 Kazuko Court	Moorpark	CA	93021	(805) 552-9533
24055 Fix Auto Moreno Valley	Moreno Valley Collision Inc.	Selvi Rizk	14441 Commerce Center Drive	Moreno Valley	CA	92553	(951) 656-3600
24077 Fix Auto Temecula	Temecula Auto Body	John Volpe	41196 Nick Lane	Murrieta	CA	92562	(951) 677-9619
24152 Fix Auto Northridge	SemiStar, LLC	Aram Semirjyan	19041 Parthenia Street	Northridge	CA	91324	(818) 341-9600
24040 Fix Auto Oceanside	Collision Management, Inc.	Richard Fish	1112 South Tremont Street	Oceanside	CA	92054	(760) 722-5479
24003-01 Fix Auto Ontario	Puget Collision LLC	Guiseppe “Joe” Morella	4930 Vanderbilt St.	Ontario	CA	91761	(909) 605-7575
24213 Fix Auto South Ontario	FA South Ontario LLC	Luis Partida	1642 E. Francis Street	Ontario	CA	91761	(909) 947-3000
24005-01 Fix Auto Orange	Puget Collision LLC	Guiseppe “Joe” Morella	153 N. Cypress	Orange	CA	92866	(714) 639-5302
24127 Fix Auto Orangevale	North Star Collision Repair, Inc.	Jesse Hord	8832 Greenback Lane	Orangevale	CA	95662	(916) 306-5821
24050 Fix Auto Oxnard South	Superior Collision Inc.	Gary Bisgrove and Gary Hesselbrock	2780 W. Wooley Road	Oxnard	CA	93035	(805) 984-1149
24095 Fix Auto Oxnard North	Superior Collision Inc.	Gary Bisgrove and Gary Hesselbrock	260 Lambert Street # P	Oxnard	CA	93036	(805) 278-1700
24131 Fix Auto Palm Desert	Henry’s Collision Auto Body & Paint, Inc.	Henry and Gloria Arroyo	39249 Leopard Street, Suite B	Palm Desert	CA	92211	(760) 345-0099
24243 Fix Auto Palm Desert-South	Henry’s Collision Auto Body and Paint, Inc.	Gloria Arroyo & Henry Arroyo	74869 Joni Drive	Palm Desert	CA	92260	(760) 674-8990

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24160 Fix Auto Palm Springs	Henry's Collision Auto Body & Paint, Inc.	Henry Arroyo	4155 E. Matthew Drive	Palm Springs	CA	92264	(760) 328-2297
24155 Fix Auto Palmdale	ASGA, Inc.	Mike Neis	40222 La Quinta Lane, Suite B-104	Palmdale	CA	93551	(661) 234-9424
24218 Fix Auto Palmdale-La Quinta**2	ASGA, Inc.	Mike Neis	40222 La Quinta Lane, Building B, Suite 104	Palmdale	CA	93551	(661) 234-7176
24016 Fix Auto Palo Alto	Cavallino Rampante, Ltd.	Ric Donofrio / Javier Vejar	1880 West Bayshore Road	Palo Alto	CA	94303	(650) 326-9800
24010 Fix Auto Paramount	Carbak Enterprises LTD	Peter Bakhtar	7771 Alondra Boulevard	Paramount	CA	90723	(562) 529-7000
24030 Fix Auto Pasadena	Johnnie's Paint and Body Shop, Inc.	Vatche Derderian	2245 E. Foothill Boulevard	Pasadena	CA	91107	(626) 795-4421
24088 Fix Auto Poway	Chrome Collision Inc.	Gary Leger/Kirk Henson	13175 Gregg Street	Poway	CA	92064	(858) 842-3075
24141 Fix Auto Quartz Hill	Westside Body & Paint	Mike Neis	5022 West Columbia Way	Quartz Hill	CA	93536	(661) 488-7879
24056 Fix Auto Central Ramona	Ramona Body Shop	Gary Leger	543 Main Street	Ramona	CA	92065	(760) 789-0080
24233 Fix Auto Rancho Cucamonga	Banh Collision Center	Phuoc "John" Banh & Ngan "Joe" Banh	10833 Edison Court	Rancho Cucamonga	CA	91730	(909) 481-5004
24043 Fix Auto Redlands	Holmes & Holmes Properties	Maureen Holmes	1976 Essex Court	Redlands	CA	92374	(909) 307-1077
24181 Fix Auto South Bay- Redondo Beach	Gentani, LLC	Richard Kizirian	1401 Aviation Boulevard	Redondo Beach	CA	90278	(310) 376-9416
24049 Fix Auto Riverside	R.E.F Enterprises	Duane Pratt	8000 Auto Drive	Riverside	CA	92504	(951) 687-2125

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<sup>2</sup> Denotes temporarily closed in 2024 for a relocation.

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24260 Fix Auto Jurupa Valley	Jurupa Valley Collision Concierge Services, LLC	Brian Brandler & Donald Jay Rudd	9287 Orco Parkway, Suite A	Riverside	CA	92509	(951) 685-9313
24156 Fix Auto Rocklin	Dunivan Enterprises, Inc.	Eric Dunivan	3740 Cincinnati Avenue	Rocklin	CA	95765	(916) 872-1380
24196 Fix Auto-Roseville	North Start Collision Repair, Inc.	Jesse Hord	118 Wills Road	Roseville	CA	95678	(916) 783-0228
24189 Fix Auto Capital City	North Start Collision Repair, Inc.	Jesse Hord	3248 Auburn Boulevard, Suite 2	Sacramento	CA	95821	(916) 432-4950
24254 Fix Auto College Town-Sacramento	Hayk, Inc.	Hayk Mikayelyan	7608 Folsom Boulevard, Suite 100	Sacramento	CA	95826	(916) 399-4941
24060 Fix Auto San Clemente	CMI Partners, LLC	Richard Fish	127 Calle De Los Molinos	San Clemente	CA	92672	(949) 276-8005
24035 Fix Auto Mission Valley	Courtesy Chevrolet Center	Dave Holder	750 Camino Del Rio North	San Diego	CA	92108	(619) 450-8063
24052 Fix Auto Sports Arena	Courtesy Chevrolet Center	Mark Gruwell	3145 Moore Street	San Diego	CA	92110	(619) 450-8105
24103 Fix Auto Kearny Mesa	San Diego Collision Partners, LLC	Bryan Wendt	5233 Murphy Canyon Road	San Diego	CA	92123	(858) 277-2761
24109 Fix Auto Downtown SD	FADSD II, Inc.	Gary Leger	1625 Market Street	San Diego	CA	92101	(619) 239-7843
24143-01 Fix Auto North Park	Cid Collision Repair Center Inc.	Francisco Cid Del Prado & Ivonne Villarroel	3675 El Cajon Boulevard	San Diego	CA	92104	(619) 284-6212
24202 Fix Auto South San Diego	The Bumper Guy, Inc.	William Green	3738 Main Street	San Diego	CA	92113	(619) 332-6575
24014 Fix Auto Divisadero	F. Lofrano & Son - Divisadero	Aaron Lofrano/ Joshua Lofrano/ Tony Lofrano	1745 Divisadero Street	San Francisco	CA	94115	(415) 865-8450

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24021 Fix Auto 17 <sup>th</sup> Street	F. Lofrano & Son – 17 <sup>th</sup> Street	Aaron Lofrano/ Joshua Lofrano/ Tony Lofrano	3355 17 <sup>th</sup> Street	San Francisco	CA	94110	(415) 865-8400
24032 Fix Auto San Francisco -SOMA	Marvic Vila	Marvic Vila	785 Bryant Street	San Francisco	CA	94107	(415) 882-1575
24033 Fix Auto San Francisco – Potrero Avenue	Sunny Auto Body, Inc.	Denny Chen	450 Potrero Avenue	San Francisco	CA	94110	(415) 861-1288
24074 Fix Auto Folsom	F. Lofrano & Son - Folsom	Aaron Lofrano	1465 Folsom Street	San Francisco	CA	94103	(415) 565-3560
24247 Fix Auto San Francisco-Dogpatch	Sunny Auto Body, Inc.	Denny Chen, Sunny Chen, & Ruth Chen	955 Cesar Chavez Street	San Francisco	CA	94124	(415) 861-2333
24017 Fix Auto San Jose	Springer Collision Centers	Steve Springer and Mary Oliver	250 East Brokaw Road	San Jose	CA	95112	(408) 436-9600
24204 Fix Auto Willow Glen	Precision Auto Body Paint & Repair Inc.	Bertha Maciel & Raul Soto	994 Lonus Street	San Jose	CA	95126	(408) 971-4195
24206 Fix Auto South San Jose	Precision Auto Body Paint & Repair Inc.	Bertha Maciel & Raul Garcia Soto	230 Umbarger Road, Building #3	San Jose	CA	95111	408-281-2006
24046 Fix Auto San Leandro	BMC of San Leandro, Inc.	Roque Moya	1970 Republic Avenue	San Leandro	CA	94577	(510) 351-5057
24215 Fix Auto San Marcos	Cid Auto Body and Paint Inc.	Francisco Cid Del Prado & Ivonne Villarroel	929 Rancheros Drive	San Marcos	CA	92069	(760) 789-4569
24110 Fix Auto San Mateo	WMK Ventures	Marga Kline	1023 South Railroad Avenue	San Mateo	CA	94402	(650) 581-1415
24015 Fix Auto San Rafael	F. Lofrano and Son – San Rafael	Aaron Lofrano	21 Belvedere Street	San Rafael	CA	94901	(415) 453-6800

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24115 Fix Auto Santa Ana	HGAD Enterprises, Inc.	Greg Derderian	611 E. First Street	Santa Ana	CA	92701	(714) 294-2880
24018 Fix Auto Santa Clara	El Camino Body Shop Inc.	Sheldon Carter	3160 El Camino Real	Santa Clara	CA	95051	(408) 246-3544
24072 Fix Auto Santa Clara East	Dao & Cheung, LLC	Kien Dao	2578 Lafayette Street	Santa Clara	CA	95050	(408) 648-2900
24100 Fix Auto Santa Maria	The Paz Group, Inc.	Hector Paz	211 East Mill Street	Santa Maria	CA	93454	(805) 922-9700
24092 Fix Auto Santa Rosa	Dibble's Auto Center Inc.	Todd Bishop	965 Santa Rosa Avenue	Santa Rosa	CA	95401	(707) 542-7774
24171 Fix Auto Santee	Trifecta Collision Inc.	Alexander Doria / Jorge Cuevas	10806 Prospect Avenue	Santee	CA	92071	(619) 312-1990
24117 Fix Auto Signal Hill	CMI Signal Hill, Inc.	Matt Blodgett	1455 E. Spring Street	Signal Hill	CA	90806	(562) 283-0333
24104 Fix Auto Sonora	C & C Autobody	Krishneel Chand	18514 Striker Court	Sonora	CA	95370	(480) 946-9500
24205 Fix Auto South City	448 Victory Avenue	David Lee, Tommy Lee & Parker Lee	448 Victory Avenue	South San Francisco	CA	94080	(650) 871-5566
24256 Fix Auto Stockton	RYG Collision Center LLC	Efrain Sandoval	2607 Wigwarm Drive	Stockton	CA	95205	(209) 939-0360
24120 Fix Auto Sunnyvale	Springer's Collision Center, LLC	Steve Springer	1288 Forgewood Avenue	Sunnyvale	CA	94089	(408) 736-4324
24147 Fix Auto Temecula South	Temecula Auto Body & Paint, Inc.	John Volpe	32839 Temecula Parkway, Unit B	Temecula	CA	92592	(951) 302-0099
24163 Fix Auto Temple City	AWBP Collision Center	Peter Hong	9532 Gidley Street	Temple City	CA	91780	(626) 788-1300
24212 Fix Auto Tujunga	Nexus Auto Body Inc.	Kevin Tarverdyan	7001 Foothill Boulevard	Tujunga	CA	91042	(818) 951-7000

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24259 Fix Auto Turlock	Valentin's Auto Repair Incorporated	Sergio Perez	1252 Lander Avenue	Turlock	CA	95380	(209) 250-0520
24066 Fix Auto Tustin	CMI Partners, LLC	Richard Fish	15622 Mosher Avenue	Tustin	CA	92780	(714) 259-0455
24179 Fix Auto Upland	Richardson Body Shop Corp	Giovanni Navarro & Jose Alvarenga	114 N. Eighth Avenue	Upland	CA	91786	(909) 982-7415
24240 Fix Auto Vacaville	Choudhery Corporation	Mubasher Choudhery & Mudasser Choudhery	70 Peabody Road	Vacaville	CA	95687	(707) 898-7313
24063 Fix Auto Vallejo	Timothy C Rose (Sole Proprietorship)	Tim Rose	187 Couch Street	Vallejo	CA	94590	(707) 647-7673
24245 Fix Auto Victorville Express	Partida Victorville LLC	Luis Partida	12454 Industrial Center Drive #109	Victorville	CA	92395	(760) 596-0742
24237 Fix Auto Visalia	Madpaim, Inc.	Amy Paim	620 E. Center Avenue	Visalia	CA	93292	(559) 553-7155
24246 Fix Auto Vista	J&R Auto Body and Paint, Inc.	Ruben Barragan & Denisse Barragan	2509 S. Santa Fe Avenue	Vista	CA	92083	(760) 724-4923
24178-01 Fix Auto Whittier	RABSUSA Corp	Richard Fish & Bryan Wendt	12140 Washington Boulevard	Whittier	CA	90606	(562) 698-8220
24216 Fix Auto Winnetka	Semistar LLC	Aram Semirjyan	19763 Sherman Way	Winnetka	CA	91306	(818) 626-8444
24001-01 Fix Auto Yorba Linda	Puget Collision LLC	Guiseppe "Joe" Morella	22951 Savi Ranch Pkwy.	Yorba Linda	CA	92887	(714) 283-0660
24023 Fix Auto Highlands Ranch	Stander Industries, Inc.	Dan Standers	3900 Norwood Drive	Littleton	CO	80125	(303) 791-1900
24236 Fix Auto Fort Myers	JT's Auto Body of Barrington, Inc.	James "Jim" Thompson	3793 Ironbridge Boulevard	Fort Myers	FL	33916	(239) 936-2496



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24091 Fix Auto Barrington	JT's Auto Body of Barrington, Inc.	Jim Thompson	210 Lageschulte Street	Barrington	IL	60010	(847) 382-6450
24113-01 Fix Auto Chicago	Import Auto, Inc	Peter Reszczynski	4700 W. Fullerton Avenue	Chicago	IL	60639	(773) 342-6363
24112-01 Fix Auto Crystal Lake	JT's Auto Body of Barrington, Inc.	James Thompson	5323 Northwest Highway	Crystal Lake	IL	60014	(815) 790-7779
24232 Fix Auto Elgin	Precision Body Works, Inc.	George Danilkowicz & Rich Danilkowicz	65 National Street	Elgin	IL	60123	(847) 697-2727
24022 Fix Auto Skokie	Nick and Ernie's Inc	Herb White	8015 N. Lawndale Avenue	Skokie	IL	60076	(847) 676-0420
24075 Fix Auto Fox Valley	Berlin Fox Valley Collision	John De Nicolo	1214 Foundry Street	St. Charles	IL	60174	(630) 443-4380
24062 Fix Auto Brooklyn Park	American Auto Body of Osseo, Inc.	Matt Feehan	8208 Lakeland Avenue North	Brooklyn Park	MN	55445	(763) 424-2522
24140 Fix Auto Maple Grove	American Auto Body of Osseo, Inc.	Matt Feehan	8725 Jefferson Highway	Maple Grove	MN	55369	(763) 204-8267
24226 Fix Auto Sunset-Henderson	Scchenderson, Inc.	Mike Neis	710 Susanna Way	Henderson	NV	89011	(702) 565-9339
24129 Fix Auto Las Vegas East	Newport Collision	Ghassan Merhi	2711 E. Sahara Avenue, Suite B	Las Vegas	NV	89104	(702) 641-8165
24195-01 Fix Auto Las Vegas-Spring Mountain	Scchenderson, Inc.	Mike Garland	5240 W. Spring Mountain	Las Vegas	NV	89146	(702) 248-7200
24053 Fix Auto Reno	Top Gun Collision Repair Center, LLC	Randi Roedel	970 Bible Way	Reno	NV	89502	(775) 324-1919
24158 Fix Auto Columbus	Capital Auto Body, LLC	Thomas Ungurean	5885 Chantry Drive	Columbus	OH	43232	(614) 845-8337
24207 Fix Auto Bixby	FAOKUSA, LLC	Larry Ham	605 W. Needles Avenue	Bixby	OK	74008	(918) 366-3100

<b>CENTER NUMBER/SHOP NAME</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE</b>
24238 Fix Auto Memorial Drive ***	FAOKUSA, LLC	Larry Ham	12105 S. Memorial Drive	Bixby	OK	74008	(918) 369-3100
24169 Fix Auto Jenks	Benchmark Collision Center, Inc.	Larry Ham	1607 North Elm	Jenks	OK	74037	(918) 371-3665
24174-01 Fix Auto Clackamas	Puget Collision, LLC	Guiseppe “Joe” Morella	15679 SE 135th Avenue	Clackamas	OR	97015	(503) 317-0007
24098-01 Fix Auto Gladstone	Puget Collision, LLC	Guiseppe “Joe” Morella	18630 SE McLoughlin Boulevard	Milwaukie	OR	97267	(503) 353-7599
24019 Fix Auto Portland	JRC Corp.	J.R. Carlson	1722 E. Burnside Street	Portland	OR	97214	(503) 235-5671
24064-01 Fix Auto Portland East	Puget Collision, LLC	Guiseppe “Joe” Morella	9255 SE Stark Street	Portland	OR	97216	(503) 257-9255
24038-01 Fix Auto Springfield	Puget Collision, LLC	Guiseppe “Joe” Morella	3445 Main Street	Springfield	OR	97478	(541) 726-8453
24024 Fix Auto The Dalles	Sky’s Collision Repair, Inc.	Skylar Schacht	3425 Crates Way	The Dalles	OR	97058	(541) 506-1600
24241 Fix Auto Carbondale	ACH Acquisition LLC	Alexander Landa & Roman Gamburg	28 8 <sup>th</sup> Avenue	Carbondale	PA	18407	(570) 565-8555
24223 Fix Auto Houston	Taylor Auto Paint & Collision North, LLC	Kevin Taylor	9350 Cypress Creek Parkway	Houston	TX	77070	(281) 890-2222
24252 Fix Auto Westheimer	Auto Bodyfix LLC	Ahmad Rabieh & Mahmoud Rabieh	2525 Westhollow Drive	Houston	TX	77082	(832) 775-8434
24057 Fix Auto Lindon	Lindon Collision Center, LLC	Eric Read	551 N. Geneva Road	Lindon	UT	84042	(801) 785-4477
24211 Fix Auto Ogden	Epic Motor Group LLC	Efrain Perez	3261 Midland Drive	Ogden	UT	84401	(801) 879-2023
24231 Fix Auto Ogden-Fleet Center	Ten Motor Group LC	Efrain Perez & Taylor Johnson	179 S. 1000 W., Building 13A, Bay 5	Ogden	UT	84404	(801) 690-2353

<b>CENTER NUMBER/SHOP NAME</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE</b>
24250 Fix Auto Provo	JP Provo Professional Collision Repair, LLC	Payton Hall & Gerardo Olivera	1955 Ironton Boulevard	Provo	UT	84606	(385) 993-5581
24089 Fix Auto Riverton	Superior Auto Body, LLC	Justin Vincent	3978 W. 12600 South	Riverton	UT	84096	(801) 302-9111
24219 Fix Auto Spanish Fork	GPMP Enterprises, Inc.	Greg Padreddii & Melissa Padreddii	751 West 1000 North, Unit #2	Spanish Fork	UT	84660	(801) 845-2414
24187 Fix Auto Washington	Turner's Auto Body of Southern Utah, Inc.	Ronald Lourenco	71 S. 100 W.	Washington	UT	84780	(435) 673-5984
24058 Fix Auto Bellevue	Cars of Bellevue, Inc	Jon Devine	13310 Bel-Red Road #204	Bellevue	WA	98005	(425) 641-5475
24090-01 Fix Auto Gig Harbor	FA Gig Harbor LLC	Patrick Murray, Kyle Murray, Thomas Murray & Wendy Murray	2905 Jahn Avenue NW #8	Gig Harbor	WA	98335	(253) 858-3522
24086 Fix Auto Kenmore	Fix Auto Northshore	Gloria Hulst	6722 NE Bothell Way	Kenmore	WA	98028	(425) 487-2600
24173-01 Fix Auto Maple Valley	Puget Collision, LLC	Guiseppe "Joe" Morella	23765 SE 264th Street	Maple Valley	WA	98038	(425) 432-7222
24026 Fix Auto Mount Vernon	Dally's Auto Body	Gloria Hulst	300 Willow Lane	Mt. Vernon	WA	98273	(360) 424-7184
24119-01 Fix Auto Port Orchard	FA Port Orchard LLC	Patrick Murray, Kyle Murray, Thomas Murray & Wendy Murray	2585 Mitchell Road SE	Port Orchard	WA	98366	(253) 335-6235
24248 Fix Auto Manchester	POAB LLC	Kyle Murray	1344 Colchester Drive SE	Port Orchard	WA	98366	(360) 871-9402
24044-01 Fix Auto North Kitsap	Puget Collision, LLC	Guiseppe "Joe" Morella	22177 Viking Way NW	Poulsbo	WA	98370	(360) 779-4799

<b>CENTER NUMBER/SHOP NAME</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>STREET ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE</b>
24097-01 Fix Auto Puyallup	FA Puyallup LLC	MarPatrick Murray, Kyle Murray, Thomas Murray & Wendy Murrayk Denny	11403 Valley Avenue E.	Puyallup	WA	98372	(253) 845-5665
24042 Fix Auto South Seattle	Alki Autobody, Inc.	Andrew Ajeto	5958 Corson Avenue S.	Seattle	WA	98108	(206) 762-5557
24073 Fix Auto Interbay	KGH, Inc.	Jon Kim	2600 15th Avenue W.	Seattle	WA	98119	(206) 283-4369
24093-01 Fix Auto Silverdale	Puget Collision, LLC	Guiseppe “Joe” Morella	11632 Clear Creek Road NW	Silverdale	WA	98383	(360) 692-5381
24071 Fix Auto Tacoma South	King’s Collision Center Inc.	William Ngo	3845 South Warner Street	Tacoma	WA	98409	(253) 474-0736
24105-01 Fix Auto Black Lake	Puget Collision, LLC	Guiseppe “Joe” Morella	3519 Black Lake Boulevard SW	Tumwater	WA	98512	(360) 352-1901

\*\*\* Denotes FIX AUTO Shop satellite or overflow facility.

**FRANCHISE AGREEMENT(S) SIGNED  
BUT FIX AUTO SHOP NOT YET OPEN (4)**

<b>SHOP NO.</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>CITY</b>	<b>STATE</b>	<b>PHONE NUMBER</b>
24258	FX Auto Temecula West	John Volpe	Temecula	CA	Unknown
24257	RYG Auto Paint Repair LLC	Efrain Sandoval	Tracy	CA	(209) 835-5472
24229	Scchenderson, Inc.	Mike Garland	Las Vegas	NV	Unknown
24230	Scchenderson, Inc.	Mike Garland	Las Vegas	NV	Unknown

**EXHIBIT I  
TO FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE  
AGREEMENT**

## FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT (23)

Following is the name and contact information of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

NUMBER/SHOP NAME	FRANCHISEE	CONTACT	CITY	STATE	PHONE NUMBER
24000 Fix Auto Anaheim	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Anaheim	CA	Unknown
24165 Fix Auto High Line	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Anaheim	CA	Unknown
24144 Fix Auto Apple Valley	*LSM, LLC	Sindi Rodriguez	Apple Valley	CA	760-256-2738
24198 Fix Auto Downtown Bakersfield	*Premier Collision Group LLC	Victor Cerritos	Bakersfield	CA	323-506-5015
24209 Fix Auto Bakersfield Southwest	*Premier Collision Group LLC	Victor Cerritos	Bakersfield	CA	323-506-5015
24210 Fix Auto Bakersville East	**Premier Collision Group	Victor Cerritos	Bakersfield	CA	323-506-5015
24004 Fix Auto Buena Park	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Buena Park	CA	Unknown
24041 Fix Auto Burlingame	**Sunny Auto Body, Inc.	Denny Chen	Burlingame	CA	415-999-3081
24006 Fix Auto Corona	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Corona	CA	Unknown
24008 Fix Auto Costa Mesa	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Costa Mesa	CA	Unknown
24002 Fix Auto Irvine	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Irvine	CA	Unknown

<b>NUMBER/SHOP NAME</b>	<b>FRANCHISEE</b>	<b>CONTACT</b>	<b>CITY</b>	<b>STATE</b>	<b>PHONE NUMBER</b>
24130 Fix Auto East Los Angeles	**Five Star Collision Inc.	Palbo Flores & Armando Flores	Los Angeles	CA	562-879-4150
24007 Fix Auto Montclair	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Montclair	CA	Unknown
24003 Fix Auto Ontario	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Ontario	CA	Unknown
24005 Fix Auto Orange	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Orange	CA	Unknown
24143 Fix Auto Normal Heights	*Deluxe Auto Body, LLC	Thomas Nguyen	San Diego	CA	619-563-5616
24146 Fix Auto San Francisco – Eddy Street	**Karry’s Auto Body, LLC	Karry Man	San Francisco	CA	415-655-3262
24178 Fix Auto West Whittier	*RABUSA Corp	Ronald Marquez	Whittier	CA	310-558-1681
24001 Fix Auto Yorba Linda	*FUSA Properties SPV LLC	FUSA Properties SPV LLC	Yorba Linda	CA	Unknown
24197 Fix Auto Henderson	**ZDR Henderson Corp	Juan Cabrera	Henderson	NV	702-672-3433
24070 Fix Auto Las Vegas Central	**ZDR Corporation, Inc.	Leticia Chavez-Cabrera	Las Vegas	NV	Unknown
24176 Fix Auto North Las Vegas	**ZDR 1 Corp	Juan Cabrera	Las Vegas	NV	702-672-3433
24194-01 Fix Auto Las Vegas Hacienda	**Scchenderson, Inc.	Mike Garland	Las Vegas	NV	831-239-9222
24231 Fix Auto Ogden Fleet Center	***Ten Motor Group LC	Nate Durbano	Ogden	UT	801-309-4922

\* Denotes transfer; Franchisee and FIX AUTO Shop remain operating in the FIX AUTO franchise system.

\*\* Denotes FIX AUTO Shop that was terminated and was subsequently reopened by a different franchisee.

\*\*\* Denotes Franchisee who has been removed from the FIX AUTO franchise system, but the FIX AUTO Shop remains operating.



**EXHIBIT J**  
**TO FRANCHISE DISCLOSURE DOCUMENT**

**AREA DEVELOPMENT AGREEMENT**

**FUSA FRANCHISOR SPV LLC**

**AREA DEVELOPMENT AGREEMENT AND RELATED EXHIBITS**

## FIX AUTO AREA DEVELOPMENT AGREEMENT

Effective Date:\_\_\_\_\_

Franchisor: **FUSA Franchisor SPV LLC**, a Delaware limited liability company

Developer:\_\_\_\_\_

### RECITALS

A. Franchisor and its predecessors have expended time, effort and money to develop a distinctive concept and operating system for the establishment and operation of a network of businesses specializing in auto body repair work and offering complete after-collision services (the “**System**”).

B. Mondofix, Inc., a Canadian corporation (“**Licensor**”), is the owner of the right, title, and interest together with all the goodwill connected thereto in and to the trade names, including the name “FIX AUTO<sup>®</sup>”, service marks, trademarks, logos, and other commercial symbols, as are now designated (and may hereinafter be designated by Franchisor in writing) as part of the System (collectively, the “**Marks**”).

C. Licensor has granted Franchisor (and in the past Franchisor’s predecessor) an exclusive right and license in the United States to use the Marks in connection with the System pursuant to that Second Amended and Restated License Agreement dated December 17, 2008, as amended November 1, 2010, which was renewed on September 17, 2017.

D. In addition to the Marks, the System includes certain standards with respect to the nature and quality of the automobile collision repair facilities (the “**FIX AUTO Shops**” or “**Shops**”) and the related services, including a FIX AUTO confidential operational manual (the “**Operations Playbook**”), technical assistance in the development of FIX AUTO Shops and their on-going success based on defined and uniform specifications with respect to layouts, equipment, supply, personnel recruiting, hiring and training, marketing and advertising, record keeping and reporting, unique customer follow-up and quality control programs, and other distinctive elements, all of which may be changed, improved and further developed by Franchisor from time to time.

E. Franchisor grants to qualified persons franchises to own and operate within a designated geographic area multiple FIX AUTO Shops offering the products and services authorized and approved by Franchisor and utilizing the System.

F. Developer has applied for development rights to own and operate FIX AUTO Shops within the geographic area designated in this Agreement, and such application has been approved by Franchisor in reliance upon all of the representations made therein.

G. Developer understands the importance to Franchisor of maintaining high and uniform standards of quality and service and the necessity of ensuring that the development of the FIX AUTO Shops conform with the System and Franchisor’s standards and specifications.

**NOW, THEREFORE**, in consideration of the foregoing, the fees and other sums payable by Developer and of the mutual covenants contained in this Agreement, the parties agree as follows:

## **1. DEFINITIONS**

In addition to the terms that are defined in other parts of this Agreement, the following terms have the indicated meanings:

**“Applicable Laws”** means all relevant or applicable national, state and local laws, including statutes, rules, regulations, ordinances, directives, and codes.

**“Approved Affiliate”** shall have the meaning assigned to it in Section 4.5.

**“Claims”** shall have the meaning assigned to it in Section 21.1A.

**“Confidential Information”** means all information relating to the System, including, among other things, all current and future: (a) manuals (including the Operations Playbook), specifications, standards, training, techniques, processes, policies, procedures, systems, data and know-how regarding the development, marketing, operation and franchising of FIX AUTO Shops; (b) specifications and information about products and services; (c) all information regarding suppliers to the System; and (d) all information associated with customers of the Shops developed hereunder. Notwithstanding the above, Confidential Information shall not include any information generally known or available to the public, or which becomes generally known or available to the public through no fault of Developer.

**“Development Area”** shall have the meaning assigned to it in Section 2.1.

**“Development Fee”** shall have the meaning assigned to it in Section 6.1.

**“Development Rights”** shall have the meaning assigned to it in Section 2.1.

**“Development Schedule”** shall have the meaning assigned to it in Section 2.1.

**“Entity”** means, collectively, a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity.

**“Event”** shall have the meaning assigned to it in Section 19.

**“FIX AUTO Shops”** or **“Shops”** shall have the meaning assigned to it in Recital D.

**“Franchise Agreement”** shall have the meaning assigned to it in Section 5.

**“Franchise Agreement Execution Deadline”** means the applicable date set forth in the Development Schedule by which Developer (or its Approved Affiliate) must sign a Franchise Agreement for a particular Shop.

**“Franchisor Indemnitees”** shall have the meaning assigned to it in Section 19.

**“Guaranty”** shall have the meaning assigned to it in Section 2.2(C).

**“Initial Franchise Fee”** shall have the meaning assigned to it in Section 6.2.

**“Licensor”** shall have the meaning assigned to it in Recital B.

**“Losses and Expenses”** means losses, liabilities, claims, penalties, actual damages (compensatory, exemplary, and punitive), fines, payments, attorneys’ fees, experts’ fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to Franchisor’s reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses.

**“Managing Director”** shall have the meaning assigned to it in Section 7.

**“Market Leaders Council”** shall have the meaning assigned to it in Section 21.6.

**“Marks”** shall have the meaning assigned to it in Recital B.

**“Opening Deadline”** means the applicable date set forth in the Development Schedule by which Developer (or its Approved Affiliate) must open a particular Shop.

**“Operations Playbook”** shall have the meaning assigned to it in Recital B.

**“Owner”** means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in Developer.

**“Ownership Interests”** means (a) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (b) in relation to a limited liability company, membership interests or other equity interests; (c) in relation to a partnership, a general or limited partnership interest; (d) in relation to a trust, a beneficial interest in the trust; and (e) in relation to any Entity (including those described in (a) through (d) above), any other interest in that Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the direction of the management of the Entity or its business (including a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Entity or its business.

**“[S]ame or substantially similar business”** shall have the meaning assigned to it in Section 11.

**“Secure Deadline”** means the applicable date set forth in the Development Schedule by which Developer (or its Approved Affiliate) must execute a purchase agreement, lease, or sublease for a particular Shop in accordance with Section 4.2.

**“System”** shall have the meaning assigned to it in Recital A.

**“Term”** shall have the meaning assigned to it in Section 2.1.

**“Third-Party Claim”** shall have the meaning assigned to it in Section 19.

## **2. GRANT OF DEVELOPMENT RIGHTS**

### **2.1 Development Rights**

A. Subject to the terms of this Agreement, Franchisor grants to Developer the exclusive right (the **“Development Rights”**) to develop within the area described in Exhibit 2.1(A) to this Agreement (the **“Development Area”**) the number of new franchised FIX AUTO Shops specified in the schedule set forth in Exhibit 2.1(B) to this Agreement (the **“Development Schedule”**). The term of this

Agreement will commence on the Effective Date and end on the earlier of: (A) the final Opening Deadline in the Development Schedule; or (B) the date on which the last Shop required to be developed hereunder opens for business (the “**Term**”). Developer (or an Approved Affiliate) shall develop, open, and maintain in operation Shops in accordance with the Development Schedule. At least thirty (30) days prior to the end of each calendar year during the Term, Developer will submit to Franchisor a business plan and budget for the development and opening of Shops for the next calendar year or portion thereof (if applicable). Upon expiration of the Term, Developer shall have no further right to develop or open new Shops in the Development Area, except as may be mutually agreed by the parties, and Franchisor and its affiliates shall thereafter have the right to franchise others to establish and operate FIX AUTO Shops in the Development Area. Developer agrees and acknowledges that Developer’s acquisition from another franchisee or Franchisor of an existing FIX AUTO Shop located in the Development Area, or a FIX AUTO Shop located in the Development Area that has been closed for fewer than twelve (12) months, will not be deemed a new Shop and, accordingly, will not count towards Developer’s development obligations under the Development Schedule.

B. Developer acknowledges and agrees that: (1) as the System evolves over time, the current logo, trade name, and Marks may change; (2) Franchisor reserves the right, in Franchisor’s sole judgment, or upon the expiration or termination of the current licensing agreement with Licensor, to add to, delete, modify, substitute or discontinue the use of any or all of the Marks, including, but not limited to, the principal Mark(s) of the System on a national or regional basis; and (3) Franchisor shall have no liability or obligation for any expenses or damages incurred by Developer as a result of a change in the use of any or all of the Marks.

## **2.2 Business Entity Developer**

If Developer is, at any time, an Entity:

A. Upon Franchisor’s request, Developer agrees to provide Franchisor with copies of Developer’s governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Developer’s formation. During the Term, Developer’s governing documents must provide that no Ownership Interest in Developer may be transferred or issued, except in accordance with Section 13. In addition, all certificates and other documents representing Ownership Interests in Developer will bear a conspicuous printed legend to that effect.

B. Developer agrees and represents that Exhibit 2.2(B) to this Agreement completely and accurately describes all Owners and their Ownership Interests in Developer and Developer’s officers and principal executives. Subject to Franchisor’s rights and Developer’s obligations under Section 13, Developer and Owners agree to sign and deliver to Franchisor promptly a revised Exhibit 2.2(B) to reflect any changes in the ownership information that Exhibit 2.2(B) now includes.

C. Upon Developer’s execution of this Agreement (or, if Developer is not then an Entity, at any such time that Developer becomes an Entity (including in the event that this Agreement is assigned to an Entity in accordance with Sections 13 and/or 14 (as applicable))), each individual Owner shall execute Franchisor’s then-current form of personal guaranty of Developer’s obligations (the “**Guaranty**”), the current form of which is attached hereto as Exhibit 2.2(C). In addition, any individual that becomes an Owner at any time after the Effective Date, whether pursuant to Sections 13 and/or 14 or otherwise, shall, as a condition of becoming an Owner, execute the Guaranty. Developer represents and warrants to Franchisor that, as of the Effective Date (or, if Developer is not then an Entity, as of the individual Owners’ execution of the Guaranty), at least one such guaranteeing Owner satisfies the Guarantor Net Worth Threshold (as defined in the Guaranty) and agrees that at least one such guaranteeing Owner shall continue to satisfy the Guarantor Net Worth Threshold at all times during the

Term. Developer agrees to, and shall cause Owners to, cooperate reasonably with Franchisor in connection with all auditing and reporting requirements relating to the Guarantor Net Worth Threshold requirement, whether contained in this Agreement or the Guaranty.

### **3. TERRITORIAL PROTECTION**

During the Term, neither Franchisor nor its affiliates will grant a franchise for the operation of a FIX AUTO Shop to anyone else in the Development Area, except for any franchised FIX AUTO Shop in operation or under lease, construction, or other commitment to open in the Development Area as of the Effective Date, provided that, Developer: (A) timely complies with the Development Schedule; and (B) is otherwise in material compliance with the terms and provisions of this Agreement. Except as expressly provided in the preceding sentence, Franchisor and its affiliates retain the absolute right to develop and operate, and license third parties to develop and operate, during and after the Term, any business under any name, including FIX AUTO Shops, in any geographic area, including the Development Area, regardless of the proximity to or effect on the Shops developed hereunder or otherwise operated by Developer and/or its affiliates (including Approved Affiliates). Without limiting the generality of the preceding sentence, Franchisor may acquire or be acquired by another business, which business may open and operate, and franchise others to open and operate, businesses similar to FIX AUTO Shops using marks other than the Marks, without providing any rights or compensation to Developer. Developer acknowledges and agrees that Franchisor and its affiliates may, and may authorize others to, engage in many business activities, and these business activities may compete with Shops.

### **4. GRANT OF FRANCHISES**

Franchisor will grant Developer a franchise for the operation of a FIX AUTO Shop at a proposed site within the Development Area upon Franchisor's approval of a completed application submitted by Developer in accordance with the form reasonably prescribed by Franchisor, as may be modified from time to time, subject to the following:

**4.1** The site which Developer proposes for a FIX AUTO Shop within the Development Area is a suitable site for a FIX AUTO Shop based upon reasonable criteria established by Franchisor in its sole discretion from time to time;

**4.2** Developer (or, if applicable, an Approved Affiliate) will secure, by purchase, lease or sublease the site in the form and manner prescribed by Franchisor, which may include the use of a form of lease prepared by Franchisor and submitted to Developer for its use. The lease, whether the form of which is the form of lease prepared by Franchisor or the form of lease mandated by the landlord of the site, must be submitted to Franchisor prior to execution for Franchisor's examination and approval to ensure that it contains the terms Franchisor requires in all leases. Developer must provide Franchisor with a copy of the executed lease within ten (10) days after execution by Developer (or, if applicable, an Approved Affiliate) and the landlord;

**4.3** Developer, its Owners, and, if applicable, any affiliates (including Approved Affiliates) are in compliance with this Agreement, each Franchise Agreement, and any other agreement with Franchisor or its affiliates (as evidenced by the fact that Franchisor has not issued a notice of default that has remained uncured);

**4.4** Developer and Owners have furnished all information Franchisor reasonably requires in evaluating Developer's application; and

**4.5** If Owners desire to establish an Entity to operate a FIX AUTO Shop to be developed pursuant to this Agreement, and that new Entity's ownership is not completely identical to Developer's ownership, Developer must seek Franchisor's approval for that new Entity to develop and operate the proposed FIX AUTO Shop as an "**Approved Affiliate**." Franchisor may refuse any such request if Developer and/or Owners do not (A) own and control at least two-thirds of the new Entity's Ownership Interests and (B) have the authority to exercise voting and management control of the FIX AUTO Shop proposed to be owned by the new Entity. For the avoidance of doubt, if the new Entity's ownership is completely identical to Developer's ownership, that Entity automatically will be considered an "Approved Affiliate" without further action.

## **5. FRANCHISE AGREEMENTS**

To maintain Developer's rights under this Agreement, Developer (or an Approved Affiliate) must sign franchise agreements for, develop, and open for business the specified number of Shops within the Development Area by the dates set forth in the Development Schedule. Developer (or an Approved Affiliate) will operate each Shop developed hereunder under a separate franchise agreement (and related documents) with Franchisor. With respect to each Shop to be developed hereunder, no later than ten (10) days after the execution of the applicable purchase agreement, lease or sublease in accordance with Section 4.2, Developer (or, if applicable, an Approved Affiliate) and Owners shall execute Franchisor's then-current form of franchise agreement and related documents, including a personal guaranty (collectively, the "**Franchise Agreement**"), the terms of which may differ from Franchisor's form of franchise agreement in effect as of the Effective Date (except as expressly provided in Section 6.2).

With respect to each Shop developed hereunder, upon Developer's (or an Approved Affiliate's) execution of the applicable Franchise Agreement, that Franchise Agreement will govern the development and operation of the Shop, although the applicable required opening date will be determined pursuant to the Development Schedule.

## **6. DEVELOPMENT FEE, INITIAL FRANCHISE FEES, AND OTHER FEES**

### **6.1 Development Fee**

In exchange for the Development Rights, Developer agrees to pay Franchisor, within two (2) business days of the Effective Date, a development fee equal to one hundred percent (100%) of the Initial Franchise Fee for each Shop required to be developed hereunder (the "**Development Fee**"). The amount of the Development Fee is set forth in Exhibit 2.1(B). Developer acknowledges that the Development Fee is fully earned by Franchisor when paid, is not refundable, and, except as provided in Section 6.2, is not credited against any fees payable to Franchisor.

### **6.2 Initial Franchise Fee**

The initial franchise fee for each Shop required to be developed hereunder is Ten Thousand Dollars (\$10,000) (the "**Initial Franchise Fee**"). With respect to each Shop developed hereunder, Franchisor will credit Ten Thousand Dollars (\$10,000) of the Development Fee against the applicable Initial Franchise Fee on the date on which the Initial Franchise Fee is payable under the applicable Franchise Agreement.

### **6.3 Other Fees**

Following the opening of each Shop, Developer (or its Approved Affiliate) shall pay monthly base fees, growth fees, advertising fees, and central review fees, in addition to other amounts



owed under the applicable Franchise Agreement, in accordance with the terms of such Franchise Agreement.

## **7. MANAGEMENT AND SUPERVISION OF SHOPS**

Prior to the opening of the first Shop developed hereunder, Developer shall hire and train a managing director (the “**Managing Director**”), who shall be subject to approval by Franchisor in its reasonable discretion. The Managing Director must devote his or her full time and efforts to the management and/or supervision of Shops within the Development Area. Developer agrees to comply with all mandatory standards issued by Franchisor relating to minimum staffing levels for the FIX AUTO Shops, including the presence of district managers (as specified in the Operations Playbook), provided Franchisor shall not be deemed to have any control or authority over Developer’s labor relations, including employee selection, training, promotion, termination, discipline, hours worked, rates of pay, benefits, work assigned, working conditions, or adjustment of grievances and complaints, or any other control over Developer’s employment practices.

## **8. TERMINATION**

### **8.1 Mutual Termination**

This Agreement and all rights and obligations of the parties may be terminated at any time by the mutual agreement of the parties.

### **8.2 By Franchisor**

Franchisor may terminate this Agreement, effective upon delivery of written notice to Developer, if:

A. With respect to any Shop to be developed or developed hereunder, Developer (or, if applicable, an Approved Affiliate) fails to execute a purchase agreement, lease or sublease for the Shop premises in accordance with Section 4.2 by the applicable Secure Deadline and/or fails to develop and open the Shop by the applicable Opening Deadline;

B. At any time during the Term, Developer and, if applicable, its Approved Affiliates fail to have open and operating at least the cumulative number of new Shops in the Development Area then required by the Development Schedule;

C. Any franchise agreement between Developer (or, if applicable, an affiliate of Developer (including an Approved Affiliate)) and Franchisor, whether executed prior or pursuant to this Agreement, is terminated by Franchisor in accordance with its terms;

D. If Developer or any Owner is judged bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, is unable to pay its debts as they become due, or a petition under any bankruptcy law is filed by or against Developer or any Owner or a receiver or other custodian is appointed for a substantial part of the assets of Developer’s business hereunder, including any Shop developed hereunder;

E. Developer abandons, surrenders, transfers control or fails to actively operate Developer’s business contemplated hereunder;

F. Developer or any Owner is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation and the goodwill associated with the System and Marks;

G. Developer violates any law, ordinance, rule, or regulation of a governmental agency in connection with Developer's business and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation, constitutionality, or legality of such law, ordinance, rule, or regulation, and Developer promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality;

H. Developer or any Owner makes an unauthorized assignment of this Agreement or an ownership interest in Developer;

I. Developer or any Owner violates any of the covenants contained in Section 10 or 11 of this Agreement; or

J. Developer or any Owner fails to comply with any other provision of this Agreement and fails to correct such failure within thirty (30) days following notice thereof from Franchisor.

### **8.3 Effect of Termination**

For the avoidance of doubt, in the event that this Agreement is terminated for any reason in accordance with the terms of this Agreement: (A) Developer's rights under this Agreement (including Developer's limited exclusive rights in the Development Area) shall terminate, and Developer shall have no further right to develop or open any new Shops in the Development Area, except that Developer will be entitled to complete and open a Shop for which a Franchise Agreement has been fully executed and delivered to Developer prior to such termination; and (B) Franchisor and its affiliates shall have the right to franchise others to establish and operate FIX AUTO Shops in the Development Area. Developer shall have the right to continue to operate all Shops that were in operation or under development prior to termination of this Agreement pursuant to the terms of the fully executed Franchise Agreements for such Shops, subject to Developer's or the applicable Approved Affiliate's (as applicable) continuing compliance with such Franchise Agreement. Developer agrees that, upon expiration or termination of this Agreement, Developer and Owners will immediately cease using any Confidential Information, whether directly or indirectly, in any business or otherwise and return to Franchisor all copies of any other confidential materials that Franchisor has loaned to Developer. Developer and Owners may not directly or indirectly sell, trade or otherwise profit in any way from any Confidential Information at any location or any time following the expiration or termination of this Agreement.

## **9. ALTERNATIVE REMEDIES**

Without waiving its option to terminate this Agreement under Section 8, if Developer fails to meet the Development Schedule, Franchisor may, in Franchisor's discretion, do any one or more of the following in lieu of termination, effective immediately on the delivery of notice to Developer:

**9.1** Reduce the number of Shops that are set forth under the Development Schedule;

**9.2** Withhold evaluation or approval of site proposal packages for new Shops;

**9.3** Extend the Development Schedule; and/or

**9.4** Without removing Developer's obligation to maintain the Development Schedule, terminate any limited exclusive rights in the Development Area that Developer has under this Agreement.

On termination or expiration of the Development Rights, Developer will immediately cease to develop new Shops in the Development Area, and Franchisor will be entitled to franchise others to establish and operate FIX AUTO Shops in the Development Area. Termination of this Agreement will not, by itself, terminate Developer's rights and obligations to operate Shops that are in operation or under development under effective Franchise Agreements at the time of termination.

## **10. CONFIDENTIAL INFORMATION**

Developer acknowledges and agrees that by entering into this Agreement, Developer will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information that Franchisor periodically designates in relation to the development of Shops during the Term and according to Franchisor's standards and this Agreement's other terms and conditions, and that Developer's use of any Confidential Information in any other business would constitute an unfair method of competition with Franchisor and its franchisees. Franchisor and its affiliates own all right, title and interest in and to the Confidential Information. Developer further acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Developer only on the condition that Developer and Owners agree, and Developer and they do agree, that Developer and Owners:

**10.1** will not use any Confidential Information in any other business or capacity, whether during or after the Term;

**10.2** will keep the Confidential Information absolutely confidential, both during the Term and thereafter for as long as the information is not generally known in the automotive repair industry;

**10.3** will not make unauthorized copies of any Confidential Information disclosed in written or other tangible or intangible form;

**10.4** will adopt and implement all reasonable procedures that Franchisor periodically designates to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Shop personnel and others needing to know such Confidential Information to operate the Shop, and using confidentiality agreements with those having access to Confidential Information. Franchisor has the right to regulate the form of agreement that Developer uses and to be a third-party beneficiary of that agreement with independent enforcement rights; and

**10.5** will not sell, trade or otherwise profit in any way from the Confidential Information, except during the Term using methods Franchisor approves.

## **11. RESTRICTIVE COVENANTS**

During the Term, Developer, its subsidiaries and affiliates and Owners will not have any direct or indirect interest anywhere in any same or substantially similar business to a FIX AUTO Shop, or in any Entity awarding franchises or licenses or establishing joint ventures or other business enterprises for the operation of a same or substantially similar business without prior written consent from Franchisor. As used herein, "**same or substantially similar business**" shall mean a collision repair facility or body shop business; "same or substantially similar business" shall specifically exclude any other automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries. Unless specifically authorized by Franchisor, Developer agrees that it will not join, participate in, become a member, or otherwise be

associated with any other collision repair network or affiliation, branded or unbranded, which provides services similar to those provided by Franchisor, including specifically, participation in insurance company direct repair programs and supplier purchasing programs.

## **12. ASSIGNMENT BY FRANCHISOR**

This Agreement is fully assignable by Franchisor and the assignee or other legal successor to Franchisor's interests will be entitled to receive all of the benefits of this Agreement.

## **13. ASSIGNMENT BY DEVELOPER**

This Agreement and the Development Rights contained in this Agreement are personal to Developer and Owners and may not be voluntarily, involuntarily, directly or indirectly, assigned or otherwise transferred or encumbered by Developer or Owners without the prior written consent of Franchisor, provided that any transfer or assignment of this Agreement may only be made in connection with the transfer of all Shops owned and operated by Developer and, if applicable, its affiliates (including Approved Affiliates). For purposes of this Section, a sale, assignment, or transfer of any direct or indirect Ownership Interest in Developer shall be deemed an assignment or transfer of this Agreement.

## **14. ASSIGNMENT TO ENTITY**

Franchisor will consent to the transfer of this Agreement to an Entity that Developer forms for the convenience of ownership, provided that: (A) the Entity is newly formed; (B) the Entity has and will have no business other than the development and operation of Shops; (C) Developer and the Entity satisfy Franchisor's then-current conditions for transfer; (D) Developer holds all Ownership Interests in the Entity or, if Developer is owned by more than one individual, each Owner's proportionate Ownership Interest in the Entity is the same as his/her equity interest in Developer prior to the transfer; and (E) Developer and the Entity comply with the Entity requirements set forth in Section 2.2.

## **15. PUBLIC OFFERING**

Securities in Developer may not be sold by public offering without Franchisor's prior written consent. If Franchisor consents to a public offering of Developer's securities, the following terms and conditions will apply. All materials required by federal or state law for any sale of Developer's securities pursuant to such registration statement must be submitted to Franchisor for review prior to their being filed with any government agency. No such materials shall imply (by use of the Marks or otherwise) that Franchisor is participating as an underwriter, issuer, or offeror of Developer's securities. Any review by Franchisor of the offering materials or the information included therein will be conducted solely for Franchisor's benefit and not to benefit or protect any other person. No investor should interpret such review by Franchisor as an approval, endorsement, acceptance, or adoption of any representation, warranty, covenant, or projection contained in the materials reviewed; and the offering documents shall include legends and statements as Franchisor may specify, including legends and statements which disclaim Franchisor's liability for, or involvement in, the transaction described in the offering documents. Developer and the other participants in the offering must agree in writing to fully indemnify Franchisor in connection with the offering in the form Franchisor prescribes. Developer agrees to give Franchisor written notice at least sixty (60) days prior to the date of commencement of any offer covered by this Section. In no event shall Developer permit or allow any of Developer's securities to be owned, directly or indirectly, by any competitor of Franchisor or its affiliates. Franchisor may charge Developer a fee for reviewing the materials required to be submitted to Franchisor by this Section.

## **16. BINDING EFFECT**

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement may not be amended or modified except by a written agreement signed by both Franchisor and Developer.

## **17. CONSTRUCTION**

This Agreement and all Exhibits to this Agreement constitute the entire agreement of the parties with respect to the subject matter of this Agreement, and there are no other oral or written understandings or agreements between Franchisor and Developer relating to the subject matter of this Agreement. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations that Franchisor made in the Franchise Disclosure Document that Franchisor provided to Developer. The words “include,” “includes,” “including,” and words of similar import shall be interpreted to mean “including, but not limited to” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or Entity not a party hereto. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs. The term “Developer” as used herein is applicable to one or more persons or legal entities, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. This Agreement may be executed in multiple copies, each of which shall be deemed an original. **TIME IS OF THE ESSENCE OF THIS AGREEMENT.**

## **18. RELATIONSHIP OF THE PARTIES**

Developer is an independent contractor. Nothing in this Agreement, or arising from the conduct of the parties hereunder, is intended to or does in fact or law make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. Neither this Agreement, the nature of the relationship of the parties nor the dealings of the parties pursuant to this Agreement creates a fiduciary relationship between the parties. Further, Franchisor and Developer are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Developer’s acts or omissions under any circumstances. To the extent that the Operations Playbook or Franchisor’s guidelines or standards contain employee-related policies or procedures that might apply to Developer’s employees, those policies and procedures are provided for informational purposes only and do not represent mandatory policies and procedures to be implemented by Developer. Developer must determine to what extent, if any, these policies and procedures may be applicable to Developer’s business operations. Franchisor and Developer recognize that Franchisor neither dictates nor controls labor or employment matters for developers and that Developer, and not Franchisor, is solely responsible for dictating the terms and conditions of employment for Developer’s employees, including training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. Franchisor has no relationship with Developer’s employees, and Developer has no relationship with Franchisor’s employees.

Developer agrees to conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of Developer’s business and agrees to place such other notices of independent ownership on forms, business cards, stationery, advertising and other materials as Franchisor may require from time to time.

Developer may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in Franchisor’s name or on Franchisor’s behalf or represent that the

relationship of the parties hereto is anything other than that of independent contractors. Franchisor will not be obligated by or have any liability under any agreements made by Developer with any third party or for any representations made by Developer to any third party. Franchisor will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of the business hereunder.

## **19. INDEMNIFICATION**

From and after the Effective Date, Developer and Owners, jointly and severally, shall indemnify Franchisor and its parents, subsidiaries and affiliates and their respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal predecessors, legal successors, and assigns of each of the forgoing entities/individuals (in their corporate and individual capacities) (collectively, all such individuals and entities are referred to herein as the **“Franchisor Indemnitees”**) and hold the Franchisor Indemnitees harmless to the fullest extent permitted by Applicable Laws, from any and all Losses and Expenses incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of any Shop, including the failure of Developer to perform any covenant or agreement under this Agreement or any activities of Developer on or after the Effective Date, or any claims by any employee of Developer arising out of or relating to his or her employment with Developer (collectively, **“Event”**), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the Franchisor Indemnitees; provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by any of the Franchisor Indemnitees or the gross negligence or willful acts of any of the Franchisor Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Developer).

Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a **“Third-Party Claim”**), the Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section, give a claim notice to Developer with respect to such Third-Party Claim. No delay or failure on the part of the Franchisor Indemnitee in so notifying the Developer will limit any liability or obligation for indemnification pursuant to this Section, except to the extent of any material prejudice to Developer with respect to such claim caused by or arising out of such delay or failure. Franchisor will have the right to assume control of the defense of such Third-Party Claim, and Developer and Owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim. Developer and Owners will furnish Franchisor with such information as it may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading that may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist Franchisor in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by Franchisor will be considered Losses and Expenses for purposes of this Agreement. Franchisor may as it deems necessary and appropriate take such actions to take remedial or corrective action with respect thereof as may be, in Franchisor’s reasonable discretion, necessary for the protection of the Franchisor Indemnitees or FIX AUTO Shops generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of Developer and Owners, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third-Party Claim must include a written release from liability of such claim for all Franchisor Indemnitees.

This Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

## **20. NOTICES**

All written notices and reports to be delivered by the provisions of this Agreement or of the Operations Playbook will be deemed so delivered when delivered by hand, immediately on transmission by e-mail or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to: (a) if to Franchisor, FUSA Franchisor SPV LLC, 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 (Attn: Brand President) (email address: \_\_\_\_\_); and (b) if to Developer, Developer at the address specified in Exhibit 2.2(B). Either party may change its notice address by giving the other party written notice of the change.

## **21. DISPUTE AVOIDANCE AND RESOLUTION**

For the purposes of this Section 21, “Developer” shall be deemed to include its Owners, affiliates and its respective employees, and “Franchisor” shall be deemed to include its owners, affiliates and its respective employees.

### **21.1 Mandatory Binding Arbitration, and Waiver of Court Trial**

Developer and Franchisor believe that it is important to attempt to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Developer and Franchisor have agreed that the provisions of this Section 21.1 support these mutual objectives and, therefore, agree as follows:

A. Claim Process: All controversies, disputes, or claims between Franchisor (and/or its affiliates) and Developer (and/or its affiliates) arising out of or related to: (i) this Agreement or any other agreement between Developer and Franchisor or any of its affiliates; (ii) Franchisor’s (or any of its affiliates’) relationship with Developer; (iii) the scope or validity of this Agreement or any other agreement between Developer and Franchisor or any of its affiliates, or any provision of any of those agreements (including the validity and scope of the arbitration obligation under this Section 21.1, which Franchisor and Developer acknowledge is to be determined by an arbitrator, not a court); or (iv) any aspect of Developer’s business hereunder or any System standard (collectively referred to as “**Claims**”) must be resolved as follows:

(1) First, discussed in a face-to-face meeting held within thirty (30) days after either Developer or Franchisor give written notice to the other proposing such a meeting.

(2) Second, submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor’s then headquarters is located, and in accordance with the arbitration rules of the American Arbitration Association or its successor. Judgment on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction (subject to the opportunity for appeal as contemplated below). The arbitrator shall have no authority to select a different hearing locale.

B. Confidentiality: The parties to any meeting or arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

C. Fees and Costs: The parties will bear their own fees and costs, including attorneys' fees; provided that for matters not settled through agreement of the parties, the non-prevailing party in that proceeding (as determined by the judge or arbitrator, as applicable) must reimburse the prevailing party for all of the prevailing party's costs and expenses that it incurs, including reasonable accounting, attorneys', arbitrators', and related fees.

D. Disputes Not Subject to the Arbitration Process: Claims or disputes relating primarily to the validity of the Marks and/or any FIX AUTO intellectual property licensed to Developer or any Approved Affiliate under any Franchise Agreement may be subjected to court proceedings, at Franchisor's or Licensor's sole election; provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any FIX AUTO intellectual property licensed to Developer or any Approved Affiliate under any Franchise Agreement and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the process outlined above. Developer acknowledges and agrees, however, that Developer is not licensed to use any FIX AUTO intellectual property, including the Marks, under this Agreement.

E. Developer's and Franchisor's Intentions: Developer and Franchisor mutually agree (and have expressly had a meeting of the minds) that:

(1) all issues relating to arbitration and/or the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(2) all provisions of this Agreement shall be fully enforced, including those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, shortened periods in which to bring Claims;

(3) Developer and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(4) Developer and Franchisor each knowingly waive all rights to a court trial (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring arbitration as provided in this Agreement; and

(5) the terms of this Agreement (including this Section 21.1) shall control with respect to any matters of choice of law.

## **21.2 Venue**

Without in any way limiting or otherwise affecting Developer's and Franchisor's obligations under Section 21.1, above, Developer and Franchisor agree that any litigation will be brought in the state or federal court in the jurisdiction where Franchisor's then-current headquarters is located, and Developer irrevocably submits to the jurisdiction of those courts and waives any objection it may have to either the jurisdiction or venue in those courts.



**21.3 Terms Applicable to All Proceedings, Waiver of Trial by Jury, Certain Claims, and Class Action Rights**

With respect to any arbitration, litigation or other proceeding of any kind, Developer and Franchisor:

A. IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER FRANCHISOR OR DEVELOPER.

B. AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND DEVELOPER MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON.

**21.4 Limitations on Claims**

EXCEPT FOR PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, FRANCHISOR AND DEVELOPER WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND DEVELOPER, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES (INCLUDING LIQUIDATED DAMAGES) IT SUSTAINS.

**21.5 Periods in Which to Make Claims**

No arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either Developer or Franchisor will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of the earlier of:

(1) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(2) Eighteen (18) months after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. If any federal, state or provincial law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party(ies) have been found liable and any time for appeals has run in the underlying action.

## **21.6 “Business Judgment” and “Sole Discretion” of Franchisor**

When Franchisor uses the phrase “Business Judgment,” whether in this Agreement or another context, Developer and Franchisor agree that Franchisor has the wholly unrestricted right to take or withhold an action, or to grant or decline to grant Developer the right to take or omit an action, make its decision or exercise its rights based on information readily available to it and its judgment of what is in the best interests of Franchisor, FIX AUTO Shops and the System generally at the time the decision is made, without regard to whether Franchisor could have made other reasonable or even arguably preferable alternative decisions or whether its decision promotes Franchisor’s financial or other interest. Whenever the phrases “sole and absolute discretion” or “sole discretion” are used in this Agreement or in another context, Developer and Franchisor agree that Franchisor has the wholly unrestricted right to take or withhold an action, or to grant or decline to grant Developer the right to take or omit an action. Franchisor has established a franchisee advisory committee (the “**Market Leaders Council**”) with the number of members determined by Franchisor, but consisting of not fewer than five (5) franchisee members, that, from time to time, which provides input on System standards, including performance standards, the Operations Playbook, approval of required products and services, and ethics standards. Developer, Franchisor and all other developers and franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including the competitive environment, new regulatory developments and emerging business opportunities. Developer and Franchisor acknowledge and agree that the Market Leaders Council functions in an advisory capacity only and the ultimate decision-making responsibility for the System is vested solely in Franchisor.

## **21.7 Severability of Provisions**

Each provision of this Agreement, and any portion of any provision, is severable (including any provision related to dispute resolution).

## **21.8 Choice of Laws**

Developer and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Developer and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including respective rights and obligations, concerning Developer and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of North Carolina; except that the provisions of any law of that state regarding franchises (including registration, disclosure, and/or relationship laws) shall **not** apply unless that state’s jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section 21.8. Developer and Franchisor agree that this provision shall be enforced without regard to the laws of North Carolina relating to conflicts of laws or choice of law.

## **21.9 No Recourse; Joint and Several Liability**

A. Developer acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor’s past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (1) any of Franchisor’s obligations or liabilities relating to or arising from this Agreement, (2) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Developer and Franchisor, or (3) any claim against Franchisor based on any of

Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

B. Franchisor has the right to elect in its Business Judgment to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to Developer and/or any other franchisee or other person, in a lawful manner without liability.

C. If two (2) or more persons are at any time Developer or Owners, all of their obligations and liabilities under this or any other agreement with Franchisor and/or any Franchisor affiliate will be joint and several.

## **22. ACKNOWLEDGMENTS**

The following acknowledgments are made by and binding upon all developers signing this Agreement, except those developers and area development arrangements that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

Developer acknowledges that Developer has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon the business abilities of Developer. Franchisor expressly disclaims the making of, and Developer acknowledges that Developer has not received or relied upon, any warranty or guarantee, express or implied, as to the potential revenues, profits or success of the business venture contemplated by this Agreement. Developer acknowledges that it has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees or agents that are contrary to the terms of this Agreement or the documents incorporated or referenced herein, and further represents to Franchisor, as an inducement to Franchisor's entry into this Agreement, that Developer has made no misrepresentations in obtaining the Development Rights granted hereunder. Developer has read this Agreement and has been given the opportunity to clarify any provisions that Developer did not understand and to consult with an attorney and other professional advisors.

## **23. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**

The following provision applies only to developers and area development arrangements that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, Developer and Franchisor have executed and delivered this Agreement in counterparts on the day and year first above written. This Agreement may be signed with full legal force and effect using electronic signatures and records.

**THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS AND UNTIL SIGNED BY THE DESIGNATED OFFICER OF FRANCHISOR. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR FRANCHISOR.**

**FRANCHISOR:**

**FUSA FRANCHISOR SPV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DEVELOPER:**

If Developer is an individual:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

If Developer is an Entity:

\_\_\_\_\_  
Legal Name of Developer Entity

a \_\_\_\_\_ (Jurisdiction of  
Formation) Entity

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FIX AUTO  
EXHIBIT 2.1(A)**

**DEVELOPMENT AREA**

The Development Area will be \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(as depicted on the attached map), provided that the location of any FIX AUTO Shop in operation or under lease, construction, or other commitment to open in the Development Area as of the Effective Date, and, with respect to any such franchised FIX AUTO Shop, any protected area then granted by Franchisor under the applicable FIX AUTO franchise agreement, all or part of which is in the Development Area, are expressly excluded from the Development Area.

Any political boundaries included in the description of the Development Area will be considered fixed as of the Effective Date and will not change notwithstanding a political reorganization or a change in those boundaries. Unless otherwise specified, all street boundaries will be deemed to end at the street center line unless otherwise specified.

## Development Area Map

[insert map]

**FIX AUTO  
EXHIBIT 2.1(B)**

**DEVELOPMENT INFORMATION**

1. Development Fee: \_\_\_\_\_ (\$\_\_\_\_\_).
2. Development Schedule. During the Term, Developer will develop \_\_\_\_\_ new franchised Shops in the Development Area in accordance with the Development Schedule below:

<b>Secure Deadline</b>	<b>Franchise Agreement Execution Deadline</b>	<b>Opening Deadline</b>	<b>Cumulative Number of New Shops Required to Be Open and Operating in the Development Area No Later than the Opening Deadline (in Previous Column)</b>
			1
			2

(1) With respect to each Shop to be developed under this Agreement, Developer (or an Approved Affiliate) must execute a purchase agreement, lease, or sublease for the Shop premises in accordance with Section 4.2. of this Agreement by no later than the applicable Secure Deadline, sign a Franchise Agreement by no later than the applicable Franchise Agreement Execution Deadline, and develop and open the Shop by no later than the applicable Opening Deadline.

(2) At all times during the Term, Developer must have open and operating at least the cumulative number of new Shops in the Development Area then required by the Development Schedule.

**FIX AUTO  
EXHIBIT 2.2(B)**

**DEVELOPER NOTICE AND OWNERSHIP INFORMATION**  
(as applicable)

1. Developer Notice Information (street address and email address): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Developer's Entity Type (e.g., corporation, limited liability company, general or limited partnership): \_\_\_\_\_
3. Developer's State/Commonwealth of Formation/Organization/Incorporation: \_\_\_\_\_  
\_\_\_\_\_
4. Developer's Date of Formation/Organization/Incorporation: \_\_\_\_\_
5. Developer's ownership structure is as follows:

Owner	Ownership Interest in Developer
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____



6. Developer's officers and principal executives are as follows:

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

**FIX AUTO  
EXHIBIT 2.2(C)**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** (this “**Guaranty**”) is given by the undersigned (“**Guarantors**”) effective as of the Effective Date.

In consideration of, and as an inducement to, the execution of the Area Development Agreement (the “**Agreement**”) on the Effective Date by **FUSA FRANCHISOR SPV LLC** (“**Franchisor**”), each Guarantor personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that \_\_\_\_\_ (“**Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of 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 non-competition, confidentiality and transfer requirements. (All capitalized terms used by not defined in this Guaranty will have the meanings set forth in the Agreement.)

Each Guarantor acknowledges that he, she or it is either an owner (whether direct or indirect) of Developer or otherwise has a direct or indirect relationship with Developer or its affiliates; that he, she or it will benefit significantly from Franchisor’s entering into the Agreement with Developer; and that Franchisor would not enter into the Agreement unless Guarantors agreed to sign and comply with the terms of this Guaranty.

Each Guarantor represents that, as of the Effective Date, at least one Guarantor satisfies the Guarantor Net Worth Threshold (defined below) and agrees that, at all times during the term of the Agreement, at least one Guarantor will satisfy the Guarantor Net Worth Threshold. The “**Guarantor Net Worth Threshold**” means the minimum net worth (*i.e.*, total assets less total liabilities, each as calculated in accordance with U.S. generally accepted accounting principles) that Franchisor requires at least one Guarantor to satisfy under this Guaranty and the Agreement, as such minimum net worth is periodically modified by Franchisor in accordance with the following paragraph. Guarantors agree to provide Franchisor on an annual basis financial statements or other documents that Franchisor reasonably specifies, certified by Developer or Guarantors in the manner that Franchisor specifies, demonstrating Guarantors’ compliance with such Guarantor Net Worth Threshold requirement. Upon reasonable advance notice, but no more than twice during any calendar year during the Agreement’s term, Franchisor may examine the applicable Guarantor’s business, bookkeeping, accounting and tax records to ascertain Guarantors’ compliance with the Guarantor Net Worth Threshold requirement. Guarantors agree to cooperate reasonably with Franchisor in connection with all auditing and reporting requirements relating to the Guarantor Net Worth Threshold requirement, whether contained in this Guaranty or the Agreement. Each Guarantor acknowledges that Franchisor may terminate the Agreement (subject to the applicable notice and cure period in the Agreement) upon Guarantors’ failure to comply with the Guarantor Net Worth Threshold requirement.

As of the Effective Date, the Guarantor Net Worth Threshold is equal to One Million Dollars (\$1,000,000). Franchisor may, however, periodically increase the Guarantor Net Worth Threshold by providing Developer and/or Guarantors at least ninety (90) days’ prior written notice, if Franchisor determines, in its reasonable judgment, that Franchisor’s risk or exposure with respect to the Agreement and all other franchise and other agreements between Franchisor (or its Affiliate) and Developer (or any

of the Owners or affiliates) has increased since the Effective Date or the most recent increase in the Guarantor Net Worth Threshold, as applicable. Guarantors will comply with the modified Guarantor Net Worth Threshold, either by demonstrating to Franchisor's satisfaction that a then-existing Guarantor satisfies the modified Guarantor Net Worth Threshold or by presenting a substitute guarantor who signs Franchisor's then-current form of guaranty reflecting the modified Guarantor Net Worth Threshold, by the end of that ninety (90)-day period.

Each Guarantor consents and agrees that: (1) his, her or its direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Developer or any other person or entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Developer or to any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or any of its Owners or guarantors, and for so long as Franchisor have any cause of action against Developer or any of its Owners or guarantors; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Developer, and each Guarantor waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation that Guarantor may have against Developer arising as a result of Guarantor's execution of and performance under this Guaranty, for the express purpose that no Guarantor shall be deemed a "creditor" of Developer under any applicable bankruptcy law with respect to Developer's obligations to Franchisor; (ii) all rights to require Franchisor to proceed against Developer for any payment required under the Agreement, proceed against or exhaust any security from Developer, take any action to assist any Guarantor in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Developer; (iii) any benefit of, or any right to participate in, any security now or hereafter held by Franchisor; and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. Franchisor shall have no present or future duty or obligation to Guarantors under this Guaranty, and each Guarantor waives any right to claim or assert any such duty or obligation, to discover or disclose to Guarantors any information, financial or otherwise, concerning Developer, any other guarantor, or any collateral securing any obligations of Developer to Franchisor. Without affecting the obligations of Guarantors under this Guaranty, Franchisor may, without notice to any Guarantor, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Developer, or settle, adjust, release, or compromise any claims against Developer or any other guarantor, make advances for the purpose of performing any obligations of Developer under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and each Guarantor hereby waives notice of same. Each Guarantor expressly acknowledges that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, each Guarantor waives any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Developer, (b) any lack of authority of Developer with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Developer, (d) any circumstance whereby the Agreement shall be void or voidable as against Developer or any of Developer's creditors, including a trustee in bankruptcy of Developer, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of any Guarantor's obligations hereunder, except that Guarantors do not waive any defense arising from the due performance by Developer of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Developer or any other guarantor, and (g) any act or omission of Developer.

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

All actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and any Guarantor, will be resolved in accordance with, and subject to, the dispute resolution provisions in the Agreement. For purpose of clarification, the applicable Guarantor(s) and Developer will be deemed to be one party under such dispute resolution provisions.

**IN WITNESS WHEREOF**, each Guarantor has executed this Guaranty as of the Effective Date.

**GUARANTORS**

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Signature

---

Print Name

---

Signature

---

Print Name

---

Signature

---

Print Name

**EXHIBIT K  
TO FRANCHISE DISCLOSURE DOCUMENT**

**GUARANTEE OF PERFORMANCE**

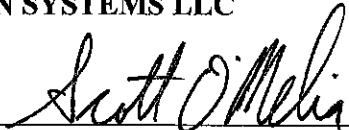
### **GUARANTEE OF PERFORMANCE**

For value received, **DRIVEN SYSTEMS LLC**, a Delaware limited liability company located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of **FUSA FRANCHISOR SPV LLC**, located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Cumming, Georgia on the 3rd day of June 2025.

#### **GUARANTOR:**

**DRIVEN SYSTEMS LLC**

By: 

Name: Scott O'Melia

Title: Executive Vice President and Secretary

**EXHIBIT L  
TO FRANCHISE DISCLOSURE DOCUMENT**

**STATE EFFECTIVE DATES**

### **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Documents be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	Pending (Exempt)
Illinois	June 13, 2025 (Exempt)
Indiana	Pending
Michigan	June 13, 2025
Minnesota	Pending
Washington	Pending (Exempt)
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.



**EXHIBIT M**  
**TO FRANCHISE DISCLOSURE DOCUMENT**

**RECEIPTS**

**ITEM 23  
RECEIPT**

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If FUSA Franchisor SPV LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, whichever comes first. [Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If FUSA Franchisor SPV LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the appropriate state agency identified on **Exhibit A**.

The franchisor is FUSA Franchisor SPV LLC, located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. Its telephone number is (704) 377-8855.

The franchise seller for this offering is/are Brian Newberry, Dennis O'Mahoney, Max Masters, Alexis Mercanti, Alesha Rodgers-Chisholm, Steve Frye, Ted Rippey, and \_\_\_\_\_, at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202; (704) 377-8855.

Issuance Date: June 13, 2025

FUSA Franchisor SPV LLC authorizes the respective state agents identified on **Exhibit A** to receive service of process for it in the particular state.

I have received a Disclosure Document from FUSA Franchisor SPV LLC dated June 13, 2025, that included the following Exhibits:

- |   |  |
|---|--|
| A. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS | G. STATE-SPECIFIC ADDENDA AND FRANCHISE AGREEMENT RIDERS                       |
| B. FRANCHISE AGREEMENT AND EXHIBITS                                     | H. LIST OF FRANCHISEES AND THEIR FIX AUTO SHOPS                                |
| C. FINANCIAL STATEMENTS   | I. LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT |
| D. STATEMENT OF PROSPECTIVE FRANCHISEE                                  | J. AREA DEVELOPMENT AGREEMENT AND EXHIBITS                                     |
| E. TABLE OF CONTENTS OF THE OPERATIONS PLAYBOOK                         | K. GUARANTEE OF PERFORMANCE  |
| F. GENERAL RELEASE OF ALL CLAIMS  | L. STATE EFFECTIVE DATES   |
|   | M. RECEIPTS  |

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

*Keep this copy for your records.*

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| F. GENERAL RELEASE OF ALL CLAIMS  | L. STATE EFFECTIVE DATES   |
|   | M. RECEIPTS  |

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

*Please sign this copy of the receipt, date your signature, and return it to: 440 South Church Street, Suite 700, Charlotte, North Carolina 28202.*