

FRANCHISE DISCLOSURE DOCUMENT
PRECISION FRANCHISING LLC
A Virginia Limited Liability Company
19980 Highland Vista Dr., Suite 155
Ashburn, VA 20147
703-777-9095
www.precisiontune.com



The franchisee will operate a Precision Tune Auto Care center, a full-service garage offering automotive products and services (including engine maintenance, lubrication, oil change, and brake products and services) to the public.

The total investment necessary to begin operation of a Precision Tune Auto Care center is from \$181,601 to \$478,100. This includes \$2,000 to \$25,000 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 the 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 government agency has verified the information contained in this document.**

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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 1, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
2. **Out-of-State Dispute Resolution.** The franchise agreement permits you to sue the franchisor only in Virginia. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to sue us in Virginia than in your home state. State franchise registration and relationship laws may affect the enforceability of choice of venue provisions (see state specific disclosure addendum and state amendments to the franchise agreement, if applicable).

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.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

General

To simplify the language in this disclosure document, “we” or “our” means Precision Franchising LLC, the franchisor. “You” means the person who is considering the franchise. If you are a corporation, partnership, or other entity considering the franchise, the term “you” includes this entity and its shareholders, partners, or other principals.

We are a Virginia limited liability company formed on August 15, 2001. Exhibit B contains a list of our agents for service of process.

We do business as Precision Franchising LLC and Precision Tune Auto Care. Our principal business address is 19980 Highland Vista Dr., Suite 155, Ashburn, VA 20147.

We acquired and further developed a system for the retail sale of automotive products and services, and for assisting franchisees in selling those products and services (the “System”). As our franchisee, you will operate a Precision Tune Auto Care® center (the “Center”) that offers to the public automotive products and services (including engine maintenance, lubrication, oil change and brake products and services). You must sign our Franchise Agreement and related agreements included in Exhibit C (the “Franchise Agreement”) and must operate the franchised business according to the standards and specifications in those agreements and our Center Policies and Procedures Manual (the “P&P Manual”) and other manuals and directives that we may issue to you from time to time (collectively, the “Manuals”).

We have been engaged in the business of franchising retail automotive products and services since October 26, 2001. The required services currently include: (1) brakes & traction control; (2) cooling system; (3) diagnostic discovery services; (4) heating & air conditioning; (5) instrument panel, gauges & warning lights; (6) lighting & light bulbs; (7) maintenance; (8) powertrain management; (9) relays & modules; (10) steering & suspension; (11) tire rotation & balance; and (12) wiper & washer systems. Optional services currently include: (1) accessories & optional equipment; (2) cruise control systems; (3) engine replacement; (4) exhaust systems; (5) horns; (6) tires & tire replacement; (7) restraint systems; (8) transmission control systems; (9) transmission & drivetrain; (10) windows & glass; (11) alignment services; and (12) state inspections. Currently, our affiliate PTAC Operating Centers LLC owns and operates twenty-Precision Tune Auto Care centers.

Parents, Predecessors, and Affiliates

We had no predecessors during the preceding 10 years.

Our parent companies and principal business address for each of them are listed below. The first company listed is our immediate parent and each company after that is the immediate parent of the prior company:

Company	Principal Business Address
Precision Tune Auto Care, Inc. (“PTAC”)	19980 Highland Vista Drive, Suite 155 Ashburn, Virginia 20147
WE JAC Corporation	19980 Highland Vista Drive, Suite 155 Ashburn, Virginia 20147
Precision Auto Care, Inc. (“PACI”)	19980 Highland Vista Drive, Suite 155 Ashburn, Virginia 20147
The Pep Boys – Manny, Moe & Jack Holding Corp (“Pep Boys”)	One Presidential Blvd, Suite 400 Bala Cynwyd, PA 19004
IEP Energy Holding LLC	16690 Collins Avenue, PH-1 Sunny Isles Beach, FL 33160
American Entertainment Properties Corp.	16690 Collins Avenue, PH-1 Sunny Isles Beach, FL 33160
Icahn Enterprises L.P. (Note 1)	16690 Collins Avenue, PH-1 Sunny Isles Beach, FL 33160

Note 1: Icahn Enterprises L.P. is a publicly traded company listed on the Nasdaq exchange.

Some of our affiliates provide products and services to our franchisees; their names and principal addresses are:

Company	Principal Business Address
Precision Printing, Inc. ("PPI")	19980 Highland Vista Drive, Suite 155 Ashburn, Virginia 20147
PTAC Operating Centers, LLC ("PTAC/OC")	19980 Highland Vista Drive, Suite 155 <u>A</u> shburn, Virginia 20147
Pep Boys	One Presidential Blvd, Suite 400 Bala Cynwyd, PA 19004
PTAC Marketing Fund, Inc.	19980 Highland Vista Drive, Suite 155 Ashburn, Virginia 20147

Pep Boys and its affiliates are engaged in the business of automotive repair and maintenance services and own and operate businesses offering products and services similar to, and competitive with, goods and services offered by our franchisees and by PACI and its subsidiaries. The Pep Boys business began in 1921 as an auto supply store and later expanded to include auto service centers. The Pep Boys business was acquired by an affiliate of Icahn Enterprises L.P. in 2016. Pep Boys has never offered franchises in any line of business.

PACI is a Virginia corporation formed on April 14, 1997. PACI owns all of WE JAC's outstanding stock. PACI was acquired by Pep Boys in July 2017. Previously, under the terms of a combination merger that took place on November 12, 1997, PACI acquired all of the shares of WE JAC, PBSI (then named Lube Ventures, Inc.) and 6 other companies. PACI's affiliate, PTAC/OC, owns and operates Precision Tune Auto Care Centers, which conduct the same business as the franchised Precision Tune Auto Care Centers. The Precision Tune Auto Care business, under one entity or another, has been in the retail automotive aftermarket business since 1976.

WE JAC Corporation is a Delaware corporation that was formed on December 3, 1986. It owns all of PTAC's outstanding stock. WE JAC offered franchises for Precision Lube Express ("PLE") and Precision Auto Wash ("PAW") from November 1997 until October 26, 2001, when those marks were transferred to us. We no longer offer franchises for those brands.

PTAC is a Virginia corporation that was formed on October 28, 1988 as Precision Tune, Inc. of Virginia. On March 3, 1989, the company changed its name to Precision Tune, Inc. ("PTI"). On September 10, 1996, PTI changed its name to Precision Tune Auto Care, Inc. PTAC owned and operated the System from 1988 until October 26, 2001. We are a wholly-owned subsidiary of PTAC.

PTW is a Washington corporation that was formed on April 22, 1994. It is a wholly owned subsidiary of PTAC.

PPI is a Virginia corporation formed on August 2, 2000, under the name of PAC Supply Corporation to supply automotive parts and other items to Precision Tune Auto Care, Precision Lube Express and Precision Auto Wash franchisees. On January 15, 2003, it changed the corporate name to Precision Printing, Inc.

PT Auto Care Canada, Inc. is a Canadian corporation. On April 25, 2003, PFL granted PT Auto Care Canada, Inc. the master franchise rights for Canada.

PTAC/OC is a Virginia limited liability company converted from a corporate entity on July 19, 2017, solely for tax purposes. PTAC/OC was initially formed as a corporation on September 22, 2006. PTAC/OC owns and operates “company-owned” Centers.

Under the terms of a management agreement, we provide administrative services to PTAC Marketing Fund, Inc. (“PMF”), a Virginia not-for-profit corporation, which manages the national Precision Tune Auto Care marketing fund and supplies marketing and marketing materials and advice to Precision Tune Auto Care centers as described in Item 11. PMF’s principal place of business is 19980 Highland Vista Drive, Suite 155, Ashburn, Virginia 20147. It changed its name from P.T.A.F., Inc. on July 16, 2003.

Prior to its bankruptcy, IEH Auto Parts Holdings LLC (“Auto Plus”) and its subsidiaries engaged in the distribution and sale of automotive parts and accessories to end-user’s (do-it-yourself customers), wholesale distributors, and professional auto mechanics. Auto Plus was formed in January 2015 and operated certain of the assets acquired by an affiliate of Icahn Enterprises L.P. in June 2015 from Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc. Uni-Select Inc. entered the U.S. automotive aftermarket parts industry in 1998. Beck/Arnley supported the U.S. automotive parts distribution business of Uni-Select Inc. Auto Plus has never offered franchises in any line of business. Auto Plus ceased operations on October 6, 2023.

Since 1963, our affiliate, AAMCO Transmissions LLC (“AAMCO”), has itself or through related entities developed, operated, and sold franchises for transmission repair and general automotive repair centers (“AAMCO Centers”). AAMCO’s principal business address is 410 Horsham Road, Suite 105, Horsham, Pennsylvania 19044. As of December 31, 2024, there were 525 franchised AAMCO Centers and three company-owned AAMCO Centers operating in the United States. There were also six franchised AAMCO Centers operating in Canada. AAMCO expects to open and operate additional company centers in the future. AAMCO has not offered franchises in any other line of business.

Our affiliate Cottman Transmission Systems, LLC (“Cottman”), offers limited trademark licenses under the Cottman® name and related marks for transmission repair and total automotive care service centers (“Cottman Centers”). Cottman or its predecessors operated Cottman Centers on an intermittent basis between 1962 and 2013, but no longer does. Cottman previously offered, sold and supported franchises for Cottman Centers from 1967 through January 15, 2018, but no longer does. Pursuant to a global agreement in December 2017 with all then-current operators of Cottman Centers, Cottman ceased offering, servicing, or otherwise supporting franchises as of January 15, 2018, and all existing Cottman Center operators simultaneously converted to operations

as trademark licensees under new trademark licenses with Cottman that replaced their terminated franchise agreements. Except for Cottman Centers, Cottman has never operated or offered franchises in any other line of business.

Except as described in this disclosure document: (1) our affiliates have not offered franchises in this or any other line of business; (2) we have not engaged in any other line of business; and (3) we have not offered franchises in any other line of business.

Our affiliates own and operate businesses and may acquire and/or merge with other franchise and non-franchised businesses, offering automotive-related services similar to and competitive with those that Precision Tune Auto Care franchisees offer.

Competition

You will compete with local, regional, and national companies offering competitive retail automotive products and services, which also includes our affiliates. The market for these products and services is well developed in most areas of the United States.

Applicable Regulations

You must comply with laws and regulations specific to the operation of retail automotive products and services businesses, including licensing and environmental laws and regulations. In addition, you must comply with local, state, and federal laws and regulations applicable to the operation of any business. We urge you to make inquiries about those laws and regulations.

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ITEM 2

BUSINESS EXPERIENCE

Director, Joseph J. Auriemma

Mr. Auriemma has been a Director of Precision Franchising since October 2024. Mr. Auriemma also serves or has served in the following capacities for The Pep Boys – Manny Moe and Jack LLC in Bala Cynwyd, Pennsylvania: Chief Executive Officer (since December 2024); Chief Executive Officer (Interim) (from September 2024 to December 2024); Chief Marketing Officer (from June 2024 to September 2024). From September 2023 to June 2024 Mr. Auriemma was V.P. Marketing at Pfizer, Inc. in New York, NY. From September 2021 to September 2023, he was V.P. Marketing for Rentokil-Terminix, working remotely. And from January 2017 to September 2021, Mr. Auriemma was V.P. Category Planning and Analysis at The Goodyear Tire & Rubber Company in Akron, Ohio.

Director, Assistant Secretary, Don Novajosky

Mr. Novajosky has been a Director of Precision Franchising since May 2024. He has been the Assistant Secretary of Precision Franchising since October 2024. Mr. Novajosky also serves or has served in the following capacities for Icahn Automotive Group LLC and The Pep Boys – Manny Moe & Jack Holding Corporation, in Atlanta, Georgia: Senior Vice President, General Counsel & Secretary (since October 2024); General Counsel and Secretary, Interim (May 2024 to October 2024); Chief Compliance officer, Deputy General Counsel & Assistant Secretary September 2021 to May 2024; Associate General Counsel (December 2018 to September 2021).

Director, Letitia du Preez

Ms. du Preez has been a Director of Precision Franchising since October 2024. She has been the Chief Financial Officer (Interim) for Pep Boys, in Bala Cynwyd, Pennsylvania, since September 2024. From February 2023 to September 2024, she was the Chief Accounting Officer of Pep Boys. From October 2020 to February 2023, she was the Vice President, Controller of Comoto Holdings, Inc., in Philadelphia, Pennsylvania. From October 2016 to October 2020, she was the Controller of RevZilla, in Philadelphia, Pennsylvania.

Director, Kate Blumenthal

Ms. Blumenthal has been a Director of Precision Franchising since May 2024. Ms. Blumenthal also serves or has served in the following capacities for The Pep Boys – Manny Moe and Jack LLC, in Bala Cynwyd, Pennsylvania: Chief Legal & Human Resources Officer (since January 2025); Chief Human Resources Officer (January 2023 to January 2025); Vice President People & Culture April 2022 to January 2023). Ms. Blumenthal also served as the Corporate Counsel, Assistant Vice President – Employment Practices for The Pep Boys – Manny, Moe & Jack in Kennesaw, Georgia from July 2016 to April 2022.

President, Michael Heineman

Mr. Heineman has been our President since January 21, 2025. He was Regional Operations Director for The UPS Store, Inc. from September 2020 to January 17, 2025 and was Regional Security Director for The UPS Store, Inc. in Minneapolis, MN from September 2010 to September 2020.

General Counsel and Secretary, Frederick Simmons

Mr. Simmons has been our Secretary since July 2017. Prior to that, he served as our Secretary and a director, from January 2006 to July 2017. He also serves as the General Counsel and Secretary for our affiliate Precision Auto Care, Inc., since July 2017. Mr. Simmons served as Senior Vice President, General Counsel and Corporate Secretary of Precision Auto Care Inc. from March 2002 to July 2017.

Senior Vice President, Operations, John Weigand

Mr. Weigand has served as our Senior Vice President, Operations since July 2017. He has also been Senior Vice President, Operations of our affiliate Precision Auto Care, Inc., since March 2002.

Vice President Training and R&D, Joel Burrows

Mr. Burrows serves as the Vice President Training/R&D for our affiliate Precision Auto Care, Inc., since September 1999. While he does not serve as an officer of the Franchisor, he does provide support to the System, principally in the areas of training and research and development.

Vice President of Franchise Development, Lee Oppenheim

Mr. Oppenheim serves as the Vice President of Franchise Development for our affiliate Precision Auto Care, Inc., since October 2007. While he does not serve as an officer of the Franchisor, he does provide support to the System, principally in the areas of franchise development and fleet management analysis.

Marketing Specialist, Karla Aliste

Ms. Aliste has been our Marketing Specialist since April 2022. She was a receptionist at Town and Country Animal Hospital in Fairfax, VA from August 2021 to 2022 and was Host, Tasting Attendant and Assistant Manager at Coopers Hawk, Reston, VA from July 2017 to May 2021.

Area Developers

In some regions of the country, we have contracted with a third party (the “Area Developer”) to sell franchises, develop Precision Tune Auto Care centers, and to provide support

services contemplated by the Franchise Agreement. Information regarding Area Developers and the regions of the country in which they operate is set forth in Part 1 of Exhibit I.

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ITEM 3

LITIGATION

Except for the one Concluded Action listed below, the litigation involving Area Developers set forth in Part 1 of Exhibit I, and the injunctive or restrictive orders involving our affiliate AAMCO listed below, there is no litigation that needs to be disclosed in this disclosure document.

Franchisor Enforcement Actions Commenced during the Past Fiscal Year (January 1, 2024 to December 31, 2024) to collect royalties and other amounts.

There are no Enforcement Actions to be disclosed during the past fiscal year.

Concluded Actions

John Scaiano and Giovanni's Auto and Tire, Inc. v. Precision Franchising, LLC, Superior Court of California, Santa Clara County, Case No. 18CV327021, Filed April 23, 2018.

On February 12, 2018, the Franchisor filed suit against Giovanni's Auto and Tire, Inc. (the "Franchisee") in the Federal District Court for the Eastern District of Virginia. The Franchisor also sued John Scaiano, the owner of the Franchisee and a guarantor of the Franchisee's obligations under the Franchise Agreement.

We brought our action against Mr. Scaiano and the Franchisee to enforce our rights under the Franchise Agreement for abandonment of the Precision Tune Auto Care center (the "Center") in connection with a sale by Mr. Scaiano of the real estate on which the Center operates.

Mr. Scaiano and Giovanni's Auto and Tire, Inc. brought the current action for declaratory relief that there had been no breach of the Franchise Agreement by sale of the real estate on which the Center operates and that the Franchisor violated the California Franchise Protection Act by suing Mr. Scaiano and the Franchisee in Virginia, not in California.

The parties settled this matter on October 8, 2018, and the case was dismissed on October 16, 2018.

Under the terms of the settlement agreement, the Franchisee signed a promissory note in favor of Precision Franchising, LLC with a confession of judgment in the amount of One-Hundred-Thousand Dollars (\$100,000) and made total payments under the settlement agreement of Sixty-Thousand Dollars (\$60,000).

Area Developers

Any litigation involving an Area Developer is set forth in Part 1 of Exhibit I.

Injunctive or Restrictive Orders or Decrees Involving AAMCO Arising from Actions Brought by a Public Agency

AAMCO became an affiliate of ours on or about October 2, 2017. The following cases were brought, and orders or decrees entered, prior to AAMCO becoming an affiliate of ours.

Virginia Corporation Commission v. AAMCO Transmissions, Inc. (Case No. SEC-2012-00042). The Commonwealth of Virginia Corporation Commission, Division of Securities and Retail Franchising (“Securities Division”) asserted that AAMCO violated the Virginia Retail Franchising Act (the “Virginia Act”) by omitting from its 2010 and 2011 franchise disclosure documents information concerning the bankruptcy proceeding of the prior employer of AAMCO’s former President, Marc Graham, when he was the executive of that prior employer a few years earlier. Without admitting fault or the Securities Division’s conclusions, AAMCO voluntarily entered into a Consent Order with the Securities Division on June 11, 2013, under which AAMCO agreed not to violate the Act in the future, and agreed to pay \$10,000 in monetary penalties.

In the Matter of AAMCO Transmissions, Inc. (Order No. S-12-0916-12-CO01, State of Washington Department of Financial Institutions-Securities Division (“Securities Division”), entered October 15, 2012). The Securities Division had asserted that AAMCO violated the Washington Franchise Investment Protection Act (the “Washington Act”) by omitting from its 2011 franchise disclosure document a statement that American Capital is a “parent” of AAMCO, contact information for a Washington franchisee whose centers AAMCO’s corporate affiliate had reacquired during 2010, and information concerning the bankruptcy proceeding of the former employer of AAMCO’s former President, Marc Graham, when he was an executive of that entity a few years earlier. Without admitting fault or the Securities Division’s conclusions, AAMCO waived its right to a hearing and judicial review and voluntarily entered into a Consent Order with the Securities Division dated October 10, 2012. Pursuant to the Order, AAMCO agreed not to violate section 19.100.170 (the anti-fraud provision of the Washington Act), and for three years not to claim any exemption from the franchise registration provisions in section 19.100.030 of the Act.

States v. AAMCO Transmissions, Inc. In the States of Iowa, Louisiana, Massachusetts, Michigan, Missouri, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Washington, West Virginia and Wisconsin, AAMCO agreed to undertake a defined standard for monitoring its franchisees in those states through categorizing and tabulating complaints received from customers of franchisees and taking defined follow-up actions as needed. Separate judgments with identical substantive terms were entered on February 18, 1987 in courts of each state capital. No findings of any violations of law were entered.

In the Matter of the Agreed Case Between the People of the State of California and AAMCO Transmissions, Inc. No. 479197, superior Court of the State of California for the County of San Diego. A final judgment pursuant to the statement of the agreed case was entered on December 14, 1981, concerning advertising procedures in the State of California.

In the Matter of the Application of the State of New York Against AAMCO Transmissions, Inc., et al. File No. 9973, issued on December 6, 1967, Supreme Court of the State of New York, County of Queens; final judgment entered by consent; judgment governs the advertising, servicing and repair of transmissions by AAMCO in the State of New York and requires AAMCO to maintain a compliance program; no findings were entered.

State of Minnesota Against AAMCO Automatic Transmissions, Inc., et al. File No. 63859, issued on October 26, 1967, District Court of the Fourth Judicial District, State of Minnesota, County of Hennepin; permanent order entered by consent without findings; order governs the advertising, servicing and repair of transmissions in the State of Minnesota and requires AAMCO to maintain a compliance program for its franchisees.

In the Matter of the State of Illinois Against AAMCO Transmissions, Inc. (File No. 79-CH-3706) Circuit Court of Cook County, Illinois; finding by stipulation that AAMCO failed to provide a prospective franchisee with a copy of the required disclosure statement within the required time; judgment was entered by consent on August 2, 1979; AAMCO agreed to pay a civil penalty of \$2,000 and to comply with requirements of the Illinois Franchise Disclosure Act.

ITEM 4

BANKRUPTCY

In January of 2023, our affiliate, IEH Auto Parts Holding LLC, the direct parent of Auto Plus, and its subsidiaries (the “Auto Plus Entities”), filed voluntary petitions (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas seeking relief under Chapter 11 of Title 11 of the United States Code. The Auto Plus Entities has completed a process to sell substantially all of their assets pursuant to Section 363 of the Bankruptcy Code. On October 6, 2023, the Chapter 11 Cases were discharged, and the Auto Plus Entities ceased doing business.

Other than the Auto Plus Chapter 11 Cases, there are no bankruptcies required to be disclosed in this franchise disclosure document.

Any bankruptcy relating to an Area Developer is set forth in Part 1 of Exhibit I.

ITEM 5

INITIAL FEES

You must pay us, in a lump sum, an initial franchise fee by cashier's check when you sign the Franchise Agreement. The initial franchise fee is fully earned when the Franchise Agreement is signed. The initial franchise fee is \$25,000 (\$10,000 if you qualify for our VetFran Program described in Item 10 below) unless you qualify for a discount under the following incentive program for multiple-unit franchisees:

Type of Initial Franchise Fee	Amount of Initial Franchise Fee	Qualifications
Full	\$25,000	First Precision Tune Auto Care franchise, or any Precision Tune Auto Care franchise that does not qualify for a discount.
Second Franchise Discount	\$15,000	Second Precision Tune Auto Care franchise, provided that you must have owned and operated 1 Precision Tune Auto Care franchise for at least 12 months.
Multiple Franchise Discount	\$10,000	Third and subsequent Precision Tune Auto Care franchise, provided that you have owned and operated at least 2 Precision Tune Auto Care franchises for at least 12 months.

If you purchase an existing Center from one of our franchisees, you or the seller must pay us a transfer fee of \$10,000 or \$2,000. You may qualify for the reduced transfer fee of \$2,000 if: (1) your full-time occupation during the two years immediately preceding the proposed transfer has been serving as the manager or fully-certified lead technician of the Center, or (2) you own another Center and have satisfied all obligations and substantially complied with all material requirements under your agreements with us. The transfer fee must be paid to us before or at the time you purchase the Center.

Under the site development addendum to the Franchise Agreement, if you cannot, after diligent effort, find an acceptable site and elect to cancel within 180 days after you sign the Franchise Agreement, you will receive a refund of 20% of the initial franchise fee, if you are not in default of the Franchise Agreement or any other agreement between us and you. We will pay the refund within 30 days after receiving your written cancellation notice. We do not otherwise provide refunds of initial franchise fees.

If you convert an existing, operational automotive repair facility to a Precision Tune Auto Care Center, at our option, we may waive the initial franchise fee in whole or in part, or we may reimburse certain costs associated with making the conversion.

From time to time, we may offer special incentive programs; if you qualify, the terms and conditions of your relationship with us may vary from the terms described above. In addition, our

Area Developers may offer, from time to time, special incentive programs. These programs will vary from area to area.

We offer to you the option to use the proprietary SoftWrench point of sale software program in connection with your operation of the Center. Should you decide to use this software, you must pay us a one-time license fee of \$200. In addition, we may also charge a license fee to use any relational database software that may be necessary to operate the Software. You must also pay us quarterly support fees for use of the SoftWrench software, currently \$300 per quarter. Quarterly support fees may be increased with notice, including notice sent to you via email.

We do not require you to pay to us or our affiliates any other initial fees, including payment for goods and services received from us or our affiliates, prior to opening of the Center.

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ITEM 6
OTHER FEES

Fee ⁽¹⁾	Amount	Due Date	Remarks
Operating fee ⁽²⁾	6.0% - 7.5% of Gross Sales, subject to \$300/week minimum ^{(3),(4)}	Payable weekly	You must pay these fees by electronic funds transfer or by other means we designate in writing.
National Marketing Fund ⁽²⁾	1.5% of Gross Sales ^{(3),(4),(5)}	Payable weekly	PMF administers a national marketing and promotional fund. (See Item 11.) You must pay these fees by electronic funds transfer or by other means we designate in writing.
Local/Co-Operative Marketing ⁽²⁾	Up to 7.5% of Gross Sales ^{(4),(5)}	Payable weekly	We may require you to participate in a marketing cooperative with other Centers. (See Item 11.) Typically, the co-op by-laws provide that each center in the co-op has 1 vote per center. These fees are payable directly to the local marketing co-operative and may be withdrawn by electronic funds transfer. The balance of any marketing fees not paid to a marketing cooperative must be spent on local advertising.
New Center Marketing	\$3,000	Four-week period before and four week period after opening	Minimum amount you must spend for opening marketing and promotion.
On-Site and Local Area Training	Currently \$500 per day, per trainer, plus travel, lodging and meal expenses ^{(6),(7)}	Due on receipt of invoice	Payable only if you request training at your Center.
Equipment, Supply or Supplier testing or inspecting	Fee not to exceed the actual costs of inspecting and testing	Due on receipt of invoice	This fee covers the cost of testing or inspecting equipment, supplies, or suppliers you propose.

Fee ⁽¹⁾	Amount	Due Date	Remarks
Ongoing Training Manuals	\$10 to \$245, depending on the manual ⁽⁷⁾ (See Item 11.)	Due on receipt of invoice	
Transfer	(a) \$2,000 if transferred to an experienced manager or Precision Tune Auto Care franchisee; (b) \$10,000, if transferred to any other person ⁽⁸⁾	Before transfer	Payable if you transfer your interest in the franchise; no charge for 1st transfer to corporation that you control.
Renewal	\$2,000	On or prior to effective date of renewal	
Audit ⁽⁹⁾	Cost of audit (estimated \$6,000 to \$10,000)	Due on receipt of invoice	Payable only if we find, after an audit, that you have understated or underpaid any amount owed to us by 3% or more.
Late Reporting Fees ⁽²⁾	\$100 per week until you submit the weekly sales report	Weekly sales reports are late if we do not receive them by the due date	Payable only if you do not submit your weekly sales reports by the due date.
Late Payment Fees ⁽²⁾	18% per year, or highest rate of interest allowed by applicable law; bank service charges; administrative fees	Weekly payments are late if we do not receive them by the due date	Payable only if you do not pay your fees by the due date.
Attorneys' Fees and Costs	Will vary under circumstances	As incurred	Payable to us if we are forced to retain independent counsel and seek damages or injunctive relief to enforce the Franchise Agreement (whether or not suit is filed) or if we are required to defend your unsuccessful claim against us. Includes legal fees incurred at the trial level and appellate levels.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us (and our area developer, if any) if we are held liable for claims arising from the operation of

Fee ⁽⁹⁾	Amount	Due Date	Remarks
			your franchised business. (See Item 9.)
Site Evaluation	First site evaluation free; for all others, reimbursement of our expenses (\$500 minimum)	On receipt of invoice	Payable only if you request that we evaluate more than 1 site for you.
Securities Offering	\$5,000	On receipt of invoice	Payable only if you engage in a public or private offering of securities.
Future Lost Profits ⁽¹⁰⁾	Number of weeks remaining under the Franchise Agreement multiplied by the greater of: \$300 or 7.5% of average Gross Sales for the preceding 26 weeks of reported gross sales	On termination	Payable only if you terminate the Franchise Agreement wrongfully, or if we terminate the Franchise Agreement due to your material, uncured breach(es) (subject to state law). Future lost profits will be discounted by 20% to determine its present value.
POS Hardware and Software ⁽¹¹⁾	Depends upon vendor and products purchased	Depends upon vendor and products purchased	We have approved 2 different POS Software Systems. (See Item 11.)

If you purchase an existing Center from one of our franchisees, you or the seller must pay us a transfer fee of \$10,000 or \$2,000. You may qualify for the reduced transfer fee of \$2,000 if: (1) your full-time occupation during the two years immediately preceding the proposed transfer has been serving as the manager or fully-certified lead technician of the Center, or (2) you own another Center and have satisfied all obligations and substantially complied with all material requirements under your agreements with us. The transfer fee must be paid to us before or at the time you purchase the Center.

Note 1: Except as explained in Note 11, below, all fees are payable to us. All fees are nonrefundable. See Item 9 for references to Sections of the Franchise Agreement dealing with fees.

Note 2: You must submit your weekly sales report by Friday of each week showing sales for the previous week (Monday through Sunday). You must make all continuing payments required under the Franchise Agreement by Friday of each week based on your Gross Sales from the previous week (Monday through Sunday) by electronic fund transfer (“EFT”) or other delivery system that we designate in writing.

Note 3: If you qualify for our VetFran Program, the operating fees during the first 52

weeks of operation will be 3.75% of Gross Sales. See Item 10 for further details of our VetFran Program. In addition, whether you qualify for VetFran or not, fees may be reduced if you meet the requirements of special incentive programs in force from time to time. These incentive programs may vary from area to area (see Part 2 of Exhibit I for area-specific details). Under the current incentive program, “Partners in Profit,” in effect as of the date of this disclosure document, operating fees are reduced from 6.75% to 6% depending on increases in reported gross sales over the previous year. If reported gross sales increase by 110% over the previous year, operating fees are reduced to 6.75%; if reported gross sales increase by 120% over the previous year, operating fees are reduced to 6.5%; if reported gross sales increase by 130% over the previous year, operating fees are reduced to 6.0%.

Also, when annual reported gross sales, minus tire sales, (“Gross Sales Minus Tire Sales” or “GSMTS”) exceed **\$1,250,000**, operating fees are reduced by 50% on GSMTS in excess of **\$1,250,000**; and contributions to the national marketing fund are reduced by 50% on GSMTS in excess of **\$1,250,000**. When annual GSMTS exceeds **\$1,550,000**, operating fees and contributions to the national marketing fund fall to zero percent on GSMTS in excess of **\$1,550,000**. The operating fee for tire sales is 2 ½% of the profit margin for each sale. There is no National Marketing Fund contribution on the sale of tires. We may change the terms of the incentive program from time to time at our sole discretion.

Note 4: “Gross Sales” means the amount of sales of all products and services sold in, on, about, or from a Center, whether for cash or on a charge, credit, or time basis, without reserve or deduction for inability or failure to collect, and including income of every kind related to the franchised business. Gross Sales do not include excise or sale taxes paid to governmental authorities. In computing Gross Sales, you may deduct the amount of over-rings, refunds, allowances or discounts to customers (including coupon sales) if the amounts have been included in Gross Sales and if you comply with requirements, including time limits, relating to reporting and taking credits against Gross Sales. Under Section 4.2 of the Franchise Agreement, you must pay a minimum weekly operating fee of \$300.

Note 5: Your total marketing expenditure has 3 components: (1) contributions to the national marketing fund, (2) contributions to a local cooperative, if one exists, and (3) expenditures on local marketing. Total marketing expenditures are subject to a \$360/week minimum. Therefore, the “\$360/week minimum” would be allocated on a *pro rata* basis among contributions to the national marketing fund, any local/cooperative marketing fund, and local expenditures. Currently, of the total 9% of Gross Sales that you must spend on marketing, you must contribute 1.50% to the national marketing fund, and you must contribute up to 7.50% to a local marketing cooperative with any balance spent on local marketing.

Note 6: On-site and local-area training fees currently are \$500 per day per trainer, and are payable only if you request that we provide on-site training or training near your Center. You must also pay all reasonable travel expenses of trainers traveling outside the Ashburn, Virginia area. These fees are subject to change, but not so as to unreasonably increase your obligations.

Note 7: Although there is no charge to attend training, whether initial or continuing, in Ashburn, Virginia, at our corporate headquarters, you are responsible for paying your employees’ salaries, travel, lodging, and meal expenses.

Note 8: The \$2,000 transfer fee applies if you were the manager or certified lead technician at the Precision Tune Auto Care center being transferred during the 2 years immediately prior to the transfer, or if you were a Precision Tune Auto Care franchisee at another center during that 2 year period.

Note 9: If we reasonably believe your unaudited financial statements have material misstatements or omissions, we may require you to give us audited financial statements prepared, at your expense, by an independent certified public accountant acceptable to us.

Note 10: If we terminate your Franchise Agreement due to your breach, you must pay us the present value of our Future Lost Profits on termination (subject to state law).

Note 11: You are required to have a POS system for your Center that meets our requirements, but you are not required to purchase from us the hardware or software necessary to operate the required POS system. Your fees for purchasing required hardware and software for your POS system will vary depending upon the vendor and upon the type of software you choose to run your POS system.

The terms and conditions of our relationship with you, including the amount of royalty fees payable, may vary from the terms set forth above if you have an existing franchise relationship with us. From time to time, we may offer special incentive programs. If you qualify, the terms and conditions of your relationship with us may vary from the terms described above. (See Item 5.)

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ITEM 7

**ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT**

Expenditure	Estimated Amount or Estimated Low-High Range	When Payable	Method of Payment	Whether Refundable	To Whom Paid
Initial Franchise Fee ⁽¹⁾	\$2,000-\$25,000	When we sign your Franchise Agreement	Lump sum	Under certain circumstances (See Item 5)	Us
Land/Building ^{(2),(3)}					
Construction/Site Acquisition ⁽⁴⁾	\$ 3,500 - \$14,000	Before opening	Lump sum or monthly	No	Suppliers or Landlord
Deposits, including rent and utilities	\$ 7,000 - \$25,000	Before Opening	As incurred	Yes	Lessor, suppliers, state and others
Interior & exterior signs ⁽⁵⁾	\$ 7,000 \$50,000	Before Opening	Lump sum	No	Suppliers
Equipment, Fixtures, Furniture and Technical Service Information System ^{(6),(7),(8),(9)}	\$97,500-\$220,000	Before Opening	As Incurred	No	Suppliers (including us)
Installation of Signs and Compressors ⁽¹⁰⁾	\$ 10,000 - \$ 25,000	Before opening	Lump sum	No	Suppliers
Initial Inventory ⁽¹¹⁾	\$5,000-\$15,000	Before opening	Lump sum	No	Suppliers (including us)
Insurance (Workman's Compensation Insurance and other prepaid insurance costs)	\$ 2,000 - \$ 6,600	Monthly	Lump sum	No	Insurance Company
Initial Training ⁽¹²⁾	\$ 1 - \$2,500	As incurred	As incurred	No	Suppliers
New Center Marketing ⁽¹³⁾	\$ 10,000	As incurred	Lump sum	No	Marketing vendors

Expenditure	Estimated Amount or Estimated Low-High Range	When Payable	Method of Payment	Whether Refundable	To Whom Paid
Miscellaneous ⁽¹⁴⁾	\$2,000 - \$15,000	As incurred	As incurred	No	Suppliers
Computer Software Support ⁽¹⁵⁾	\$1,200-\$3,000	Before opening	As agreed	As agreed	Supplier or us
Computer Hardware ⁽¹⁵⁾	Purchase – \$3,000 - \$6,000	Before opening	As agreed	No	Suppliers
	Lease -- \$400 - \$8,000	Monthly	As agreed	No	Suppliers
Computer Software ⁽¹⁵⁾	\$1,000-\$3,000	Before opening	As agreed	No	Supplier or us
Additional Funds ⁽¹⁶⁾ 3 months	\$30,000 - \$50,000	As incurred	As incurred	No	Vendors, suppliers, employees & others
ESTIMATED INITIAL INVESTMENT	\$181,601-\$478,100				

The above table assumes you will lease the land and building from your landlord. If you construct the building or purchase the land, your initial investment will be higher. See Note 3 below.

Note 1: The fee for transferring your interest in the franchise is \$2,000 if the transferee is an existing PTAC franchisee, center manager or certified lead technician with at least 2 years' experience; otherwise, the transfer fee is \$10,000. See Sections 3.1.1 and 16.6 of the Franchise Agreement. We may reduce the initial franchise fee for certain existing franchisees in accordance with the incentive program described above in Item 5. If you qualify for our VetFran program, the initial franchise fee will be \$10,000. See Item 10 below. If you convert an existing, operational automotive repair facility to a Precision Tune Auto Care Center, at our option, we may waive the initial franchise fee in whole or in part or we may reimburse certain costs associated with making the conversion.

Note 2: We recommend that existing Centers and require newly built Centers have at least 6 bays with the ability to have drive-throughs on at least one of those bays. You should base your investigation of the initial costs of a Center on the assumption that you must open a Center with at least 6 bays. You may expand your center to 8 bays if your geographic location can support an 8 bay center, and after obtaining our approval.

Note 3: The numbers set forth in the chart reflect costs associated with the acquisition of a site by constructing a new facility to own or lease. You would normally develop a Center by leasing the land and building. Rental costs vary considerably depending on regional and local factors and the type of lease negotiated. Monthly base rents typically are \$5,000 to \$7,000, but may be higher or lower in some regions of the United States.

You may purchase land and build a Center yourself. The cost of land will vary considerably depending on many factors, including the region of the United States. Typically, a Center requires 1/2 acre of land. If you choose to build the Center or have a lessor do so, construction costs generally will be \$350,000 to \$500,000 (based on an undeveloped land site). Land will cost approximately \$14 - \$18 per square foot. You may also anticipate site development costs of at least \$2 per square foot, and soft costs totaling 5% of the building costs, site development costs, and land cost. A 6-bay Center requires about 3,000 square feet of building space, and each additional bay without a lower level requires about an additional 800 square feet; excavating a lower level increases the area to 1600 square feet. Many factors can affect what you may pay for the development of a Center.

If you purchase the assets of a company-owned Center and sublease the Center from us, you may make a greater initial investment than other franchisees. The investment will vary depending on a number of factors, including the extent to which we have equipped the Center, the extent to which we have made leasehold improvements to the Center, and the amount of business conducted at the Center. You also may incur additional costs, such as fees to sublease the Center and fees to assume certain commercial contracts. The total purchase price in the asset purchase and sale agreement will be established through negotiation with us.

Note 4: The figures in this chart are based upon the monthly expense for acquiring a site and constructing a new facility on that site. If you purchase an existing building, your costs for leasehold improvements may be considerably higher.

Note 5: The cost of the sign structures, exterior sign faces, and interior signs will vary depending on the size, number, and type of signs you purchase.

Note 6: Under the Franchise Agreement, you must purchase or lease all equipment required for the operation of a Center solely from suppliers approved by us periodically. The suppliers may include us or our affiliates. In addition to the equipment, you must pay delivery and installation costs.

Note 7: An above-ground lift is necessary for brake work, and you may also use the lift for oil change and lubrication services. The cost of a lift is about \$4,000, with installation costs of about \$1,500.

Note 8: We recommend above-ground lifts for oil change and lubrication work. Below ground pits are optional. For each lube pit added to a Center, there will be construction costs of about \$25,000. If your Location (as defined in Item 12) will not approve below-ground pits, you must add above-ground lifts. The cost for other oil change and lubrication equipment is about \$4,000; however, if you enter into a supply contract, an oil company may loan this equipment (including a compressor and/or a lift) at no additional cost.

Note 9: “*Other equipment*” includes a compressor (about \$6,500), air conditioning recharge/recycling equipment (about \$7,000), radiator flush/fill equipment (about \$1500) or radiator recycler (about \$4,500), wheel balancer (about \$7,900) and starting/charging systems equipment (about \$4,000). “*Other equipment*” does not include oil and lube equipment and inventory, which you may obtain directly from an oil company. Depending on local emission control and environmental regulations, you may need other specialty equipment if you offer certain services (e.g., BAR 90 emission inspection equipment).

Note 10: The installation costs for the signs, compressors, and other equipment will vary by region and location.

Note 11: Under the Franchise Agreement, you must purchase all inventory required for the operation of the Center solely from suppliers approved by us periodically. The suppliers may include us or our affiliates. The estimated \$5,000 to \$15,000 inventory cost covers the entire menu of required services.

Note 12: As noted in Items 15 and 16 in this disclosure document, you, your managers, and your technicians must successfully complete our initial training program to achieve and maintain certification to offer required services. Note that the \$2,500 figure in the chart reflects our estimate of travel, lodging, and food costs to attend only the initial training program and that there will be additional costs associated with attending continuing training programs.

Note 13: New Center Marketing expenses will vary by location depending on local media marketing rates, methods of marketing employed, and other factors. Under Section 13.6 of the Franchise Agreement, you must spend, in addition to amounts spent on normal marketing, a minimum of \$10,000 for approved opening marketing within 4 weeks after the Center opens. Depending on a number of marketing factors, we may recommend a higher minimum. This \$10,000 expenditure is for “coming soon” and “now open” signs and grand opening marketing expenses.

Note 14: You will incur additional costs for small hand tools, shop supplies, and the like.

Note 15: We estimate the cost of the software to be \$1,000 to \$3,000 and the cost of the hardware to be \$3,000 to \$6,000 if you buy the hardware. If you lease the hardware, we estimate that the monthly lease payments will be \$400 to \$800. See Item 11.

Note 16: We recommend that you have a minimum of \$30,000 to \$50,000 in additional funds. These figures are based on current costs or reasonable estimates and are, unless indicated otherwise, for an initial period of three months from the time the Center opens for business.

All estimates set forth in the chart are based upon our experience and the experience of our affiliates and predecessors operating Centers and selling franchises over the past 49 years. Since these figures are estimates, we make no representations that your costs will not exceed the estimated range when starting a Precision Tune Auto Care business. These expenses will vary according to region, time of year, and local and other conditions, such as: your management skill and experience; local economic conditions; the prevailing wage rate; competition; and the sales level you reach

during the initial phase of your business. You should review these figures with a business advisor before making any decision to purchase a franchise.

All figures in Item 7 are estimates only; your actual costs may be different depending on a number of factors. All amounts described in this Item 7 are non-refundable, except that, under certain circumstances, we may refund 20% of the initial franchise fee. Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services, and future policy changes. At the present time, we have no plans to increase amounts over which we have control. Furthermore, we may offer, from time to time, special promotions that may lower your initial investment.

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ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must install and use in and about the Center only the equipment, fixtures, furnishings, interior and exterior signs, and other items that strictly conform to the standards and specifications as stated in the Manuals or otherwise in writing. We may revise these standards and specifications, as we deem appropriate. You must offer and sell from the Center all required services and products we require, and may offer and sell from the Center any approved services and products we approve. You must not offer or sell any prohibited or other services or products of any kind or character without our express prior written consent. You must discontinue offering any services or products (whether or not previously authorized by us) promptly, on notice from us.

The following is a list of items that we require you to purchase directly from us, from approved suppliers, or according to our specifications to run your Center:

1. **Equipment.** You must purchase equipment necessary to provide required services, including, engine analyzers, exhaust analyzer, battery/starting/charging equipment, air compressor, scanners, fuel injection, air conditioning, lift, brake lathe and accessories, cooling system flush-fill and/or recycling unit.

2. **Inventory and Supplies.** You must purchase inventory and supplies necessary to provide required services, including, an inventory of automobile parts and supplies necessary to perform engine performance, maintenance, lubrication, oil changes, brake, and repair services.

3. **Fixtures, Furniture, and Office Equipment.** You must purchase required fixtures, furniture, and office equipment, including, desks, chairs, filing cabinets, fax machine, and computer hardware and software.

4. **Interior and Exterior Signage.** You must purchase required interior and exterior signage, including, depending upon local zoning ordinances, an illuminated fascia sign, a non-illuminated fascia sign, an illuminated awning, and/or an interior menu board.

5. **Point-of-Sale Computer System.** You must purchase point-of-sale and other computer systems, including software and hardware. You must also purchase the software system meeting our specifications. See Item 11 for further details.

6. **Site Selection.** You are responsible for selection of your site, but it is subject to our approval.

7. **Insurance Coverage.** To ensure adequate insurance coverage, your insurance policies must meet the specifications in Section XIV of the Franchise Agreement and in our Manuals.

8. **Sublease.** If you purchase a Center we own that includes a sublease, you must pay us the monthly rent due to the landlord under our lease. The form of the sublease will vary depending upon the terms of the lease

9. **Forms.** You must use only service order, warranty, and other forms we approve. You may use no other forms without our written permission. You may purchase the forms from us or from another supplier whose forms meet our specifications. You must use sales, marketing, and promotional materials we provide and in the manner we designate. All printed materials, including forms, stationery and signs, must use our trademarks in the manner stated in the Manuals.

You must purchase or lease all equipment, inventory, supplies, tools, and other products and materials (“items”) required for the operation of the Center solely from suppliers (including distributors, manufacturers, and other sources) approved by us periodically. The suppliers may include us and our affiliates, and you agree to use commercially reasonable efforts to utilize our affiliates as the primary supplier of items where our affiliates are competitive in terms of price and service compared with the same or similar items available from other qualified suppliers. For some items, we or our affiliates may be the sole supplier so long as such items are competitive in terms of price and service compared with substantially the same items available from other approved suppliers. Suppliers of all items must demonstrate, to our continuing reasonable satisfaction, the ability to meet our reasonable standards and specifications for such items; must possess adequate quality control and capacity to meet your needs promptly and reliably and must have been approved in writing by us and not later disapproved.

If you desire to purchase any items from an unapproved supplier, you or the supplier must submit to us a written request for approval. Our approval will not be unreasonably withheld. We reserve the right to require that our representatives be permitted to inspect the supplier’s facilities and that the supplier delivers samples from the supplier to us or our designee for testing. We may impose a charge not to exceed the reasonable costs of inspection and testing, which you or the supplier must pay. We reserve the right to re-inspect the facilities and products of any previously approved supplier and to revoke our approval on the supplier’s failure to continue to meet any of our standards and specifications.

If you wish to obtain services from third-party providers that we have not previously approved, we have the right to review the terms and conditions of those arrangements and to require additional information about the business background and qualifications of the providers, including (at our option) personal interviews with individuals providing the services. If, in providing services to you, any third party may obtain access to our confidential information, as described in Item 14 of this disclosure document, we may require, as a condition of approving the provider, that the provider sign covenants of confidentiality and non-disclosure in a form satisfactory to us. We may disapprove any provider who does not demonstrate, to our continuing satisfaction, an ability to comply with methods, procedures, and standards established for the System and described in the Manuals or otherwise in writing, and to meet your needs promptly and reliably.

Our subsidiary PPI, works to obtain competitive pricing on a number of retail items. Although all of these items are not required to operate your franchised business, they do meet PTAC specifications. There may be certain incentives to purchase certain items from one or more suppliers, including suppliers that may be our affiliates.

We may also establish and support local or regional marketing programs featuring certain products and services bearing designated brands. In our discretion, a condition of participation in those marketing programs may include compliance with the rules of the program, including certain minimum purchase requirements from specified suppliers, which may include us and our affiliates.

We have made arrangements with certain suppliers, including the following:

- Advance Auto Parts (“Advance”),
- AutoZone, Inc. (“AutoZone”),
- AllData LLC (“AllData”),
- O’Reilly Auto Parts (“O’Reilly”)
- National Pronto Association (“Pronto”)
- NTW National Tire Wholesale (“NTW”)

UniFirst has also been approved as a supplier to franchisees of uniforms and related textile products and services.

We may require you to purchase certain goods or services from these companies or their affiliates or from companies that are our affiliates (such as Pep Boys).

In April 2000, we entered into an arrangement with Advance, whose principal place of business is 365 West Salem Avenue, Roanoke, Virginia. Under the current arrangement, you receive a 5% discount off Advance’s normal installer’s pricing for parts, and we receive a fee of 2% of your qualifying purchases from Advance. The fee is provided to us for certain services performed throughout the term of the arrangement, which either party can terminate at any time.

Effective January 2002, we entered into an arrangement with AutoZone, whose principal place of business is 123 South Front, Street, Memphis, Tennessee 38103. Under this arrangement, our participating franchisees receive preferred pricing on qualifying purchases from AutoZone. We receive an incentive fee of 2% of those qualifying purchases. The fee is provided to us for certain services performed throughout the term of the arrangement, which either party can terminate at any time.

Effective January 2000, we entered into an arrangement with AllData, whose principal place of business is 9412 Big Horn Blvd., Elk Grove, California 95758. Under the current arrangement, our participating franchisees receive preferred pricing on qualifying purchases from AllData. We receive an incentive fee of 3% of those qualifying purchases. The fee is provided to us for certain services performed throughout the term of the arrangement, which either party can terminate at any time.

Effective January 1, 2003, we entered into an agreement with O’Reilly, whose principal place of business is 233 S. Patterson, Springfield, MO 65802. Under this arrangement, our participating franchisees receive preferred pricing on qualifying purchases from O’Reilly. We receive an incentive fee of 2% of those qualifying purchases. The fee is provided to us for certain services performed throughout the term of the arrangement, which either party can terminate at any time.

On August 28, 2012, we entered into an arrangement with Pronto, whose principal place of business is 204 N. Dooley, Suite 300, Grapevine, TX 76051. Under this arrangement, our participating franchisees receive preferred prices on qualifying purchases from Pronto. We receive quarterly incentive fees of 5% on those qualifying purchases. The fee is provided to us for certain

administrative services performed throughout the terms of the arrangement which either party can terminate at any time.

On March 1, 2024 , we entered into an arrangement with NTW, whose principal place of business is 4300 TBC Way, Palm Beach Gardens, FL 33410. Under this arrangement, our participating franchisees receive preferred prices on qualifying purchases from Pronto. We receive quarterly incentive fees of 2% on those qualifying purchases. The fee is provided to us for certain administrative services performed throughout the terms of the arrangement which either party can terminate at any time.

We will consider any request for the modification of a specification, or for the approval of different equipment or supplies, when you submit a written request including, in the case of a modification, the reason for the modification and, in the case of approval, sufficient technical data and specifications to enable us to determine if the equipment or supply meets our specifications. We will provide you with notification of and reasons for approval or disapproval within a reasonable time after receipt of your request. We reserve the right to perform tests that we deem necessary to determine if any equipment or supply meets our specifications and we will charge you a reasonable fee for the testing. We will approve a request if we determine that the equipment or supply meets our specifications then in effect.

We maintain in our Manuals and intranet site a list of approved equipment and software. You may request in writing our approval of a supplier. We will grant or revoke approval of a supplier based on periodic inspections, performance reviews and investigations. Within 90 days after receipt of your request, we will provide you with notification of approval or disapproval of a supplier you propose. We may charge you a fee for approval or disapproval not to exceed the reasonable costs of inspection and testing, which may include the then-current per diem charges for our personnel.

Except as otherwise explained, we do not derive any income from purchases made by you from suppliers or manufacturers other than us or our affiliates. We occasionally, however, enter into arrangements from which we or our affiliates derive income based on purchases or leases from franchisees to partially offset the administrative costs incurred by us in the initial sourcing, approval or ongoing monitoring and assistance of compliance with our quality standards by these suppliers. These payments may be in the form of equipment or products provided to us, may be in the form of a percentage of franchisee purchases (typically less than 8%), and we may keep these payments or apply them against the cost of promotional materials or price books.

None of our officers own any material interest in any supplier to the System.

We or any of our other affiliates may be the sole approved supplier for certain items of equipment, inventory, or supplies, as long as such items are competitive in terms of price and services compared with substantially the same items available from other qualified suppliers. We or our affiliates may become approved suppliers for other equipment, inventory or supplies in the future.

In our fiscal year ending December 31, 2024, we received \$677, 890 in revenues from franchisees' purchases of equipment, inventory, and supplies under our arrangements with the

suppliers disclosed in this Item 8, which was 6.7% of our total annual revenues of \$10,059,197 during the fiscal year. We do not derive any revenue from site selection services.

While franchisees must use “commercially reasonable” efforts to purchase equipment, inventory, and supplies from our affiliates, franchisees are not required at this time to make any purchase from our affiliates. During the period beginning January 1, 2024 and ending December 31, 2024, our affiliates received \$114,276 in revenues from franchisees’ purchases of equipment, inventory and supplies.

We estimate that the following purchases and leases of products and services will represent the following percentages of your total purchases and leases of products and services to establish and operate your Precision Tune Auto Care business:

	% of Total to Establish	% of Total to Operate
Purchases/Leases from Us	1% - 5%	1% - 10%
Purchases/Leases from our Affiliates	0% - 5%	0% - 5%
Purchases/Leases Under our Specifications	95% - 100%	95% - 100%

Other than those discounts, rebates, and incentives disclosed in this Item 8, we provide no material benefits to you based on your use of designated or approved suppliers.

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ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section of Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Sections A, B and C of Site Development Addendum	Items 7 and 11
(b) Pre-opening purchases/leases	Sections A, B and C of Site Development Addendum	Items 7 and 8
(c) Site development and other pre-opening requirements	Sections D and E of Site Development Addendum	Items 6, 7 and 11
(d) Initial and ongoing training	Sections 10.2-10.5 of Franchise Agreement	Item 11
(e) Opening	Section 13.6 of Franchise Agreement; Section E.5 of Site Development Addendum	Item 11
(f) Fees	Section 3.2, Section IV, 8.7, 10.6, 11.2.6, 11.3.1, 12.5, 13.1, 13.2, 16.6.1, 16.6.2, 16.7, 17.2, 18.4, and 21.5 of Franchise Agreement; Sections B.2 and 3 of Site Development Addendum; SoftWrench License and Support Agreements	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/operations manual	Sections VIII and XI of Franchise Agreement	Item 11
(h) Trademarks and proprietary information	Recital B and Section IX of Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Sections X and XI of Franchise Agreement	Items 8, 11 and 16
(j) Warranty and customer service requirements	Sections 11.2.5 and 11.2.14 of Franchise Agreement	N/A
(k) Territorial development and sales quotas	None	N/A
(l) Ongoing product/service purchases	Sections 11.2.4 - 11.2.7 of Franchise Agreement	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 11.2.3 and 11.2.11 of Franchise Agreement; Section E of Site Development addendum	Item 11

Obligation	Section of Agreement	Item in Disclosure Document
(n) Insurance	Section XIV of Franchise Agreement	Items 7 and 8
(o) Marketing	Section XIII of Franchise Agreement	Items 6, 7 and 11
(p) Indemnification	Sections 16.7, 17.3, and Section XXI of Franchise Agreement; Section C of Site Development Addendum	Item 6
(q) Owner's participation/ management/staffing	Section X and Section 11.2.10 of Franchise Agreement	Items 11 and 15
(r) Records and reports	Sections 4.3, 4.4 and Section XII of Franchise Agreement	N/A
(s) Inspections and audits	Sections 11.2.11 12.4, 12.5 and 12.6 of Franchise Agreement	N/A
(t) Transfer	Section XVI of Franchise Agreement	Item 17
(u) Renewal	Section III of Franchise Agreement	Item 17
(v) Post-termination obligations	Section XVII of Franchise Agreement	Item 17
(w) Non-competition covenants	Section XVIII of Franchise Agreement	Item 17
(x) Dispute resolution	Section XXVI	Item 17

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ITEM 10

FINANCING

VETFRAN

If you are a U. S. veteran and qualify for our Veterans Transition Franchise Initiative (“VETFRAN”) program, you will pay an initial franchise fee of \$10,000 on signing the Franchise Agreement. In addition, you will pay an operating fee of 3.75% of your gross weekly sales (minimum of \$150/week) for the first 52 weeks after you open your Center. The VETFRAN program is available to all active-duty personnel eligible to receive an honorable discharge and all U. S. veterans (Army, Navy, Air Force, Coast Guard or Marine Corps) who have received an honorable discharge. To qualify, you must sign your Franchise Agreement before March 31, 2026, and you must open your Center by December 31, 2026. Our VETFRAN Program applies only to new Centers in certain geographical areas of the U.S. and does not apply to re-franchising of Centers that were in our system at any time during the 3 years prior to the date of your Franchise Agreement. We may discontinue our participation in this program at any time.

DEVELOPMENT FINANCE PROGRAM

For development of Centers in certain areas, we may allow a new franchisee to pay \$10,000 of the initial franchise fee upon signing the Franchise Agreement and finance the balance (\$15,000.00). To obtain this financing, you must sign a promissory note (see Attachment 4 to Franchise Agreement), that offers a short-term, interest-free loan. The principal must be paid back at the earliest of: (1) your attendance at our mandatory initial franchise training, (2) our acceptance of a site for the location of your Center, (3) 90 days from the effective date of your Franchise Agreement, or (4) upon termination of your Franchise Agreement. You may prepay the principal without penalty. Should you, however, not repay your debt in a timely manner, we have the option of terminating your Franchise Agreement. We have no practice or intent to sell, assign, or discount to a third party all or any part of any debt you owe to us in connection with financing the initial franchise fee. Under the terms of the promissory note, you waive certain legal rights and defenses. You waive your right to be notified that: (1) the note has been presented for payment; (2) payment is due upon demand; (3) the note has been dishonored; and (4) the note is being protested. There are no terms in the promissory note that prevent you from asserting any defenses against us.

We have no practice or intent to sell, assign, or discount to a third party all or part of any financing arrangement of yours.

We do not receive payments directly or indirectly from any person for the placement of financing. Except as disclosed above, neither we nor any affiliate offer direct or indirect financing to you, or guarantee any note, lease or obligation of yours.

Except as disclosed above, we do not arrange financing from other sources.

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ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Our Obligations Before Opening

Before the opening of the franchised business, we must provide you with the following:

- (1) Standard floor plans, and layouts for a Center. (Section 5.1.1.) (All Sections referenced in this Item 11 are to the Franchise Agreement, unless otherwise noted.) You will need to modify these plans at your expense to meet local zoning and conditions.
- (2) We must approve in writing the site of the Center that you identify. (A.1. Schedule 1.3.)
- (3) Initial and advanced training in the system. (Section 5.1.2.)
- (4) Assistance we deem necessary in the connection with your opening of the Center. (Section 5.1.3.)
- (5) P&P Manual and any other manuals, catalogs, and materials that we may select. (Section 5.1.4.) (See "P&P Manual" below.)

We may delegate any of our obligations to our Area Developer in your geographic area.

Our Obligations During Operation

During the operation of the franchised business, we must provide you with the following:

- (1) Ongoing/continuous and advanced training. (Section 5.1.2.)
- (2) Updates to manuals and training aids. (Section 5.1.4.)
- (3) Merchandising, marketing, and other data and advice. (Section 5.1.5.)
- (4) Bulletins, brochures, manuals, and reports that we distribute regarding our plans, policies, research, developments, and activities. (Section 5.1.6.)

We may delegate any of our obligations to our area developer in your geographic area.

Marketing and Promotion

The Board of PMF determines the direction of all promotional and marketing programs, and makes all decisions regarding concepts, materials, and media for regional and national media coverage and any television, radio, and print marketing campaigns. We administer these activities for PMF pursuant to a management agreement, including creating and distributing the materials you will use for marketing on and off the Center premises such as signs and posters, direct mail, promotional brochures, and outdoor billboard marketing. It also conducts market research, organizes public relations activities, and employs marketing agencies and consultants. The Board of PMF currently consists of 1 of our officers, 1 representative who is an area developer, 1 representative who is both an area developer and a multi-unit franchisee, 1 representative who is a single-unit franchisee and 1 multi-unit franchisee. The existing PMF Board elects its own successors.

Marketing materials are created both in-house and by independent agencies retained by PMF. We must approve in writing any marketing activities that you conduct in your local market. You must use only marketing materials prepared by PMF or us, or approved by us before you use them if they are not prepared by PMF or us. If you do not receive written disapproval of the materials from us within 15 business days after we receive them, they are deemed approved. If we later disapprove any marketing materials that we had previously approved, you must immediately discontinue their use. If we disapprove of any such marketing materials, you must bear any losses associated with their obsolescence.

We have the right to designate any geographical area as a Precision Tune Auto Care advertising cooperative area, and to change the boundaries for the area at any time. If and when a cooperative exists where your Center is located, you must become a member, sign the advertising cooperative agreement in a form satisfactory to us, and keep your membership in good standing. Advertising cooperative bylaws and agreements are set forth in Part 2 of Exhibit I by area. The sole purpose of each cooperative is to place advertising and administer local advertising and marketing programs in accordance with plans we approve.

We may also establish and support local or regional marketing programs featuring certain products and services bearing designated brands. In our discretion, a condition of participation in those marketing programs may include compliance with the rules of the program, including certain minimum purchase requirements from specified suppliers, which may include us and our affiliates.

You must contribute or spend not less than 9% of your Gross Sales (but not less than \$360 per week) for promotion and marketing, currently allocated as follows:

- (a) A national marketing fund (“National Fund”) is currently in effect, and franchisee-owned and any company-owned centers must contribute an amount we designate not to exceed 9% of Gross Sales to the National Fund. Since January 1996, the amount we and our predecessor have designated as payable to PMF has been 1.5% of Gross Sales.
- (b) If both a National Fund and a regional marketing fund (“Regional Fund”) are in effect for your Center, your Center and any similarly situated company-owned Center must contribute the amounts we designate to both funds, not to exceed a total of 9% of Gross Sales. There are no Regional Funds currently in existence.

- (c) If a National Fund, a Regional Fund and local advertising cooperative (“Cooperative”) are in effect for your Center, your Center and any similarly situated company-owned Center must contribute the amounts we designate to the funds and cooperative, not to exceed a total of 9% of Gross Sales. Cooperatives generally exist wherever there is more than one Center in a Designated Market Area (DMA). **The governing documents for active Cooperatives are set forth in Part 2 of Exhibit I to this disclosure document.** If your center will be located in an area with an active co-operative, you must execute the applicable co-operative documents set forth in Part 2 of Exhibit I. Since January 1996, the amount we and our predecessor have designated as payable to each Cooperative has been up to 7.5% of Gross Sales. (See Part 2 of Exhibit I for further information.) Co-operatives are managed by us in areas where there is no Area Developer (an “Open Area”) or by an Area Developer in those areas managed by an Area Developer, and Cooperative areas are usually homologous with a DMA or, in areas managed by an Area Developer, the territory granted to the Area Developer. We retain the right to control the formation and dissolution of Cooperatives. Although we do not require Cooperatives to prepare audited financial statements, most Cooperatives do prepare some form of periodic accounting, which are available on written request to your local cooperative.
- (d) If at any time your Center or any company-owned Center’s total required contributions to the National Fund, a Regional Fund, and a Cooperative total less than 9% of Gross Sales, your Center and any similarly situated company-owned Center must allocate the remaining amount, up to 9% of Gross Sales, for local marketing and promotion. You must spend all amounts allocated for local promotion and marketing for that purpose within 12 weeks after being allocated. You must give us confirmation of these expenditures. Since January 1996, the amount that you must spend on local promotion and marketing by any franchisee-owned or company-owned Center that is not assigned to a Cooperative has been 7.5% of Gross Sales.

Although we expect the National Fund will be perpetual, we may terminate any Fund. However, no Fund will be terminated until the Fund either spends in accordance with its governing documents and stated purpose or returns to the contributors on a prorated basis all monies.

The National Fund will use all contributions and related earnings to meet any and all costs of maintaining, administering, researching, directing, and preparing promotional and marketing activities (including, among other things, the cost of creating, producing, placing, and conducting television, radio, digital, online, and print marketing campaigns; creating, producing, and distributing promotional materials for use on and off the Center premises, including signs and posters, direct mail, promotional brochures, and outdoor billboard marketing; marketing surveys and research; public relations activities; and employing agencies and consultants to assist in these matters). PMF uses moneys from the National Fund to defray expenses that it reasonably incurs in administering the National Fund. Each year, PMF spends approximately an amount equal to the funds received in that year from marketing contributions made by the System. However, for some years there is a surplus at the end of the year. PMF uses any surplus from a prior year to defray expenses on PMF programs in the next year. PMF does not account for funds by the year in which they were contributed. PMF has minimal earnings on any funds not spent, which in any event, would only be held for a short period of time. An independent certified public accountant prepares a statement of the National Fund’s operations each year. The statement is available to you upon

written request to the President of PMF. Neither we nor PMF have a fiduciary duty to you with regard to the operation or administration of the National Fund.

During PMF's fiscal year ended November 30, 2024, marketing expenditures made by the National Fund were allocated to the following items: marketing programs 74% (including agency fees and other miscellaneous expenses) program management 17% (including field services and operations expenses); and administrative expenses 9% (including legal and accounting expenses). Marketing funds are not used to sell franchises. Total expenditures made by PMF during its most recent fiscal year were approximately 94% of the funds collected by PMF during that year. At times, we may subsidize PMF's operating budget. Our subsidies are wholly voluntary, and we may or may not at our sole discretion, continue to subsidize PMF's marketing programs in the future.

We are not obligated to spend any amount on marketing in the area where your Center is located, nor to make expenditures for any franchisee in proportion to the amount of its contribution to the National Fund, nor to ensure that any franchisee benefits directly or *pro rata* from expenditures by the National Fund. We use no monies from the National Fund for marketing that is principally for the sale of franchises.

During the four-week period before and the four-week period after the opening of the Center, you must conduct opening marketing and promotions using materials and media we have previously approved for that use. We will jointly determine with you the amount that you must spend on opening marketing and promotion. This amount will be at least \$3,000.

Computer Hardware and Software

At your cost, you must install, maintain, and use computer hardware and software systems (including front and back-of-the-house systems) according to our standards and specifications. You must permit us to access and retrieve remotely any information stored on the point-of-sale system (or other computer hardware and software) that we require you to use at the Center. You must permit us to inspect and monitor electronically information concerning your Center, Gross Sales, and any other information contained or stored in the equipment and software. Also, you must install and maintain a high speed internet connection according to our specifications to permit us to access by internet, the point-of-sale system (or other computer hardware and software) used at the Center. We must have internet access as specified in the P&P Manual. You will be in material default if you fail to maintain the equipment and internet in operation and keep these accessible to us at all times throughout the term of the Franchise Agreement. We have no contractual limitations on our use of the information we obtain from the point-of-sale system or on the cost or frequency of the obligation to update and upgrade the computer hardware or software.

You must use the following hardware and software meeting the following minimum specifications:

(1) Hardware

16GB RAM (32 GB recommended)
250GB +SSD
Modem / Router /Firewall Wireless access point
External USB backup hard drive device, 16 GB or higher

Standard PC compatible keyboard & mouse
Ethernet / Wireless card for internet connectivity
1920 x 1080 capable video adaptor

(2) Monitor

20" Standard Super VGA Monitor (HDMI recommended)

(3) Printers

Windows 10 compatible network, usb or wireless Printer, (Recommend dual tray
- HP Laserjet Pro4001 connected to router via Ethernet cable)

(4) Software

Operating system Windows 11

We strongly recommend against using Softwrench on a Mac w/Parallels or any other Virtualized Windows Environment

Point-of-Sale software, as designated in the Manuals (see below)

Microsoft Office 2024 or Office 365 (Dashboard compatibility)

Anti-Virus Software (Recommended)

Anti-Spyware Software (Recommended)

Windows firewall security protection (or equivalent)

Hardware Firewall (Fortigate 60F or Meraki MX67 Recommended)

(5) Other Items

APC Back Ups 400 Uninterruptible Power Supply surge protection/power strip

Broadband Connection 15mb upload & 100 mb download or higher,

We estimate one computer system and all required hardware will cost approximately \$2,500 to \$3,800 if you purchase the equipment. If you lease the equipment, the monthly cost will range between \$200 and \$700. We do not provide leasing arrangements or recommendations. We also estimate the required computer software will cost approximately \$500 to \$2,000. We have the right to change the specifications and standards for computer hardware and software at any time.

You must obtain the approved point-of-sale software system, as designated in the Manuals. Currently, you must use 1 of the following: (1) SoftWrench™ Software which is only available from us, or (2) VAST POS, which is only available from CarParts Technologies, San Juan Capistrano, CA. We began using the current hardware configuration in March 2004. We began using the SoftWrench™ software in March 2004. Your hardware vendor may offer hardware support. Your software vendor may also offer software support.

If you choose to obtain the SoftWrench™ point-of-sale software from us, you must enter into a Software License Agreement and the Software Support Agreement with us in the forms attached to the Franchise Agreement as Attachment 7. SoftWrench Initial license fees and quarterly software support fees paid by you must be made by electronic funds transfer. We have no contractual obligation to update any software, but we may do so at any time. We may charge you a reasonable fee for any updates.

We have the right to charge you our then-current fee for providing support (including the cost of any help desk support, if we or our affiliates provide that support) for any computer system, and you must sign any additional support agreements and other documents that we require. On installation of the point-of-sale or other computer system, you must pay the pro rata portion of the support fee due, if any.

In addition, you must subscribe to a broadband Internet service provider so that we and you may communicate over the Internet. We are not limited in our ability to independently access your computer system through use of the Internet or any comparable electronic medium (See Section 11.3 of the Franchise Agreement.) We reserve the right to require you to maintain at your expense an e-mail account. We also reserve the right to approve your Internet IP address.

P&P Manual

Our P&P Manual covers the following subjects as of the date of this disclosure document:

Table of Contents Heading	No. of Pages
Precision Tune Auto Care Way – An Overview	13
Customer Service	36
Vehicle Management	9
Facility	23
People Management	18
Marketing	20
Profit Management	37
Franchise Procedures	64
Appendix	3
Total	223

We also provide you, at a charge only if training takes place at a location other than our headquarters in Ashburn, Virginia (see Item 6), the following manuals after you complete the corresponding training course: Service Writer; Engine Performance; Automotive Electronics; Emissions & OBDII and Repair; Domestic Fuel Injection; Asian Fuel Injection; Brake Service and Repair; Preventative Maintenance; and Air Conditioning.

Site Selection

We must approve the site for your Center that you identify, which must be in the general area described in the site development addendum to the Franchise Agreement. The principal reason we must approve your site is to determine whether your site may encroach upon existing Precision Tune Auto Care Centers or Precision Tune Auto Care Centers under development. However, we may also consider other factors.

We may, but are not obligated to, inspect a proposed site. If we inspect a site, we will not charge you for the first site inspection. We may require you to reimburse us for our reasonable expenses, including travel, lodging, and meal expenses, for additional site inspections. (See Item 6.)

If, after diligent efforts, you are unable to obtain an acceptable site and choose to cancel the Franchise Agreement within 6-months after we sign it, you are entitled to a refund of 20% of the initial franchise fee if you are not in default of any agreement you have with us. (See Item 5.) If you do not use diligent efforts to locate a site, and you fail to locate an acceptable site within the 6-month period, you will be in default under the Franchise Agreement, for which we may immediately terminate the franchise.

Opening of Franchised Business

You must open your build-to-suit Center within 10 months after we sign the Franchise Agreement. You must open your conversion Center within 8 months after we sign the Franchise Agreement. Franchisees typically open their Centers 0 to 10 months after we sign their Franchise Agreements. Factors which may affect this time period include location of an acceptable site, ability to obtain financing, zoning and environmental permits, construction delays (weather, labor, materials), delivery and installation of equipment and signs, and whether or not the franchisee purchases a Center that is already operating.

Training

We provide training to you as follows:

- (1) If your Center is newly built, you must successfully complete initial training at least 9 weeks before you start to operate your Center. We decide whether you have successfully completed initial training. The training will last for 1 week, for 8-10 hours per day, and training will be held Monday through Friday of each week for a total of 46.5 hours of classroom instruction. We will hold initial training at our national training center, currently in Ashburn, Virginia. We schedule 2 or more initial training sessions per year.
- (2) If you buy a Center from an existing franchise or if you convert an existing business, you must successfully complete initial training at the next scheduled time, but no later than 6 months after you buy your transferred franchise. We decide whether you have successfully completed initial training. The training will last for 1 week, for 8-10 hours per day, and training will be held on Monday through Friday of each week for a total of 46.5 hours of classroom instruction. We will hold initial training at our national training center, currently in Ashburn, Virginia. We schedule 2 or more initial training sessions per year.
- (3) In addition to initial training, before you begin operating the Center, you or your employee must successfully complete our engine performance (Level 1) course, which is 1 weeklong.

- (4) We may require any of your principals or managers who become actively involved in the management of your Center to successfully complete any training programs we require. Your technicians and other employees must successfully complete all training programs, refresher courses, and technical or business seminars as you determine are necessary. You are responsible for providing technical training (directly or through approved suppliers) to your technical, non-management personnel. As of the date of this disclosure document, we do not require attendance and completion of any training programs other than those disclosed in this disclosure document.
- (5) Although there is no fee to attend any training program in Ashburn, Virginia, you must pay for your or your employees' transportation, lodging and meal expenses, wages and employee benefits, and materials fees, including the cost of the applicable training manuals while in training programs.
- (6) If there is an Area Developer in the area where your Center is located, it may provide training or instruction, either personally or through its managers, either at your Center or at some other place within the area. In connection with any training provided by the Area Developer, you must pay for you or your employees' transportation, lodging and meal expenses, wages and employee benefits, and materials fees, including the cost of the applicable training manuals.

Our one-week initial training session is offered at least twice a year, so long as a minimum of three trainees are scheduled to attend each session. Recertification is required every five years. As of the date of this disclosure document, we provide the following training.

TRAINING PROGRAM

Subject	Hours of Classroom Training (1)	Hours of On-The-Job Training (1)	Location (2)
Welcome/Introduction	.5	0	On-site
Leadership	1.5	0	On-site
Time management	1.5	0	On-site
Profitability Analysis	14.5	0	On-site
Weekly P&L	3.5		On-site
People management	2	0	On-site
Center Staffing and Center Personnel	1	0	On-site
Center Certification	1	0	On-site
Training Curriculum	1	0	On-site
Center Equipment	0	1	On-site
Inventory Control Procedures	1	0	On-site
Marketing	6	0	On-site
Customer Service	2	0	On-site
Point of Sale introduction to SoftWrench	2	0	On-site
Service Pricing and Estimating	4	0	On-site
Telephone Skills	1	0	On-site
Bay Labor Productivity	1	0	On-site
Retail Sales Product Presentations – “Role Playing”	3	3	On-site
TOTAL	46.5	4	

Instructors are John Wiegand, Joel Burrows and Myra Koshan. The instructors’ years of experience in the field are 23-41 years. The instructors’ years of experience with the franchisor are 6 years to 37 years. In addition, we may designate an independent person or firm to conduct initial manager/retail sales or engine performance (Level 1).

Note 1: The hours devoted to each subject are estimates only and may vary substantially based on how quickly trainees grasp the material, their prior experience with the subject, and scheduling.

Note 2: In some circumstances, we may provide our initial training session in the field. Factors we will consider when making a decision to provide our initial training session in the field include, the number of students, the cost to provide training at a remote location, the availability of sufficient training facilities, and the schedule of our trainers.

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ITEM 12

TERRITORY

Subject to the terms and conditions of the Franchise Agreement, we grant to you the license, and you undertake the obligation, to operate a full-service Precision Tune Auto Care automotive service business (a “Center” or “franchised business,” as defined in Item 1) using the Marks (as defined in Item 13) and System solely at and from the accepted location described in Schedule 1.1 to the Franchise Agreement (the “Location”). You must operate the franchised business only from the Location, and you may not relocate the franchised business without our prior written consent. If, at the time you sign the Franchise Agreement, you have not obtained a location for the franchised business, you must sign the Site Development Addendum attached as Schedule 1.3 to the Franchise Agreement.

Except as set forth below, and subject to your full compliance with the Franchise Agreement, and any other agreement among you and any of your affiliates and us or any of our affiliates, unless otherwise agreed in writing, neither we nor any of our affiliates will establish or license another individual or entity to operate a Precision Tune Auto Care Center within the smallest radius (not to exceed five miles) from the Location containing a population of 50,000 population, based on the most recent decennial census, (the “Assigned Area”). The Assigned Area is not conditional on sales volume, market penetration, or any other circumstances.

As disclosed in Schedule 1.2 in Exhibit C, if, at any time during the term of your Franchise Agreement, we desire to establish or authorize any other person to establish 1 or more Precision Tune Auto Care Centers in your Assigned Area as a result of the increase in population in the Assigned Area, and if you are in compliance with your Franchise Agreement, then you will have the option to obtain the right to develop and operate the additional center(s) by entering into a Franchise Agreement. You will have 30 days to exercise your option after you receive notice from us of our intent to develop another franchised location, and if you do not exercise that right, then we may proceed with the development or franchising of the additional center(s).

Nothing in the Franchise Agreement prohibits: (1) us, our affiliates, any other franchisee, or other authorized person from establishing and operating the same or similar businesses using the Marks and System anywhere outside of the Assigned Area regardless of proximity to your Assigned Area or Location; (2) us, our affiliates, and any other franchisee, or authorized person from selling products or services in the general retail market or through third parties’ retail establishments under the Marks or different trademarks, service marks or commercial symbols within or outside of the Assigned Area, including distribution channels such as the Internet, catalog sales, telemarketing, or other direct marketing efforts; (3) us, our affiliates, and any other franchisee, or authorized person from, at any time, marketing and promoting the Marks and the System within or outside of the Assigned Area; (4) us, our affiliates, or any authorized person from developing, establishing, operating or franchising other business concepts offering similar products or services that may use the Marks or different trademarks, service marks or commercial symbols within or outside of the Assigned Area without providing any rights or compensation to you; (5) us or our affiliates from operating (or authorizing others to operate) a full-service Center or other similar automotive service facility offering the same products and services offered by a full-service Center in any “Reserved Area.” (A “Reserved Area” is defined as any transportation facility (e.g., airports, train stations,

bus terminals, port authorities); military bases or other governmental facilities; or similar locations we designate.); or (6) us, our affiliates and any authorized person or entity from developing, establishing, operating or franchising any business or concepts similar to, or competitive with, the Precision Tune Auto Care franchised business offering the same, similar or different products or services (with products or services having the same, similar or different trademarks, service marks or other commercial symbols as the products and services sold at the Precision Tune Auto Care Centers) within or without the Assigned Area without providing any rights or compensation to you, as long as such business or concept does not use the Marks to identify the business.

Before we conduct or authorize any other person or entity to operate a full-service Center or other similar automotive service facility in any Reserved Area located within your Assigned Area, we will offer you the right to sell those products and services in the Reserved Area. You must be in substantial compliance with the Franchise Agreement, and must meet each of the conditions outlined in the P&P Manual, and any other criteria and qualifications we establish, or that are established by any other third party involved in the arrangement such as the individual in charge of the facility, (i.e., the base commander, airport authority or other “Facilities Operator”), to sell the products and services in the Reserved Area. If you meet all the conditions, criteria and qualifications, we will offer to you the right to sell the products and services on similar terms and conditions that we or the Facilities Operator determine. Once we have made an offer to you in writing, you have the right to accept the offer within 30 days after receipt of the written notification. If you fail to notify us in writing of your intent to accept the offer within the thirty-day time period, we may conduct such business or authorize any other person or entity to do so.

We have affiliates that engage in the business, under different outlet names, of retail sales of automotive aftermarket products and services that may be the same as or similar to, and may compete with, Precision Tune Auto Care Centers. These other businesses do business under various names, including Pep Boys, Just Brakes and Big 10 Tires. These other centers may carry the same or similar brands as the Precision Tune Auto Care Centers. There is no restriction on these other centers locating inside or outside your Assigned Area.

The Pep Boys – Manny, Moe & Jack Holding Corp., our indirect parent company, also owns, either directly or indirectly, Pep Boys – Manny, Moe & Jack of Delaware, Inc., Pep Boys Manny, Moe & Jack of California, JBRE, LLC and Big 10 Tire Stores, LLC (collectively, the “Pep Boys Companies”). These affiliates engage in the business, under different outlet names, of automobile repair service and maintenance, that may be the same as or similar to, and may compete with, Precision Tune Auto Care Centers. These other businesses do business under various names and trademarks, including “Pep Boys,” “Just Brakes” and “Big 10 Tires.” These other centers may provide similar automotive repair service and maintenance and similar automotive aftermarket products for retail sale. Each of these affiliate centers is currently company-owned, but there may be franchisee-owned centers in the future. There is no restriction on these other centers locating inside or outside your Assigned Area, they may solicit and accept orders within your Assigned Area and they may compete with you. The principal operating address of these businesses is One Presidential Blvd., Suite 400 Bala Cynwyd, PA 19004. In the event these or other affiliates have franchisee-owned centers in the future, and should any conflict arise as to territory, customers, or franchisor support between us or Precision Tune Auto Care franchisees, and any of the Pep Boys Companies or any franchisees of any of the Pep Boys Companies, such conflict will be resolved as The Pep Boys – Manny, Moe & Jack deems appropriate under the circumstances.

Our affiliate AAMCO sells and supports franchises for transmission repair and general automotive repair centers as AAMCO Centers. These AAMCO Centers may provide automotive repair service and maintenance and automotive aftermarket products for retail sale that are similar to the products and services offered by Precision Tune franchisees.

An Affiliate of AAMCO operates eleven AAMCO Centers. AAMCO Centers do business under the AAMCO® brand including registered trademarks for “AAMCO” and “AAMCO Transmissions Total Car Care.” AAMCO and its affiliates and franchisees may solicit or accept orders and locate any AAMCO Centers within the Assigned Area of any Precision Tune Auto Care franchisee. The principal business address of AAMCO is 410 Horsham Road, Suite 105, Horsham, Pennsylvania 19044.

Our affiliate Cottman previously offered and sold franchises for, and now solely licenses use of its trademark to independent automotive repair service centers operating under the “Cottman” name. These Cottman Centers may provide automotive repair service and maintenance and automotive aftermarket products for retail sale that are similar to the products and services offered by Precision Tune franchisees. Cottman or its predecessors operated Cottman Centers on an intermittent basis between 1962 and 2013, but no longer does. Cottman sold franchises for Cottman Centers from 1967 until 2017, but no longer does.

The Cottman Centers do business under the Cottman® brand, including the registered trademarks Cottman and Cottman Transmission and Total Care Care. The Cottman licensees may solicit or accept orders, and operate a Cottman Center, within the Assigned Area of any Precision Tune franchisee. The principal business address of Cottman is 201 Gibraltar Road, Horsham, Pennsylvania 49044.

If any conflict should arise in regard to territory, customers, and franchisor support between AAMCO or affiliates or franchisees of AAMCO, and Precision Tune or Precision Tune franchisees, such conflict will be resolved as IAG deems appropriate in the circumstances.

While your Assigned Area has certain protections, as described in this Item 12, there are exceptions to your exclusive rights to the Assigned Area. Therefore, you will not receive an exclusive territory. You may face competition from outlets that we own, or from other channels of distribution or competitive brands we control.

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ITEM 13

TRADEMARKS

We grant you the non-exclusive right, privilege, and obligation to use the trademark, service mark, and trade name Precision Tune Auto Care[®], and other trademarks, service marks, trade names, logos, trade dresses, and other commercial symbols (“trademarks”) that we may make available to you, in connection with providing products and services at your Center. You may not use any of our trademarks as part of your firm or corporate name. Franchisee must not register the Marks, or any variation, for use in any electronic medium, including the Internet or the worldwide web; and Franchisee must not use the Marks, or any variation, in connection with the registration of any domain and/or website names or addresses, including any searchable metadata or Google search strings. You may not use our trademarks for the sale of unauthorized products or services or in any manner not authorized in writing by us. Any unauthorized use of our trademarks will be a default of the Franchise Agreement. All rights in and goodwill from the use of our trademarks accrue solely to us.

Registrations

Our principal trademarks (“Marks”), which have been registered on the Principal Register of the U.S. Patent and Trademark Office (“PTO”), include the following:

Registration Number	Description of Mark	Registration Date
2,125,311	PRECISION TUNE AUTO CARE & design	December 30, 1997
3,015,281	PRECISION TUNE AUTO CARE (word mark)	November 15, 2005

Renewals and Affidavits

We have filed all required renewal applications and other affidavits for the Marks.

Determinations

Except as disclosed below, there are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition, or cancellation proceedings or material litigation, involving the Marks, which are relevant to your use of the Marks.

Protection of Rights

You must notify us promptly of any use by any person or legal entity, other than us or our franchisees, of any of our trademarks or any variation of any of our trademarks. We will decide the actions to take against the use of any of our trademarks by any persons or legal entities other than us or our franchisees. Our current intent is to take strong and progressive actions (which may include bringing litigation) against that use. However, the Franchise Agreement does not require

us to take affirmative action when we are notified of any uses or claims. We will pay for any actions that we take.

You must notify us promptly of any suit brought against you involving any of our trademarks, and you must deliver to us copies of any documents related to the suit that we request. You must not communicate with any person other than us or our designated affiliate, their counsel and your counsel, regarding any infringement, challenge or claim. We have complete discretion to take any action we deem appropriate, and the right to control, or to delegate control to any of our affiliates of any settlement, litigation or Patent and Trademark Office proceeding, or other proceeding arising out of any alleged infringement, challenge or claim or otherwise relating to our trademarks. You must sign any and all instruments and documents, render assistance, and do those acts or things as may in our opinion, reasonably be necessary or advisable to protect and maintain our interests or the interests of any affiliate in any litigation or other proceeding or to otherwise protect and maintain our interests or the interests of any other interested party in our trademarks. We are not required to indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any of our trademarks (including settlement amounts), provided that your conduct with respect to the proceeding and use of the trademarks is in full compliance with the terms of the Franchise Agreement. We will decide whether to settle or defend any trademark litigation brought against you. If we decide to settle or defend any trademark litigation brought against you, we will do so at our expense, but you must cooperate with us.

We reserve the right to acquire or develop additional trademarks and to use those trademarks ourselves, make those trademarks available for use by you and other franchisees, or make those trademarks available for use by other persons or entities.

We reserve the right to modify or provide a substitute for any trademark. You must use and display at the Center, and on stationery and written or graphic materials, notices in forms we approve, that you are a franchisee using our trademarks under a franchise agreement. You may not directly or indirectly contest our rights in our trademarks or their validity or take any action that would prejudice or interfere with the validity of our rights with respect to the trademarks. You have no right, title, or interest in or to any of the trademarks or any of our service marks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of the Franchise Agreement for the operation of the Center and only at or from its Location or in approved marketing related to the Center.

You must not use the Marks to incur any obligation or indebtedness on our behalf. We are the owners of all right, title, and interest in and to the trademarks and the goodwill associated with and symbolized by them. We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under those marks, and you, at your expense must adopt and use such additional or replacement Marks in the franchised business, as we may direct.

Superior Rights

We do not know of any superior prior rights that could materially affect your use of the Marks.

Infringing Uses

We do not know of any infringing uses of the Marks that could materially affect your use of the Marks.

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ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents have been issued nor are any patents pending that are material to the franchise offered in this disclosure document.

Copyrights

Whether or not registered under the U. S. Copyright Act, the Act protects our rights to various marketing, sales, training, management, and marketing materials we create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of operating and promoting your Center.

There are no currently pending copyright applications relating to our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees.

There are no agreements currently in effect which significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise. We do not know of any infringing uses of our copyrighted materials that could materially affect your use of those materials, and all of the provisions in Item 13 under the heading "Protection of Rights" apply to copyrighted materials as well.

Confidential Information

The Franchise Agreement creates a confidential relationship between you and us, and we will be disclosing and providing to you certain confidential and proprietary information about the System and your operation of the franchised business.

You must not, either during the term of the Franchise Agreement or afterward, communicate, divulge, or use for the benefit of any other person, or entity, any confidential information, or knowledge concerning the methods of operation of the franchised business that we provide to you or your principals regarding the operation of the Center under the terms of the Franchise Agreement. You may not use the confidential information or materials for your benefit after termination or expiration of the Franchise Agreement. You may divulge confidential information only to those of your employees that need access to the information to operate the Center. Any and all information, or knowledge, and any materials used in or related to the System which we provide to you under the Franchise Agreement including: the Manuals; plans and specifications; marketing information and strategies; site evaluation and selection guidelines and techniques; and other information communicated in writing and through other means, including electronic media (e.g., CD ROM, computer disk or video and audio tape) are confidential for purposes of the Franchise Agreement. You must not, without our written consent, reproduce the materials or information, nor make the same available to any unauthorized person.

You must require and obtain the signing of similar covenants from your General Manager and any other personnel who receive or will have access to confidential information. All of your principals who do not sign the Franchise Agreement or guarantee your performance also must sign similar covenants.

If you develop any new concept, product, process, or improvement in the operation or promotion of the Center, you must promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process, or improvement will become our property, and we may use or disclose the information to other franchisees as we determine to be appropriate.

Confidential Manuals

You must conduct your business in accordance with the Manuals. The Manuals, any written directives, and any other materials we issue and any modifications to these materials will supplement the Franchise Agreement.

You must keep in a secure place at the Center the Manuals, other materials, and other confidential communications that we provide or approve. These remain our property, and you must return them immediately on our request or on termination or expiration of the Franchise Agreement. We may revise the contents of the Manuals and the contents of any other manuals and materials approved for use in the operation of the franchised business. You must comply with each new or changed standard. You must at all times ensure that the Manuals are kept current and up to date. If there is any dispute about the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our corporate office will control. We will loan you one copy of the Manuals, and we may charge a replacement fee for any replacement manual you request.

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ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

We strongly believe the success of your Center will depend to a large extent on your personal and continued efforts, supervision, and attention. Unless we permit otherwise in writing, you must devote full time, energy, and best efforts to the management and operation of your Center. You must successfully complete our initial training program. (See Item 11.)

If you are a business entity, each person owning 5% or more must personally guarantee all obligations under the Franchise Agreement and all obligations under other agreements signed between you and us and must also agree to be personally bound by and personally liable for any breach of the Franchise Agreement. This guaranty is included as Schedule 6.5 to the Franchise Agreement.

Exhibit C includes a form of Confidentiality Agreement. Your manager and your key employees must sign a copy of the Confidentiality Agreement.

In addition, if you are a business entity, a trained manager, who you designate and we approve, must personally manage the Center at all times. The initial and any replacement manager must successfully complete training programs we may require. There are no other limitations on your ability to hire an on-premises supervisor for the Center. We do not require the on-premises supervisor to have any equity interest in the franchise.

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ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Under the Franchise Agreement, we grant you a license to operate one Center at a specific site within an Assigned Area. You must offer all Precision Tune Auto Care products and services that we require. (See Item 1.) We may at any time expand or reduce the types of products and services which you must or may offer, and you must discontinue offering any products or services (even if previously approved) promptly on notice from us. At no time may you offer or sell prohibited or unapproved products or services.

You must use the Center solely for the operation of the franchised business, must keep the Center open and in normal operation for the minimum hours and days we specify or approve in writing, and must refrain from using or permitting the use of the Center for any other purpose or activity at any time without our prior written consent.

You are not restricted as to the customers to whom you may offer products and services. However, we reserve the right to specify, in our Manuals or otherwise in writing, standards and policies for products and services sold to national fleet accounts, if any.

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ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read the complete provisions in the agreements in Exhibit C to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement or Related Agreement	Summary
(a) Length of the franchise term	Section 3.1	10 years from date we sign the Franchise Agreement.
(b) Renewal or extension of the term	Section 3.1	Consecutive and successive terms of 5 years each.
(c) Requirements for you to renew or extend	Sections 3.1.1 and 3.1.2	Compliance with the Franchise Agreement and other related agreements; 90 to 180 days' notice; renovation of the Center; meet then-current qualifications and training requirements; general release; sign the then-current franchise agreement, which may contain materially different terms than your original franchise agreement; \$2,000 renewal fee; provide agreement and contingent assignment of lease from lessor and copy of lease extension. Failure to give notice of renewal as required will result in the automatic expiration of your franchise agreement.
(d) Termination by you	(a) Section A.3.a of site development addendum; (b) Section 15.4	(a) You may choose to cancel the Franchise Agreement within 6 months after we sign it if you cannot find an approved site and you are not in default of any agreement with us. (b) You may terminate the Franchise Agreement through legal process if we breach a material requirement and fail to cure within 30 days after your written notice of the default, given within 1 year of the default.
(e) Termination by us without cause	None	Not Applicable
(f) Termination by us with cause	Section XV	With cause (automatic termination) with cause and notice; with cause, notice and 10 days to cure; with cause, notice and 30 days to cure (subject to state law).

Provision	Section in Franchise Agreement or Related Agreement	Summary
(g) "Cause" defined-defaults which can be cured	Sections 15.2 and 15.3	Curable defaults include: (1) Failure to pay any fees or report your gross sales to us within 10 days of receipt of written notice; and (2) within 30 days of receipt of notice for other breaches, including : failure to pay when due any fees or amounts owed; failure to maintain standards; engage in any illegal or fraudulent business principles; misuse marks; failure to obtain our approval as required; sell or offer to sell unapproved products; engage in un-authorized activities at Center.
(h) Cause defined-noncurable defaults	Section 15.1	<u>Termination on Notice:</u> Failure to find site; failure to open for business within required time; cessation of operation; abandonment or loss of right to premises; insolvency or file petition in bankruptcy; you possess or abuse alcohol or any illegal substance during performance of your obligations under the franchise agreement and we determine that such possession or abuse impacts unfavorably on you, us or the System; conviction of felony or crime of moral turpitude; civil liability for fraud or unfair or deceptive trade practice; threat to public health or safety; attempted transfer of majority interest in franchisee or franchised business in violation of Franchise Agreement; failure to comply with initial training requirements; disclosure of confidential information; failure to transfer within required time after death or mental incapacity; false books, records or report, or false statement in application for franchise; failure to timely pay financial obligations; repeated curable defaults; significant number of customer complaints without a reasonable result.
(i) Your obligations on termination/ (ii) Nonrenewal	Section XVII	Cease operation of Center; no representations as former Precision Tune Auto Care franchisee; cease use of the System, our confidential materials, and our trademarks; cancel registrations of any names using our trademarks; transfer phone numbers and listings to us; return our Manuals and all other

Provision	Section in Franchise Agreement or Related Agreement	Summary
		confidential information; pay all amounts owed to us; assign your interest in Center's lease or sublease to us, at our option, or de-identify; comply with our right to inventory and purchase assets; and pay future lost profits; comply with restrictive covenants [see also (r)].
(j) Assignment of agreement by us	Section 16.9	No restriction on our right to assign.
(k) "Transfer" by you – defined	Section 16.1	Includes the assignment of any direct or indirect interest in the Franchise Agreement, the franchise, you or the assets of the franchised business.
(l) Our approval of transfer by you	Section 16.5	We will not unreasonably withhold our consent to transfer if you meet the conditions for our approval.
(m) Conditions for our approval of transfers	Sections 16.5 and 16.6	Any or all of the following for the transfer of a majority interest (whether in a single transaction or a series of transactions): all of franchisee's obligations satisfied; substantial compliance with all agreements; transferee's personal guarantee; general release; transferee's qualifications and training; signing then-current form of franchise and other agreements; provide agreement and contingent assignment of lease from lessor; renovation of Center's premises, if required; technical certification of Center; franchisee and transferors remain liable for obligations to franchisor under franchise business until end of current term; transfer fee (see Item 6).
(n) Our right of first refusal to acquire your business	Section 16.4	We can match any offer, including an offer to purchase the real property of the Center
(o) Our option to purchase your business	Section 17.4	May be exercised after termination or expiration of franchise.
(p) Your death or disability	Section 16.3	Franchise must be transferred to an approved person within 6 months after your death or disability.
(q) Non-competition covenants during the term of the franchise	Section 18.1 and 18.2	Neither you (or any principal holding 5% or more interest in you, or any family member or affiliate thereof) may have any involvement in

Provision	Section in Franchise Agreement or Related Agreement	Summary
		a similar business; no diversion of business or personnel.
(r) Non-competition covenants after the franchise is terminated or expires	Sections 18.1 and 18.2.2	For 2 years: Neither you (or any principal holding 5% or more interest in you, or any family member or affiliate thereof) may have any involvement in a similar business in the Assigned Area or within 5 miles of the boundary of your Assigned Area and within 5 miles of the boundary of any other Center's Assigned Area or within 10 miles from the location of any other Center, whichever is less; for one year: no diversion of business or personnel (subject to state law).
(s) Modification of the agreement	Section 24.2	Both parties must agree in writing.
(t) Integration/merger clause	Section 24.1	Only terms of Franchise Agreement, attachments and documents referred to in Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, nothing in these agreements is intended to disclaim the representations we make in this document.
(u) Dispute resolution by arbitration or mediation	None	
(v) Choice of forum	Sections 26.1 and 26.2	Litigation must take place in the county or judicial district in which our principal place of business is then located (subject to state law). Our principal place of business is now in Virginia.
(w) Choice of law	Section 26.2	Virginia law applies; if any provision of Franchise Agreement is not enforceable in Virginia, then law of state where Center is located applies (subject to state law).

State specific amendments to the disclosure document and Franchise Agreement are set forth in Exhibits A and C to this disclosure document.

The provisions of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law. (11 U.S.C. § 1001 et seq.)

See the state addenda to the Franchise Agreement and disclosure document for special state disclosure laws.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote the sale of our franchises to prospective franchisees.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not authorize our salespersons to furnish any oral information concerning the actual or potential sales, costs, income or profits of a Precision Tune Auto Care Center. Except as provided in this Item 19, we do not provide any written information concerning the actual or potential sales, costs, income or profits of a Precision Tune Auto Care Center.

Your experience is likely to differ.

If we wish to disclose to a prospective franchisee additional information, or average sales, income, profits, or earnings of other franchisees or the projected sales, profits, or earnings for a prospective franchisee, we will comply with the requirements of applicable federal and state laws and regulations before making such disclosure, which will be in writing.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

SUMMARY
 FDD AVERAGE SALES BY BAY
 52 WEEKS ENDED DECEMBER 29, 2024

<u>Number of Bays</u>	<u>Number of Shops that reported 52 Weeks Ended 12/29/2024</u>	<u>Average Sales for calendar year ended December 29, 2024 for shops that reported 52 Weeks</u>	<u>Total Stores Above Average</u>	<u>Percentage (of Centers Surveyed) Above Average</u>
3 Bays	9	618,779		
4 Bays	30	730,026		
5 Bays	12	748,691		
6 Bays	95	765,016		
7 Bays	6	932,212		
8 Bays	35	984,347		
+8 Bays	11	1,420,459		
Total Shops/Average Sales	198	832,329	73	36.87%

**Note: Only domestic centers that reported 52 weeks ended 12/29/2024 were included.*

SUMMARY
 FDD AVERAGE SALES
 52 WEEKS ENDED DECEMBER 29th, 2024

Stratified Results*

	<u>Total</u>	<u>Stratified by Sales Ranking</u>			
		<u>Quartile 1</u>	<u>Quartile 2</u>	<u>Quartile 3</u>	<u>Quartile 4</u>
# of centers in survey	198	50	50	50	48
Total annual sales	164,801,077	68,803,022	41,846,914	31,564,274	22,586,866
Average sales per center	832,329	1,376,060	836,938	631,285	470,560
Total Stores Above Avg	73	17	22	23	31
Percentage (of Centers surveyed) Above Avg.	36.9%	34.0%	44.0%	46.0%	64.6%
Total Stores Below Avg	125	33	28	27	17
Median	716,842	1,224,770	829,076	626,406	502,418
Average number of bays	6.1	7.0	5.7	6.1	5.6
Survey centers/ Total active centers (198)	94.74%	25.25%	25.25%	25.25%	24.24%

*Note: Only domestic centers that reported 52 weeks ending 12/29/2024 were included.

Footnotes:

- 1. The above tables reflects gross sales as reported by 198 franchised Precision Tune Auto Care centers located in the United States which reported their weekly sales figures to us for all 52 weeks ended December 29, 2024. These 198 centers in the survey represent 94.7% of the 209 Precision Tune Auto Care centers open and in operation in the United States on December 29, 2024. Centers in the survey were comprised of franchised centers. The actual number of Auto Care Centers that are not included in the FRP is 198 with exclusions: 11 franchised stores, 20 company stores.**
- 2. The franchise agreement defines “gross sales” to be the amount of sales of all products and services sold in or from a Center, whether for charge or credit, without deduction for uncollected amounts. Gross sales do not include excise, sales or use taxes levied on sales. We assume that franchisees used this definition when providing gross sales information to us.**
- 3. The data is not audited.**
- 4. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.**
- 5. Data from some of the centers used to compile the above tables are owned and operated by our area developers under franchise agreements with us.**
- 6. We do not provide expense information because the data may vary significantly from one location to another. Examples of expenses that vary materially from location to location include salaries and owner’s draw, rent, marketing, refunds and allowances, and interest expenses.**
- 7. The tables shown above do not reflect expenses or debt service costs. If you finance the initial franchise fee, development and constructions costs, costs to purchase furniture, fixtures and equipment, or costs to acquire the Center, you will incur costs to pay back the money you borrow.**
- 8. The Center may face competition from other auto repair centers, including dealerships, independents and other franchised chains.**
- 9. Factors including those bearing upon business cycles and performance of the national and world economy may affect the results of the Center.**

We recommend that you make your own independent investigation to determine whether the franchise may be profitable and that you consult with your attorney and other advisors prior to signing the franchise agreement.

Other than the preceding financial performance representation, Precision Franchising LLC does not make any financial performance 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 Michael Heineman, President, Precision Franchising LLC, 19980 Highland Vista Drive, Suite 155, Ashburn, VA 20147 (703) 777-9095, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

The information in the tables below reflects the twelve-months ending December 31, 2024. So, for example, the “year” 2024 in the tables below corresponds with the twelve-month period commencing January 1, 2024 and ending December 31, 2024. These twelve-month periods coincide with our fiscal year.

Table No. 1

**Systemwide Outlet Summary
For Years 2022 to 2024**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	199	202	+3
	2023	202	201	-1
	2024	201	209	+8
Company-Owned	2022	37	32	-5
	2023	32	23	-9
	2024	23	20	-3
Total	2022	236	234	-2
	2023	234	229	-5
	2024	229	229	-0

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2022	0
	2023	1
	2024	0
Georgia	2022	1
	2023	1
	2024	1
Minnesota	2022	0
	2023	0
	2024	1

North Carolina	2022	0
	2023	0
	2024	1
Tennessee	2022	0
	2023	1
	2024	2
Total	2022	1
	2023	3
	2024	5

Table No. 3

Status of Franchised Outlets
For Years 2022 to 2024

COLUMN 1 STATE	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termin- ations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operatio ns – Other Reasons	Column 9 Outlets at End of the Year ¹
Alabama	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	1	12
	2024	12	0	0	0	0	0	12
Arkansas	2022	2	0	0	0	1	0	1
	2023	1	0	0	0	0	0	2
	2024	1	0	0	0	2	0	2
California	2022	6	0	0	0	0	1	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	1	5
Florida	2022	13	0	0	0	0	1	10
	2023	10	1	0	0	0	1	11
	2024	11	0	0	0	0	0	11
Kansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Georgia	2022	35	0	0	0	0	0	35
	2023	35	1	0	0	0	0	36
	2024	36	0	0	0	0	0	36
Louisiana	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Maryland	2022	12	2	0	0	0	0	14
	2023	14	2	0	0	0	0	16
	2024	16	0	0	0	0	1	15
Michigan	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Minnesota	2022	10	0	0	0	1	0	9
	2023	9	1	0	0	0	0	10
	2024	10	0	0	0	1	1	8
Mississippi	2022	2	0	0	0	0	0	2

COLUMN 1 STATE	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termin- ations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operatio ns – Other Reasons	Column 9 Outlets at End of the Year ¹
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	34	1	0	0	0	0	35
	2023	35	0	0	0	0	0	35
	2024	35	0	0	0	0	0	35
Oklahoma	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
Pennsylvania	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	22	0	0	0	0	0	22
	2023	22	0	0	0	0	3	19
	2024	19	0	0	0	0	0	19
Tennessee	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	5
Texas	2022	17	1	0	0	0	0	18
	2023	18	0	0	0	0	0	18
	2024	18	1	0	0	0	0	17
Utah	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	1	0	1
Washington	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	1	4
	2024	4	1	0	0	0	1	4
Total	2022	187	4		0	0	0	191
	2023	191	9	0	0	0	0	201
	2024	201	9	0	0	0	0	209

1. If a single Center was impacted by multiple events (e.g., was renewed and then reacquired by us, or was opened and then terminated by us) the table reflects the last event in time. Therefore, in some circumstances, the total Centers reflected in Column 3, adjusted by the additions and deletions of Columns 4 through 8, may not total the Center count in Column 9.

Table No. 4

**Status of Company-Owned Outlets
For Years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Arizona	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Arkansas	2022	3	0	0	0	0	3
	2023	3	0	0	0	2	1
	2024	1	0	0	0	0	1
Maryland	2022	6	0	0	0	3	1
	2023	4	0	0	0	0	1
	2024	1	0	0	0	0	1
Michigan	2022	2	0	0	0	1	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Minnesota	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	1	3
Missouri	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
Ohio	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	1	0	3
Tennessee	2022	4	0	0	0	1	4
	2023	4	0	0	0	2	2
	2024	2	0	0	0	0	2
Virginia	2022	10	0	0	0	1	8
	2023	10	0	0	0	1	9
	2024	9	0	0	0	2	7
Washington	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	1	0	2	1	4

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Total	<u>2022</u>	38	0	0	0	7	32
	2023	32	0	0	0	9	23
	2024	23	0	0	0	3	20

Table No. 5

Projected Openings as of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
Louisiana	0	1	0
New Mexico	0	0	1
South Carolina	0	3	0
Texas	0	2	0
Utah	0	1	0
Total	0	6	1

Exhibit D lists the names of all current franchises and the addresses and telephone numbers of their outlet as of December 31, 2024.

Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) 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 our most recently completed fiscal year (fiscal year ended December 31, 2024) or who has not communicated with us within 10 weeks of the issuance date of this offering circular. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with current or former franchisees. Each confidentiality agreement was entered into as part of a settlement of a dispute between us and the current or former franchisee. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Precision Tune Auto Care, Inc. 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.

Exhibit F lists, to the extent known, the names, addresses, telephone numbers, e-mail address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

Exhibit G lists the independent franchisee organizations that have asked to be included in this disclosure document.

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ITEM 21

FINANCIAL STATEMENTS

Exhibit H includes the following:

1. Our consolidated financial statements (balance sheets as of December 31, 2024 and 2023, and statements of operations, statement of member's equity, and statements of cash flow for the year ended December 31, 2024 and report of independent certified public accounts.
2. Our consolidated financial statements (balance sheets as of December 31, 2023 and 2022, and statements of operations, statement of member's equity, and statements of cash flow for the year ended December 31, 2023 and report of independent certified public accounts.

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ITEM 22

CONTRACTS

Exhibit C includes the Franchise Agreement and related agreements, as follow:

Schedule 1.1	Location and Opening Date
Schedule 1.2	Assigned Area
Schedule 1.3	Site Development Addendum
Schedule 3.1.1	Agreement and Contingent Assignment of Lease
Schedule 6.4	Guaranty Agreement
Attachment 1	PTAC Marketing Fund, Inc. Agreement
Attachment 2	VETFRAN Financing Documents (optional) (Addendum/Promissory Note)
Attachment 3	Confidentiality Agreement
Attachment 4	Promissory Note (If Required)
Attachment 5	State Amendment to Franchise Agreement (If Required)
Attachment 6	SoftWrench™ License and Support Agreement (optional)
Attachment 7	Electronic Funds Transfer Authorization
Attachment 8	Consent Agreement

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ITEM 23

RECEIPTS

Exhibit J includes detachable documents acknowledging your receipt of this disclosure document.

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EXHIBIT A

STATE ADDENDUM TO DISCLOSURE DOCUMENT

**PRECISION FRANCHISING LLC
FRANCHISE DISCLOSURE DOCUMENT
STATE DISCLOSURE ADDENDUM**

The following states have statutes that may supersede the Franchise Agreement and other related agreements in your relationship with the Franchisor. These statutes may affect the enforceability of provisions in the Agreements related to termination; transfer; renewal; covenants not to compete; choice of law; jurisdiction; venue selection; execution of waivers and releases of claims under the statute; injunctive relief; waiver of rights to jury trial; punitive and liquidated damage provisions, and other remedies; arbitration; and discrimination between franchisees: Ark. Code Ann. §4-72-201 Michie 1993); Cal. Corp. code §§31000-31516 (West 1994); Cal. Bus. & Prof. Code §§20000 - 20043 (West 1994); Conn. Gen. Stat. §42-133e (1994); Del. Code Ann. Tit. 6 §2552 (1993); Haw. Rev. Stat. §§482E-1 - 482E-12 (1993); Ill. Rev. Stat. Ch. 815 para. 705/1 - 705/44 (1994); Ind. Code §§1 - 51 (1994); Ind. Code Ann. §23-2-2.7 (West 1994); Iowa Code §§523H.1 - 523H.17 (1994); Md. Code Ann., Bus. Reg. §§14-201 - 14-233 (1994); Mich. Comp. Laws §§445.1501 - 445.1545 (1994); Minn. Stat. §§80C.01 - 80C.22 (1994); Minn. Stat. §§80C.01 - 80C.14 (1994); Miss. Code Ann. §75-24-51 (1993); Mo. Ann. Stat. §407.400 (Vernon 1994); Neb. Rev. Stat. §87-401 (1993); N.J. Stat. Ann. §§56:10-1 (West 1994); N.Y. Gen. Bus. Law §§680-695 (1994); N.D. Cent. Code§ 51-19-01 (1993); Or. Rev. Stat. §§650.005 - 650.085; R.I. Gen. Laws §§19-28.1-1 - 19-28.1-34 (1993); S.D. Codified Laws Ann. §§37-5B-1 - 37-5B-53 (2008); Tex. Rev. Civ. Stat. Ann. Art. 16.01 (1994); Va. Code Ann. §§13.1-554 - 13.1-577; Wash. Rev. Code §§19.100.010 - 19.100.940 (1994); Wis. Stat. §§553.01 - 553.78 (1994); Wis. Stat. §§135.01 - 135.07 (1984). These and other states may have fair practice laws and other civil statutes affecting contracts and state and federal court decisions that may also affect the enforcement of provisions in the Franchise Agreement and other related agreements.

A provision in the Franchise Agreement that terminates the agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

This Franchise Disclosure is registered, on file or exempt from registration in the following states with franchise registration and disclosure laws:

<u>Jurisdiction</u>	<u>Effective Date</u>
California -	
Hawaii -	N/A
Illinois -	April 1, 2025
Indiana -	April 1, 2025
Maryland -	
Michigan -	Filed Mary 7, 2025, Expires October 20, 2026
Minnesota -	
New York -	April 1, 2025
North Dakota -	N/A
Rhode Island -	N/A
South Dakota -	N/A
Virginia -	
Washington -	
Wisconsin -	N/A
All other states, the District of Columbia and U. S. Territories -	April 1, 2025

PRECISION FRANCHISING LLC

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

(1) Item 3 of this disclosure document is modified to include the following paragraph:

No person named in Item 2 is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

(2) Item 17 of this disclosure document is modified to include the following paragraph under the Summary columns of parts (c) and (m):

You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). California Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (California Business and Professions Code 20000 through 20043).

(3) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (r):

The franchise agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(4) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (s):

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

- (5) Item 17 of this disclosure document is modified to include the following paragraphs under the Summary column of part (w):

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement requires application of the laws of the State of Virginia. This provision may not be enforceable under California law.

- (6) **THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.**

PRECISION FRANCHISING LLC

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

(1) Item 17 of this disclosure document is modified by adding the following paragraphs at the end of the chart:

State Law

The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/1 - 705/44.

The Illinois Franchise Disclosure Act will govern any franchise agreement if it applies to a franchise located in Illinois.

The franchise agreement will become effective on its acceptance and signing by us in the State of Virginia. The franchise agreement will be interpreted and constructed under the substantive laws of Virginia, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C, Sections 1051 et. seq.). However, any condition in the franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void as to any cause of action that otherwise is enforceable in Illinois, provided that the franchise agreement may provide for arbitration in a forum outside of Illinois.

Any action brought by either party in any court, except for claims that must be submitted to arbitration, whether federal or state, will be brought in the state or federal court having jurisdiction in the state of Virginia. The parties waive all question of personal jurisdiction or venue. However, any condition in the franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void as to any cause of action that otherwise is enforceable in Illinois, provided that the franchise agreement may provide for arbitration in a forum outside of Illinois.

PRECISION FRANCHISING LLC

MARYLAND ADDENDUM TO THE DISCLOSURE DOCUMENT

1. Item 12, Territory, is amended to add the following at the end of the first paragraph:

Maryland, the Assigned Area, will be an area comprising of a 2-mile radius from the location. You do not obtain exclusive rights within the Assigned Area, but you do obtain a right of first refusal if we wish to grant another franchise within this area, and provided if you are in full compliance of your obligations under the franchise agreement.

2. Item 17 is amended to include the following:

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

3. Item 17, Summary column for (c) is amended to add the following:

Any release signed as a condition of renewal will not apply to any claims you may have under the Maryland Franchise Registration and Disclosure Law.

4. Item 17, Summary column for (h) is amended to add the following:

A provision in your franchise agreement that terminates the franchise on your bankruptcy may not be enforceable under Title 11, United States Code Section 101 et seq.

5. Item 17, Summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Maryland Franchise Registration and Disclosure Law.

6. Item 17, Summary column for (v) is amended to add the following:

The venue provision will not supersede your right to bring claims under the Maryland Franchise Registration and Disclosure Law in a Maryland court. All other claims must be brought in Virginia.

7. Item 17, Summary column for (w) is amended to add the following:

Virginia law applies, but this choice of law is not a waiver of your rights under the Maryland Franchise Registration and Disclosure Law.

PRECISION FRANCHISING LLC

MICHIGAN ADDENDUM TO THE DISCLOSURE DOCUMENT

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 this 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, or 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 of appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed the 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.

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.

Michigan Agency for Service of Process:
Michigan Department of Commerce, Corporations and Securities Bureau
670 Law Building
Lansing, MI 48913

PRECISION FRANCHISING LLC

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

1. Item 6, Footnote 8 is amended to add the following:

Minnesota Rule 2866.440J prohibits liquidated damages clauses in franchise agreements. Accordingly if Minnesota law applies to your franchise agreement and if you wrongfully terminate the franchise agreement or if we terminate your franchise agreement due to your breach, you must pay us damages arising out of your breach in an amount determined by a court of competent jurisdiction.

2. Item 13 is amended to add the following:

We protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

3. Item 17, Summary column for (c) is amended to add the following:

Any release signed as a condition of renewal will not apply to any claims you may have under the Minnesota Franchises Act.

4. Item 17, Summary columns for (c) and (f) are amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subsd, 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) and 180 days notice for nonrenewal of the franchise agreement.

5. Item 17, Summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchises Act.

6. Item 17, Summary columns for (v) and (w) are amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

PRECISION FRANCHISING LLC

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

Item 17 of this disclosure document, in summary columns for items (u), (v) and (w), is modified to state that any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act

PRECISION FRANCHISING LLC

SOUTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 3 of this disclosure document is modified to include the following paragraph:

Neither we nor any person in Item 3 has any material arbitration proceeding pending, or has during the 10-year period immediately preceding the date of this disclosure document been a party to concluded material arbitration proceedings.

- (2) Item 6 of this disclosure document is modified to delete the entire row entitled "Future Lost Profits".

- (3) Item 17 of this disclosure document, in the summary column of part (q), is modified to include the following paragraph:

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the state of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of Virginia.

- (4) Item 17 of this disclosure document, in the summary column of parts (v) and (w), is modified to include the following paragraph:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

PRECISION FRANCHISING LLC

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

1. Item 17 is amended to add the following:

WASHINGTON STATEMENT

If any of the provisions in the franchise disclosure document or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise disclosure document and franchise agreement with regard to any franchise sold in Washington.

A release or waiver of rights you sign will not include rights under the Washington Franchise Investment Protection Act except when signed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

EXHIBIT B

LIST OF AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	California Corporations Commissioner Department of Corporations 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505	California Corporations Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 1010 Richards Street, 2nd Floor Honolulu, HI 96813 (808) 586-2727	Director of Hawaii Department of Commerce and Consumer Affairs
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place 20th Floor Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place 20th Floor Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 296-4026	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23 rd Floor New York, NY 10271 (212) 416-8211	Secretary of State State of New York 162 Washington Street Albany, NY 11231
NORTH DAKOTA	Office of Securities Commissioner 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Securities 350 Winter Street, N.E., #410 Salem, OR 97310 (503) 378-4140	Director of Oregon Department of Insurance and Finance
RHODE ISLAND	Department of Business Regulation Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 South Euclid Street Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Securities
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT C

FRANCHISE AGREEMENT AND RELATED DOCUMENTS



PRECISION TUNE AUTO CARE®

FRANCHISE AGREEMENT

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Center No.: _____

FRANCHISE AGREEMENT

Effective Date: _____

BETWEEN:

PRECISION FRANCHISING LLC

“Franchisor”

(a Virginia limited liability company)

19980 Highland Vista Drive, Suite 155

Ashburn, VA 20147

AND:

“Franchisee”

Address for legal notices:

RECITALS

A. Franchisor and its predecessors have spent time, skill, effort, and money to develop unique and specialized training, management and marketing techniques and materials, operational procedures, advertising and marketing programs and continuing improvements, methods and research in these categories for the establishment and operation of an automotive service business (the “System”) for the benefit of the Franchisor, Franchisee, and their customers.

B. Franchisor and its predecessors have developed, advertised and established in connection with the System certain unique trademarks, service marks, trade names, logos, emblems, commercial symbols, trade dress and slogans (the “Marks”).

C. Franchisee wants to acquire the right and privilege to operate a business utilizing the System and the Marks under the terms and conditions stated in this Agreement.

D. Franchisee acknowledges the value of the System and the Marks, and understands that a part of their value is the continuous and complete compliance with the standards, quality, uniformity and programs that now have been and in the future will be established by the Franchisor.

NOW, THEREFORE, in consideration of the above premises, and of the additional mutual covenants and valuable consideration recited herein, the parties hereto enter into this Precision Tune Auto Care® Franchise Agreement (the “Agreement”) as of the date Franchisor executes this Agreement set forth below:

SECTION I. GRANT

1.1 Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee the license, and Franchisee undertakes the obligation, to operate an automotive service business (a “Center” or “Franchised Business”) using the Marks and System solely at and from the accepted location described in

Schedule 1.1 (the “Location”). Franchisee shall operate the Franchised Business only from the Location, and shall not relocate the Franchised Business without the prior written consent of Franchisor.

1.2 Except as otherwise provided in this Agreement, and subject to Franchisee’s full compliance with this Agreement, and any other agreement among Franchisee and any of its affiliates and Franchisor or any of its affiliates, neither Franchisor nor any of its affiliates shall establish or license another individual or entity to operate a PRECISION TUNE AUTO CARE® Center within the assigned area (the “Assigned Area”) attached hereto as Schedule 1.2.

1.3 If, at the time of execution of this Agreement, Franchisee has not secured a location for the Franchised Business, Franchisee shall execute the attached Site Development Addendum attached hereto as schedule 1.3.

SECTION II. LIMITATIONS ON GRANT

2.1 Notwithstanding any rights granted to Franchisee herein, nothing will preclude:

2.1.1 Franchisor, its affiliates, and any other franchisee, authorized person or entity from establishing and operating the same or similar businesses using the Marks and System granted Franchisee anywhere outside of the Assigned Area regardless of proximity to the Assigned Area or the Location.

2.1.2 Franchisor, its affiliates, and any other franchisee, authorized person or entity from selling its products or services in the general retail market or through third parties’ retail establishments under the Marks or different trademarks, service marks or commercial symbols within or outside of the Assigned Area.

2.1.3 Franchisor, its affiliates, and any other franchisee and other authorized person or entity from, at any time, advertising and promoting the Marks and the System within or outside of the Assigned Area.

2.1.4 Franchisor, its affiliates, and any authorized person or entity from developing, establishing, operating, or franchising other business concepts offering different or similar products and services that may use the Marks or different trademarks, service marks or commercial symbols within or outside of the Assigned Area without providing any rights or compensation to Franchisee.

2.1.5 Franchisor or its affiliates from operating (or authorizing others to operate) a full-service Center or other similar automotive service facility offering the same products and services offered by a full-service Center in any “Reserved Area.” (A “Reserved Area” is defined as any transportation facility (e.g., airports, train stations, bus terminals, port authorities); military bases or other governmental facilities; or similar locations we designate.).

2.1.6 Franchisor, its affiliates and any authorized person or entity from developing, establishing, operating or franchising any business or concepts similar to, or competitive with, the Precision Tune Auto Care franchised business offering the same, similar or different products or services (with products or services having the same, similar or different trademarks, service marks or other commercial symbols as the products and services sold at the Precision Tune Auto Care Centers) within or without the Assigned Area without providing any rights or compensation to you, as long as such business or concept does not use the Marks to identify the business.

SECTION III. TERM AND RENEWAL

3.1 The term of this Agreement, which shall include the renewal terms as used in this Agreement, begins on the Effective Date. If Franchisee has begun operation of the Center prior to execution of this Agreement, the Effective Date will be the date Franchisee began operation of the Center. Otherwise, the Effective Date will be the date Franchisor executes this Agreement. Unless sooner terminated under the terms hereof, the initial term of this Agreement shall be ten (10) years after the Effective Date. Franchisee may, at its option, renew this Agreement for up to two (2) consecutive and successive terms of five (5) years each. Thereafter, subject to the mutual agreement of Franchisee, the Franchisor, and Franchisor's Area Developer, if applicable, this Agreement may be further renewed for additional terms of five (5) years each. Each renewal term shall be subject to the following conditions; and Franchisee agrees and acknowledges that the requirement to sign the then-current franchise agreement, set forth below, may result in new terms that impose different requirements, including, without limitation, increased fees and additional costs:

3.1.1 Franchisee shall have substantially complied with all terms and conditions of this Agreement throughout the current term and, at the time of renewal, shall not be in default of any material term or condition of this Agreement, any amendment hereof, or any other agreement between Franchisee and Franchisor, or its subsidiaries, affiliates, or divisions; shall give Franchisor written notice of Franchisee's election to renew not less than ninety (90) days nor more than one hundred eighty (180) days prior to the end of the current term; shall make or commit to provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Center premises as Franchisor may require to reflect the then-current standards and image of the system; shall comply with Franchisor's then-current qualification and training requirements for Franchisee and its employees; shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries, affiliates, and divisions, and their respective officer, directors, shareholders, employees, and agents; and shall execute Franchisor's then-current renewal franchise agreement (which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement). Franchisee must pay a renewal fee of Two Thousand Dollars (\$2,000). Franchisee shall furnish to Franchisor a copy of the Lease, or its extension, signed by Franchisee and Franchisee's lessor or sublessor, as the case may be (for the purposes hereof, "Lessor"), and the then-current Agreement and Contingent Assignment of Lease form (Schedule 3.1.1), which shall be signed by the Franchisee, Franchisor, and Lessor.

3.1.2 If Franchisee fails to give notice of renewal in the manner indicated in Section 3.1.1, the Agreement will automatically expire at the end of the current term.

SECTION IV. FEES AND PAYMENTS

4.1 Upon execution of this Agreement by Franchisee, Franchisee shall pay to Franchisor by cashier's check or by wire transfer an initial franchise fee in the amount of _____ DOLLARS (\$_____). The initial franchise fee shall be deemed fully earned by Franchisor upon Franchisor's execution of this Agreement in consideration of general administrative costs, sales costs, legal and other direct and indirect costs and other expenses incurred by Franchisor related to the selection, interviewing, and investigation in granting the Franchise. Thereafter, the initial franchise fee is not refundable, except as provided in this Agreement. The initial franchise fee is not applicable if this is a renewal agreement.

4.2 Commencing as of the earlier of (1) the date when the Center opens for business, or (2)

one year from the date of execution of this Agreement, and continuing thereafter throughout the term of this Agreement, Franchisee shall pay to Franchisor an operating fee equal to seven and one-half percent (7.5%) of the weekly gross sales of the Franchised Business, but not less than Three Hundred Dollars (\$300) each week. If the Center, after being open, is subsequently closed for relocation or for any other reason for more than six months, Franchisee shall immediately notify Franchisor in writing of such closing and, beginning at the end of six months after the closing of the Center, pay Franchisor a fee of Three Hundred Dollars (\$300) each week until the Center reopens; provided, however, the Franchised Business shall not remain unopened for a period of time greater than six (6) months unless otherwise approved by Franchisor in writing. If Franchisee fails to provide such written notice to Franchisor, the closing shall be deemed to be an abandonment of the Franchised Business.

4.3 Franchisee shall pay all continuing payments required under this Section IV on or before Friday of each week (the “due date”) based on gross sales during the week ended on the immediately preceding Sunday.

4.3.1 By executing this Agreement, Franchisee agrees that Franchisor may withdraw funds from Franchisee’s designated bank account each week by electronic funds transfer (“EFT”) in the amount of the operating fee and advertising fees described in Sections 4.2 above and 13.1 below, if Franchisor so notifies Franchisee. Franchisee agrees to execute from time to time an electronic fund transfer authorization in accordance with the provisions of this Section 4.3. In lieu of receiving payment through EFT, Franchisor may require Franchisee to submit such payments to Franchisor through other means, such as by mail or other delivery system, as Franchisor designates in writing.

4.3.2 If the gross sales information or remittance report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the operating and advertising fees for the subject week based on (a) information regarding Franchisee’s gross sales for the preceding week obtained by Franchisor in the manner contemplated by Section 11.3 of this Agreement, or (b) the most recent remittance report provided to Franchisor by Franchisee; provided that if a remittance report for the subject week is subsequently received or gross sales information obtained reflects (i) that the actual amount of the operating and advertising fees due was more than the amount of the EFT by Franchisor, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee’s designated bank account for the difference; or (ii) that the actual amount of the operating and advertising fees due was less than the amount of the EFT by Franchisor, then Franchisor shall credit the excess amount to the payment of Franchisee’s future operating and advertising fees obligations. For any other monetary obligation not paid when due to Franchisor or its affiliates, Franchisor may withdraw such amounts due 5 days after such amount becomes past due, provided such day is a business day (and if not a business day, on the next succeeding business day). Franchisee shall, upon execution of this Agreement or at any time thereafter at Franchisor’s request, execute such documents or forms as Franchisor determines are necessary for Franchisor to process EFTs from Franchisee’s designated bank account for the payments due hereunder. Should any EFT not be honored by Franchisee’s bank for any reason, Franchisee agrees that it shall be responsible for that payment plus a service charge applied by Franchisor and the bank, if any. Franchisee further agrees that it shall at all times throughout the term of this Agreement maintain a minimum balance of Two Thousand Dollars (\$2,000.00) in the Franchisee’s bank account against which such EFTs are to be drawn for the Center operated under this Agreement. Upon written notice by Franchisor to Franchisee, Franchisee shall execute such other documents that Franchisor or Franchisee’s bank may require to implement the foregoing procedure. It shall be a material default if, without Franchisor’s consent, Franchisee closes this designated bank account, or upon Franchisor’s approval fails to establish another account and execute all documents necessary for Franchisor to process such payments by EFT for the newly designated account.

4.4 Any weekly sales report not actually received by Franchisor or its designee by the due date

shall be deemed overdue. If any such report is overdue, Franchisee shall pay Franchisor, a late report fee in the amount of \$100 for each week or portion thereof until the report is received by Franchisor. The foregoing shall be in addition to any other remedies Franchisor may have.

4.5 Any payment not actually received by Franchisor or its designee by the due date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on the amount from the date it was due until paid at the rate of eighteen percent (18%) per annum or the maximum rate permitted under applicable federal or state law, if it is less than eighteen percent (18%) per annum. The foregoing shall be in addition to any other remedies Franchisor may have, including, without limitation, the right to set-off on any amounts owed by Franchisor or its affiliates to Franchisee.

4.6 As used in this Agreement, the term "gross sales" shall mean the amount of sales of all products and services sold in, on, about, or from the Center by Franchisee, whether for cash, barter or on a charge, credit or time basis, without reserve or deduction for inability or failure to collect, and including income of every kind and nature related to the Franchised Business. Gross sales shall not include the amount of any excise or sales or use tax levied on retail sales and payable over to the appropriate governmental authority. In computing gross sales, Franchisee may deduct the amount of over-rings, refunds, allowances, or discounts to customers (including coupon sales) provided that such amounts have been included in gross sales and provided that Franchisee complies with the requirements, including time limits, established by Franchisor from time to time in writing.

SECTION V. FRANCHISOR'S OBLIGATIONS

5.1 Franchisor agrees to make available to Franchisee, or assist Franchisee in obtaining, the following:

5.1.1 Standard construction plans, specifications and layouts for the structures, as Franchisor makes available to all franchisees from time to time. Franchisor may also require the purchase of a distinctive or unique building or other structure developed by Franchisor from a source approved by Franchisor.

5.1.2 Initial and advanced training in the System, including standards, methods, procedures and techniques, at such times and places as Franchisor may designate for its training program, in its discretion, and subject to the other terms of Section X.

5.1.3 Assistance as Franchisor determines is required in connection with the opening of the Center by Franchisee.

5.1.4 Use of the Precision Tune Auto Care Confidential Center Policies and Procedures Manual (the "P and P Manual"), and other manuals and training aids, as revised by Franchisor from time to time when, in Franchisor's discretion, modifications are necessary.

5.1.5 Merchandising, marketing and other data and advice as may from time to time be developed by Franchisor or the Precision Tune Advertising Fund (PTAC Marketing Fund, Inc. or its successors or affiliates) and deemed by Franchisor to be helpful in the operation of the Franchised Business. This data and advice may be delivered by telephone, mail or personal visit.

5.1.6 Bulletins, brochures, manuals, and reports as may from time to time be published by or on behalf of Franchisor, regarding its plans, policies, and other resources and assistance as may hereafter be developed and offered by Franchisor.

5.2 Franchisor may provide some guidance and advice to Franchisee with respect to Franchisee's selection of a suitable site on which to operate the Center. However, responsibility for locating and selecting a site rests **solely** with the Franchisee. Franchisor's approval of a site is neither a recommendation that Franchisee select a particular site, nor is it an endorsement or guarantee by the Franchisor with respect to the suitability of the site.

5.3 All or a portion of the obligations to be performed by Franchisor may be performed on behalf of Franchisor by a third party designated by Franchisor.

SECTION VI. FRANCHISEE'S FORM OF ORGANIZATION

6.1 If Franchisee is or becomes a corporation, the Franchisee corporation shall comply with the following requirements:

6.1.1 Franchisee's Articles of Incorporation and Bylaws (or comparable governing documents) shall at all times specify that its activities are consistent with the establishment and operation of the Franchised Business under this Agreement and that the issuance and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. On Franchisor's request, Franchisee will furnish such governing documents to Franchisor.

6.1.2 Franchisee shall place the following language on all shares of common or voting stock certificates of the corporation:

“The transfer of these securities is subject to the terms and conditions of a Franchise Agreement with Precision Franchising LLC dated [fill in “Effective Date” here]. Reference is made to this Agreement and to the restrictive provisions of the Articles and Bylaws of this Corporation.”

6.2 If Franchisee is or becomes a limited liability entity, Franchisee shall furnish Franchisor promptly a copy of its organization and management agreements and any other documents and amendments Franchisor may request. One person will be named as the person to receive notice and to sign all documents that will bind the entity. Any documents indicating interests held in the limited liability entity shall contain language similar to that specified in Section 6.1.2 above.

6.3 If Franchisee is or becomes a partnership, Franchisee shall promptly furnish Franchisor a copy of its partnership agreement and any other documents and amendments Franchisor may reasonably request. Franchisee shall maintain a current list of all general and limited partners, all owners of record, and all beneficial owners of any class of voting interest of Franchisee and shall furnish the list to Franchisor promptly upon request. The general partner will execute all documents binding the partnership.

6.4 Franchisee shall confine its activities to those consistent with the establishment and operation of the Franchised Business under this Agreement. Upon reasonable request by Franchisor, Franchisee shall promptly disclose in writing all activities being conducted by Franchisee.

6.5 Each individual or legal entity which holds a five percent (5%) or greater ownership interest of any type, directly or indirectly, in Franchisee shall enter into a continuing guaranty agreement, in a form satisfactory to Franchisor, guaranteeing the Franchisee’s performance of the Agreement in the form attached as Schedule 6.5.

SECTION VII. CONFIDENTIALITY

7.1 Franchisee expressly understands and agrees that this Agreement creates a confidential relationship between Franchisor and Franchisee and that, as a result thereof, Franchisor will be disclosing and transmitting to Franchisee certain confidential and proprietary information in connection with the System and Franchisee’s operation of the Franchised Business. Franchisee hereby agrees that Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, shall not use for the benefit of Franchisee, or any of its principals, any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee or its principals or of which they may be apprised in connection with the operation of the Center under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of Franchisee’s employees as must have access to it in order to operate the Center. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which Franchisor provides to Franchisee in connection with this Agreement including, but not limited to, the Manuals, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, and other information communicated in writing and through other means, including electronic media (e.g., CD Rom, computer disk or video and audio tape) shall be deemed confidential for purposes of this Agreement. Franchisee shall not at any time, without Franchisor’s prior written consent, copy, duplicate, record or otherwise reproduce such materials or

information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee.

7.2 Franchisee shall obtain the execution of covenants similar to those set forth in Section 7.1, in a form substantially similar to the Confidentiality Agreement attached hereto (Attachment 3), from its General Manager and any other personnel of Franchisee who receive or will have access to Franchisor's confidential information. All persons having any ownership interest in Franchisee who do not sign this Agreement or guarantee Franchisee's performance hereunder also must execute such covenants.

7.3 If Franchisee develops any new concept, product, process or improvement in the operation or promotion of the Center, Franchisee will promptly notify Franchisor and provide Franchisor with all necessary related information, and agrees that any such concept, process or improvement will become the property of Franchisor without compensation, and that Franchisor may use or disclose such information to other franchisees as Franchisor determines to be appropriate.

SECTION VIII. CONFIDENTIAL MANUALS

8.1 To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall conduct its business in accordance with the P and P Manual, and any other manuals or other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the P and P Manual, and any other manuals and materials created or approved for use in the operation of the Franchised Business (collectively, the "Manuals").

8.2 Franchisee shall at all times treat the Manuals and the information contained therein, as confidential and shall maintain such information as trade secrets and confidential in accordance with Section VII. Franchisee shall use all reasonable efforts to maintain this information as secret and confidential, and Franchisee shall divulge and make such materials available only to those of Franchisee's employees who must have access to it in order to operate the Center, or to such other persons authorized by Franchisor in writing. Franchisee shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above.

8.3 The Manuals and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall at all times keep them in a secure place on the Center premises, and shall return them to Franchisor immediately upon request or upon termination or expiration of this Agreement.

8.4 The Manuals shall supplement and be deemed a part of this Agreement.

8.5 Franchisor may from time to time revise the contents of the Manuals. Franchisee expressly agrees to comply with each new or changed standard.

8.6 Franchisee shall at all times ensure that the Manuals are kept current and up-to-date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor at Franchisor's corporate office shall control.

8.7 Franchisor may charge a replacement fee for any replacement Manual requested by Franchisee.

SECTION IX. MARKS

9.1 Franchisor warrants that Franchisor is the owner of all right, title, and interest in and to the Marks, and Franchisor will use and will permit Franchisee and other Precision Tune Auto Care franchisees to use the Marks only in accordance with the System and the standards and specifications which underlie the goodwill associated with and symbolized by the Marks. Any unauthorized use of the Marks will be a default of this Agreement.

9.2 With respect to Franchisee's use of the Marks pursuant to this Agreement, Franchisee covenants that:

9.2.1 Franchisee shall operate and advertise the Center exclusively under the mark "Precision Tune Auto Care", without prefix or suffix, and such other Marks as are designated in writing by Franchisor for Franchisee's use, and shall use them only in the manner authorized and permitted by Franchisor. These Marks are only for the operation of the Franchised Business and only at the Location authorized hereunder or in advertising for the Franchised Business conducted at the Location. Franchisee shall not use or reproduce the Marks in any manner not expressly authorized by Franchisor, without the express written consent of Franchisor.

9.2.2 Franchisee shall not use any of the Marks, including, but not limited to, "Precision", "Precision Tune Auto Care", "Precision Tune", "PT", "PTAC", or anything similar thereto, as part of its corporate or other legal name. Franchisee shall not register the Marks, or any variation thereon, for use in any electronic medium, including the Internet or the worldwide web; nor shall Franchisee use the Marks, or any variation thereon, in connection with the registration of any domain and/or website names or addresses, including any searchable metadata or Google search strings. Franchisee shall comply with Franchisor's instructions in filing and maintaining requisite trade name or fictitious name registrations. Franchisee agrees to execute, during or after the term of this Agreement, upon Franchisor's request, any consents necessary for the registration of Franchisor's corporate name or entity name in the state where Franchisee conducts the Franchised Business.

9.2.3 Franchisee shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability. Franchisee shall not, directly or indirectly, contest the Marks' ownership or validity.

9.2.4 In the event that litigation involving the Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully with Franchisor in Franchisor's defense or settlement of such litigation.

9.2.5 Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel, in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or Patent and Trademark Office proceeding or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any affiliate in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Marks. Franchisor will indemnify Franchisee against and reimburse Franchisee for all damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Marks,

provided that the conduct of Franchisee with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

9.3 Franchisee shall not take any action that would prejudice or interfere with the validity of Franchisor's rights with respect to the Marks. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Marks or any of Franchisor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Center and only at or from its Location or in approved advertising related to the Center.

9.4 Franchisee shall not use the Marks to incur any obligations or indebtedness on behalf of Franchisor.

9.5 Franchisee expressly understands and acknowledges that Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and that Franchisor is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them. Franchisee's use of the Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Marks or System, except the non-exclusive license granted herein. Upon transfer, expiration or termination of this Agreement, any monetary amount assigned as "goodwill" shall not refer to goodwill inherent in the Marks or System. Further, Franchisor reserves the right to substitute different marks for use in identifying the System and the businesses operating thereunder, and Franchisee, at Franchisee's expense, will adopt and use such additional or replacement Marks in the Franchised Business, as Franchisor may direct.

SECTION X. MANAGEMENT AND TRAINING

10.1 Except as Franchisor may otherwise expressly permit in writing, Franchisee (or, if Franchisee is a corporation, partnership or limited liability entity, a principal of Franchisee) shall devote full time, energy, and best efforts to the management and operation of the Franchised Business (and, if applicable, to other Precision Tune Auto Care franchised businesses owned and operated by Franchisee).

10.2 Except as Franchisor may otherwise expressly permit in writing, prior to Franchisee's commencement of operation of the Franchised Business, Franchisee (or, if Franchisee is a corporation, partnership or limited liability entity, a principal of Franchisee) shall attend and complete, to Franchisor's satisfaction, the initial franchise management training program offered by Franchisor. In addition and prior to commencing operation of the Franchised Business, Franchisee (or an employee designated by Franchisee) must have attended and received a certificate of completion to Franchisor's satisfaction, of Franchisor's initial franchise management training program.

10.3 Franchisee shall ensure that the Franchised Business is at all times under the management and supervision of a trained and qualified person acceptable to Franchisor. Franchisor may require any other principal or employee of Franchisee who is, or subsequently becomes, actively involved in the management of the Franchised Business, to attend and satisfactorily complete such training programs as Franchisor may require. If Franchisee or any such person is not available to attend and satisfactorily complete a required program, Franchisee may designate a substitute trainee to Franchisor.

10.4 Franchisor has adopted standards for technical certification of Precision Tune Auto Care Centers, which include requirements for equipment, training, and staffing to provide specialized automotive services. Franchisor may revise or expand its technical certification standards and the services to which they relate from time to time in the Manuals or otherwise in writing. Franchisee shall attain within 1 year

after commencing operation of the Franchised Business, and maintain at all times during the term of this Agreement, full technical certification of its Center, as required by Franchisor. Franchisee shall install and maintain at the Center at all times all required items of equipment, tools, parts, and supplies. Franchisee shall employ at least 1 fully certified full-time technician in the Center at the time of opening for business and, thereafter, shall comply with Franchisor's requirements for fully certified full-time technicians employed at the Center.

10.5 Franchisee shall cause its technicians and other employees to attend and satisfactorily complete all training programs, including basic and advanced training, refresher courses, and technical or business seminars, as necessary, in Franchisee's determination, for its technicians and other employees to provide the services at the Center in accordance with the terms of this Agreement and the Manuals.

10.6 Franchisee or its employees shall be responsible for all personal expenses incurred by them in connection with training programs, including, without limitation, costs and expenses of transportation, lodging, meals, and wages and employee benefits. Franchisor may require Franchisee to make reservations for Franchisee or its employees in advance of attending any training courses or seminars. Franchisor may charge a deposit in connection with such reservations (which may be refunded or applied toward a course fee upon attendance) and may charge a cancellation fee, if such reservations are canceled. Franchisee shall pay all costs, fees, or charges, which Franchisor may from time to time impose for training or related services.

SECTION XI. OPERATIONS

11.1 Franchisee understands and acknowledges that every detail of the System and the Franchised Business is important to Franchisee, Franchisor, and other Precision Tune Auto Care franchisees to maintain high and uniform operating standards, to increase the demand for the services and products sold by all franchisees, and to protect the reputation and goodwill associated with the Marks.

11.2 Franchisee shall operate the Franchised Business in strict conformity with such methods, procedures, standards, and specifications, as Franchisor may prescribe from time to time in the Manuals or otherwise in writing. Franchisee further covenants and agrees that:

11.2.1 Franchisee shall use the Center solely for the operation of the Franchised Business, shall keep the Center open and in normal operation for such minimum hours and days as Franchisor may from time to time specify or approve in writing, and shall refrain from using or permitting the use of the Center premises for any other purpose or activity at any time without the express prior written consent of Franchisor.

11.2.2 Franchisee shall install and use in and about the Center only such equipment, fixtures, furnishings, interior and exterior signs, and other items as strictly conform to the standards and specifications for Precision Tune Auto Care Centers as set forth in the Manuals or otherwise in writing and revised by Franchisor from time to time.

11.2.3 Franchisee shall maintain the Center premises and all adjacent areas in good, clean, attractive and safe condition at all times. Franchisee shall, at its expense, undertake all maintenance and make all repairs, replacements, alterations, and additions as may be required for that purpose, including, without limitation, periodic cleaning, repainting, repairs, and replacement of obsolete signs, equipment, fixtures, and furnishings as Franchisor may reasonably require.

11.2.4 Franchisee must offer and sell from the Center all mandatory services and

products required by Franchisor; it may offer and sell from the Center any optional services and products approved by Franchisor, and it shall not offer or sell any prohibited or other services or products of any kind or character without the express prior written consent of Franchisor. Franchisee shall discontinue offering any services or products (whether or not previously authorized by Franchisor), promptly, upon notice from Franchisor. As used in this Section 11.2.4, services and products may be designated by the brand name as well as the service or product itself. By way of example but not limitation, brake service may be mandatory and the use of certain brands of brake pads or rotors may be mandatory, certain brands may be optional and other brands may be prohibited. Franchisor may prescribe from time to time in the Manuals or otherwise in writing the mandatory, optional and prohibited services and products.

11.2.5 In offering and selling services and products to customers, Franchisee shall use only the standard service order, warranty and other forms approved by Franchisor and no other forms or documents, except with the express prior written permission of Franchisor.

11.2.6 Franchisee must purchase or lease all equipment, inventory, supplies, tools, and other products and materials (collectively, the “items”) required for the operation of, or used in the Franchised Business solely from suppliers approved by Franchisor from time to time. The suppliers may include Franchisor and its affiliates and Franchisee agrees to use commercially reasonable efforts to utilize our affiliates as the primary supplier of items where our affiliates are competitive in terms of price and service compared with the same or similar items available from other qualified suppliers. For some items, Franchisor or its affiliates may be the sole supplier, as Franchisor designates; provides, however, that such items are competitive in terms of price and service compared with the same or similar items available from other qualified suppliers. Suppliers of all items must demonstrate (including distributors, manufacturers, and other sources) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor’s reasonable standards and specifications for such items; who possess adequate quality control and capacity to meet Franchisee’s needs promptly and reliably and who have been approved in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee or the supplier shall submit to Franchisor a written request for approval. Franchisor’s approval shall not be unreasonably withheld. Franchisor reserves the right to require that its representatives be permitted to inspect the supplier’s facilities and that samples from the supplier be delivered to Franchisor or its designee for testing. Franchisor may impose a charge not to exceed the reasonable costs of inspection and testing, which shall be paid by Franchisee or the supplier. Franchisor reserves the right from time to time to reinspect the facilities and products of any previously approved supplier and to revoke its approval upon the supplier’s failure to continue to meet any of Franchisor’s standards and specifications.

11.2.7 If Franchisee obtains services from third-party providers, Franchisor may review the terms and conditions of such arrangements and require additional information about the business background and qualifications of the providers, including (at Franchisor’s option) personal interviews with individuals providing such services. If, in providing services to Franchisee, any third party may obtain access to confidential information as defined herein, Franchisor may require, as a condition of approval of such provider, the execution of covenants of confidentiality and non-disclosure in a form satisfactory to Franchisor. Franchisor may disapprove any provider who does not demonstrate, to Franchisor’s continuing satisfaction, an ability to comply with the methods, procedures and standards established for the System and set forth in the Manuals or otherwise in writing and to meet Franchisee’s needs promptly and reliably.

11.2.8 Franchisee shall maintain at all times such minimum stock levels of inventory, parts, and supplies, including certain brands,- as Franchisor may prescribe from time to time in the Manuals or otherwise in writing.

11.2.9 Franchisee shall use and display sales, marketing, and promotional materials

provided by Franchisor from time to time, in the manner and for the time periods designated by Franchisor. Franchisee shall ensure that all service orders, stationery, signs, and other printed materials used in connection with the Franchised Business bear the Marks in the form, colors, location and manner prescribed by Franchisor and otherwise comply with the standards and specifications prescribed by Franchisor from time to time in the Manuals or otherwise in writing.

11.2.10 Franchisee shall hire and maintain a competent, conscientious, trained staff, including a manager and fully certified full-time technicians, as required in the Manuals, and shall take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such codes for dress and appearance, as Franchisee may prescribe.

11.2.11 Franchisee shall permit Franchisor or its agents to enter and inspect the Center's premises at any reasonable time. Franchisee shall cooperate fully with Franchisor and its agents in such inspections and render such assistance as they may reasonably request. Immediately upon notice of any deficiencies detected in such inspections by Franchisor or its agents, Franchisee shall take such steps as may be necessary to correct such deficiencies, including the temporary closing of the Center, if so directed by Franchisor. Without limiting Franchisor's other rights and remedies, Franchisor shall have the right, if Franchisee fails or refuses to act promptly, to make or cause to be made such corrections, as may be required, and to collect the costs and expenses of correction from Franchisee.

11.2.12 At Franchisor's request, (excepting a transfer or sale of the Center by Franchisee), which shall not be more often than once every 5 years, Franchisee, at its expense, shall refurbish the Center to conform to the building design, trade dress, color schemes, and presentation then being used in connection with new Precision Tune Auto Care Centers. Such refurbishment may include, without limitation, structural changes, remodeling, redecoration, and modifications to existing improvements.

11.2.13 If Franchisee occupies the Center premises under a lease and if the lease expires and Franchisee, through no fault of its own, is unable to renew the lease, Franchisee may relocate the Franchised Business, provided that Franchisee, at least 30 days before vacating the Center, shall notify Franchisor in writing of its desire to relocate and shall execute and be bound by the terms and conditions of the then current form of Schedule 1.3.

11.2.14 Franchisee agrees to be bound by the warranty terms and conditions established, and from time to time revised, by Franchisor for all Precision Tune Auto Care franchisees. Franchisee further agrees to participate in the warranty reciprocity program and to accept and abide by requirements and limits on warranty compensation as established, and from time to time revised, by Franchisor for all Precision Tune Auto Care franchisees.

11.2.15 Franchisee shall not engage or cooperate in any conduct that reflects unfavorably on the reputation of Franchisee, Franchisor, or the System or impairs the goodwill associated with the Marks, including conduct which jeopardizes Franchisee's good relations with customers and creditors of the Franchised Business, or which constitutes a deceptive or unfair trade practice or otherwise violates applicable law or regulations.

11.3 Franchisee, at Franchisee's cost, shall install, maintain, and use such computer hardware and software systems (including point-of-sale, electronic cash register, or other systems) in accordance with Franchisor's standards and specifications. Franchisee shall permit Franchisor to access and retrieve by telecommunication any information stored on the point-of-sale system (or other computer hardware and software) that Franchisee is required to utilize at the Center as specified by Franchisor, thereby permitting Franchisor to inspect and monitor electronically based information concerning Franchisee's Center, gross

sales and such other information as may be contained or stored in such equipment and software. Accordingly, Franchisee shall install and maintain a broadband connection and access to remote desktop in accordance with Franchisor's specifications to permit Franchisor to access by telephone the point-of-sale system (or other computer hardware and software) Franchisee is required to utilize at the Center as specified in the Manuals. Franchisor shall have telephone access as provided herein or in the Manuals at such times and in such manner as Franchisor shall from time to time specify. It shall be a material default under this Agreement if Franchisee fails to maintain such equipment and lines in operation and accessible to Franchisor at all times throughout the term of this Agreement.

11.3.1 Franchisor may charge Franchisee its then-current fee for providing support (including the cost of any Help Desk support, if such is provided by Franchisor) for any electronic cash register or computer system, and Franchisee shall execute such additional support agreements and other documents that Franchisor shall require. Upon installation of the point-of-sale or other computer system, Franchisee shall pay the pro rata portion of the support fee due.

11.3.2 Franchisee shall enter into and maintain a software license agreement with Franchisor or a supplier approved from time to time by Franchisor for the license and support of certain proprietary computer software used in the operation of the Center.

11.3.3 If requested by Franchisor, Franchisee will install and maintain at the Center a fax machine with a dedicated phone line, a computer with a modem connected to a dedicated phone line, a subscription to an internet service provider and an e-mail address (which shall not include the Marks as part of the e-mail address).

SECTION XII. ACCOUNTING AND RECORDKEEPING

12.1 Franchisee shall maintain during the term of this Agreement, and shall preserve for at least 3 years after the dates of their preparation, full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor in the Manuals or otherwise in writing from time to time, and such other information Franchisor requires, including records of EFT transactions, and backup or archived records of information maintained on any computer system.

12.2 Franchisee shall submit to Franchisor each week during the term of this Agreement beginning after the opening of the Center, a remittance report, in the form prescribed by Franchisor, accurately reflecting all gross sales during the preceding week (Monday through Sunday), together with such other data or information (including customer data) as Franchisor may require, and such remittance report shall be received by Franchisor on or before the due date. Such remittance report shall be transmitted in the method and manner, and shall contain such information as Franchisor may specify.

12.3 Franchisee shall install and use such point-of-sale computer programs and equipment as Franchisor may designate for the operation of the Franchised Business and shall comply with Franchisor's instructions concerning the maintenance and transmittal of data and reports generated from such systems.

12.4 Within ninety (90) days after the end of each fiscal year of Franchisee, Franchisee, at its expense, shall submit to Franchisor a financial statement consisting of a profit-and-loss statement showing the results of operations of the Franchised Business during the fiscal year and a balance sheet (both in form acceptable to Franchisor), as of the end of the fiscal year. Each financial statement shall be accompanied by a sworn statement signed by Franchisee attesting that the items contained therein, are true and accurate. Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records,

statements, information, and data, as Franchisor may reasonably require, in the form and at the times and places, reasonably specified by Franchisor. Franchisee agrees that all financial and business data submitted by Franchisee to Franchisor may be used by Franchisor as it deems appropriate; however, information designated by Franchisee as confidential will not be disclosed to third parties in a manner that identifies Franchisee as the subject or source of the information except (i) with Franchisee's permission, (ii) as may be required by law, or (iii) in connection with audits or collections under this Agreement.

12.5 Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of the Franchised Business. Franchisee agrees to execute, at Franchisor's request, a power of attorney, or similar documents to authorize Franchisor to obtain copies of Franchised Business' previous years' tax filings. Franchisor shall also have the right, at any time, to have an independent audit made of the books of the Franchised Business. If an examination or audit reveals that gross sales of Franchisee were understated by three percent (3%) or more during the period audited, Franchisee shall reimburse Franchisor all fees owed plus interest at eighteen percent (18%) or the highest rate of interest allowed and all costs and expenses in connection with the audit. The foregoing remedies shall be in addition to any other remedies available to Franchisor.

12.6 Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which Franchisee does business to disclose to Franchisor any requested financial information in their possession relating to Franchisee or the Center. Franchisee authorizes Franchisor to disclose data from Franchisee's reports, if Franchisor determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

SECTION XIII. PROMOTION AND MARKETING

13.1 Commencing as of the date when the Center opens for business, and continuing throughout the initial term of this Agreement, Franchisee shall either pay to Franchisor or its designee or spend as directed by Franchisor, in accordance with this Section, advertising fees equal to nine percent (9%) of the weekly gross sales of the Franchised Business, but not less than \$360 per week. From time to time Franchisor, in its sole discretion, may create an annual maximum dollar amount that when paid by the Franchisee will not require further payments into the advertising funds for that year. This maximum dollar amount may be adjusted or removed annually, prior to the start of Franchisor's fiscal year. At any time and from time to time, Franchisor may direct Franchisee to pay all or any part of such advertising fee to one or more advertising funds organized under the System or may otherwise place conditions upon the use or payment of such fees.

13.2 Franchisee shall contribute or expend for advertising, promotion, and marketing purposes, allocated as follows:

13.2.1 If a national advertising fund ("National Fund") is established at any time or from time to time under the System, Franchisee shall contribute an amount designated by Franchisor, but not to exceed nine percent (9%) of weekly gross sales, to the National Fund. See Section 13.1 regarding an annual maximum dollar amount that may be established at Franchisor's sole discretion. Franchisee acknowledges that the current fee payable to the National Fund is 1.5% of weekly gross sales, but not less than \$60 per week.

13.2.2 If both a National Fund and a regional advertising fund ("Regional Fund") for the region in which the Franchised Business is located are established, Franchisee shall contribute such amounts

as Franchisor may designate from time to time to each fund, but not to exceed a total of nine percent (9%) of weekly gross sales for both.

13.2.3 If both a National Fund, a Regional Fund for Franchisee's region, and a local advertising cooperative ("Cooperative") in Franchisee's area are established, Franchisee shall contribute to each fund such amounts as Franchisor may designate from time to time, but not to exceed a total of nine percent (9%) of weekly gross sales for all.

13.2.4 If at any time Franchisee's total required contribution to a National Fund, a Regional Fund and/or a Cooperative is less than nine percent (9%) of weekly gross sales, Franchisee shall allocate the remaining amount for local advertising and promotion. All amounts allocated for local advertising and promotion shall be actually expended for such purpose within twelve (12) weeks after being allocated. Franchisee shall provide written confirmation of such expenditures as Franchisor may reasonably require.

13.3 Franchisee agrees that Franchisor shall have the right, in its sole discretion to establish a National Fund and any number of Regional Funds (collectively, the "Funds"), to be maintained and administered by Franchisor and/or its designees as follows:

13.3.1 Franchisor shall direct all advertising, promotional, and marketing programs with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Funds are intended to maximize general public recognition and acceptance of the Marks for the benefit of all Precision Tune Auto Care franchisees, and that Franchisor and its designees are not obligated in administering the Funds to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures by the Funds.

13.3.2 The Funds, all contributions thereto, and any earnings thereon shall be used to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising, promotional and marketing activities (including, among other things, the cost of creating, producing, placing, and conducting television, radio, and print advertising campaigns; creating, producing and distributing promotional materials for use on and off the Center premises, including signs and posters, direct mail, promotional brochures, and outdoor billboard advertising; marketing surveys and research; public relations activities; and employing advertising agencies and consultants to assist therein).

13.3.3 Franchisee shall contribute to the National Fund and any Regional Fund for Franchisee's region by EFT as provided in Section 4.3 or by separate checks made payable to each Fund, as designated by Franchisor. All sums paid into the Funds shall be kept in accounts separate from the other monies of Franchisor and shall be used to defray any of Franchisor's administrative costs and overhead as Franchisor may incur in activities related to the administration and direction of the Funds and advertising programs for franchisees and the System. Franchisor or its designees shall maintain separate bookkeeping accounts for the Funds.

13.3.4 It is anticipated that all contributions to and earnings of the Funds will be expended for the purposes described above during the taxable year in which the contributions and earnings are received. If, however, excess amounts remain in any Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions. No Fund is or shall be an asset of Franchisor. A statement of the operations of each Fund as shown on its books will be prepared annually by an independent certified public accountant selected by Franchisor and will be made available to each franchisee. Although each Fund is intended to be of perpetual duration, Franchisor may terminate any Fund

at any time. No Fund shall be terminated, however, until all monies in the Fund have been expended for the purposes described or returned to contributors on a prorated basis of their contributions. The Fund is operated solely as a conduit for collecting and expending the advertising fees as outlined above. Franchisee agrees and acknowledges that Franchisor has no fiduciary duty whatsoever to Franchisee, or any other franchisees, or their respective principals with regard to the operation or administration of the Fund.

13.4 Franchisee agrees that Franchisor may, in its sole discretion, designate any geographical area (whose borders may be changed from time to time) for the purposes of establishing a Cooperative. If a Cooperative has been established for the local area in which the Center is located at the time Franchisee commences operations (or otherwise becomes subject to paying advertising fees), Franchisee shall immediately become a member of such Cooperative and shall execute an advertising cooperative agreement in a form satisfactory to Franchisor. If a Cooperative in Franchisee's local area is established or reestablished at any later time, Franchisee shall become a member of such Cooperative by executing the appropriate advertising cooperative agreement no later than 30 days after the date on which the Cooperative commences. In no event shall Franchisee be required to be a member of more than one Cooperative at one time for each location. The following requirements shall apply to each Cooperative:

13.4.1 Each Cooperative shall be organized and governed in a form and manner, and shall commence on a date, approved in advance by Franchisor in writing. Each Cooperative shall be organized for the exclusive purpose of placing advertising and administering local advertising programs in accordance with plans previously approved by Franchisor. The members of a Cooperative may agree to contribute amounts in excess of the minimum designated by Franchisor, and new Franchisees joining the Cooperative shall be bound by such prior agreements. Each Cooperative shall collect, disburse, and account for monies received in accordance with written requirements and standards established by Franchisor.

13.4.2 Franchisor, in its sole discretion, may grant to any Precision Tune Auto Care Center franchisee an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request shall be final. Any exemption from Cooperative membership will be subject to the condition that the franchisee expends on approved local advertising any amounts that would have otherwise been paid into the Cooperative.

13.4.3 All promotional and marketing activities conducted by Franchisee in its local market area shall be subject to the prior approval of Franchisor. Franchisee shall submit to Franchisor (by personal delivery or certified mail, return receipt requested) for its prior approval (except with respect to prices to be charged) all local advertising, promotional and marketing plans and samples of all local advertising materials not prepared or previously approved by Franchisor or its designated agents. If written disapproval thereof is not received by Franchisee within fifteen (15) business days after the date of receipt by Franchisor, such plans and materials shall be deemed approved. If any plans or materials previously approved by Franchisor are later disapproved, Franchisee shall discontinue their use promptly upon notice from Franchisor.

13.5 Franchisee agrees to honor coupons and price promotions issued or authorized by Franchisor unless Franchisee has posted a conspicuous sign on its premises and includes in its local advertising a statement that Franchisee will not honor such coupons or price promotions.

13.6 During a four-week period before and after the opening of the Center, Franchisee shall conduct opening advertising and promotions using materials and media previously approved by Franchisor for such use. Franchisee shall be required to expend on opening advertising and promotion an amount to be determined in consultation with Franchisor. The required expenditure shall be not less than Three Thousand Dollars (\$3,000).

SECTION XIV. INSURANCE

14.1 Franchisee shall acquire and maintain, at its own expense and throughout the term of the Agreement, insurance with an insurance company with an A.M. Best's rating of "A" and an A.M. Best's class rating of XIV. Such insurance shall:

14.1.1 Be acceptable to Franchisor.

14.1.2 Name the Indemnitees identified in Section 21.2 as Additional Insureds and provide that the liability coverage afforded applies separately to each Insured against whom claim is brought as though a separate policy had been issued to each Insured.

14.1.3 Provide types and limits of coverages as specified by Franchisor from time to time in the Manuals or otherwise in writing, including Property Insurance; Public Liability Insurance to include Products and Completed Operations and Personal Injury Protection; Garage Liability and Garage Keepers Legal Liability, and workers' compensation, unemployment compensation, disability, social security and other insurance coverages as required from time to time by any applicable law.

14.1.4 Contain no provision which in any way limits or reduces coverage for Franchisee in the event of a claim by any one or more of the Indemnitees.

14.1.5 Extend to and provide indemnity for all obligations assumed by Franchisee hereunder and all other items for which Franchisee is required to indemnify Franchisor under the provisions of this Agreement.

14.1.6 Be in amounts and forms and with a carrier or carriers satisfactory to Franchisor, but in no event in an amount less than Two Million Dollars per occurrence; Two Million Dollars aggregate.

14.1.7 Provide, by endorsement, that Franchisor is entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend said policy.

14.2 Franchisee shall not reduce the policy limits, restrict coverage, cancel or otherwise alter or amend said policy without Franchisor's prior written consent.

14.3 As proof of such insurance, a certificate of insurance shall be submitted by Franchisee for Franchisor's approval prior to Franchisee's commencement of operations under this Agreement and upon each renewal or change of Franchisee's insurance policy. Upon request, Franchisee shall deliver to Franchisor or its agent a complete copy of Franchisee's then-prevailing policy of insurance at any time during or after the term of this Agreement.

14.4 In the event of a claim by any one or more of the Indemnitees (defined in Section 21.2) against Franchisee, Franchisee shall, on request of Franchisor, assign to Franchisor any and all rights which Franchisee then has or thereafter may have with respect to such claim against the insurer(s) providing the coverages described in this Section XIV.

14.5 Franchisee shall promptly notify Franchisor of any action, suit, proceeding, claim, demand, inquiry or investigation as required in this Agreement. If Franchisor is or may be named as a party in any such action, Franchisor may elect (but under no circumstances shall be obligated) to undertake the defense and/or settlement thereof. No such undertaking by Franchisor shall, in any manner or form, diminish

Franchisee's obligation to indemnify Franchisor and to hold it harmless.

14.6 Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee. Franchisee agrees that the failure to pursue such recovery or mitigate loss shall in no way reduce the amounts recoverable by the Indemnitees from Franchisee.

SECTION XV. DEFAULT AND TERMINATION

15.1 Except as otherwise required or prohibited under applicable statute, Franchisee shall be deemed to be in default, and Franchisor at its option may terminate this Agreement and all rights granted Franchisee hereunder, effective immediately upon notice to Franchisee and without affording Franchisee any opportunity to cure the default, upon the occurrence of any of the following events:

15.1.1 Franchisee fails to secure an acceptable site or fails to commence construction or remodeling of the Center, or fails to open the Center for business within the time periods specified in Schedule 1.3.

15.1.2 Franchisee, without Franchisor's prior written consent, ceases to operate or otherwise abandons the Franchised Business, ceases to operated the Franchised Business under marks other than the Proprietary Marks, loses the right to possession of the Center premises, or forfeits the legal right to do or transact business in the jurisdiction where the Franchised Business is located; provided, however, that if any such loss of possession results from the governmental exercise of the power of eminent domain or if, through no fault of Franchisee, the premises are damaged or destroyed, then Franchisee shall be entitled, within 30 days after such event, to apply for Franchisor's consent to relocate or reconstruct the premises, which consent shall not be unreasonably withheld.

15.1.3 Franchisee fails to pay, or admits its inability to pay, its debts as they become due; becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by or against Franchisee or other proceeding for the appointment of a receiver and is not dismissed in 30 days or if Franchisee possesses or abuses alcohol or any illegal drug or substance during the performance of Franchisee's duties and obligations under the Agreement, and Franchisor, in its sole judgment, determines that such possession or abuse impacts unfavorably on Franchisee, Franchisor, or the System.

15.1.4 Franchisee (or, if Franchisee is an entity organized to operate the Franchised Business, any principal of Franchisee) is convicted of a felony, a crime involving fraud or moral turpitude, or found liable in a civil claim for fraud or any unfair or deceptive act or practice that may affect Franchisee's ability to operate the Franchised Business.

15.1.5 A threat or danger to the public health or safety results from the maintenance or operation of the Franchised Business.

15.1.6 Franchisee's shareholders or other parties owning an interest in this Agreement or the Franchised Business attempt to transfer control or a majority interest in the Franchised Business or Agreement without the Franchisor's written consent.

15.1.7 Franchisee or its designee fails to attend and complete, to Franchisor's satisfaction, the initial franchise management training program required by Franchisor, as provided in Section 10.2.

15.1.8 Franchisee discloses any confidential or proprietary information provided by Franchisor.

15.1.9 An approved transfer is not effected within the required time, as required under Section 16.3, following Franchisee's death or mental incapacity.

15.1.10 Franchisee knowingly maintains false books or records, submits false reports to Franchisor, or Franchisee makes any material false statements to Franchisor in connection with its application for the franchise.

15.1.11 Franchisee repeatedly fails to pay its financial obligations on a timely basis.

15.1.12 Franchisee repeatedly is in default of the requirements imposed under this Agreement, whether or not cured after notice.

15.1.13 As determined solely by Franchisor, a significant number of valid customer complaints have been made about the Franchised Business, which Franchisee has failed to reasonably resolve.

15.2 Except as otherwise prohibited or required under applicable statute, if Franchisee fails, refuses, or neglects to promptly pay when due any operating or advertising fees or any other amounts owing to Franchisor, its subsidiaries, affiliates, or divisions arising out of this Agreement or relating to the Franchised Business, or fails to report its weekly gross sales, Franchisee shall have 10 days after receipt from Franchisor of written notice within which to cure such default. If any such default is not cured within that time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, immediately, upon the expiration of said period.

15.3 Except as previously provided and except as otherwise prohibited or required under applicable statute, Franchisee shall have 30 days after receipt from Franchisor of written notice within which to remedy any default hereunder and provide evidence thereof to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee immediately upon the expiration of said period. Such defaults include, without limitation, the occurrence of the following events:

15.3.1 Failure to pay when due any fee, sum, charge or account owing to Franchisor or its affiliates or subsidiaries;

15.3.2 Failure to maintain any of the standards or procedures prescribed by this Agreement or the Manuals;

15.3.3 Engaging in any illegal or fraudulent business practices; misuses or makes any unauthorized use of the Marks;

15.3.4 Failure to obtain Franchisor's prior approval or consent, as required under this Agreement;

15.3.5 Selling or offering for sale at the Franchised Business any unapproved service or product;

15.3.6 Engaging in, at the Franchised Business location premises, any business or commercial venture other than that permitted under this Agreement.

15.4 Franchisee may not terminate this Agreement prior to the expiration of its term except (1) through legal process resulting from Franchisor's material, uncured breach of this Agreement or (2) with Franchisor's written consent. If Franchisee claims that Franchisor has breached any obligation under this Agreement, Franchisee shall provide Franchisor with written notice of such claim, within one year of its occurrence, specifically enumerating all alleged breaches and providing Franchisor with the opportunity to cure, which shall in no event be less than 30 days from the date of receipt of such notice by Franchisor from Franchisee. Failure to give such notice shall constitute a waiver of any such alleged default.

SECTION XVI. TRANSFER OF INTEREST

16.1 Franchisee understands and acknowledges that the rights and duties of Franchisee set forth in this Agreement are personal to Franchisee and that Franchisor has granted this franchise in reliance on the business skill, financial capacity, and personal character of Franchisee and Franchisee's principals. Accordingly, Franchisee shall promptly advise Franchisor of any change in ownership. Further, Franchisee agrees that Franchisor's express prior written consent shall be a necessary condition precedent to the sale, assignment, transfer, conveyance, gift, pledge, mortgage, encumbrance, or hypothecation of any direct or indirect majority interest (whether in a single transaction or/as the result of a series of transactions) in this Agreement, the Franchised Business, the Franchisee, or all or substantially all of the assets of the Franchised Business Except as specifically provided in this Section, any purported assignment or transfer, by operation of law or otherwise, not having the express prior written consent of Franchisor, shall be null and void and of no effect on Franchisor and shall constitute a material breach of this Agreement. Franchisor's prior written consent shall not be required for transfer of an interest in a publicly held corporation. As used in this Agreement, the term "publicly held corporation" means a corporation issuing securities, registered under the Securities Exchange Act of 1934. Franchisee acknowledges and agrees that each condition required to be met by a proposed transferee hereunder is necessary to assure the transferee's full performance of its obligations as "Franchisee" hereunder.

16.2 If Franchisee is an individual or partnership, Franchisee shall be entitled to transfer the Agreement, Franchised Business and Franchisee's interest in this Agreement to an entity formed for convenience of ownership. Franchisor will charge no transfer fee for the first such transfer; however, Franchisor's consent to any such transfer shall be subject to the following conditions: Franchisee shall be the majority interest holder of the voting stock in the 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. Franchisee shall also comply with the terms and conditions set forth for franchisee entities under Section VI.

16.3 Within 6 months after the death or mental incapacity of Franchisee (or, if Franchisee is an entity organized to operate the Franchised Business, a principal of Franchisee), the executor, administrator, or personal representative of such person shall transfer that person's interest to a third party approved by Franchisor. All such transfers shall be subject to the same conditions as any inter vivos transfer; however, no transfer fee will be charged in the case of a transfer by devise or inheritance. If the heirs or beneficiaries of the deceased or mentally incapacitated Franchisee do not meet the approval of Franchisor, then the executor or other personal representative shall promptly, but in no event more than sixty (60) days later, cause this Agreement to be transferred to such person or persons who are acceptable to Franchisor. All such persons or entities to which this Agreement is transferred must agree to undertake the prescribed training to operate the Franchised Business, as required by the Franchisor.

16.4 Any person ("seller") who receives and desires to accept a bona fide offer from a third party to purchase all or part of the seller's interest in Franchisee, this Agreement, or the Franchise Business

shall notify Franchisor in writing within 5 business days of receipt of each such offer. Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notice, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. To enable Franchisor to determine whether it will exercise its option, Franchisee and the seller shall provide such information and documentation, including financial statements, as Franchisor may reasonably require. If the consideration, terms, or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same, Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, Franchisor and Franchisee shall appoint an independent appraiser, whose determination shall be binding on both parties. If Franchisor does not exercise its option as provided hereunder, the seller may sell the interest, subject to Franchisor's consent, as otherwise required. Any material change in the terms of any offer prior to closing constitutes a new offer, subject to the same rights of first refusal by Franchisor, as in the case of an initial offer. Any right and option to purchase the seller's interest that is not exercised by Franchisor within the 30-day period shall become void and invalid, and any new offer shall be subject to this Section 16.4. Any offer to sell not accepted within 90 days shall become void and invalid and any new offer shall be subject to this Section 16.4.

16.5 Franchisor shall not unreasonably withhold its consent to a transfer of a majority interest in Franchisee, this Agreement, or in the Franchised Business, whether in a single transaction or as the result of a series of transactions; provided, however, that Franchisor may, in its sole discretion, require any or all of the following as conditions for its approval:

16.5.1 All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor, its subsidiaries, affiliates and divisions and all of Franchisee's obligations to Franchisee's Area Developer, if any, shall be satisfied.

16.5.2 Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment or successor Agreement, and all other Agreements between Franchisee and Franchisor, its subsidiaries, affiliates or divisions relating to the Location, and, at the time of transfer, shall not be in default.

16.5.3 If the transferor(s) guaranteed the obligations of Franchisee, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor.

16.5.4 Franchisee and the transferor(s) shall execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, the Area Developer, if any, and their shareholders, directors, officers, employees and agents and their affiliated, subsidiary and associated corporations and their officers, directors, shareholders, employees, and agents, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances.

16.5.5 The transferee (or, if the transferee is an entity organized to operate the Franchised Business, the principals of the transferee) shall demonstrate to Franchisor's satisfaction that transferee has the financial means and business ability to operate the Franchised Business to be transferred.

16.5.6 The transferee shall execute the current form of Agreement then being offered by Franchisor and such other ancillary agreements as Franchisor may require. Such agreements shall supersede the transferor's Agreement and ancillary agreements in all respects; provided, however, that no initial franchise fee shall be required and the term of transferee's franchise agreement shall be the unexpired term of transferor's Agreement.

16.5.7 Franchisee shall furnish to Franchisor an Agreement and Contingent Assignment of Lease (Schedule 3.1.1) executed by Franchisee and the Lessor (including a copy of the executed lease and/or lease renewals/assignments).

16.5.8 If requested by Franchisor, the transferee must make or commit to provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Center premises as Franchisor may reasonably require to reflect the then-current standards and image of the System.

16.5.9 The transferee must complete, and/or cause its employees to complete, to Franchisor's satisfaction, such initial and refresher training, as Franchisor may require, and the transferee shall attain within the time limits set by Franchisor, and maintain thereafter, full technical certification for the operation of the Franchised Business.

16.5.10 Franchisee and the transferor(s) must remain liable for all obligations to Franchisor, its subsidiaries, affiliates, and divisions, in connection with the Franchised Business for the current term of this Franchise Agreement (but not any extensions or renewals thereof) and shall execute any and all instruments reasonably required by Franchisor to evidence such liability.

16.5.11 Notwithstanding the terms outlined in this section, where the Franchisor's express written consent is needed, it shall not be unreasonably withheld.

16.6 Franchisee or the transferee shall pay the Franchisor a nonrefundable transfer fee to compensate Franchisor for its costs and expenses for such a transfer:

16.6.1 A fee of Two Thousand Dollars (\$2,000) for the transfer of a controlling interest to (i) a person whose full-time occupation during the two (2) years immediately preceding the proposed transfer has been serving as the manager or fully certified lead technician of the Franchised Business, or (ii) a current Precision Tune Auto Care franchisee who has satisfied all obligations and substantially complied with all material requirements under its Agreements with Franchisor, its subsidiaries, affiliates, and divisions up to and including the time of the proposed transfer.

16.6.2 A fee of Ten Thousand Dollars (\$10,000) for any other transfer of a controlling interest to a person other than those specified in Section 16.6.1.

16.7 If Franchisee desires to make a securities offering in Franchisee or the Franchised Business, by private offering or otherwise, Franchisee shall submit to Franchisor all materials required for such offering by federal or state law for review prior to their use or filing with any government agency, and any materials to be used in any offering exempt from federal or state securities laws shall be submitted for review prior to their use. No such offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in underwriting, issuing or offering securities of Franchisee. Review by Franchisor of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. Franchisee and the other participants in the offering shall fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee shall pay Franchisor a nonrefundable fee of Five Thousand Dollars (\$5,000) to compensate Franchisor for its reasonable costs and expenses (including without limitation legal and accounting fees) associated with reviewing the proposed offering. Franchisee shall give Franchisor written notice at least 30 business days prior to the date of commencement of any offering subject to this Section 16.7.

16.8 Neither Franchisor's consent to any proposed transfer nor Franchisor's failure to exercise its option to purchase any interest of a seller shall be deemed to constitute a waiver of any claims Franchisor may have against any transferor, any right to demand exact compliance with any terms of this Agreement

by any transferor or transferee, any future rights or options of Franchisor, or any provision of this Agreement.

16.9 This Agreement shall inure to the benefit of Franchisor, its successors, and assigns, and Franchisor may transfer and assign all or any part of its interest herein to any person or legal entity.

SECTION XVII. OBLIGATIONS UPON TERMINATION OR EXPIRATION

17.1 Upon the expiration or termination of this Agreement for any reason, all of Franchisee's rights hereunder shall terminate. In particular, and without limiting the foregoing, Franchisee shall:

17.1.1 Immediately cease to operate the Franchised Business, no longer represent itself as a current or former franchisee of Franchisor, and immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, or techniques associated with the System, all Marks and all signs, advertising materials, displays, stationery, forms, and any other Sections that display any of the Marks, or anything similar thereto, including but not limited to "Precision", "Precision Tune", or "Precision Tune Auto Care".

17.1.2 Take such action as may be necessary to cancel any assumed name or equivalent registration that contains the name "PRECISION TUNE AUTO CARE", and submit to Franchisor proof of compliance with this obligation within 30 days after termination or expiration of this Agreement.

17.1.3 Transfer to Franchisor or Franchisor's nominee each telephone number and telephone listing for the Franchised Business.

17.1.4 Immediately deliver to Franchisor or its designee, and retain no copies of, Manuals used in the operation of the Franchised Business, and all other materials (including customer data) relating to operation of the Franchised Business, except Franchisee's copy of this Agreement and such documents as Franchisee reasonably needs for compliance with any provision of law.

17.1.5 Promptly pay all sums owing to Franchisor, its subsidiaries, affiliates and divisions, and in the event of termination, these sums shall include, but are not limited to, an amount ("Future Lost Profits") equal to the number of weeks remaining through the Franchisee's then-current term ("Remaining Weeks") multiplied by the greater of (i) Three Hundred Dollars (\$300), or (ii) seven and one-half percent (7.5%) of gross sales per week. After calculating Future Lost Profits, this number shall be reduced by twenty percent (20%) to determine its present value. As described solely in this subparagraph, gross sales shall be determined based on calculating the average gross sales per week from the latest twenty-six (26) weeks of previously reported gross sales. The enforcement of this Section shall not constitute an election of remedies on the part of Franchisor and shall not preclude Franchisor from seeking any other damages to which it is entitled or seeking any other remedies available at law or in equity.

17.1.6 Comply with all requirements under this Agreement that expressly or by reasonable implication apply to Franchisee's conduct after termination or expiration, including the restrictive covenants discussed herein.

17.2 In the event of any default by Franchisee under this Agreement, Franchisee shall pay Franchisor all costs and expenses, including reasonable legal and accounting fees, incurred by Franchisor in connection with obtaining damages or injunctive or other relief for the enforcement of any provisions of this Agreement or for the defense of any unsuccessful action or counter claim made by Franchisee. The

foregoing shall apply whether or not suit is filed and shall include legal fees incurred at the trial level and, if applicable, at the appellate level.

17.3 At Franchisor's option given within 30 days following termination or expiration of this Agreement, Franchisee shall assign to Franchisor or its designee any interest that Franchisee has in any lease or sublease for the Location. If Franchisor does not exercise this option, without prejudice to Franchisor's other rights and without waiver of Franchisee's other duties and obligations, Franchisee shall make such modifications or alterations to the interior and exterior of the Center premises (including, without limitation repainting and changing the telephone number) as Franchisor may deem necessary to prevent confusion, mistake, or deception, if the premises are thereafter used by Franchisee or others. If Franchisee fails or refuses to comply with these requirements, Franchisor may enter upon the premises, where the Franchised Business was conducted, for the purpose of making or causing to be made such changes, as may be required, at Franchisee's expense, which Franchisee agrees to pay upon demand. Franchisee agrees that such entry and action by Franchisor or its agents shall not constitute trespass or any other offense, and Franchisee shall indemnify Franchisor and its agents against any claims by others relating to such entry and action.

17.4 Within fifteen (15) days after the date of termination or expiration of this Agreement, Franchisor may arrange for an inventory, at Franchisor's cost, of all personal property, fixtures, equipment, supplies, and inventory located at the premises or used in connection with the Franchised Business, including, without limitation, any and all items bearing the Marks. Franchisor shall have the option, exercisable within thirty (30) days after termination or expiration, to purchase any or all such items from Franchisee at Franchisee's cost or the fair market value, whichever is less. If the parties cannot agree on value within a reasonable time, Franchisor may designate an independent appraiser, whose determination shall be binding. If Franchisor elects to exercise any option to purchase hereunder, it may set off all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any, against any payment for items purchased.

17.5 Default under or termination of this Agreement shall not constitute a default under and cause for termination of any other agreement between Franchisee and Franchisor related to the Franchised Business. It will not terminate any other franchise agreements between Franchisor and Franchisee as to any other center.

17.6 Termination or expiration of this Agreement shall not affect the right of Franchisor to conduct audits of the Franchised Business or to collect monies owed under this Agreement prior to or as a result of the termination or expiration.

SECTION XVIII. RESTRICTIVE COVENANTS

18.1 During the term of this Agreement and for a period of one year thereafter, Franchisee covenants that Franchisee and each holder of 5% or more of a beneficial interest in Franchisee (each, a "Controlling Principal") shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity, divert or attempt to divert any business, opportunity or customer of the Franchised Business or any other franchisee to any competitor. Further, Franchisee and the Controlling Principals covenant not to do or perform directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks or the System.

18.2 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee shall receive valuable specialized training and confidential information, including, without limitation, information concerning the operational, sales, promotional, and marketing methods and techniques of

Franchisor and the System. The following restrictions shall not apply to owners in interest of the Franchisee of less than a 5% beneficial interest or to the owners of shares in the outstanding equity securities of any publicly held corporation. Franchisee (and each Controlling Principal) covenants that they shall not, either directly or indirectly, or for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

18.2.1 During the term of this Agreement, except as otherwise approved in writing by Franchisor, own, maintain, operate, engage in, be employed by, or have any interest in any business similar to the Franchised Business (except pursuant to other franchise, development or area agreements between Franchisee and Franchisor).

18.2.2 For a period of 2 years after the termination, transfer or expiration of this Agreement, own, maintain, operate, engage in, be employed by, or have any interest in any business similar to the Franchised Business and located within 5 miles of the boundary of the Assigned Area; and (i) within 5 miles of the boundary of the assigned area of any other Precision Tune Auto Care Center; or (ii) within 10 miles from the location of any other Precision Tune Auto Care Center, whichever is less.

18.3 Franchisee acknowledges that any failure to comply with the requirements of this Section will cause Franchisor irreparable injury, for which no adequate remedy at law may be available. Accordingly, Franchisee consents to the issuance of an order of specific performance, temporary restraining order, or preliminary or permanent injunction against violation by Franchisee, of the covenants.

18.4 Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the restrictive covenants in this Section XVIII. Franchisee shall pay all cost and expenses (including, without limitation, reasonable legal and accounting fees) incurred by Franchisor in connection with the enforcement of this Section XVIII.

18.5 At Franchisor's request, Franchisee shall obtain and deliver executed covenants similar to those set for Franchise in this Section XVIII from any or all persons who have or may have an ownership interest in Franchisee or in this Agreement or who receive or have access to training and other information under the System. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

18.6 The parties agree that each of the foregoing covenants shall be construed as independent of every other covenant or provision of this Agreement. If all or any portion of a covenant in this Article XVIII is determined to be unreasonable or unenforceable by a court or tribunal having jurisdiction in an unappealable final decision to which the Franchisor is a party, Franchisee expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated and made a part of this Article XVIII.

18.7 Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 18 or any portion of any covenant, without Franchisee's consent, effective immediately upon receipt of written notice thereof; and Franchisee agrees to comply forthwith with any covenant as so reduced, which shall be fully enforceable notwithstanding the provisions of Section 24.2.

SECTION XIX. TAXES, PERMITS, INDEBTEDNESS

19.1 Franchisee shall promptly pay when due all taxes levied or assessed, and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchised Business.

19.2 Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business.

SECTION XX. INDEPENDENT CONTRACTOR

20.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor; and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee shall exhibit a notice of that fact in a conspicuous place on the Center premises and on stationery, invoices, order forms, receipts and contracts and written or graphic materials, and on any vehicle used in connection with the Franchised Business, the content and form of which Franchisor reserves the right to specify.

20.2 It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or obligation in Franchisor's name.

SECTION XXI. INDEMNIFICATION

21.1 As used in this Section XXI, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, lost profits, attorneys' fees, accountants' fees, expert witness fees, expenses, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

21.2 Franchisee shall, at all times, defend, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its corporate affiliates, successors and assigns and the respective directors, officers, employees, agents and representatives of each, and Franchisee's Area Developer, if any, (collectively, the "Indemnitees") from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) that arises out of or is based upon any of the following:

21.2.1 Franchisee's violation, breach or asserted violation or breach of any contract, federal, state or local law, regulation, rule, order, standard or directive, or of any industry standard.

21.2.2 Libel, slander or any other form of defamation by Franchisee.

21.2.3 Franchisee's violation or breach of any warranty, representation, this Agreement or

obligation in this Agreement.

21.2.4 Acts, errors or omissions of Franchisee or any of its agents, servants, employees, contractors, partners, affiliates or representatives.

21.3 Franchisee shall promptly notify Franchisor of any action, suit, proceeding, claim, demand, inquiry or investigation as described in Section 21.2. If Franchisor is or may be named as a party in any such action, Franchisor may elect (but under no circumstances will be obligated) to undertake the defense and/or settlement thereof. No such undertaking by Franchisor shall, in any manner or form, diminish Franchisee's obligation to indemnify Franchisor and to hold it harmless.

21.4 With respect to any action, suit, proceeding, claim, demand, inquiry or investigation, Franchisor may, at any time and without notice, in order to protect persons or property or the reputation or goodwill of Franchisor or others, order, consent or agree to any settlement or take any remedial or corrective action as Franchisor deems expedient, if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

21.4.1 Any of the acts or circumstances enumerated in Section 21.2 have occurred; or

21.4.2. Any act, error, or omission of Franchisee may result directly or indirectly in damage, injury or harm to any person or any property.

21.5 All losses and expenses incurred under this Section XXI shall be chargeable to and paid by Franchisee pursuant to its obligations of indemnity hereunder, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity or defense.

21.6 Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee. Franchisee agrees that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by the Indemnitees from Franchisee.

21.7 The Indemnitees assume no liability whatsoever for any acts, errors, or omissions of any persons with whom Franchisee may contract, regardless of the purpose. Franchisee shall hold harmless and indemnify the Indemnitees and each of them for all losses and expenses that may arise out of any acts, errors or omissions of such third parties with whom Franchisee may contract.

SECTION XXII. APPROVAL AND WAIVERS

22.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be enforceable only if in writing.

22.2 Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee by providing any waiver, approval, consent, or suggestion to Franchisee in connection with any consent, or by reason of any neglect, delay, or denial of any request therefor.

22.3 No failure of Franchisor to exercise any power reserved to it under this Agreement, or to insist upon compliance by Franchisee with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's rights

to demand exact compliance with any of the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's rights with respect to any subsequent default of the same or a different nature; nor shall any delay, forbearance, or omission by Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants of this Agreement affect or impair Franchisor's rights; nor shall such constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

SECTION XXIII. NOTICES

23.1 Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within 3 business days after transmission) to the respective parties at the addresses listed on the cover page to this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice shall be deemed to have been given and received at the time of personal delivery or, in the case of facsimile, telegram or telex, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, 3 business days after the date and time of mailing.

SECTION XXIV. ENTIRE AGREEMENT; MODIFICATIONS

24.1 This Agreement, the documents referred to herein and the attachments hereto constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersedes all prior agreements.

24.2 Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

SECTION XXV. SEVERABILITY AND CONSTRUCTION

25.1 Except as expressly provided to the contrary herein, each portion, section, part, term and/or provision of this Agreement shall be considered severable; and if, for any reason, a portion, section, part, term and/or provision herein determined to be invalid and contrary to, or conflict with any existing or future law, regulation by a court or agency having valid jurisdiction, such invalidity or conflict shall not impair the operation of, or have any other effect upon such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereof; and said invalid portions, section, parts, and/or provisions shall be deemed not to be a part of this Agreement.

25.2 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by Section XVI hereof, any rights or remedies under or by reason of this Agreement.

25.3 Franchisee expressly agrees to be bound by any promise or covenant imposing the

maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

25.4 All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable.

25.5 This Agreement shall be effective and binding on Franchisor only when executed on behalf of Franchisor by its president or a vice president.

SECTION XXVI. APPLICABLE LAW AND CHOICE OF VENUE AND FORUM

26.1 Franchisee hereby irrevocably submits to the jurisdiction of the state and the federal district courts in the county or judicial district in which the Franchisor's principal place of business is located. Franchisee hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision. Franchisee hereby agrees that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by appropriate state or federal law. Franchisee further agrees that exclusive venue for any proceeding relating to or arising out of this Agreement shall be the county or judicial district in which the Franchisor's principal place of business is located; provided, however, with respect to any action (i) for monies owed, (ii) for injunctive or other extraordinary relief or (iii) involving possession or disposition of, or other relief relating to, the Center premises, Franchisor may bring such action in any state or federal district court which has jurisdiction.

26.2 With respect to all claims, controversies, disputes or actions related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions, shall be governed, enforced and interpreted under the laws of the Commonwealth of Virginia (without regard to choice of law rules); provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of Virginia, then such provisions shall be interpreted and construed under the laws of the state in which the premises of the Franchised Business is located (if enforceable in that state).

26.3 Franchisee and Franchisor acknowledge that each party's agreement regarding applicable state law and forum set forth in Sections 26.1 and 26.2 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Franchisee and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each party's agreement regarding applicable state law and choice of forum has been negotiated for in good faith and are part of the benefit of the bargain reflected by this Agreement.

26.4 Franchisee and Franchisor acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred at Franchisor's principal place of business in Ashburn, Virginia, and further acknowledge that the performance of certain obligations of Franchisee arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of Franchisor, shall occur at Franchisor's principal place of business.

SECTION XXVII. ACKNOWLEDGMENTS

27.1 Franchisee acknowledges that it has conducted an independent investigation of the Precision Tune Auto Care System and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of the Franchisee, as an independent business. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

27.2 Franchisee hereby expressly warrants that it has no knowledge of any representation about the Franchised Business by Franchisor or its officers, directors, shareholders, employees, agents, or contractors, that is contrary to the terms of this Agreement or the documents referred to herein. Franchisee understands and acknowledges that Franchisor has made no representation that Franchisee will earn or is likely to earn a profit in excess of the initial consideration paid by Franchisee; and Franchisor has made no representation that it will buy back from Franchisee any products, supplies or equipment purchased by Franchisee in connection with the Franchised Business.

27.3 Franchisee acknowledges that it received a copy of the complete Agreement, the attachments thereto, and agreements relating thereto, if any, at least five (5) business days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it received the Franchise Disclosure Document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising at least ten (10) business days prior to the date on which this Agreement was executed.

27.4 Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and any agreements relating thereto, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisers of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement to include its attachments and related agreements.

SIGNATURES ON FOLLOWING PAGE:

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day and year above written.

Witness:

Witness:

FRANCHISEE:

By: _____
(SIGNATURE)

(PRINT/TYPER NAME) (TITLE)

DATE: _____

Individually

DATE: _____

Individually

DATE: _____

**FRANCHISOR:
PRECISION FRANCHISING LLC**

By: _____

Name: _____

Title: _____

DATE: _____

SCHEDULE 1.1

LOCATION AND OPENING DATE

PRECISION FRANCHISING LLC ("Franchisor") and _____ ("Franchisee") have this date, _____, 20____, entered into a certain Precision Tune Auto Care Franchise Agreement ("Franchise Agreement") and desire to supplement its terms, as set forth below. The parties therefore agree as follows:

1. LOCATION

Pursuant to Section 1.1 of the Agreement, the Franchised Business shall be located at the following accepted location:

2. OPENING DATE

The Opening Date of the Franchise Business is _____, 20__.

This Schedule shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Schedule shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Schedule, the terms of the Franchise Agreement are hereby ratified and confirmed.

Witness:

FRANCHISEE:

By: _____
[SIGNATURE]

[PRINT/TYPE NAME]

[TITLE]

FRANCHISOR:

PRECISION FRANCHISING LLC

By: _____
Name: _____
Title: _____
Date: _____

**Schedule 1.2
ASSIGNED AREA**

PRECISION FRANCHISING LLC ("Franchisor") and _____ ("Franchisee") have this date, _____, 20____, entered into a certain Precision Tune Auto Care Franchise Agreement ("Franchise Agreement") and desire to supplement its terms, as set forth below. The parties therefore agree as follows:

1. ASSIGNED AREA

Pursuant to Section 1.2 of the Agreement, the Assigned Area shall be that certain area within a radius (not to exceed 5 miles) from the location set forth in paragraph 1 of this Schedule 1.1 comprising the Population, as defined below, as of the most recent U.S. Government decennial census.

As set forth in Section 1.2 of the Agreement, during the term of the Agreement, so long as Franchisee is in full compliance with the terms and conditions of the Agreement, Franchisor shall not hereafter establish or grant others the right to establish any additional PRECISION TUNE AUTO CARE CENTERS in the Assigned Area. Franchisee acknowledges and agrees that the people residing in the Assigned Area may also reside in the assigned area of one or more nearby Precision Tune Auto Care centers, and that extensions, transfers or renewals of any existing Precision Tune Auto Care centers in the Assigned Area are excluded from the foregoing. Franchisee shall use its best efforts to advertise and promote the Franchised Business in its Assigned Area. If at any time during the term of the Agreement, Franchisor desires to establish or authorize any other person to establish one or more PRECISION TUNE AUTO CARE CENTERS in the Assigned Area as a result of an increase in the "Population" in the Assigned Area, and if Franchisee is then in full compliance with the terms and conditions of the Agreement, then Franchisee shall have the option to obtain the right to develop and operate the additional center(s) by entering into a franchise agreement for such center(s) to be developed. Franchisor shall provide Franchisee with notice thereof and the then-current form of franchise agreement; provided, that the initial franchise fee shall be the same as the initial franchise fee described in Section 4.1. Franchisee shall have a period of thirty (30) days following notice from Franchisor to execute and return to Franchisor the applicable agreement and pay the initial fees thereunder. If Franchisee fails to timely exercise its rights under this Schedule 1.1, Franchisor may thereafter establish such PRECISION TUNE AUTO CARE CENTER(S) itself or authorize others to do so. The "Population" shall mean the number of people residing in the Assigned Area as of the most recent decennial census at the time of execution of the Franchise Agreement from which potential customers for Franchisee's products and services will be drawn. For the purpose of this Agreement, Population shall equal 50,000 people.

This Schedule shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Schedule shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Schedule, the terms of the Franchise Agreement are hereby ratified and confirmed.

Witness:

FRANCHISEE:

By: _____

[SIGNATURE]

Print Name and Title

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1.3
SITE DEVELOPMENT ADDENDUM

PRECISION FRANCHISING LLC ("Franchisor") and _____ ("Franchisee") have this date, _____, 20____, entered into a certain Precision Tune Auto Care Franchise Agreement ("Franchise Agreement") and desire to supplement its terms, as set forth below. The parties therefore agree as follows:

A. SITE SELECTION

1. Within six (6) months after execution of the Franchise Agreement by Franchisor, Franchisee shall acquire or lease, at Franchisee's expense, a location for the Precision Tune Auto Care Center ("Center" or "Franchised Business") at a site identified by Franchisee and approved by Franchisor as hereinafter provided.

2. Franchisee's site shall be located within the following Designated General Area:

The Designated General Area is not an exclusive territory of Franchisee and is described solely for the purpose of limiting the area within which Franchisee may seek a location for the Center. Nothing in the Franchise Agreement or in this Addendum shall be deemed to prevent Franchisor from granting franchises to others for locations anywhere within the Designated General Area at any time.

3. If Franchisee has not acquired or leased an acceptable location within the Designated General Area within the time provided in Paragraph A.1., either Franchisor or Franchisee may, at its option, cancel the Franchise Agreement.

(a) If Franchisee, after diligent efforts, fails to acquire, contract for, or lease a site acceptable to Franchisor, and elects to cancel within six (6) months after Franchisor's execution of the Franchise Agreement, Franchisee shall be entitled to a refund of twenty percent (20%) of the initial franchise fee paid by Franchisee provided that Franchisee is not otherwise in default of the Franchise Agreement or any other agreement between Franchisee and Franchisor. The refund will be paid within one (1) month after Franchisor's receipt of the written notice of cancellation, which must be received within six (6) months after Franchisor's execution of the Franchise Agreement. The initial franchise fee is not refundable, in whole or in part, under any other circumstances.

(b) Failure by Franchisee to acquire, contract for, or lease a site acceptable to Franchisor within the time provided in Paragraph A.1. above shall constitute a default under the Franchise Agreement, for which Franchisor may immediately terminate the Franchise Agreement as provided therein.

B. SITE APPLICATION

1. Prior to acquiring, contracting for or leasing a site for the Center, but in no event more than eight (8) months after Franchisor's execution of the Franchise Agreement, Franchisee shall submit to Franchisor, in the form specified by Franchisor, a completed Site Application, and such other information or materials as Franchisor may require, together with a letter of intent or other evidence satisfactory to Franchisor confirming Franchisee's favorable prospects for obtaining the site. No site shall be deemed accepted unless it has been expressly accepted in writing signed by Franchisor.

2. Franchisee shall be responsible for all expenses in connection with the completion of the Site Application, including but not limited to costs of demographic analyses, drafting and copying of site plans, maps, aerial and ground photographs, and professional services.

3. Franchisor shall have no obligation to inspect any site proposed by Franchisee; however, Franchisor, in its sole discretion, may determine that a site inspection is necessary for a proper evaluation of Franchisee's site application. Franchisor will conduct, or cause its agent to conduct, the first such inspection at no charge to Franchisee; thereafter, Franchisor may require Franchisee to reimburse Franchisor or its agent for all reasonable expenses incurred in connection with site inspections, including but not limited to travel, lodging, and meals.

4. After a proposed location has been accepted by Franchisor and leased or acquired by Franchisee as provided herein, that location shall be described in an attachment to the Franchise Agreement as the accepted location pursuant to Section 1.1 of the Franchise Agreement.

5. Fulfillment by Franchisor of its obligations under this Addendum shall constitute full performance by Franchisor pursuant to Section 5.1.1 and 5.1.2 of the Franchise Agreement.

C. LEASE

If Franchisee will occupy the Center premises under a lease, Franchisee shall submit a copy of the lease to Franchisor for its review. Franchisor's approval of the site will be conditioned upon the execution by Franchisee and the Lessor of an Agreement and Contingent Assignment of Lease in the form attached hereto, or on the inclusion in the lease of the terms and provisions set forth in the attached form of Agreement and Contingent Assignment of Lease. Franchisee shall be solely responsible for the performance of all of its obligations as lessee or sublessee under the lease for the Center premises, and Franchisee shall indemnify Franchisor against and hold Franchisor harmless from all claims, demands and liabilities of the lessor or other third parties resulting from the lease.

D. SITE PREPARATION

Before commencing any construction or remodeling of the Center, , but in no event later than two (2) months after Franchisor approves Franchisee's acquires or leases the site for the Center, Franchisee shall comply, to Franchisor's satisfaction, with all of the following requirements:

1. Franchisee shall employ a qualified architect or engineer who is reasonably acceptable to Franchisor to prepare, for Franchisor's review and acceptance, preliminary plans and specifications for site improvement and construction of the Center based upon standard prototype drawings furnished by Franchisor.

2. Franchisee shall be responsible for obtaining all zoning and environmental classifications and clearances that may be required by state or local laws, ordinances, or regulations, or that may be necessary or advisable owing to any applicable restrictive covenants. After having obtained such classifications and clearances, Franchisee shall submit to Franchisor, for review and acceptance, final plans for construction or remodeling based on the preliminary plans and specifications. Once accepted by Franchisor, the final plans may not be substantially changed or modified without Franchisor's permission.

3. Franchisee shall be responsible for obtaining all permits and certifications required for the lawful construction, remodeling, and operation of the Center, and shall certify to Franchisor that all such permits and certifications have been obtained.

4. Franchisee shall employ a qualified licensed general contractor who is reasonably acceptable to Franchisor to complete all site improvements and construction of the Center. Franchisee shall obtain and maintain during the entire period of construction liability insurance as provided under Article XIII of the Franchise Agreement.

E. CONSTRUCTION

1. If the accepted location is a build-to-suit, Franchisee must commence construction within four (4) months after Franchisor's acceptance of the site application. If the accepted location is an existing building, Franchisee shall commence remodeling immediately upon obtaining possession of the premises, within two (2) months after Franchisor's acceptance of the site application.

2. Franchisee shall provide written notice to Franchisor of the date when (i) construction of the Center commenced or (ii) Franchisee obtained possession of the premises, within ten (10) days after the event. For purposes of this Addendum, construction shall be deemed to commence on the date on which excavation for footings is begun. Thereafter, Franchisee shall provide Franchisor a progress report, either orally or in writing as Franchisor may require, at least once every two (2) weeks. Franchisee agrees that Franchisor and its agents shall have the right to inspect the location at all reasonable times for the purpose of ascertaining that all work complies with the final plans accepted by Franchisor.

3. Franchisee shall maintain continuous work on construction or remodeling of the Center premises, which shall be completed within the time period specified in the final plans accepted by Franchisor. Franchisee shall be responsible for the completion of all interior and exterior carpentry, electrical, painting and finishing work, and the installation of all furnishings, fixtures, equipment and signs in accordance with Franchisor's specifications.

4. Franchisee shall notify Franchisor of the date of completion of construction or remodeling, and within a reasonable time thereafter, Franchisor or its agent shall conduct a final inspection of the Center premises. Franchisee shall not open the Center for business without the express written authorization of Franchisor, which shall be subject to Franchisee's strict compliance with the standards and specifications of the Precision Tune Auto Care System.

5. Notwithstanding anything to the contrary, Franchisee must complete construction or remodeling and open the Center for business within one year after Franchisor's execution of the Franchise Agreement, but not later than ten (10) days after being authorized by Franchisor to do so.

F. EFFECT AND INTERPRETATION

1. If the performance of any obligation hereunder is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder (such force majeure to include but not be limited to Acts of God, fire, flood, hurricane, earthquake, riots, wars, hostilities, governmental actions or failure to act, strikes, lockouts, or labor disputes), then the affected party shall, upon prompt written notice to the other party, be given an additional time to perform equal to the delay caused directly by the force majeure; provided, however, that nothing herein shall be deemed or construed to permit any delay in the exercise of Franchisee's right under Section A.3(a) hereof nor its obligations to provide notices and reports to Franchisor hereunder.

2. Notwithstanding Franchisor's acceptance of any site proposed by Franchisee, Franchisor makes no warranty, representation or guarantee concerning any location or its business prospects. Accordingly, Franchisee accepts any and all risk associated with operating a Precision Tune Auto Care center at this location.

3. This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

Witness:

FRANCHISEE:

By: _____
[SIGNATURE]

[PRINT/TYPE NAME]

[TITLE]

**FRANCHISOR:
PRECISION FRANCHISING LLC**

By: _____
Name: _____
Title: _____

Center No. _____

SCHEDULE 3.1.1

AGREEMENT AND CONTINGENT ASSIGNMENT OF LEASE

This Agreement and Contingent Assignment of Lease ("Agreement") is made this ____ day of _____, 20 ____, by and among the following parties:

LESSOR: _____

LESSEE: _____

FRANCHISOR: PRECISION FRANCHISING LLC
19980 Highland Vista Drive, Suite 155.
Ashburn, VA 20147

RECITALS:

WHEREAS, Under the terms of the Lease Agreement attached hereto as Exhibit A, Lessor has agreed to lease to Lessee certain premises (the "Premises") located at the following street address:

WHEREAS, Lessee has entered into a Franchise Agreement with Franchisor under which Lessee proposes to operate a Precision Tune Auto Care ®Center to be located at the Premises;

WHEREAS, Franchisor has accepted the Premises as a suitable location for Lessee's Precision Tune Center, subject to the provisions of the Franchise Agreement and further subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, including the acceptance by Franchisor of the Premises as a location for a Precision Tune Auto Care® Center, the parties hereby agree as follows:

1. Use of Premises. Lessee shall use the Premises only for the operation of a Precision Tune Auto Care® Center pursuant to its Franchise Agreement with Franchisor, and for no other purposes whatsoever.

2. Signage, Etc. Lessor hereby consents to Lessee's use and display on the Premises of such exterior and interior signs, posters, promotional materials, and equipment, furnishings, and decor as are currently required by Franchisor pursuant to the Franchise Agreement. In the event that such requirements are changed in the future, Lessor agrees that it will not unreasonably withhold its consent to Lessee's compliance with such changes. In

the event that local ordinances or zoning requirements prohibit the use of Franchisor's standard signage, Franchisor will not unreasonably withhold its consent to the modification of its standard signage to comply with such requirements.

3. Notices. Lessor agrees to furnish Franchisor copies of any and all letters and notices to Lessee pertaining to any default by Lessee under the Lease at the same time and in the same manner as any such notice is sent to Lessee. Lessee agrees to furnish Franchisor prompt written notice of any and all amendments, waivers, extensions, renewals or other modifications of the Lease. All notices hereunder shall be mailed or delivered to the addresses set forth above, unless changed from time to time by any party through written notice mailed or delivered to the other parties.

4. Assignment. Lessor hereby acknowledges that Lessee has agreed under the Franchise Agreement that, in the event of termination or expiration of the Franchise Agreement or Lessee's default under the Lease, Lessee shall, at Franchisor's option, assign to Franchisor any and all interest of Lessee in the Lease, including any rights to renew the Lease or to sublease the Premises; and Lessor hereby consents to such assignment, subject to the following conditions:

(a) Franchisor shall notify Lessor in writing within fifteen (15) days after termination or expiration of the Franchise Agreement or Franchisor's receipt of any notice of default by Lessee under the Lease if Franchisor elects to accept assignment of the Lease; Franchisor's failure to accept assignment of the Lease upon any default of Lessee under the Lease shall not be deemed a waiver of Franchisor's future right to accept such assignment in the event of any future default by Lessee;

(b) If Franchisor elects to accept assignment of the Lease, Franchisor shall execute and deliver to Lessor a lease containing the same terms and conditions (including rental rates) as the Lease; provided, however, that Franchisor's leasehold interest shall not be subject to any defaults or claims that may exist between Lessor and Lessee;

(c) If Franchisor elects to accept assignment of the Lease, Franchisor shall take possession of the Premises within fifteen (15) days after notice of such election to Lessor, and Franchisor shall commence payment of rent upon taking possession of the Premises;

(d) Nothing herein shall affect Lessor's right to recover from Lessee any and all amounts due under the Lease or to exercise any rights of Lessor against Lessee as provided under the Lease.

5. Assignment to Third Party. At any time after giving notice of its election to accept assignment of the Lease, Franchisor may request to assign its lease, or sublease the Premises, to a third party. Lessor agrees not to unreasonably withhold its consent to any such assignment or sublease on the same terms as the Lease; provided, however, that if Lessor refuses to consent to such assignment or sublease by Franchisor, Franchisor shall have the right to revoke its acceptance of assignment of the Lease and shall have no further obligations thereunder.

6. Entry by Franchisor. Lessor and Lessee hereby acknowledge that Lessee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Precision Tune Auto Care® Center operated by Lessee at the Premises at any reasonable time for the purpose of conducting inspections, protecting Franchisor's proprietary marks, and correcting deficiencies of Lessee. Lessor and Lessee hereby agree not to interfere with or prevent such entry by Franchisor, its employees or agents.

7. De-Identification. Lessor and Lessee hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Lessee is obligated under the Franchise Agreement to take certain steps to de-identify the location as a Precision Tune Auto Care® Center operated by Lessee. Lessor agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Lessee, including allowing Franchisor, its employees and agents to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Lessor shall not be required to bear any expense thereof. Lessee agrees that if Lessee fails to de-identify the Premises promptly upon termination or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Lessee's expense.

8. General Provisions.

(a) This Agreement shall run with the land and be binding upon the parties hereto and their successors, assigns, heirs, executors, and administrators. The rights and obligations herein contained shall continue notwithstanding changes in the persons or entities that may hold any leasehold or ownership in the land or building. Any party hereto may record this agreement or a memorandum hereof.

(b) Any party hereto may seek equitable relief, including without limitation injunctive relief or specific performance, for actual or threatened violation or non-performance of this Agreement by any other party. Such remedies shall be in addition to all other rights provided for under law or other agreements between any of the parties. The prevailing party in any action shall be entitled to recover its legal fees together with courts costs and expenses of litigation.

(c) Nothing contained in this Agreement shall affect any term or condition in the Franchise Agreement between Lessee and Franchisor. Nothing herein shall be deemed to constitute a guaranty or endorsement by Franchisor of the terms and conditions of the Lease between Lessor and Lessee. In the event that Franchisor, in its sole discretion, determines not to accept assignment of the Lease as permitted hereunder, neither Lessor nor Lessee shall have any claims against Franchisor. No terms or conditions contained in the Lease shall be binding on Franchisor unless and until it elects to accept assignment of the Lease hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Witness:

LESSOR:

By: _____

Name: _____

Title: _____

LESSEE:

Name: _____

Title: _____

FRANCHISOR:

PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

LESSOR'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY INDIVIDUAL OR PARTNER

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC

My Commission Expires: _____

LESSOR'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY CORPORATION

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name, as _____ of _____, is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 201____.

NOTARY PUBLIC

My Commission Expires: _____

LESSEE'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY INDIVIDUAL OR PARTNER

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC

My Commission Expires: _____

LESSEE'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY CORPORATION

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name, as _____ of _____, is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC

My Commission Expires: _____

FRANCHISOR'S ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name, as _____ of PRECISION FRANCHISING LLC, is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC

My Commission Expires: _____

ATTACH EXHIBIT "A"
(Copy of Executed Lease)

Center No. _____

SCHEDULE 3.1.1
AGREEMENT AND CONTINGENT ASSIGNMENT OF SUBLEASE

This Agreement and Contingent Assignment of Sublease ("Agreement") is made this ____ day of _____, 20 ____, by and among the following parties:

LESSOR: _____

SUBLESSOR: _____

SUBLESSEE: _____

FRANCHISOR: PRECISION FRANCHISING LLC
19980 Highland Visa Dr., Suite 155
Ashburn, VA 20147

RECITALS:

WHEREAS, Under the terms of the Lease Agreement attached hereto as Exhibit A, Lessor has agreed to lease to Sublessor certain premises (the "Premises") located at the following street address:

WHEREAS, Under the terms of the Sublease Agreement attached hereto as Exhibit B, Sublessor has agreed to sublease to Sublessee the Premises;

WHEREAS, Sublessee has entered into a Franchise Agreement with Franchisor under which Sublessee proposes to operate a Precision Tune Auto Care Center to be located at the Premises;

WHEREAS, Franchisor has accepted the Premises as a suitable location for Sublessee's Precision Tune Auto Care Center, subject to the provisions of the Franchise Agreement and further subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, including the acceptance by Franchisor of the Premises as a location for a Precision Tune Auto Care Center, the parties hereby agree as follows:

1. Use of Premises. Sublessee shall use the Premises only for the operation of a Precision Tune Auto Care Center pursuant to its Franchise Agreement with Franchisor, and for no other purposes whatsoever.

2. Signage, Etc. Lessor/Sublessor hereby consents to Sublessee's use and display on the Premises of such exterior and interior signs, posters, promotional materials, and equipment, furnishings, and decor as are currently required by Franchisor pursuant to the Franchise Agreement. In the event that such requirements are changed in the future, Lessor/Sublessor agrees that it will not unreasonably withhold its consent to Sublessee's compliance with such changes. In the event that local ordinances or zoning requirements prohibit the use of Franchisor's standard signage, Franchisor will not unreasonably withhold its consent to the modification of its standard signage to comply with such requirements.

3. Notices. Lessor/Sublessor agrees to furnish Franchisor copies of any and all letters and notices to Sublessee pertaining to any default by Sublessee under the Sublease at the same time and in the same manner as any such notice is sent to Sublessee. Sublessee agrees to furnish Franchisor prompt written notice of any and all amendments, waivers, extensions, renewals or other modifications of the Sublease. All notices hereunder shall be mailed or delivered to the addresses set forth above, unless changed from time to time by any party through written notice mailed or delivered to the other parties.

4. Assignment. Lessor/Sublessor hereby acknowledges that Sublessee has agreed under the Franchise Agreement that, in the event of termination or expiration of the Franchise Agreement or Sublessee's default under the Sublease, Sublessee shall, at Franchisor's option, assign to Franchisor any and all interest of Sublessee in the Sublease, including any rights to renew the Sublease or to sublease the Premises; and Lessor/Sublessor hereby consents to such assignment, subject to the following conditions:

(a) Franchisor shall notify Lessor/Sublessor in writing within thirty (30) days after termination or expiration of the Franchise Agreement or Franchisor's receipt of any notice of default by Sublessee under the Sublease if Franchisor elects to accept assignment of the Sublease; Franchisor's failure to accept assignment of the Sublease upon any default of Sublessee under the Sublease shall not be deemed a waiver of Franchisor's future right to accept such assignment in the event of any future default by Sublessee;

(b) If Franchisor elects to accept assignment of the Sublease, Franchisor shall execute and deliver to Lessor/Sublessor a lease containing the same terms and conditions (including rental rates) as the Sublease; provided, however, that Franchisor's leasehold interest shall not be subject to any defaults or claims that may exist between Lessor/Sublessor and Sublessee;

(c) If Franchisor elects to accept assignment of the Sublease, Franchisor shall take possession of the Premises within thirty (30) days after notice of such election to Lessor/Sublessor, and Franchisor shall commence payment of rent upon taking possession of the Premises;

(d) Nothing herein shall affect Lessor's/Sublessor's right to recover from Sublessee any and all amounts due under the Sublease or to exercise any rights of Lessor/Sublessor against Sublessee as provided under the Sublease.

5. Assignment to Third Party. At any time after giving notice of its election to accept assignment of the Sublease, Franchisor may request to assign its sublease, or sublease the Premises, to a third party. Lessor/Sublessor agrees not to unreasonably withhold its consent to any such assignment or sublease on the same terms as the Sublease; provided, however, that if Lessor/Sublessor refuses to consent to such assignment or sublease by Franchisor, Franchisor shall have the right to revoke its acceptance of assignment of the Sublease and shall have no further obligations thereunder.

6. Entry by Franchisor. Lessor/Sublessor and Sublessee hereby acknowledge that Sublessee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Precision Tune Auto Care Center operated by Sublessee at the Premises at any reasonable time for the purpose of conducting inspections, protecting Franchisor's proprietary marks, and correcting deficiencies of Sublessee. Lessor/Sublessor and Sublessee hereby agree not to interfere with or prevent such entry by Franchisor, its employees or agents.

7. De-Identification. Lessor/Sublessor and Sublessee hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Sublessee is obligated under the Franchise Agreement to take certain steps to de-identify the location as a Precision Tune Auto Care Center operated by Sublessee. Lessor/Sublessor agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Sublessee, including allowing Franchisor, its employees and agents to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Lessor/Sublessor shall not be required to bear any expense thereof. Sublessee agrees that if Sublessee fails to de-identify the Premises promptly upon termination or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Sublessee's expense.

8. General Provisions.

(a) This Agreement shall run with the land and be binding upon the parties hereto and their successors, assigns, heirs, executors, and administrators. The rights and obligations herein contained shall continue notwithstanding changes in the persons or entities that may hold any leasehold or ownership in the land or building. Any party hereto may record this agreement or a memorandum hereof.

(b) Any party hereto may seek equitable relief, including without limitation injunctive relief or specific performance, for actual or threatened violation or non-performance of this Agreement by any other party. Such remedies shall be in addition to all other rights provided for under law or other agreements between any of the parties. The prevailing party in any action shall be entitled to recover its legal fees together with courts costs and expenses of litigation.

(c) Nothing contained in this Agreement shall affect any term or condition in the Franchise Agreement between Sublessee and Franchisor. Nothing herein shall be deemed to constitute a guaranty or endorsement by Franchisor of the terms and conditions of the Lease/Sublease between Lessor/Sublessor and Sublessee. In the event that Franchisor, in its sole discretion, determines not to accept assignment of the Sublease as permitted hereunder, neither Lessor/Sublessor nor Sublessee shall have any claims against Franchisor. No terms or conditions contained in the Lease/Sublease shall be binding on Franchisor unless and until it elects to accept assignment of the Lease/Sublease hereunder.

SIGNATURES ON THE FOLLOWIING PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Witness:

LESSOR:

By: _____
Name: _____
Title: _____

Witness:

SUBLESSOR:

By: _____
Name: _____
Title: _____

SUBLESSEE:

By: _____
Name: _____
Title: _____

FRANCHISOR:

PRECISION FRANCHISING LLC

By: _____
Name: _____
Title: _____

Date: _____, 201__

LESSOR'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY INDIVIDUAL OR PARTNER

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

LESSOR'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY CORPORATION

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name, as _____ of _____, is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

SUBLESSOR'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY INDIVIDUAL OR PARTNER

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

SUBLESSOR'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY CORPORATION

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name, as _____ of _____, is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

SUBLESSEE'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY INDIVIDUAL OR PARTNER

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

SUBLESSEE'S ACKNOWLEDGMENT
ACKNOWLEDGMENT BY CORPORATION

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name, as _____ of _____, is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

FRANCHISOR'S ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

I, _____, a notary public for the County aforesaid, in the State of _____, do certify that _____, whose name, as _____ of PRECISION FRANCHISING LLC, is signed to the writing above, bearing date on the _____ day of _____, 20____, has acknowledged the same before me in my County aforesaid.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

ATTACH EXHIBIT "A"
(Copy of Executed Lease)

ATTACH EXHIBIT "B"
(Copy of Executed Sublease)

SCHEDULE 6.5

GUARANTY AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which is hereby expressly acknowledged by each of the undersigned, I, we and each of the undersigned jointly, severally, absolutely and unconditionally guarantee to Precision Franchising LLC (“Franchisor”): (i) the full and timely performance of each term, covenant and obligation of the Franchisee set forth in that certain Franchise Agreement dated _____, 20__ by and between Franchisor and _____ (“Franchisee”), and (ii) the payment and satisfaction of each and every claim, demand, default, liability, indebtedness, right or cause of action of every nature whatsoever, against said Franchisee, including expenses, damages, fees and collections costs, now or hereafter existing, due or to become due, or held by Franchisor, its subsidiaries, affiliates or divisions, together with any interest as it may accrue and if this continuing guaranty is placed with an attorney or if collected by suit or through any probate, bankruptcy or other court, to pay all court costs and reasonable attorney's fees, together with any and all expenses incurred by Franchisor or its affiliate, subsidiary or division. This is a continuing guaranty that shall apply to the Franchise Agreement and any subsequent amendments or modifications thereof, and such modifications or amendments shall be conclusively presumed to be covered by this guaranty without further notice to or acceptance by the undersigned.

The undersigned acknowledge and agree that possession of this guaranty by Franchisor constitutes true and correct execution and actual and proper delivery of same to Franchisor and the undersigned waive notice of acceptance of this guaranty and of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of payment therefore on, any party. Payment by the undersigned shall be made at the office of Franchisor in Ashburn, Virginia, or such other location as Franchisor may designate in writing.

Franchisor may, at its option, at any time without the consent of or notice to the undersigned, without incurring responsibility to the undersigned, and without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part, (1) change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any liability of the Franchisee under the franchise agreement hereby guaranteed, or any liabilities incurred directly or indirectly hereunder, and the guaranty herein made shall apply to the liabilities of the Franchisee, so changed, extended, renewed or altered; (2) exercise or refrain from exercising any rights against Franchisee or others, or otherwise act or refrain from acting; (3) settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities which may be due to Franchisor or others; and (4) apply any sums paid to any liability or liabilities of Franchisee to Franchisor regardless of what liability or liabilities of Franchisee to Franchisor remain unpaid. Franchisor may, at its option, without the consent of or notice to the undersigned, apply to the payment of the liability created by this guaranty, at any time after such liability becomes payable, any monies, property, or other assets belonging to the undersigned in the possession, care, custody and control of Franchisor.

This agreement shall not affect in any manner the right of Franchisor to terminate the Franchise Agreement pursuant to the terms thereof and this guaranty shall survive the termination, expiration, or cancellation of the franchise agreement. Franchisor may, at its option, elect to take no action pursuant to this guaranty or the franchise agreement without waiving any rights under either. The undersigned do further agree that it will not be necessary for Franchisor, in order to enforce the terms of this Agreement

against them, to first institute suit or exhaust its remedies against the Franchisee or any others. The foregoing guaranty shall be nonrevocable, except with the express written consent of the Franchisor. The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this guaranty shall be bound thereto at any time. Any married woman who signs this guaranty hereby expressly agrees that recourse may be had against her separate property for all her obligations under this guaranty.

This guaranty shall bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of Franchisor and the undersigned. This agreement in the possession of the Franchisor will be presumed that same has been executed and delivered by each of the undersigned for a valuable consideration.

Additionally, the undersigned agree they shall be individually bound by any provisions of the Franchise Agreement relating to non-competition, confidentiality, transfer, applicable law, choice of forum and venue, and all other provisions applicable to Franchisee and controlling principals of Franchisee.

WITNESS our hands at _____, on this the ____ day of _____, 20____.

Owner of ____% interest in Franchisee

Owner of ____% interest in Franchisee

Owner of ____% interest in Franchisee

Owner of ____% interest in Franchisee

ATTACHMENT 1

PTAC MARKETING FUND, INC. AGREEMENT

I agree that the radio and TV commercials and other advertising materials that I receive from PTAC Marketing Fund, Inc. from time to time are, and shall remain, the exclusive property of PTAC Marketing Fund, Inc. I understand and agree that upon receipt of an executed copy of this agreement, I will be granted the right to use the commercials until notified by PTAC Marketing Fund, Inc. of termination of this agreement or termination of my right to use one or all of the commercials or materials. Termination by PTAC Marketing Fund, Inc. may be without notice and without cause. I recognize that use of a commercial or other advertising materials after the termination date may expose PTAC Marketing Fund, Inc. and/or Precision Franchising LLC or its affiliates to liability, and I agree to indemnify and hold PTAC Marketing Fund, Inc. and Franchising LLC (and its affiliates) harmless from any liability, loss or expense including reasonable attorney's fees, resulting from such use or from my failure to otherwise meet the requirements contained in this agreement. If and when my franchise agreement(s) with Precision Franchising LLC terminates or expires, I agree to immediately cease utilizing the commercials and materials. I also agree not to alter or reproduce or to have altered or reproduced any of the commercials or materials in any manner, except as authorized by PTAC Marketing Fund, Inc. in writing. Finally, I understand that I may receive additional instructions from you with regard to the use of all or some of the commercials and materials and that you will require that the radio and TV commercials be sent directly to my agency or the TV or radio station. I agree to abide by all additional instructions issued by you relating to use of the commercials or other advertising materials.

Date: _____, 20__

AGREED:

FRANCHISEE:

By: _____
Name: _____
Title: _____

Witness

ACCEPTED BY:

PTAC Marketing Fund, Inc.

By: _____
Name: _____
Title: _____

Center No. _____

ATTACHMENT 2

VETFRAN ADDENDUM

This ADDENDUM to the Franchise Agreement (the "Agreement") between PRECISION FRANCHISING LLC ("Franchisor") and _____ ("Franchisee") is effective as of _____, 20__.

A. Provided that Franchisee is, or is more than 50% owned by, a person meeting Franchisor's VetFran Program eligibility requirement, and the Agreement was signed on or before March 31, 2023, Section 3.1 of the Franchise Agreement is hereby amended and revised to read as follows:

“4.1 Upon execution of this Agreement, Franchisee shall pay to Franchisor an initial franchise fee of Ten Thousand Hundred Dollars (\$10,000.00), payable in full upon signing of the Agreement.”

B. Provided that Franchisee is, or is more than 50% owned by, a person meeting Franchisor's VetFran Program eligibility requirement, the Agreement was signed on or before March 31, 2024 and the Center opens for business on or before December 31, 2024, Section 4.2 of the Franchise Agreement is hereby amended and revised to read as follows:

“4.2 Commencing as of the earlier of (1) the date when the Center opens for business, or (2) one year from the date of execution of this Agreement, and continuing thereafter throughout the term of this Agreement, Franchisee shall pay to Franchisor an operating fee (the "Operating Fee") equal to seven and one-half percent (7.5%) of the weekly Gross Sales of the Franchised Business, but not less than Three Hundred Dollars (\$300) each week. If the Center, after being open, is subsequently closed for relocation or for any other reason, Franchisee shall immediately notify Franchisor in writing of such closing and, beginning at the end of six (6) months after the closing of the Center, pay Franchisor a fee of Three Hundred Dollars (\$300) each week until the Center reopens. If Franchisee fails to provide such written notice to Franchisor or if the Franchised Center remains closed for more than 6 months, unless Franchisor approves closure for a longer period of time, the closing shall be deemed to be an abandonment of the Franchised Business. Notwithstanding the foregoing, and only so long as Franchisee is (or is more than 50% owned by) a person meeting Franchisor's VetFran Program, and only for the first 52 weeks after the earlier date referred to above, the Operating Fee shall be three and seventy-five/100ths percent (3.75%) of the weekly Gross Sales of the Franchised Business, but not less than One Hundred Fifty Dollars (\$150.00) each week.

C. As used herein, the phrase "a person meeting Franchisor's VetFran Program eligibility requirements" means a person who received an honorable discharge from one of the Armed Forces of the United States of America (i.e., Army, Navy, Air Force, Coast Guard Marine Corps), or with respect to a person currently serving in one of the Armed Forces of the United States of America, a person eligible to receive an honorable discharge.

D. The provisions of Sections A and B above shall apply only to Centers that were not part of the Precision Tune Auto Care system during the 3 years immediately prior to the date of the Agreement.

E. Except as herein modified, the provisions of the Franchise Agreement shall continue to be in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first above written.

WITNESS:

FRANCHISEE:

Name: _____

Title: _____

FRANCHISOR:

PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

[FORM OF CONFIDENTIALITY AGREEMENT -- TO BE EXECUTED BY
FRANCHISEE'S MANAGER AND EMPLOYEES]

Attachment 3

CONFIDENTIALITY AGREEMENT

In consideration of my employment by [INSERT FRANCHISEE'S NAME]
_____ ("Employer"), and One Dollar (\$1.00), receipt and sufficiency of
which is acknowledged, and intending to be legally bound I agree that:

1. I have been advised that Employer is a franchisee of Precision Franchising LLC d/b/a Precision Tune Auto Care and, as such, is in possession of certain proprietary information, some of which may be revealed to or learned by me during my training at Precision Tune Auto Care and my employment with Employer. I specifically acknowledge that, pursuant to this Agreement, I will receive valuable specialized training and confidential information, including, but not limited to, information concerning the operation, sales, promotional, and marketing methods and techniques of Precision Tune Auto Care and its individual franchisees, including Employer. Precision Tune Auto Care is a third-party beneficiary of this Agreement, and I agree that Precision Tune Auto Care, at its sole option, may enforce this Agreement independently of Employer.

2. During the term of my employment with Employer or at any time thereafter, I will not, directly or indirectly, use or disclose to anyone, or authorize disclosure of, any of the confidential or proprietary information or trade secrets which may be revealed to me or learned by me during the course of my training with Precision Tune Auto Care or my employment with Employer.

3. I acknowledge that the confidential information and trade secrets with which I may become familiar are essential to Employer's and Precision Tune Auto Care's business and are owned and shall continue to be owned solely by Employer and/or Precision Tune Auto Care. Under no circumstances will I remove from Employer's place of business any of Employer's books, records, customer lists, or training materials, or any copies of such documents, without the written permission of Employer or Precision Tune Auto Care. Under no circumstances will I make any copies of such books, records, documents, customer lists, or training materials except as specifically authorized in writing by Employer or Precision Tune Auto Care. I agree that at the termination of my employment whether or not that termination is voluntary, I will return to Employer immediately any and all materials concerning Employer's or Precision Tune Auto Care's processes, equipment, business methods or financial condition issued to me during training or employment or otherwise in my possession or control.

4. I acknowledge that any unauthorized disclosure of any trade secret or confidential or proprietary information revealed to me or learned by me during the course of my employment with Employer or engaging in any other activities forbidden by this Agreement would result in irreparable harm to both Employer and Precision Tune Auto Care, and I agree that such unauthorized disclosure or activity would warrant Employer and/or Precision Tune Auto Care obtaining, among other things, an immediate injunction restraining further unauthorized disclosure or activity.

Dated: _____, 20__

Employee

CENTER : _____

**ATTACHMENT 4
PROMISSORY NOTE**

\$ _____ Ashburn, Virginia _____, 20__

FOR VALUE RECEIVED, the undersigned _____ (the "Maker"), having an address at _____, hereby promises to pay to PRECISION FRANCHISING LLC ("Payee"), or order, at Payee's address at 748 Miller Drive, S.E., Leesburg, Virginia 20175, or at such other address as Payee may designate in writing, the sum of _____, lawful money of the United States of America, without interest, at the earlier of (i) Maker's attendance at the initial franchise management training program designated by Payee, (ii) the acceptance by Payee of the site for the location of Maker's Center, (iii) 90 days from the effective date of the franchise agreement, or (iv) upon the termination of Maker's franchise agreement. If Maker shall fail to pay this Note when due, Payee shall have the right to terminate the franchise agreement between Maker and Payee and demand immediate payment of any balance due.

Maker at his option may prepay the principal indebtedness evidenced by this Note in whole or in part at any time without penalty or premium. Maker certifies that the indebtedness represented by this Note was incurred for business purposes.

Any notice or demand required or permitted to be given or made hereunder shall be deemed given or made if done by personal service or by first-class mail addressed to Maker at the addresses given above. Either party may change its address by like notice to the other party. Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors, and endorsers hereof.

Maker agrees to pay reasonable attorney's fees and disbursements, if any, incurred by Payee in enforcing payment of this Note and collection of any judgment rendered hereon, whether or not suit is filed. This Note shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia applicable to notes executed in the Commonwealth, and Maker consents to the jurisdiction and venue of the courts of Loudoun County, Virginia, for the prosecution of any action arising out of this Note, and hereby deems such courts to be a convenient forum for any such action.

IN WITNESS WHEREOF, Maker has executed this Note, intending to be personally obligated hereon, as of the date first above written.

MAKER:

_____, Individually

ATTACHMENT 5

Precision Franchising LLC

STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENTS

AMENDMENT TO FRANCHISE AGREEMENT

**FOR PRECISION FRANCHISING LLC
FOR THE STATE OF CALIFORNIA**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Corporations requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to You concerning nonrenewal and termination of the Agreement. The Federal Bankruptcy Code also provides rights to You concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.
- b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
- c. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable. Accordingly if California law applies to your franchise agreement and if you wrongfully terminate the franchise agreement or if we terminate your franchise agreement due to your breach, you must pay us damages arising out of your breach in an amount determined by a court of competent jurisdiction.
- d. If the Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.
- e. If the Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.
- f. If the Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.
- g. No person in Item 2 of the Disclosure Document is subject to any currently effective

order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20__.

Witness:

FRANCHISEE: _____

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness:

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR PRECISION FRANCHISING LLC
FOR THE STATE OF ILLINOIS**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Comp. Stat. ch. 815 para. 705/1 - 705/44 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. 815 ILCS 705/19 and 705/20 provide rights to You concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. If the Franchisee is required in Sections 27.1 - 27.3 of this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule of order under the Act, such release shall exclude claims arising under the Illinois Franchise Disclosure Act, and such acknowledgments shall be void with respect to claims under the Act and are hereby deleted.
- c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void under the Illinois Franchise Disclosure Act.
- d. If this Agreement requires that it be governed by a state's law, other than the State of Illinois, Illinois law will control.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20__.

Witness:

FRANCHISEE: _____

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness:

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

**AMENDMENT TO PRECISION FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

INDIANA LAW MODIFICATIONS

1. The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. 23-2-2.7 (1985). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:
 - a. The Indiana Deceptive Franchise Practices Act provides rights to You concerning nonrenewal and termination of the Agreement. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.
 - b. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, and such acknowledgments shall be void with respect to claims under the Acts.
 - c. If the Agreement contains covenants not to compete upon expiration or termination of the Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.
 - d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Agreement by the Company requires written consent of the Licensee. If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.
 - e. If the Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act 23-2-2.7(10).
 - f. If the Agreement requires that it be governed by a state's law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.
2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Act and the Indiana Franchises

Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20____.

Witness: FRANCHISEE: _____

_____ By: _____
(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness: FRANCHISOR:
PRECISION FRANCHISING LLC

_____ By: _____

Name: _____

Title: _____

**AMENDMENT TO PRECISION FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. 14-201 - 14-233 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments shall be void with respect to claims under the Law.

b. This Agreement requires litigation to be conducted in a forum other than the State of Maryland, the requirement shall not be interpreted to limit any rights Franchisee may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.

c. The General Release required as a condition of renewal, sale and/or assignment and/or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

d. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

e. No Statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance³ or any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

f. Sections 27.1, 27.2 and 27.4 are hereby deleted as they do not comply with the NASAA Statement of Policy regarding the use of Questionnaires and Acknowledgements in franchise offerings.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20__.

Witness:

FRANCHISEE: _____

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness:

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

**AMENDMENT TO PRECISION FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 *et seq.*, and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:
 - a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims that the Franchisees' use of the Intellectual Properties infringes trademark rights of the third party. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.
 - b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that a franchisee be given written notice of a franchisor's intention not to renew 180 days prior to expiration of the franchise and that the franchisee be given sufficient opportunity to operate the franchise in order to enable the franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.
 - c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases that a franchisee be given 90 days notice of termination (with 60 days to cure). If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.
 - d. If the Agreement requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.
 - e. The Franchise Acts prohibits liquidated damages clauses in a franchise agreement governed by Minnesota law. Accordingly, section 17.1.5 of your franchise agreement is amended to read as follows:

“Promptly pay all sums owing to Franchisor, its subsidiaries, affiliates and divisions. In the event of termination due to your breach, such sums will include damages resulting from your breach for the remainder of the term of the franchise agreement in an amount determined by a court of competent jurisdiction.”

- f. If the Agreement and/or the Disclosure Document require(s) that it be governed by a state's law other than the State of Minnesota or by arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.
- g. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

2. Each provision of this Agreement and/or the Disclosure Document shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20__.

Witness: _____ FRANCHISEE: _____

_____ By: _____
(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness: _____ FRANCHISOR:
PRECISION FRANCHISING LLC

_____ By: _____

Name: _____

Title: _____

AMENDMENT TO PRECISION FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

The Franchise Agreement between _____ ("Franchisee") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement:

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota law, the covenant may be unenforceable and accordingly, Section 18.2.2 of the Franchise Agreement is deleted and the following inserted in lieu thereof:

“However, if during the 2 years after the termination or expiration of this Agreement, Franchisee owns, maintains, operates, engages in, or has any interest in any business similar to the Franchised Business that is located within 5 miles of the boundary of the Assigned Area; or is located within either (i) within 5 miles of the boundary of the assigned area of any other Precision Tune Auto Care Center in operation at the time of termination or expiration of this Agreement, or (ii) within 10 miles from the location of any other Precision Tune Auto Care Center, whichever is less, Franchisee agrees to pay Franchisor 5% of the gross sales of any such competitive business as compensation for use of information acquired during the term hereof. Furthermore, if Franchisee is employed in any such competitive business, during such period of time, Franchisee agrees to pay Franchisor 5% of such employee earnings as compensation for use of information acquired from Franchisor during the term hereof. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the restrictive covenants in this Section.”

- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

- d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with the North Dakota Franchise Investment Law, the North Dakota Franchise Investment Law will control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.
- + g. Any provision in this Agreement which requires the Franchisee to consent to a waiver of exemplary and punitive damages will not apply to any claims brought under the North Dakota Franchise Investment Law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative on this _____ day of _____, 20__.

Witness: _____

FRANCHISEE: _____

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness: _____

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

**AMENDMENT TO PRECISION FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Agreement requires that it be governed by a state's law other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Licensee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20__.

Witness:

FRANCHISEE:

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness:

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

**AMENDMENT TO PRECISION FRANCHISING LLC
FRANCHISE AGREEMENT
FOR THE STATE OF SOUTH DAKOTA**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

SOUTH DAKOTA LAW MODIFICATIONS

1. The Director of the South Dakota Division of Securities requires that certain provisions contained in franchise documents be amended to be consistent with South Dakota law, including the South Dakota Franchises for Brand-Name Goods and Services Law, South Dakota Codified Laws, Title 37, Chapter 37-5B, Sections 37-5B-1 through 37-5B-53 (2008). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the South Dakota Franchises for Brand-Name Goods and Services Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete upon termination or expiration of the Agreement are generally unenforceable in the state of South Dakota, except in certain limited instances as provided by law. If the Agreement contains a covenant not to compete that is inconsistent with South Dakota law, the covenant may be unenforceable
- c. Regardless of the terms of the Agreement concerning termination, if Franchisee fails to meet performance and quality standards or fails to make any royalty payments under the Agreement, Franchisee will be afforded thirty (30) days' written notice with an opportunity to cure the default before termination.
- d. If the Agreement requires payment of liquidated damages that are inconsistent with South Dakota Law, the liquidated damages clause may be void under SDCL 53-9-5. Accordingly if Minnesota law applies to your franchise agreement and if you wrongfully terminate the franchise agreement or if we terminate your franchise agreement due to your breach, you must pay us damages arising out of your breach in an amount determined by a court of competent jurisdiction.
- e. If the Agreement requires litigation to be conducted in a forum other than the State of South Dakota, the requirement is void with respect to any cause of action otherwise enforceable under South Dakota Law.
- f. If the Agreement requires that it be governed by a state's law other than the State of South Dakota, matters regarding franchise registration, employment, covenants not to compete, and other issues of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, the Agreement and all provisions of this Amendment will be and remain subject to the application, construction, enforcement, interpretation under the governing law set forth in the Agreement.
- g. If the Agreement requires that disputes between Franchisor and Franchisee be

mediated/arbitrated at a location that is outside the State of South Dakota, the mediation/arbitration will be conducted at a location mutually agreed upon by the parties. If the parties cannot agree on location for the mediation/arbitration, the location shall be determined by the mediator/arbitrator selected.

- h. Any provision that provides that the parties' waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the South Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20__.

Witness:

FRANCHISEE: _____

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness:

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR PRECISION FRANCHISING LLC
FOR THE STATE OF WASHINGTON**

The Franchise Agreement between _____ ("Franchisee" or "You") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

WASHINGTON LAW MODIFICATIONS

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1991). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Washington Franchise Investment Protection Act provides rights to You concerning non-renewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act; except when the release is executed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.
- c. If the Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of Washington, the requirement may be unenforceable under Washington law. Arbitration involving a franchise purchased in the State of Washington, must either be held in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
- d. If the Agreement requires that it be governed by a state's law, other than the State of Washington, and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act will control.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on this ___ day of _____, 20__.

Witness:

FRANCHISEE: _____

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness:

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR PRECISION FRANCHISING LLC
FOR THE STATE OF WISCONSIN**

The Franchise Agreement between _____ ("Franchisee") and Precision Franchising LLC ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement:

WISCONSIN LAW MODIFICATIONS

1. The Securities Commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 ("Fair Dealership Law"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Wisconsin Fair Dealership Law, among other things, grants Franchisee the right, in most circumstances, to 90 days' prior written notice of termination or non-renewal and 60 days within which to remedy any claimed deficiencies. If the Agreement contains a provision that is inconsistent with these provisions of the Wisconsin Fair Dealership Law, the provisions of the Agreement shall be superseded by the Law's requirements and shall have no force or effect.
- b. If the Agreement requires that it be governed by a state's law other than the State of Wisconsin, to the extent that any provision of the Agreement conflicts with the Wisconsin Fair Dealership Law such provision shall be superseded by the law's requirements.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Wisconsin law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[REMAINDER OF PAGE LEFT INTENTIONALLY PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on this ____ day of _____, 20__.

Witness:

FRANCHISEE: _____

By: _____

(SIGNATURE)

(PRINT/TYPE NAME)

(TITLE)

Witness:

FRANCHISOR:
PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

ATTACHMENT 7



Center No. _____

END-USER SOFTWARE LICENSE AGREEMENT

This End-User Software License Agreement (the "Agreement") is entered into as of this date _____, 20__ by and between Precision Franchising LLC, a Virginia limited liability company, having its principal place of business in Ashburn, Virginia ("Licensor") and _____, a _____ ("Licensee").

WHEREAS, Licensor has developed a proprietary software program referred to as the SoftWrench software (the "Software") designed to assist in the operation of a Precision Tune Auto Care Center and has developed a manual (the "Manual") documenting the Software functions and providing instructions regarding use of the Software;

WHEREAS, Licensee is a party to a franchise agreement (the "Franchise Agreement") with Licensor for the operation of a Precision Tune Auto Care Center and operates such Precision Tune Auto Care Center at _____ (the "Approved Location");

WHEREAS, Licensee desires to acquire a license to use the Software in connection with its operation of the Precision Tune Center at the Approved Location; and

WHEREAS, Licensor is willing to license Licensee to use the Software on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual undertakings and commitments set forth herein, Licensor and Licensee hereby agree as follows:

1. Ownership of the Software. Licensee acknowledges that Licensor owns all right, title, and interest in the Software and the Manual and shall arrange with an independent third party or parties (the "Approved Supplier or Suppliers") to provide support and other services in connection with Licensee's use of the Software. Licensor may unilaterally change the Approved Supplier by providing to Licensee written notice, including via email.

2. License. Licensor hereby grants to Licensee, and Licensee accepts, a nonexclusive license to use the Software only as authorized in this Agreement. In the event Licensor issues a new release of the Software, Licensor may place additional terms and conditions upon Licensee's license to use such new release of the Software, including, but not limited to, charging an initial license fee in connection with Licensee's license to use such new release. Licensee acknowledges that in the event there are any new releases they will be distributed and coordinated with the interest of the

entire PTAC system in mind and done only on a scheduled basis. The Software shall be installed and shall be used only at the Approved Location. Licensee shall not assign, sublicense, transfer, pledge, lease, rent, or share Licensee's rights under this Agreement. Licensee shall not reverse assemble, reverse compile, or otherwise translate the Software.

3. Back-up Copies of the Software. Licensee may make up to seven (7) back-up copies of the Software as a means of preserving the Software and related data in the event of hardware malfunction. Any such copies of the Software, and related data, shall contain Licensor's copyright and other proprietary notices. Except as authorized under this paragraph, no copies of the Software, or any portions thereof, shall be made by Licensee or any person under Licensee's authority or control.

4. Software Support. In connection with Licensee's purchase of the Software from Licensor, Licensee shall enroll in a standardized Software Support Agreement (the "Support Agreement") offered by Licensor's designated approved supplier. In addition to the standardized services offered under the Support Agreement, the Approved Supplier shall offer to Licensee supplemental services in accordance with the terms of the Support Agreement. Licensee acknowledges that any rights under the Support Agreement to any new releases, upgrades, and enhancements shall in no way be construed as an obligation upon Licensor or the Approved Supplier, or their agents, to support or otherwise maintain or continue to develop or support the Software indefinitely, whether through the Support Agreement or otherwise.

5. Reactivation Module. Licensee acknowledges and accepts that the Software includes a module designed to require periodic reactivation and that, in the event Licensee breaches this Agreement, the Franchise Agreement, any other agreement between Licensee and Licensor or the Support Agreement, Licensee may be denied access to the Software and any related data.

6. Licensor's Rights. Licensee acknowledges and agrees that the Software, the Manual, and any collateral or ancillary materials are proprietary products of Licensor protected under U.S. Copyright law. Licensee further acknowledges and agrees that all right, title, and interest in and to the Software and the Manual, including associated intellectual property rights, are and shall remain with Licensor. This Agreement does not convey to Licensee an interest in the Software or the Manual, but only a limited right of use, revocable in accordance with the terms of this Agreement.

7. License Fees. Upon execution of this Agreement by Licensee, Licensee shall pay to Licensor a one-time license fee in the amount of \$200.00. In addition, Licensor may also charge Licensee a license fee to use relational database software that may be necessary to operate the Software. The initial license fee paid by Licensee is paid in consideration of the license granted under this Agreement.

8. Term. This Agreement is effective upon the date the Software is delivered to Licensee and shall continue for a term concurrent with the Franchise Agreement unless earlier terminated in accordance with the provisions of this Agreement. Licensor may terminate this Agreement upon the breach by Licensee of any provision of this Agreement or upon the breach by Licensee of the terms of the separate Franchise Agreement between Licensee and Licensor. Upon such termination by Licensor, Licensee shall return to Licensor all copies of the Software and the Manual.

9. Warranty Disclaimer. LICENSEE UNDERSTANDS AND AGREES THAT: (1) LICENSOR SHALL HAVE NO OBLIGATION HEREUNDER FOR TRANSPORTATION COSTS, INSTALLATION, OR SUPPORT AND MAINTENANCE OF THE SOFTWARE; (2) THE SOFTWARE MAY CONTAIN DEFECTS; (3) LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE SOFTWARE, ITS USE, OR ITS PERFORMANCE, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (4) THE USE OF THE SOFTWARE, OR ANY INFORMATION RELATING THERETO OR CONTAINED THEREIN, MAY INFRINGE A THIRD PARTY'S PATENT, TRADE SECRET, TRADEMARK, OR COPYRIGHT; (5) LICENSOR DOES NOT WARRANT IN ANY WAY THAT IT WILL CONTINUE TO DEVELOP THE SOFTWARE.

10. Disclaimer and Limitation of Liability. LICENSEE SHALL HAVE THE SOLE RESPONSIBILITY FOR ADEQUATE PROTECTION OF DATA USED IN CONNECTION WITH THE SOFTWARE, AND IN NO EVENT SHALL LICENSOR OR ITS AGENTS BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR LICENSEE'S USE OF THE SOFTWARE, INCLUDING, WITHOUT LIMITATION, (1) SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR (2) ANY PROFITS, RE-RUN TIME, INACCURATE OUTPUT, OR WORK DELAYS. THIS DISCLAIMER AND LIMITATION SHALL APPLY REGARDLESS OF THE ACTION, WHETHER IN CONTRACT OR TORT, INCLUDING NEGLIGENCE.

11. Trademarks. Any trademarks associated with the Software are the sole property of Licensor, and no right, license, or interest to any such trademark is granted hereunder, and Licensee agrees that no such right, license, or interest shall be asserted by Licensee with respect to any such trademark.

12. Licensee Identification. Licensee hereby grants to Licensor, and its agents, the limited right to use Licensee's name, address, and related information for the purpose of identifying Licensee as a licensed user of the Software in connection with Licensor's, or Licensor's agents', marketing and promotion of the Software.

13. Governing Law and Forum Selection. This Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Virginia. The parties agree that any action arising out of or related to this action shall be maintained solely in the state and federal courts in the county or judicial district where the Licensor's principal place of business is located. The parties hereby waive any right to demand or have a jury trial in connection with any such action.

14. Costs of Litigation. If any action is brought by either party to this Agreement against the other party regarding the subject matter hereof, the prevailing party shall be entitled to recover, in addition to any other relief granted, reasonable attorney's fees and costs and expenses of litigation.

15. Severability. Should any term of this Agreement be declared void and unenforceable by any court of competent jurisdiction, such declaration shall have no effect on the remaining terms hereof.

16. No Waiver. The failure of Licensor to enforce any rights granted hereunder, or to take action against Licensee in the event of any breach hereunder, shall not be deemed a waiver by Licensor as to subsequent enforcement of rights or subsequent actions in the event of future breaches.

17. Notices. Any and all notices required or permitted under this Agreement shall be sent to the retrospective parties at the addresses listed below, unless and until a different address has been designated by written notice to the other party.

LICENSOR:
Atten: President
19980 Highland Vista Blvd., Suite 155
Ashburn, VA 20147

LICENSEE:

Email: _____

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement as of the day and year set forth above.

LICENSEE:

By: _____
Its: _____

LICENSOR:

PRECISION FRANCHISING LLC

By: _____
Its: _____

Date: _____



END-USER
SOFTWRENCH™
SOFTWARE SUPPORT
AGREEMENT

Center No. _____

This End-User Software Support Agreement (the "Agreement") is entered into as of ____ day of _____, 20__ by and between Precision Franchising LLC, (the "Licensor"), a Virginia limited liability company having its principal place of business in Ashburn, Virginia, and _____ (the "Licensee"), a _____ with its principal place of business at _____.

WHEREAS, Licensor has developed a proprietary software program referred to as the SoftWrench™ software (the "Software") designed to assist in the operation of a Precision Tune Auto Care® Center and has developed a manual (the "Manual") documenting the Software functions and providing instructions regarding use of the Software;

WHEREAS, Licensee is a party to a franchise agreement (the "Franchise Agreement") with Licensor for the operation of a Precision Tune Auto Care Center and operates such Precision Tune Auto Care Center only at _____, or such other location as the Licensor may approve (the "Approved Location") under the terms of the Franchise Agreement;

WHEREAS, Licensee is a party to a Single-User Software License Agreement (the "License Agreement") with Licensor relating to Licensee's use of the Software at the Approved Location;

WHEREAS, under the terms of the License Agreement, Licensor may designate an independent, third party to provide a standardized Software support services (the "Services") to Licensee;

WHEREAS, Licensor has designated NewCoIT Corp., a Virginia corporation having its principal place of business in Ashburn, Virginia, as the "Approved Supplier" to provide the Basic Services, as hereinafter defined, to Licensee;

WHEREAS, Licensee is required under the terms of the License Agreement to obtain the basic services offered by Licensor and Approved Supplier under this Agreement; and

WHEREAS, Approved Supplier is willing to provide to Licensee the Services and Licensor is willing to provide to Licensee the Supplemental Services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual undertakings and commitments set forth herein, Licensee, Licensor and Approved Supplier hereby agree as follows:

1. The Services. Licensor shall make available, directly or through the Approved Supplier, to Licensee at the Approved Location the following services (the "Basic Services") to assist and support Licensee's use of the Software.

- a. Telephone Support. Between the hours of 9:00 A.M. and 5:30 P.M. EST on the days Monday through Saturday, excluding regularly scheduled holidays of Approved Supplier, Approved Supplier shall maintain a telephone hot-line that allows Licensee to report system problems and seek support and assistance in use of the Software.
 - b. Functional Specifications. From time to time, Approved Supplier may publish the functional specifications (the "Specifications") of the Software.
 - c. Error Correction. Approved Supplier shall use reasonable diligence to correct any verifiable and reproducible failure of the Software (hereinafter an "Error") to conform in all material respects to the Specifications; provided, however, that any nonconformity resulting from Licensee's misuse, improper use, alteration, or damage of the Software, or Licensee's combining or merging the Software with any hardware or software not set forth on the Compatibility List shall not be considered an Error. Following Approved Supplier's correction of an Error (hereinafter an "Error Correction"), Approved Supplier shall provide to Licensee the programming and operating instructions necessary to implement the Error Correction in Licensee's copy of the Software.
 - d. Minor Enhancements. From time to time, Approved Supplier shall provide to Licensee minor modifications or additions to the Software (hereinafter a "Minor Enhancement") that, when made or added to the Software, improve the Software's utility or efficiency, but that do not constitute solely an Error Correction. In connection with providing any Minor Enhancement, Approved Supplier shall provide to Licensee the programming and operating instructions necessary to implement the Minor Enhancement in Licensee's copy of the Software.
 - e. Online Support. Approved Supplier shall provide online support available through an internet connection to Licensee's computer system.
 - f. Compatibility List. From time to time, Licensor shall publish a list (the "Compatibility List") of hardware and software with which the Software is compatible.
 - g. Modifications to the Software. Licensor shall consider and evaluate the development of enhancements for the specific use of Licensee and shall respond to Licensee's requests for additional services pertaining to the Software (including, without limitation, data-conversion and report-formatting assistance), provided that such assistance, if agreed to be provided, shall be subject to Licensor's approval and charges.
2. Supplemental Services. Licensor may, but is not obligated to, offer to Licensee the following services (the "Supplemental Services").
 - a. Major Enhancements. From time to time, Licensor may provide to Licensee for such fee as may be determined at the time substantial modifications and additions to the Software (hereinafter a "Major Enhancement") that, when made or added to the Software, result in substantial improvement in the functional capacity or application of the Software, but that do not constitute a Minor Enhancement or Error Correction. In connection with providing any Major Enhancement, Licensor shall provide to Licensee the programming and operating instructions necessary to implement the Major Enhancement in Licensee's copy of the Software.
 - b. New Releases. From time to time, Licensor may provide to Licensee for such fee if any as may be determined at the time new releases (the "New Releases") of the Software. Licensee acknowledges that in the event there are any new releases they will be distributed and coordinated with the interest of the entire PTAC system in mind and done only on a scheduled basis. New Releases shall contain Error

Corrections, Minor Enhancements, and Major Enhancements. In connection with providing a New Release, Licensor shall provide to Licensee the programming and operating instructions necessary to implement the New Release. Licensor shall charge a uniform fee for New Releases.

3. Term. The term of this Agreement (the "Initial Enrollment Period") shall be for a period of one (1) year commencing upon Licensee's receipt of the Software. Either party may terminate this agreement by giving written notice to the other at least 3 months in advance of the expiration of the current term. If neither party timely gives notice of termination, the Agreement will automatically renew for an additional term of one year (each such year being referred to herein as a "Renewal Enrollment Period"). This agreement will automatically terminate in the event of the termination or non-renewal of the Licensee's franchisee agreement with the Licensor. Licensor may terminate this agreement in the event of a material breach hereof by the Licensee and Licensee's failure to cure such breach within 15 days after written notice.

4. Fees and Charges for Support Services. The Fee for the Initial Enrollment Period is \$195.00 per calendar quarter, payable in advance by electronic funds transfer or by credit card on the first day of each calendar quarter during the term of this Agreement. The fee for the initial calendar quarter shall be prorated. All Fees shall be deemed fully earned and nonrefundable upon payment, in consideration of administrative and other expenses incurred by Licensor and Approved Supplier. Licensor may increase the fee for Renewal Enrollment Periods by giving at least 30 days' prior notice of the increase. Any payment not actually received by Licensor or its designee by the due date shall be deemed overdue. If any payment is overdue, Licensee shall pay Licensor, in addition to the overdue amount, interest on the amount from the date it was due until paid at the rate of eighteen percent (18%) per annum or the maximum rate permitted under applicable federal or state law, if it is less than eighteen percent (18%) per annum. The foregoing shall be in addition to any other remedies that Licensor may have.

5. License. Licensee acknowledges that Licensor owns all right, title, and interest in the Software and the Manual, including any modifications, enhancements, or other alterations provided by Approved Supplier or Licensor under the terms of this Agreement; and Licensee's right to use the Software and Manual, as such may be modified, enhanced, or otherwise altered by Licensor or Approved Supplier, is subject to the terms of the License Agreement.

6. Warranty Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, LICENSOR AND APPROVED SUPPLIER EXPRESSLY DISCLAIM ANY AND ALL WARRANTIES CONCERNING THE SOFTWARE OR ANY SERVICES OFFERED HEREUNDER, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

7. Disclaimer and Limitation of Liability. LICENSEE SHALL HAVE THE SOLE RESPONSIBILITY FOR ADEQUATE PROTECTION OF DATA USED IN CONNECTION WITH THE SOFTWARE, AND IN NO EVENT SHALL LICENSOR, APPROVED SUPPLIER OR ITS AGENTS BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR LICENSEE'S USE OF THE SOFTWARE, INCLUDING, WITHOUT LIMITATION: (1) SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR (2) ANY PROFITS, RE-RUN TIME, INACCURATE OUTPUT, OR WORK DELAYS. THIS DISCLAIMER AND LIMITATION SHALL APPLY REGARDLESS OF THE ACTION, WHETHER IN CONTRACT OR TORT, INCLUDING NEGLIGENCE.

8. Trademarks. Any trademarks associated with the Software are the sole property of Licensor, and no right, license, or interest to any such trademark is granted hereunder, and Licensee agrees that no such right, license, or interest shall be asserted by Licensee with respect to any such trademark.

9. Licensee Identification. Licensee hereby grants to Licensor and Approved Supplier, and its agents,

the limited right to use Licensee's name, address, and related information for the purpose of identifying Licensee as a licensed user of the Software in connection with Licensor or Approved Supplier, or their agents', marketing and promotion of the Software.

10. Assignment. Licensee shall not assign any of its rights or obligations under this Agreement to a third party without obtaining Licensor's prior written consent. In the event Licensor designates an entity other than Approved Supplier to provide the Services or Supplemental Services, Licensor shall have the right to assign its rights and obligations hereunder to such entity.

11. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Virginia.

12. Costs of Litigation. If any action is brought by either party to this Agreement against the other party regarding the subject matter hereof, the prevailing party shall be entitled to recover, in addition to any other relief granted, reasonable attorney's fees and costs and expenses of litigation.

13. Severability. Should any term of this Agreement be declared void and unenforceable by any court of competent jurisdiction, such declaration shall have no effect on the remaining terms hereof.

14. No Waiver. The failure of Licensor or Approved Supplier to enforce any rights granted hereunder, or to take action against Licensee in the event of any breach hereunder, shall not be deemed a waiver by Licensor as to subsequent enforcement of rights or subsequent actions in the event of future breaches.

15. Notices. Any and all notices required or permitted under this Agreement shall be sent to the retrospective parties at the addresses listed below, unless and until a different address has been designated by written notice to the other party.

LICENSOR:
Atten: President
19980 Highland Vista Blvd., Suite 155
Ashburn, VA 20147

LICENSEE:

Email: _____

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement as of the day and year first set forth above.

LICENSEE:

By: _____
Its: _____

LICENSOR:

PRECISION FRANCHISING LLC

By: _____

Its: _____

EXHIBIT A
Approved Supplier

FranConnect

13865 Sunrise Valley Drive, Suite 150

Reston, VA, United States, Virginia

EXHIBIT B
Compatibility List

Hardware

8GB RAM
500GB + Hard drive space; SSD recommended over HDD
Modem / Router / Wireless access point
Standard PC compatible keyboard & mouse
Ethernet / Wireless card for internet connectivity
1600 x 900 capable video adaptor

Software

Operating system Windows 10 (Home or Pro)
Sybase ISQL Anywhere 8.03

SoftWrench™ Software Support Fee Authorization

We offer only the following methods of payment for software support, which is EFT. In this case, you authorize us to make a withdrawal for \$300.00 every quarter in advance for your support fees for each of your locations licensed to use **SoftWrench™** software. For franchisees that acquire the SoftWrench software from us in connection with the establishment of a new Precision Tune Auto Care center, these quarterly payments will begin following the end of the seventh month of free software support included in your initial installation package.

NOTE: The initial payment amount for the first quarter charged will be prorated based on the number of working days remaining in the beginning quarter.

Please determine completing one the attached form and return along with the documents required to receive the **SoftWrench™** software installation package. Failure to return all required documents with the necessary information would only delay the receipt of **SoftWrench™** software.

ELECTRONIC FUNDS TRANSFER

All software support fees will be wired to PTAC's account at Capital One Bank. The withdrawal process will be completed at the corporate office each quarter.

NOTE: We use a method designed to insure complete accuracy. Two PTAC employees are involved in the process at all times. The Collections Manager will enter the deductions and the Payroll Manager will verify and authorize the transaction. Please complete the enclosed form that authorizes the deduction from your account. Be sure to include your bank Transit/ABA number and the complete account number, sign and date the form. If you prefer to furnish avoided check, please do so, but we will need your signature on the attached authorization form.

SoftWrench™ Software
ELECTRONIC FUND TRANSFER AUTHORIZATION

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO PRECISION FRANCHISING, LLC (“FRANCHISOR”)

Depositor hereby authorizes and request _____ (the “depository”) to initiate debit and credit entries to Depositor’s checking/savings account (select one) indicated below drawn by and payable to the order of Franchisor by Electronic Fund Transfer provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository’s rights with respect to each charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Center Number (s): List all Centers, by store number that are eligible for software support

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Depositor (Bank) Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____

Account Number: _____

Depositor Name (Please Print): _____

Acknowledged and Agreed: (Please Sign): _____

Date Signed: _____

ATTACHMENT 8

Center No. _____

ELECTRONIC FUND TRANSFER AUTHORIZATION

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO PRECISION FRANCHISING LLC ("FRANCHISOR")

Depositor hereby authorizes and requests _____
(the "Depository") to initiate debit and credit entries to Depositor's checking/savings account
(select one) indicated below drawn by and payable to the order of Franchisor by Electronic Fund
Transfer provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each charge shall be the same
as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees
that if any charge is dishonored, whether with or without cause and whether intentionally or
inadvertently, the Depository shall be under no liability whatsoever.

Depository (Bank) Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____

Account Number: _____

Depositor: (Please Print): _____

Acknowledged and Agreed: (Please sign) _____

Date
Signed: _____

ATTACHMENT 9

CONSENT AGREEMENT

This CONSENT AGREEMENT (the "Agreement") effective this _____ day of _____, 20-
----- is made by and among the following:

- (1) Insert Assignor Name ("Assignor"), a Assignor State corporation with its principal office at Assignor Corporate Address;
- (2) Assignor Guarantor ("Assignor's Guarantor") is the Assignor's principal shareholder and its sole Guarantor;
- (3) Insert Assignee Name ("Assignee"), a Assignee State company with its principal office at Assignee Corporate Address;
- (4) Assignee Guarantor ("Assignee's Guarantor") is the Assignee's principal Shareholder and its sole Guarantor; and
- (5) PRECISION FRANCHISING LLC, a Virginia limited liability company with its principal office at 19980 Highland Vista Blvd., Suite 155, Ashburn, VA 20147 ("Franchisor"), successor to PRECISION TUNE AUTO CARE, INC., a Virginia corporation ("PTAC").

WITNESSETH:

WHEREAS, Franchisor and Assignor are parties to a Franchise Agreement dated Existing FA Date (the "Franchise Agreement"), a copy of which is attached as Exhibit A; which was renewed pursuant to a letter dated Renewal Letter Date, a copy of which is attached in Exhibit A;

WHEREAS, Assignor has operated a Precision Tune Auto Care business (the "PTAC Center"), pursuant to the terms of the Franchise Agreement at Center Address;

WHEREAS, at all relevant times, Assignor's guarantor personally guaranteed the obligations of Assignor to PTAC under the Franchise Agreement pursuant to a guaranty agreement (the "Guaranty Agreement");

WHEREAS, on or about August 15, 2001, PTAC assigned to Franchisor, a wholly-owned subsidiary of PTAC, all rights under the Franchise Agreement and the Guaranty Agreement;

WHEREAS, Assignor desires to transfer to Assignee, and Assignee desires to purchase all of Assignor's right, title and interest in and to the Franchise Agreement and the assets of the business conducted thereunder;

WHEREAS, Assignor and Assignee have entered into a written agreement (the "Acquisition Agreements"), contemplating the terms on which Assignor has sold or will sell its rights in the business of the PTAC Center, including its rights under the Franchise Agreement;

WHEREAS, Assignee took possession or will take possession of the Center on the Effective Date;

WHEREAS, pursuant to the provisions of the Franchise Agreement, such transfer requires Franchisor's consent;

WHEREAS, Franchisor is willing to consent to the transfer subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Assignor's Representations

- (a) Assignor represents and warrants to Franchisor that Assignor owns all right, title, and interest in and to the Franchise Agreement.
- (b) Assignor represents and warrants to Franchisor that all ascertained or liquidated debts of Assignor to Franchisor, its subsidiaries, affiliates, divisions, Area Developers, and others, as Franchisor may require, are paid in full as of the date of transfer of the assets of the franchised business.
- (c) Assignor represents and warrants to Franchisor that it has the authority to execute this Agreement.
- (d) Assignor represents and warrants to Franchisor that Assignor expressly agrees and acknowledges, by execution of this Agreement, that Assignor is and remains legally bound to comply with the covenants contained in the Franchise Agreement, including without limitation any covenants against competition which expressly or by reasonable implication, are intended to apply to Assignor after the transfer or expiration thereof.

2. Assignee's Representations and Acknowledgments.

- (a) Assignee represents and agrees with Franchisor that Assignee shall pay to Franchisor a transfer fee in the amount of Transfer Fee Amount (\$Transfer Fee Dollars).
- (b) Assignee acknowledges that Franchisor has not conducted an inspection of the Center prior to approving the transfer of the Franchise Agreement. Accordingly, the physical premises of the Center may not be in full compliance with the terms of the Franchise Agreement, and Franchisor may require Assignee to remediate certain aspects of the premises of the Center in order to avoid a default under the terms of the Franchise Agreement.
- (c) Assignee represents and agrees with Franchisor that Assignee shall execute, or in appropriate circumstances, cause all necessary parties to execute, the Substituted (Transfer) Franchise Agreement ("Transfer Agreement") attached hereto as Exhibit B.
- (d) Assignee represents and agrees with Franchisor that within 10 days after the date hereof, but effective as of the Effective Date, Assignee shall obtain and shall provide evidence thereof to Franchisor, such insurance coverage as specified in the Transfer Agreement.
- (e) Assignee represents and agrees with Franchisor that all Stockholders in Assignee and all Stockholders in any corporation owning five percent (5%) or more of the beneficial ownership of Assignee shall enter into a continuing Guaranty Agreement in form attached hereto as

Exhibit C, guaranteeing all liabilities and obligations of Franchisee under the Transfer Agreement and shall agree to be bound individually by the covenants contained in the Transfer Agreement relating to non-competition and confidentiality.

- (f) Assignee agrees that Assignee's compliance with any of the conditions contained in this Section 2 shall not limit Franchisor's right to require conformance with any provisions of the Transfer Agreement.

3. Assignment and Assumption.

- (a) Assignor hereby represents that it has, as of the Effective Date transferred, assigned and set over to Assignee all of its right, title, and interest in and to the Franchise Agreement and all the assets of the business conducted thereunder, subject to Franchisor's consent.
- (b) Assignee hereby represents that it has, as of the Effective Date assumed from Assignor all of Assignor's rights, title, and interest in and to the Franchise Agreement, subject to Franchisor's consent.

4. Franchisor's Consent.

In consideration of the representations made to Franchisor by Assignor and Assignee in this Agreement, and the agreements with Assignor:

- (a) Franchisor waives its right of first refusal under the Franchise Agreement and consents to the transfer by Assignor to Assignee, of all of Assignor's right, title, and interest in and to the Franchise Agreement.
- (b) Consent by Franchisor hereunder does not constitute an endorsement of the transaction between Assignor and Assignee. Any terms or conditions of the purchase and sale between Assignor and Assignee which may purport to bind Franchisor shall not be valid and binding on Franchisor unless agreed to by Franchisor in writing.

5. Indemnification.

Assignor and Assignee, for themselves, their successors, assigns, subsidiaries, divisions, and agents, and each of them, do hereby agree to indemnify and hold harmless Franchisor, its affiliates, divisions, successors, assigns, officers, directors, employees, agents, and area developers and each of them, against the following:

- (a) any and all liabilities, losses, damages, deficiencies, claims, costs, or expenses of any nature resulting, directly or indirectly, from the following: (i) any misrepresentations or breach of warranty or covenant on the part of Assignor or Assignee under this Agreement or otherwise; (ii) the non-fulfillment of any conditions under this Agreement or otherwise; and (iii) the transfer of the Franchise Agreement and the assets of the franchised business; and
- (b) any and all actions, suits (third party or otherwise), proceedings, investigations, demands, assessments, judgments, costs and expenses incident to the foregoing, including, but not limited to, reasonable legal and accounting fees.

6. Release by Assignor

- (a) Assignor on behalf of itself and any affiliates, officers, directors, heirs, executors, administrators, assigns, and successors in interest, does hereby fully release Franchisor and any affiliates, and the respective officers, directors, employees, agents, shareholders, assigns and successors in interest of any of them, in their corporate, individual, or other capacity, from any and all claims, liabilities, suits, or causes of action of whatever kind or nature, in law or equity, whether known or unknown, suspected or unsuspected, which Assignor now has, has had, or may hereafter claim to have, by reason of any matter, act, omission, cause or event whatsoever that has heretofore occurred.
- (b) Assignor expressly agrees and acknowledges that, in executing this release, it does not rely upon and has not relied upon any representations or statements by Franchisor. Assignor expressly acknowledges that, prior to executing this release, it has made such investigation as it deems necessary and has consulted with independent counsel and legal advisors of its own choosing in connection therewith and in connection with the rights it may be relinquishing as a result of the execution of this release.
- (c) Assignor expressly assumes the risk of any mistake of fact or law, which it may be under in connection with the execution of this release and any rights, which it may be relinquishing. Assignor expressly acknowledges that this release includes unknown or unsuspected claims and specifically waives any benefit of any statutory provisions, which may limit the scope of this release. Assignor understands and acknowledges the significance and consequence of this specific waiver of the provisions of any statutory protections and hereby assumes full responsibility for any damage, loss, or liability, which it may incur by reason of such waiver.
- (d) Assignor expressly acknowledges that the general release included within this document includes unknown or unsuspected claims and specifically waives the benefits of any statutory provisions that may limit the scope of such general release, including but not limited to Section 1542 of the California Civil Code, which provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

7. Release by Assignee

- (a) Assignee on behalf of itself and any affiliates, officers, directors, heirs, executors, administrators, assigns, and successors in interest, does hereby fully release Franchisor and any affiliates, and the respective officers, directors, employees, agents, shareholders, assigns and successors in interest of any of them, in their corporate, individual, or other capacity, from any and all claims, liabilities, suits, or causes of action of whatever kind or nature, in law or equity, whether known or unknown, suspected or unsuspected, which Assignee now has, has had, or may hereafter claim to have, by reason of any matter, act, omission, cause or event whatsoever that has heretofore occurred.
- (b) Assignee expressly agrees and acknowledges that, in executing this release, it does not rely upon and has not relied upon any representations or statements by Franchisor. Assignee expressly acknowledges that, prior to executing this release, it has made such investigation as it deems necessary and has consulted with independent counsel and legal advisors of its

own choosing in connection therewith and in connection with the rights it may be relinquishing as a result of the execution of this release.

- (c) Assignee expressly assumes the risk of any mistake of fact or law, which it may be under in connection with the execution of this release and any rights, which it may be relinquishing. Assignee expressly acknowledges that this release includes unknown or unsuspected claims and specifically waives any benefit of any statutory provisions, which may limit the scope of this release. Assignee understands and acknowledges the significance and consequence of this specific waiver of the provisions of any statutory protections and hereby assumes full responsibility for any damage, loss, or liability, which it may incur by reason of such waiver.

8. Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

9. Miscellaneous

- (a) Paragraph Headings; Pronouns. The paragraph headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof. Each pronoun used herein shall be deemed to include the singular or plural, masculine or feminine, in accordance with the defined terms to which the pronouns refer.
- (b) Entire Agreement. This Agreement, the attachments hereto and to documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment shall be binding unless in writing and signed by the party against whom enforcement is sought.
- (c) Joint and Several. If Assignor or Assignee consist of more than one individual or entity, their liability under this Agreement shall be deemed to be joint and several.
- (d) Survival. All provisions of this Agreement, which by their terms or by reasonable implication are intended to survive the closing of this transaction shall survive it.
- (e) Non-Waiver. No waiver of any covenant or condition or the breach of any covenant or condition by any party shall constitute a waiver of any subsequent breach of such covenant or condition or authorize the breach or nonobservance of any covenant or condition by any party.

SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first and above written.

Attest:

ASSIGNOR: Insert Assignor Name

[Assistant] Secretary

By: _____

Name: Assignor Guarantor

Title: Assignor Title

Date Signed: _____

Witness:

ASSIGNOR'S GUARANTORS

Assignor Guarantor, an individual

Date Signed: _____

Attest:

ASSIGNEE: Insert Assignee Name

[Assistant] Secretary

By: _____

Name: Assignee Guarantor

Title: Assignee Title

Date Signed: _____

Witness:

ASSIGNEE'S GUARANTORS

Assignee Guarantor, an individual

Date Signed: _____

Witness:

PRECISION FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date Signed: _____

EXHIBIT D

EXHIBIT D

LIST OF PRECISION TUNE AUTO CARE FRANCHISED CENTERS

As of December 31, 2024

PRECISION TUNE AUTO CARE FRANCHISEE LIST
as of 12-31-2024

Center	Franchisee	Contact Name	Store Address	City	State	Zip	Phone
15-05	Corvino Automotive, Inc.	Corvino, Frank	11900 Wiles Rd.	Coral Springs	Florida	33076	954-753-0700
15-14	Adrian S Farinato	Farinato, Adrian	151 North State Road 7	Margate	Florida	33063	(954) 970-4996
15-28	Mobile Car Care LLC	Roger Sosa	1 Linton Blvd. Suite 1	Delray Beach	Florida	33444	(561) 278-7979
19-14	Strider, John K.	Strider, John K.	3809 Alta Mesa Blvd	Fort Worth	Texas	76133	(817) 294-9648
19-21	Crick, Chase	Crick, Chase	730 Meadowcreek Ln	Garland	Texas	75043	(214) 388-8203
21-03	Mercer Tune, Inc.	Grimaud, David	3240 Mercer University Dr	Macon	Georgia	31204	(478) 750-0916
21-04	Warner Tune, Inc.	Grimaud, David	1210 Watson Blvd	Warner Robins	Georgia	31093	(478) 923-6510
21-06	Albany Tune, Inc.	Grimaud, David	2534 Dawson Rd	Albany	Georgia	31707	(229) 431-0126
21-08	Dosta Tune, Inc.	Grimaud, David	1807 N Ashley St	Valdosta	Georgia	31602	(229) 242-0610
21-09	Gray Highway Tune, Inc.	Grimaud, David	909 Gray Highway	Macon	Georgia	31211-1855	(478)722-5771
21-10	Benning Tune, Inc.	Grimaud, David	4025 Victory Drive	Columbus	Georgia	31903	(706) 682-9670
21-11	Manchester, Tune, Inc.	Grimaud, David	1601 Manchester Expressway	Columbus	Georgia	31904	706-317-2800
21-12	280 Tune, Inc.	Grimaud, David	3607 US Highway 431 N	Phenix City	Alabama	36867	334-291-3373
21-13	Russell Tune, inc.	Grimaud, David	712 Russell Pkwy	Warner Robbins	Georgia	31088	(478) 302-5777
22-07	Arthur Tune, Inc.	Grimaud, David	5011 Twin City Highway	Port Arthur	Texas	77642	(409) 962-8600
22-08	5390 Tune, Inc.	Grimaud, David	5390 College Street	Beaumont	Texas	77707	409-840-9565
22-09	Dairy Ashford Tune, Inc.	Grimaud, David	2620 South Dairy Ashford Rd	Houston	Texas	77082	(281) 556-8863
22-10	2210 Tune, Inc	Grimaud, David	15750 FM 529	Houston	Texas	77095	(346) 978-5226
22-11	Leon & Davila Enterprises Inc.	Yomil Leon-Ortiz and Hilda Vanessa Davila	Non-operational	Houston	Texas		(713) 301-5766
22-12	2212 Tune, Inc.	Grimaud, David	19421 Kuykendahl Rd	Spring	Texas	77379	(832) 843-3486
22-13	BKT Auto, LLC	Bryan Thibodeaux	Non-Operational	Houston	Texas		(281) 889-9287
24-07	Walton Tune, Inc.	Grimaud, David	635 Eglin Pkwy NE	Ft. Walton Beach	Florida	32547	(850) 864-1100
24-10	Nine Mile Tune, Inc.	Grimaud, David	35 E Nine Mile Rd	Pensacola	Florida	32534	(850) 477-7228
24-15	Miss Tune, Inc.	Grimaud, David	2334 Highway 45 North	Columbus	Mississippi	39705	(662) 241-4455
24-16	Doetune, Daphne, Llc	O'Neil, John (jake)	1106 US Hwy 98	Daphne	Alabama	36526	(251) 621-1414
24-19	2419 Tune, Inc.	Grimaud, David	3172 Gulf Breeze Parkway	Gulf Breeze	Florida	32563	(850) 932-3242
24-20	Panama Tune, Inc.	Grimaud, David	1214 Airport Road	Panama City	Florida	32405	(850) 767-0444
24-21	Crest Tune, Inc.	Grimaud, David	1200 S. Ferdon Blvd., Bldg. 7	Crestview	Florida	32536	(850) 689-1415
24-22	Hillcrest Tune, Inc.	Grimaud, David	1230 Hillcrest Road	Mobile	Alabama	36695	(251) 607-9997
24-23	Gulfport Tune, Inc.	Grimaud, David	2510 25th Ave	Gulfport	Mississippi	39501	(228) 575-3484
24-25	Ninth Avenue Tune, Inc.	Grimaud, David	622 North 9th Avenue	Pensacola	Florida	32504	(850) 475-0946
24-26	Government Tune, Inc.	Grimaud, David	2852 Government Blvd.	Mobile	Alabama	36606	(251) 476-2409
24-27	Navy Tune, Inc.	Grimaud, David	636 North Navy Tune Blvd.	Pensacola	Florida	32507	850-696-2975
24-28	Gulfport Tune, Inc.	Grimaud, David	7430 Lem Turner Rd	Jacksonville	Florida	32208	904379-9259
24-29	2429 Tune, Inc.	Grimaud, David	3812 N. Monroe St	Tallahassee	Florida	32303	(850) 765-8218
24-30	2430 Tune, Inc.	David Grimaud	2901 Bienville Blvd.	Ocean Springs	Mississippi	39564	(228) 334-5040
25-20	Marcel F Fulton	Fulton, Marcel	3839 Alexandria Mall Dr	Alexandria	Louisiana	71301	(318) 443-3006
25-21	P/c Tune, Inc.	Hartman, Paul A	3224 Ryan St	Lake Charles	Louisiana	70601	(337) 436-2128
25-28	2528 Tune, Inc	Grimaud, David	2843 S Sherwood Forest Blvd	Baton Rouge	Louisiana	70816	(225) 293-2886
25-31	2531 Tune Inc.	David Grimaud	Non Operational	Baton Rouge	Louisiana		
25-32	2532 Tune, Inc.	David Grimaud	3935 W. Congress St.	Lafayette	Louisiana	70605	(337) 534-8887

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28-02	Auto Renew JFK Little Rock LLC	Josh Cate and Billy Garrett	4630 John F. Kennedy Blvd.	North Little Rock	Arkansas	72116	(501) 954-8586
28-03	Thompson Auto Group LLC	Tim & Renee Thompson	5700 Charlotte Pike	Nashville	Tennessee	37209	(615) 352-8863
28-06	Auto Renew North LLC	Josh Cate and Billy Garrett	4710 North Broadway	Knoxville	Tennessee	37918	(865) 688-7470
28-11	Auto Renew West LLC	Josh Cate and Billy Garrett	5715 Kingston Pike	Knoxville	Tennessee	37919	(865) 584-0757
28-12	Auto Renew JFK Little Rock LLC	Josh Cate and Billy Garrett	11301 West Markham Street	Little Rock	Arkansas	72211	(501) 221-7151
28-15	NPT, Inc.	Paul Kenny	2251 Murfreesboro Pike	Nashville	Tennessee	37217	(615) 399-8863
28-16	Auto Renew Farragut LLC	Josh Cate and Billy Garrett	10740 Kingston Pike	Knoxville	Tennessee	37934	(865) 777-0014
28-17	AUTOWRENCH LLC	Brandon Walker	2125 Gunbarrel Rd	Chattanooga	Tennessee	37421	(423) 892-0665
28-26	Apex Auto LLC	Ryan Ratkowski & Nnamdi Mowete	4221 Hixson Pike	Chattanooga	Tennessee	37415	(423) 305-0143
29-14	Shilling Enterprises 29-14 LLC	Jason Shilling; Tony Dimitri	8810 N. IH 35	Jarrell	Texas	76537	(512) 713-9356
29-19	J&D Shilling Enterprises, LLC	Jason & Don Shilling	1413 W William Cannon	Austin	Texas	78745	(512) 440-7077
29-22	S.p.j., Inc.	Evans, Kristl	1305 W Central Texas Expressway	Killeen	Texas	76541	(254) 634-8228
29-28	J T Motor Sports, Inc.	Tanner, Jeffrey	4212 Bosque Blvd	Waco	Texas	76711	(254) 776-2484
29-29	Keith Katch & Cindy Katch	Katch, Keith	4703 N Navarro St	Victoria	Texas	77904	(361) 576-3447
29-32	Evans, Kristl	Evans, Kristl	4707 S 31st St.	Temple	Texas	76502	254-791-8228
29-33	Shilling, Jason	Shilling, Jason	2308 W Pecan St	Pflugerville	Texas	78660	(512) 990-3836
29-34	Fernando Saldana & Abigail Saldana	Saldana, Fernando	2137 Garrison	Eagle Pass	Texas	78852	(830) 758-0701
29-38	E-7 Enterprises,, Ltd.	Ms. Evans, Kristl	160 W Highway 190	Copperas Cove	Texas	76522	(254) 518-8229
29-41	Shilling Enterprises 29-41, LLC	Shilling, Jason	2201 N. Bell Boulevard	Cedar Park	Texas	78613	(512) 528-1165
29-42	Centex Tune Up LLC	Kristl Evans	1305 W. Central Texas Expswy	Killeen	Texas	76541	(254) 634-8228
30-02	Winnie & Sam, Inc.	Gleason, Timothy	5353 France Ave S	Minneapolis	Minnesota	55410	612-927-7620
30-07	Winnie & Sam, Inc.	Gleason, Timothy	360 S Snelling Ave	St Paul	Minnesota	55105	(651) 690-2740
30-14	Winnie & Sam, Inc.	Gleason, Timothy	3232 E Lake St	Minneapolis	Minnesota	55406	(612) 721-3303
30-22	Engine Pulse, Inc.	Domagala, Jeffery	15600 34th Ave. N.	Plymouth	Minnesota	55447	(763) 559-1149
30-23	Harbo, Inc.	Einhorn, Mark	5600 Winnetka Ave N	New Hope	Minnesota	55428	763-533-3903
30-34	Mattson, Andrew	Mattson, Andrew	18850 Dodge St NW	Elk River	Minnesota	55330	(763) 274-2601
30-35	I&S L.L.C.	Abu Salman	6982 W 145th St	Apple Valley	Minnesota	55124	(952) 432-2345
30-39	R & K Automotive, Inc.	Rolland Johnston	896 County Road 10 NE	Spring Lake Park	Minnesota	554234	(763) 784-1405
30-40	Integrity Automotive, Llc	Selbitschka, Paul	7910 Lake Drive	Lino Lakes	Minnesota	55014	651-784-1100
31-04	Duckworth Inc	Charles & Karen Duckworth	11301 E 23rd St	Independence	Missouri	64050	816-252-1125
31-16	Duckworth, Inc.	Charles and Karen Duckworth	6040 Nieman Road	Shawnee	Kansas	66203	(913) 631-3714
31-20	Clair Properties LLC	Misty and Stephen St. Clair	405 S. 36th Street	St. Joseph	MO	64506	(816) 273-0049
33-17	Bow Tune, Inc.	Grimaud, David	4202 W 5415 South	Kearns	Utah	84118	801-957-1700
33-18	B G Tune, Inc.	Grimaud, David	5851 S. State Street	Murray	Utah	84107	(801) 747-0145
33-19	Salt Lake Tune, Inc.	Grimaud, David	2547 S. State Street	Salt Lake City	Utah	84155	801-935-4454
39-11	Sempiternal LLC	Carlos Rosas	8879 S Eastern Ave.	Las Vegas	NV	89123	(702) 364-8326
41-38	Sno-tune Corp.	Stephenson, Scott	9113 State Ave.	Marysville	Washington	98270	360-653-1650
43-33	JZ Enterprises LLC	Zachery Samples, Jimmy Barefoot	1871 South Main Street	Harrisonburg	VA	22801	(540) 433-2792
43-35	Zachery Samples and Jimmy Barefoot		7010 Emancipation Hwy	N. Chesterfield	Virginia	23237	(804) 642-5829
43-38	J&N auto service LLC	Johathan and Noelia Castillo	16448 Brandy Road	Culpeper	Virginia	22701	(540) 825-7109
48-07	Mingo Tune, Inc.	Grimaud, Greg	9709 East 51st Street	Tulsa	Oklahoma	74146	918-610-8863

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48-08	Crabtree Enterprises, Inc.	Mr. Crabtree, Max D.	2101 South Thompson Street	Springdale	Arkansas	72764-6331	479-750-2100
48-09	Memorial Tune, Inc.	Grimaud, Greg	1916 South Memorial Drive	Tulsa	Oklahoma	74112	918-627-8338
50-01	Bobby Jackson		10604 Reisterstown Rd	Owings Mills	Maryland	21117	410-356-9700
50-03	Mohsan Nazir	Mohsan Nazir	5529 Belair Road	Baltimore	Maryland	21206	(410) 483-3222
50-04	R&W Automotive LLP	Rusty Contreras/Wayde Rendelman	8000 Pulaski Highway	Rosedale	Maryland	21237	(410) 391-5300
50-11	Usman Nazir	Usman Nazir	1992 West Street	Annapolis	Maryland	21401	(410) 266-5102
50-12	R&W Automotive LLP	William Chaney	10515 York Rd #19	Hunt Valley	Maryland	21030-2301	410-628-0060
50-13	Maryland State Services, LLC	Chris Neidimire	8701 Liberty Road	Randallstown	Maryland	21133	(410) 655-5151
50-17	R&W Automotive LLP	Rusty Contreras/Wayde Rendelman	1812 Pulaski Highway	Edgewood	Maryland	21040	(410) 679-9340
50-19	Chain-Link Automotive, Inc.	William Chaney	409 Ritchie Hwy	Severna Park	Maryland	21146	(410) 544-2713
50-22	DCS Operations, Inc.	Long, Richard	8813 Belair Rd	Perry Hall	Maryland	21236	(410) 529-9340
50-26	Lexington Park Auto Repair Inc.	William Chaney	22440 Three Notch Rd	Lexington Park	Maryland	20653	(301) 863-3800
50-27	Wiljacks Automotive Services Inc.	William Chaney	5700 York Road	Baltimore	Maryland	21212	(410) 435-9100
50-30	MJMP, LLC	Murray, Michelle	101 East Sunset Ave.	Williamsport	Maryland	21795	301-223-6277
55-01	Precision Franchising, Inc.	Allbert, Jason	119 Small Pines Dr.	Garner	North Carolina	27603	(919) 661-1868
55-02	Precision Franchising, Inc.	Allbert, Jason	4808 Atlantic Ave	Raleigh	North Carolina	27604	(919) 872-8880
55-03	Precision Franchising, Inc.	Allbert, Jason	2105 E. Hwy 54	Durham	North Carolina	27713	(919) 544-9600
55-04	Precision Franchising, Inc.	Allbert, Jason	3910 Chapel Hill Blvd.	Durham	North Carolina	27707	(919) 493-0880
55-05	Precision Franchising, Inc.	Allbert, Jason	3944-101 New Bern Ave.	Raleigh	North Carolina	27610	(919) 231-8863
55-06	Precision Franchising, Inc.	Allbert, Jason	1318 College Rd.	Wilmington	North Carolina	28403	(910) 392-5353
55-07	Precision Franchising, Inc.	Allbert, Jason	5615 Hillsborough St.	Raleigh	North Carolina	27606	(919) 851-0078
55-08	Precision Franchising, Inc.	Allbert, Jason	2304 S Church Street	Burlington	North Carolina	27215	(336) 226-0345
55-09	Precision Franchising, Inc.	Allbert, Jason	465 Western Blvd.	Jacksonville	North Carolina	28540	(910) 455-8863
55-10	Precision Franchising, Inc.	Allbert, Jason	302 North Spence Ave.	Goldsboro	North Carolina	27530	(919) 751-1993
55-11	Precision Franchising, Inc.	Allbert, Jason	124 S.E. Greenville Blvd.	Greenville	North Carolina	27843	(252) 756-2800
55-13	Precision Franchising, Inc.	Allbert, Jason	1200 N. Wesleyan Blvd.	Rocky Mount	North Carolina	27804	(252) 977-1300
55-14	Precision Franchising, Inc.	Allbert, Jason	421 Colonades Way	Cary	North Carolina	27511	(919) 233-5302
55-15	Precision Franchising, Inc.	Allbert, Jason	9009 Baileywick Rd Ste 101	Raleigh	North Carolina	27615	(919) 518-8464
55-16	Precision Franchising, Inc.	Allbert, Jason	2915 Raleigh Road Parkway, W.	Wilson	North Carolina	27896	(252)234-7239
55-17	Precision Franchising, Inc.	Allbert, Jason	3405 Rogers Road	Wake Forest	North Carolina	27587	(919) 556-1410
55-18	Precision Franchising, Inc.	Allbert, Jason	100 Lattner Court	Morrisville	North Carolina	27560	(919)234-6557
55-19	Precision Franchising, Inc.	Allbert, Jason	5280 N. Roxboro Street	Durham	North Carolina	27712	(984) 219-1974
56-04	Valley Tune Inc.	Grimaud, David	312 Valley Ave	Birmingham	Alabama	35209	205-945-8863
56-05	Decatur Tune, Inc.	Grimaud, David	2334 6th Ave SE	Decatur	Alabama	35601	(256) 350-8400
56-11	Forest Tune, Inc.	Grimaud, David	2040 Forestdale Blvd.	Birmingham	Alabama	35214	(205) 798-4009
56-16	Tiger Tune, Inc.	Grimaud, David	1381 First Street North	Alabaster	Alabama	35007	205-358-7783
56-17	Hilltop Tune, Inc.	David Grimaud	Non-operational	Pelham	Alabama		
56-18	Opi Tune, Inc.	Grimaud, David	3798 Pepperell Pkwy	Opelika	Alabama	36801	334-745-6790
57-01	Gregory G. & Susan R. Grimaud & Joseph A. & Gladys F. Grimaud	Grimaud, Greg	2324 N. Meridian	Oklahoma City	Oklahoma	73107	(405) 943-2323
57-02	Edmond Tune, Inc.	Grimaud, Greg	12 West 33rd St.	Edmond	Oklahoma	73013	405-478-8863
57-03	May Tune, Inc.	Grimaud, Greg	6600 North May Avenue	Oklahoma City	Oklahoma	73116	(405) 607-6646

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67-04	Magnum Automotive, Inc.	Moore, Glen	8000 South Western Ave.	Oklahoma City	Oklahoma	73139	(405) 634-0001
67-05	Rockwell Tune, Inc.	Boswell, Prentiss	10820 North Rockwell	Oklahoma City	Oklahoma	73162	(405) 722-5693
67-06	Dunamis Group, LLC	Marty & Valerie Minor	722 Garth Brooks Boulevard	Yukon	Oklahoma	73099	405-354-8000
67-07	Mid Tune, Inc.	Grimaud, Greg	6930 E Reno Ave	Midwest City	Oklahoma	73110	(405) 610-6863
69-01	Precision Franchising, Inc.	Allbert, Jason	3104 Raeford Rd.	Fayetteville	North Carolina	28303	(910) 483-8863
69-02	Precision Franchising, Inc.	Allbert, Jason	10515-B Centrum Parkway	Pineville	North Carolina	28134	(704) 759-0393
69-03	Precision Franchising, Inc.	Allbert, Jason	4909 South Blvd	Charlotte	North Carolina	28217	(704) 527-2841
69-04	Precision Franchising, Inc.	Allbert, Jason	5101 Albemarle Rd	Charlotte	North Carolina	28205	(704) 536-8863
69-05	Precision Franchising, Inc.	Allbert, Jason	1505 E. Franklin Blvd.	Gastonia	North Carolina	28054	(704) 867-2467
69-06	Precision Franchising, Inc.	Allbert, Jason	7928 N. Tryon St.	Charlotte	North Carolina	28262	(704) 510-1588
69-11	Precision Franchising, Inc.	Allbert, Jason	2349 Randelman Rd.	Greensboro	North Carolina	27406	(336) 379-8863
69-12	Precision Franchising, Inc.	Allbert, Jason	1967 Hwy 70 SE	Hickory	North Carolina	28602	8283245151
69-13	Precision Franchising, Inc.	Allbert, Jason	252 Concord Parkway South S. Concord Shopping Parkade	Concord	North Carolina	28027	(704) 788-7000
69-14	Precision Franchising, Inc.	Allbert, Jason	3730A Battleground Blvd.	Greensboro	North Carolina	27410	(336) 288-8863
69-17	Precision Franchising, Inc.	Allbert, Jason	5215 W. Market St.	Greensboro	North Carolina	27409	(336) 855-8863
69-18	Precision Franchising, Inc.	Allbert, Jason	1529 Peter's Creek Pkwy.	Winston-Salem	North Carolina	27103	(336) 748-8182
69-19	Precision Franchising, Inc.	Allbert, Jason	2620 S Main St	High Point	North Carolina	27264	(336) 883-8863
69-20	Precision Franchising, Inc.	Allbert, Jason	4105 Precision Way	High Point	North Carolina	27265	(336) 841-7682
69-22	Precision Franchising, Inc.	Allbert, Jason	312 West Plaza Drive	Mooresville	North Carolina	28117	704-799-0874
64-01	6401 Tune, Inc.	Grimaud, David	6900 Garners Ferry Rd	Columbia	South Carolina	29209	(803) 776-2593
64-03	MEB Enterprises, LLC	Beck, Mark	487 St Andrews Blvd	Charleston	South Carolina	29407	843-763-0267
64-05	6405 Tune, Inc.	Grimaud, David	1923 Broad River Rd.	Columbia	South Carolina	29210	(803) 798-2902
64-06	6406 Tune, Inc.	Grimaud, David	7454 Two Notch Rd	Columbia	South Carolina	29223	(803) 788-9067
64-09	Meb Enterprises, Llc	Beck, Mark	1570 Old Trolley Road	Summerville	South Carolina	29485	843-821-3301
64-13	Rock Hill Protection Services, Llc	Johanson, Keith	2500 N. Cherry Rd.	Rock Hill	South Carolina	29730	(803) 366-5151
64-14	WTF, Inc.	Mr. Cox, Freddie	615 Pamplico Highway	Florence	South Carolina	29505	843-667-9365
64-15	6415 Tune, Inc.	Grimaud, David	1098 Broad St	Sumter	South Carolina	29150	(803) 778-5426
64-16	Biltmore Tune, Inc.	Willingham, Dennis	851 Spartanburg Hwy.	Hendersonville	North Carolina	28792	(828) 697-1162
64-17	6417 Tune, Inc.	Grimaud, David	150 Rodeo Drive	Myrtle Beach	South Carolina	29579	(843) 236-3889
64-18	Biltmore Tune, Inc.	Willingham, Dennis	6 Bryson Ave	Asheville	North Carolina	28803	(828) 254-8863
64-19	6419 Tune, Inc.	Grimaud, David	1118 Knox Abbott Dr	Cayce	South Carolina	29033	(803) 739-4368
64-21	6421 Tune, Inc	Grimaud, David	1703 Hwy 17 North	Mt. Pleasant	South Carolina	29464	(843) 849-8050
64-26	Dennis C Willingham	Willingham, Dennis	1705 W State of Franklin Rd	Johnson City	Tennessee	37604	(423) 926-9500
64-27	Lexi Tune, Inc.	Grimaud, David	1162 Lake Murray Blvd.	Irmo	South Carolina	29063	(803) 749-2790
64-28	Greenwood Tune, Inc.	Grimaud, David	405 Bypass 72 NW	Greenwood	South Carolina	29646	(864) 229-0404
64-34	Harbi Tune, Inc.	Grimaud, David	1465 N. Pleasantburg Drive	Greenville	South Carolina	29067	864-261-8863
64-35	Clemson Road Tune, Inc.	David Grimaud	Non-Operational				
64-36	Woodruff Road Tune, Inc.	Grimaud, David	1629 Woodruff Road	Greenville	South Carolina	29607	(864) 676-9916
64-37	Spartan Tune, Inc.	Grimaud, David	799 North Pine Street	Spartanburg	South Carolina	29303	(803) 828-9662
64-38	6438 Tune, Inc.	Grimaud, David	603-B Columbia Avenue	Lexington	South Carolina	29072	(803) 356-8433
64-39	6439 Tune, Inc.	Grimaud, David	1854 E. Main St.,	Spartanburg	South Carolina	29307	(864) 586-1717

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4-40	6440 Tune, Inc .	David Grimaud	1534 Sunset Blvd.	West Columbia	South Carolina	29169	(803) 828-9662
4-41	6441 Tune, Inc.	David Grimaud	608 St. James Ave.	Goose Creek	South Carolina	29445	(843) 353-0400
2-24	Hyun Jung And Chang Jung	Jung, Chang	6311-A Coventry Way	Clinton	Maryland	20735	(301) 856-0790
2-40	Jonathan Castillo	Jonathan Castillo	8405 Centerville Rd	Manassas Park	VA	20222	(703) 330-5353
2-49	J.A.T.E., LLC	Mario Warren & Sindi Romero	4406 N.W. Crain Highway	Bowie	Maryland	20716	(301) 262-0591
3-07	For His Glory Automotive II, LLC	Bobby Jackson, Wesley Thompson	55 Eisenhower Dr.	Hanover	PA	17331	(717) 630-2397
0-10	AKG Auto 2 LLC	Kumar Giri	8113 West 8 Mile Road	Detroit	Michigan	4821	(313) 863-0511
0-20	AKG Auto LLC	Kumar Giri	702 N. Main Street	Royal Oak	Michigan	48067	(248) 545-5040
7-03	V.I.P. Garage, Inc.	Amit Patel	4196 Buford Hwy NE	Atlanta	Georgia	30345	(404) 634-1006
7-04	Unibloco Enterprises	Tony Dutra	1775 - A - Cobb Parkway, Rt. 41	Marietta	Georgia	30060	(770) 953-8953
7-09	Park Ent LLC	Anita Panjawani	5103 Jimmy Carter Blvd.	Norcross	Georgia	30093	770-416-0440
7-11	350 Tune Inc.	David Grimaud	350 West Pike St.	Lawrenceville	Georgia	30245	(770) 962-0071
7-14	Tune Up Atlanta, Inc.	Grimaud, David	2145 Lawrenceville Hwy	Decatur	Georgia	30033	(404) 325-8863
7-18	Auto Wizz LLC	Amzed Lakhany	3535 Satellite Blvd	Duluth	Georgia	30136	(770) 476-1078
7-19	Forest Tune, Inc.	Grimaud, David	4772 Jonesboro Rd.	Forest Park	Georgia	30297	(404) 361-1383
7-21	Southern Tune & Lube Inc.	Scott Smith	1200 Veterans Memorial Parkway	Mableton	Georgia	30126	(770) 948-6655
7-25	Cheshire Tune, Inc.	Anita Panjwani	2306 Cheshire Bridge Rd.	Atlanta	Georgia	30324	(404) 633-9443
7-26	10726 Tune, Inc.	Grimaud, David	1485 Northcliff Trace	Gainesville	Georgia	30501	(770) 287-0780
7-28	Atura, Inc.	Sturhman, Henry	6800 Londonberry Way	Union City	Georgia	30291	770-969-4656
7-29	JC RST Enterprises Inc.	Aashish Rambhiya	5837 Stewart Pkwy	Douglasville	Georgia	30135	(770) 942-1991
7-35	Minix Enterprises, Inc.	Minix, Steve	130 Jefferson St.	Newnan	Georgia	30263	(770) 252-4755
7-36	10736 Tune LLC	Grimaud, David	416 Pleasant Hill Rd.	Lilburn	Georgia	30047	(770) 279-7900
7-37	Leroux, Macdonald And Smith, Inc.	Scott Smith	799 Sandy Plains Rd.	Marietta	Georgia	30066	(770) 794-9994
7-40	10740 Tune, Inc.	David Grimaud	3555 Stone Mountain Highway	Snellville	Georgia	30078	(770) 985-6100
7-41	Rivertune, Inc.	Evans, Bennie	6941 Hwy 85, Unit B & C	Riverdale	Georgia	30224	770-907-1299
7-43	Conyers Tune, Inc.	Chas Moore	1711 Highway 138 SE	Conyers	Georgia	30094	(678)472-1149
7-45	Mcdonough, Tune, Inc.	Grimaud, David	273 Jonesboro Road	McDonough	Georgia	30253	(770) 302-0091
7-46	Atlatune, Inc.	Grimaud, David	2740 Wesley Chapel Road	Decatur	Georgia	30034	(404) 565-2453
7-47	Carlene LLC	Mark Maxey	2205 W. Broad St	Athens	Georgia	30606	(706) 353-8863
7-48	10748 Tune, Inc	Grimaud, David	714 Veterans Parkway	Jonesboro	Georgia	30238	(770) 603-9197
7-49	Levans Solutions LLC	Benny Evans	Non-Operational	Stockbridge	Georgia	30281	(770) 335-4762
9-04	Victory Tune, Inc.	Kelly Frick	2012 East Victory Drive	Savannah	Georgia	31404	(912) 238-4030
5-23	G. Mawla, Inc.	Anttanious, Zack	2295 Story Rd.	San Jose	California	95122	408-923-8400
5-47	E.G. Moraes Services Inc.	Geraldo Moraes	1630 S. Main Street	Milpitas	California	95035	(408) 582-0120
5-48	Bassi Corporation	Singh, Kuldip	1805 El Camino Real	Santa Clara	California	95050	(408) 246-9554
0-02	E & E Businesses, Llc	Pulley, Eddie	1652 Gordon Hwy.	Augusta	Georgia	30906	706-796-8863
0-03	E & E Businesses, Llc	Pulley, Eddie	3224 Wrightboro Road	Augusta	Georgia	30909	706-733-7722
0-05	E & E Businesses, Llc	Pulley, Eddie	601 E Martintown Rd	North Augusta	South Carolina	29841	803-441-8863
0-06	The Precision Group, Inc.	Woltz, Edward	143 E Pine Log Rd	Aiken	South Carolina	29803	(803) 643-8863
0-07	Dowlat, Inc.	Sarangi, Karim	1191 E. Main St.	El Cajon	California	92021	(619) 441-8888
0-06	UP Auto Care LLC	Charles McSween	4828 Bridgeport Way West	University Place	Washington	98467	(253) 301-2727
0-27	Omkar, LLC	Ronak Patel, Hardikkumar Joshi, Daya Babariya	4802 Point Fosdick Dr NW	Gig Harbor	Washington	98335	(253) 851-7101

**LIST OF PRECISION TUNE AUTO CARE
FRANCHISES**

**UNDEVELOPED LICENSES
(NON-OPERATIONAL)
As of December 31, 2024**

EXHIBIT E

List of Former Franchisees

**PRECISION TUNE AUTO CARE
LIST OF FORMER FRANCHISEES**

FY December 31, 2024

California

Nigel Wright
41608 Valor Drive
Murrieta, CA 92562
(951) 696-9790
230-26- Non-Renewal
7/5/2024

Georgia

Two Scott Enterprises, Inc.
5837 Stewart Parkway
Douglasville, GA 30135
770-364-0110
107-29 Transfer
9/1/2024

Maryland

Team D&T Investments LLC
PO BOX 413
Burtonsville MD 20866
240.770.4468
72-28 Franchisee unable to renew lease
2-29-2024

Minnesota

First Start Auto, Inc.
326 Palomino Dr.
Apple Valley, MN 55124
952.237.0289
30-07 – Transfer
4/29/2024

Tennessee

Gearheadz, LLC
4747 Sussex Lane
Chattanooga, TN 37421
423-344-0789
28-02 Transfer
12/17/2024

VNAA MGMT INC.
2125 Gunbarrel Road
Chattanooga, TN 37421
423-400-0267
28-17 – Transfer
10/9/2023

**PRECISION TUNE AUTO CARE
LIST OF FORMER FRANCHISEES**

FY December 31, 2024

Texas

C&A Family Investments, LLC
1409 Glenshire Drive
Garland, TX 75043
(972) 670-7360
19-20 – Franchisee unable to renew lease
4/7/2024

Washington

DMS Automotive
420 S. W. Everett Mall Way
Everett, WA 98204
(206) 669-0488
41-46 – Franchisee unable to renew lease
11/15/2024

WALEED ALGHZARI
509 Golden Gate Ave.
Fircrest, WA 98466
(253) 306-8896
270-56- Franchisee unable to renew lease
10/31/2024

EXHIBIT F

Franchisee Organizations We Have Created, Sponsored or Endorsed

None

EXHIBIT G

Independent Franchisee Associations

None

EXHIBIT H-

FRANCHISOR'S FINANCIAL STATEMENTS

Exhibit H includes the following:

1. Our consolidated financial statements (balance sheets as of December 31, 2024 and 2023), and statements of operations, statement of member's equity, and statements of cash flow for the year ended December 31, 2024 and report of independent certified public accounts.
2. Our consolidated financial statements (balance sheets as of (December 31, 2023 and 2022), and statements of operations, statement of member's equity, and statements of cash flow for the year ended December 31, 2023 and report of independent certified public accounts.

*



800.464.1976

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INDEPENDENT AUDITOR'S CONSENT

We consent to the use of our report, dated April 1, 2025, related to the audited consolidated financial statements of Precision Franchising LLC and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the related consolidated statements of operations, member's equity and cash flows for the years ended December 31, 2024 and 2023, and the notes to the consolidated financial statements, for inclusion in the Franchise Disclosure Document for prospective franchisees of Precision Franchising LLC dated April 1, 2025.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
April 1, 2025

**PRECISION FRANCHISING LLC
AND SUBSIDIARY**

Ashburn, Virginia

CONSOLIDATED FINANCIAL REPORT

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Precision Franchising LLC and Subsidiary
Ashburn, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Precision Franchising LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 audits. 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 Financial Statements

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

In preparing the 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 within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Goumont, Hyde & Barbours, P.C.

Winchester, Virginia
April 1, 2025

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Balance Sheets
December 31, 2024 and 2023

Assets	<u>2024</u>	<u>2023</u>
Current Assets		
Cash	\$ 170,660	\$ 186,103
Accounts receivable, net	185,753	177,544
Prepaid expenses	33,927	25,000
Notes receivable - current	<u>33,298</u>	<u>32,378</u>
Total current assets	<u>423,638</u>	<u>421,025</u>
Other Assets		
Accounts receivable - parent	52,012,505	47,497,419
Notes receivable - long term	103,081	111,759
Goodwill	9,088,469	9,088,469
Intangible assets, net	<u>- -</u>	<u>74,423</u>
Total other assets	<u>61,204,055</u>	<u>56,772,070</u>
 Total assets	 <u>\$ 61,627,693</u>	 <u>\$ 57,193,095</u>
 Liabilities and Member's Equity		
Current Liabilities		
Accrued expenses	\$ 91,415	\$ 88,466
Due to related party	<u>172,189</u>	<u>213,836</u>
Total current liabilities	<u>263,604</u>	<u>302,302</u>
Member's Equity		
Member's interest	1	1
Contributed capital	20,427,940	20,427,940
Retained earnings	<u>40,936,148</u>	<u>36,462,852</u>
Total member's equity	<u>61,364,089</u>	<u>56,890,793</u>
 Total liabilities and member's equity	 <u>\$ 61,627,693</u>	 <u>\$ 57,193,095</u>

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Operations
For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenue		
Royalty	\$ 9,488,020	\$ 9,359,695
Franchise development	22,000	32,000
Other revenue	549,177	477,132
Total revenues	10,059,197	9,868,827
 Direct costs	 4,139,273	 4,094,064
Contribution	5,919,924	5,774,763
 General and administrative expense	 1,376,844	 1,267,577
 Amortization expense	 74,423	 1,147,347
Operating income	4,468,657	3,359,839
 Other income	 4,639	 4,926
Net income	\$ 4,473,296	\$ 3,364,765

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Member's Equity
For the Years Ended December 31, 2024 and 2023

	<u>Member's Interest</u>	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2022	\$ 1	\$ 20,427,940	\$ 33,098,087	\$ 53,526,028
Net income	<u>--</u>	<u>--</u>	<u>3,364,765</u>	<u>3,364,765</u>
Balance, December 31, 2023	1	20,427,940	36,462,852	56,890,793
Net income	<u>--</u>	<u>--</u>	<u>4,473,296</u>	<u>4,473,296</u>
Balance, December 31, 2024	<u>\$ 1</u>	<u>\$ 20,427,940</u>	<u>\$ 40,936,148</u>	<u>\$ 61,364,089</u>

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Net income	\$ 4,473,296	\$ 3,364,765
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization expense	74,423	1,147,347
Changes in assets and liabilities:		
Accounts receivable, net	(8,209)	(20,317)
Prepaid expenses	(8,927)	(25,000)
Notes receivable	7,758	19,454
Accrued expenses	2,949	12,499
Deferred revenue	-	(50,000)
Net cash provided by operating activities	4,541,290	4,448,748
Cash Flows from Financing Activities		
Net advances to parent	(4,515,086)	(4,480,399)
Due to related party, net	(41,647)	44,931
Net cash (used in) financing activities	(4,556,733)	(4,435,468)
Net (decrease) increase in cash	(15,443)	13,280
Cash, beginning of year	186,103	172,823
Cash, end of year	\$ 170,660	\$ 186,103

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Notes to Consolidated Financial Statements

Note 1. Nature of Operations

Precision Franchising LLC and Subsidiary (collectively, the Company) (a wholly owned subsidiary of Precision Tune Auto Care, Inc. (the Parent)) was organized on August 15, 2001, in the Commonwealth of Virginia and began operations October 26, 2001. The Company was formed for the purpose of franchising automotive service centers. Through its franchised centers, automotive maintenance services, including specialized automotive care services and fast oil change and lube services, are provided to automobile owners, with a focus on those high-frequency items required on a periodic basis to properly maintain vehicles. On April 25, 2003, the Company formed PT Auto Care Canada Inc., for the purpose of conducting franchising operations in Canada. As of December 31, 2024 and 2023, the Company had no franchises in Canada. The Company is headquartered in Ashburn, Virginia.

The Parent is a wholly-owned subsidiary of Icahn Automotive Group LLC (Icahn Automotive), a wholly-owned subsidiary of Icahn Enterprises L.P. (NASDAQ: IEP).

Note 2. Summary of Significant Accounting Policies

A summary of significant accounting policies that are consistently applied in the preparation of the Company's financial statements follows:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All material intercompany accounts and activity have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America. The financial statements portray the consolidated financial position, operations and cash flows of the Company on a stand-alone basis. Accordingly, they include the assets, liabilities, revenue, and expenses directly related to the Company's operations that were either specifically identifiable or allocable to the Company. The financial information included herein may not necessarily reflect the consolidated financial position and results of operations of the Company in the future or what these amounts would have been if the Company had operated as a non-affiliated entity.

Certain operating expenses reflected in the consolidated financial statements include charges for certain services provided by the Parent. These charges have been determined using methodologies that reasonably reflect the Company's direct benefit derived from such expenditures. The allocation methodologies consist primarily of measures of costs incurred by the Parent for services provided on behalf of the Company (see Note 4).

Notes to Consolidated Financial Statements

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Franchise Agreements – The Company’s franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the advertising fund contributions, and development of training materials. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they would not be considered to be individually distinct and therefore would be accounted for as a single performance obligation. The performance obligation, under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor’s underlying activities associated with the symbolic intellectual property will vary both within a day and day-to-day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor’s performance of providing access to the symbolic intellectual property (including other related activities).

The Company has elected to recognize upfront fees upon completion of pre-opening services and opening of the new franchise. This is not in accordance with ASC 606; however, management has assessed that, due to the limited number of new franchise sales, the resulting departure from ASC 606 is not material to the financial statements.

Domestic Royalty Revenue - Domestic royalty revenues are recognized in the period earned and to the extent no known issues involving collection exist. In cases where revenues are not likely to be collected, the Company establishes reserves for such amounts. Such reserves are based upon historical collection experience with the various franchisees taking into consideration the financial stability of such franchisees.

Area Development Agreements - The Company enters into domestic Area Development agreements which grant the area developer the right to solicit prospective franchisees for the operation of Precision Tune Auto Care centers within a specific geographic region. For each location opened, a separate franchise agreement is executed. The Company believes that the development rights are not distinct from franchise agreements.

International Master Franchise Agreements - The Company enters into International Master Franchise agreements which grant the master franchisee the right to sell franchises for the operation of Precision Tune Auto Care centers within a specific geographic region. Due to uncertainties, revenue from the sale of International Master Franchise agreements is recognized when all material services or conditions related to the agreements are satisfied and the Company has received any payments that are due.

Notes to Consolidated Financial Statements

International Royalty Revenue - Due to uncertainties, the Company's international royalty and development revenues are recognized when all material services or conditions related to the agreements are satisfied and payment is received.

Cash Management

The Company's cash activities are included with the Parent's centralized cash management processes, whereby the Company's cash is combined with other cash of the Parent. The net cash transfers between the Company and the Parent appear in the accompanying statement of cash flows as net advances to the Parent.

Goodwill

Goodwill represents the excess of cost of the acquired net assets over the net amounts assigned to assets acquired and liabilities assumed. Goodwill is not amortized, but rather evaluated for impairment at least annually, or sooner when circumstances indicate an impairment may exist. Impairment exists when the carrying amount of goodwill exceeds its implied fair value. The Company has elected to first perform a qualitative assessment, based on relevant events and circumstances, to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. Impairment is reviewed in the first quarter of each fiscal year. Management has concluded that the approximately \$9.1 million carrying value of goodwill was not impaired.

Income Taxes

The Company is a single-member LLC and is treated as a disregarded entity for federal and state income tax purposes. As such, income and losses of the Company pass through to the Parent. Accordingly, no provision for income taxes is made in these financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at original invoice amount less an allowance for credit losses. The allowance for credit losses is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Provisions for allowances for credit losses are recorded in general and administrative expense

Notes to Consolidated Financial Statements

Estimating credit losses based on risk characteristics requires significant judgment by the Company. Significant judgments include but are not limited to assessing current economic conditions and the extent to which they would be relevant to the existing characteristics of the Company's financial assets, the estimated life of financial assets and the level of reliance on historical experience in light of economic conditions. The Company reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business and the estimated life of its financial assets.

The opening balance of accounts receivable at January 1, 2023 was \$157,227.

Management recorded a reserve for credit losses of \$6,716 as of December 31, 2024 and \$5,716 as of December 31, 2023. For the years ended December 31, 2024 and 2023, the Company did not write-off any accounts receivable balances. The Company had insignificant activity in the allowance for credit losses for the years ended December 31, 2024 and 2023.

Property and Equipment

Property and equipment are stated at cost and depreciated on a straight-line basis for book purposes and accelerated methods for tax purposes over the estimated useful lives of the related assets. The estimated useful life for software ranges from three to seven years.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, trade accounts receivable and notes receivable. Accounts receivable balances are dispersed among a wide customer and franchisee base. The Company routinely assesses the financial strength of its customers. The Company maintains reserves for credit losses, and such losses have been within management's expectations. The Company's cash is held at FDIC insured financial institutions; however, cash may exceed insured amounts.

Use of Estimates in Preparing Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Notes Receivable

During the years ended December 31, 2024 and 2023, the Company had various promissory note agreements with franchisees for the payment of royalty amounts due to the Company. Interest rates on the notes vary from zero percent to five percent. The notes expire at various dates through January 5, 2037. Interest income recorded related to these notes for the years ended December 31, 2024 and 2023 totaled \$4,639 and \$4,926, respectively.

Notes to Consolidated Financial Statements

Note 4. Company Allocations

In connection with the presentation of these financial statements, the Company has allocated costs incurred by the Parent for services provided on behalf of the Company.

The Parent provides certain business development, accounting, human resources, legal, and other corporate services to the Company. Expenses allocated to the Company for these services totaled approximately \$1.87 million and \$1.73 million for the years ended December 31, 2024 and 2023, respectively. Allocation of these expenses is based on the time and efforts of personnel within each department. Management believes this allocation method reasonably reflects the cost associated with the benefits received by the Company for these activities; however, the allocations of costs and expenses do not necessarily indicate the costs that would have been incurred by the Company if it had been operating as a non-affiliated entity.

Note 5. Intangible Assets

Intangible assets were recorded as a result of pushdown accounting applied related to the Company's acquisition by Icahn Automotive. The intangible assets represent the value of the franchise agreements in place as of the acquisition date. The intangible assets are being amortized over the estimated useful lives, which the Company has estimated as the average remaining term of existing franchise agreements by geographic area plus one five-year renewal period. Estimated lives range from 62 months to 79 months. The components of intangible assets, net, are as follows:

	<u>2024</u>	<u>2023</u>
Franchise agreements	\$ 11,100,000	\$ 11,100,000
Accumulated amortization	<u>(11,100,000)</u>	<u>(11,025,577)</u>
Intangible assets, net	<u>\$ --</u>	<u>\$ 74,423</u>

Amortization expense was \$74,423 and \$1,147,347 for the years ended December 31, 2024 and 2023, respectively.

Note 6. Related Party Transaction

Pursuant to the terms of a management agreement between the Parent and PTAC Marketing Fund, Inc. (PMF), the Parent provides certain administrative services to PMF, a national advertising fund for Precision Tune Auto Care Center franchisees formed to improve the business environment for Precision Tune Auto Care centers and promote the exchange of ideas and advertising methods among the contributing participants of PMF. In accordance with standard franchise agreement terms, Precision Tune Auto Care centers are required to contribute 1.5 percent of gross sales to PMF. Contributions collected by the Company on behalf of PMF totaled approximately \$172,189 and \$213,836 at December 31, 2024 and 2023, respectively, and are recorded in due to related party.

Notes to Consolidated Financial Statements

Note 7. Subsequent Events

In preparing these statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 1, 2025, the date the financial statements were available to be issued. The Company has determined that there are no subsequent events that require recognition or disclosure.



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INDEPENDENT AUDITOR'S CONSENT

We consent to the use of our report, dated March 29, 2024, related to the audited consolidated financial statements of Precision Franchising LLC and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, member's equity and cash flows for the years ended December 31, 2023 and 2022, and the notes to the consolidated financial statements, for inclusion in the Franchise Disclosure Document for prospective franchisees of Precision Franchising LLC dated March 31, 2024.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
March 29, 2024

**PRECISION FRANCHISING LLC
AND SUBSIDIARY**

Leesburg, Virginia

CONSOLIDATED FINANCIAL REPORT

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Precision Franchising LLC and Subsidiary
Leesburg, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Precision Franchising LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 audits. 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 Financial Statements

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

In preparing the 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 within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Goumont, Hyde & Barbours, P.C.

Winchester, Virginia
March 29, 2024

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Balance Sheets
December 31, 2023 and 2022

Assets	2023	2022
Current Assets		
Cash	\$ 186,103	\$ 172,823
Accounts receivable, net	177,544	157,227
Prepaid expenses	25,000	--
Notes receivable - current	<u>32,378</u>	<u>36,798</u>
Total current assets	<u>421,025</u>	<u>366,848</u>
Other Assets		
Accounts receivable - parent	47,497,419	43,017,020
Notes receivable - long term	111,759	126,793
Goodwill	9,088,469	9,088,469
Intangible assets, net	<u>74,423</u>	<u>1,221,770</u>
Total other assets	<u>56,772,070</u>	<u>53,454,052</u>
Total assets	<u>\$ 57,193,095</u>	<u>\$ 53,820,900</u>
 Liabilities and Member's Equity		
Current Liabilities		
Accrued expenses	\$ 88,466	\$ 75,967
Deferred revenue	--	50,000
Due to related party	<u>213,836</u>	<u>168,905</u>
Total current liabilities	<u>302,302</u>	<u>294,872</u>
Member's Equity		
Member's interest	1	1
Contributed capital	20,427,940	20,427,940
Retained earnings	<u>36,462,852</u>	<u>33,098,087</u>
Total member's equity	<u>56,890,793</u>	<u>53,526,028</u>
Total liabilities and member's equity	<u>\$ 57,193,095</u>	<u>\$ 53,820,900</u>

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Operations
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenue		
Royalty	\$ 9,359,695	\$ 8,587,074
Franchise development	32,000	10,000
Other revenue	477,132	427,147
Total revenues	9,868,827	9,024,221
 Direct costs	 4,094,064	 3,920,801
Contribution	5,774,763	5,103,420
 General and administrative expense	 1,267,577	 1,280,489
 Amortization expense	 1,147,347	 1,800,944
Operating income	3,359,839	2,021,987
 Other income	 4,926	 5,472
Net income	\$ 3,364,765	\$ 2,027,459

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Member's Equity
For the Years Ended December 31, 2023 and 2022

	Member's Interest	Contributed Capital	Retained Earnings	Total
Balance, December 31, 2021	\$ 1	\$ 20,427,940	\$ 31,070,628	\$ 51,498,569
Net income	--	--	2,027,459	2,027,459
Balance, December 31, 2022	1	20,427,940	33,098,087	53,526,028
Net income	--	--	3,364,765	3,364,765
Balance, December 31, 2023	\$ 1	\$ 20,427,940	\$ 36,462,852	\$ 56,890,793

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Net income	\$ 3,364,765	\$ 2,027,459
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization expense	1,147,347	1,800,944
Changes in assets and liabilities:		
Accounts receivable, net	(20,317)	52,762
Prepaid expenses	(25,000)	--
Notes receivable	19,454	16,547
Accrued expenses	12,499	7,133
Deferred revenue	(50,000)	50,000
Net cash provided by operating activities	4,448,748	3,954,845
 Cash Flows from Financing Activities		
Net advances to parent	(4,480,399)	(3,879,734)
Due to related party, net	44,931	4,771
Net cash (used in) financing activities	(4,435,468)	(3,874,963)
 Net increase in cash	13,280	79,882
 Cash, beginning of year	172,823	92,941
 Cash, end of year	\$ 186,103	\$ 172,823

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Notes to Consolidated Financial Statements

Note 1. Nature of Operations

Precision Franchising LLC and Subsidiary (collectively, the Company) (a wholly owned subsidiary of Precision Tune Auto Care, Inc. (the Parent)) was organized on August 15, 2001, in the Commonwealth of Virginia and began operations October 26, 2001. The Company was formed for the purpose of franchising automotive service centers. Through its franchised centers, automotive maintenance services, including specialized automotive care services and fast oil change and lube services, are provided to automobile owners, with a focus on those high-frequency items required on a periodic basis to properly maintain vehicles. On April 25, 2003, the Company formed PT Auto Care Canada Inc., for the purpose of conducting franchising operations in Canada. As of December 31, 2023 and 2022, the Company had no franchises in Canada. The Company is headquartered in Ashburn, Virginia.

The Parent is a wholly-owned subsidiary of Icahn Automotive Group LLC (Icahn Automotive), a wholly-owned subsidiary of Icahn Enterprises L.P. (NASDAQ: IEP).

Note 2. Summary of Significant Accounting Policies

A summary of significant accounting policies that are consistently applied in the preparation of the Company's financial statements follows:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All material intercompany accounts and activity have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America. The financial statements portray the consolidated financial position, operations and cash flows of the Company on a stand-alone basis. Accordingly, they include the assets, liabilities, revenue, and expenses directly related to the Company's operations that were either specifically identifiable or allocable to the Company. The financial information included herein may not necessarily reflect the consolidated financial position and results of operations of the Company in the future or what these amounts would have been if the Company had operated as a non-affiliated entity.

Certain operating expenses reflected in the consolidated financial statements include charges for certain services provided by the Parent. These charges have been determined using methodologies that reasonably reflect the Company's direct benefit derived from such expenditures. The allocation methodologies consist primarily of measures of costs incurred by the Parent for services provided on behalf of the Company (see Note 4).

Notes to Consolidated Financial Statements

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Franchise Agreements – The Company’s franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the advertising fund contributions, and development of training materials. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they would not be considered to be individually distinct and therefore would be accounted for as a single performance obligation. The performance obligation, under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor’s underlying activities associated with the symbolic intellectual property will vary both within a day and day-to-day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor’s performance of providing access to the symbolic intellectual property (including other related activities).

The Company has elected to recognize upfront fees upon completion of pre-opening services and opening of the new franchise. This is not in accordance with ASC 606; however, management has assessed that, due to the limited number of new franchise sales, the resulting departure from ASC 606 is not material to the financial statements.

Domestic Royalty Revenue - Domestic royalty revenues are recognized in the period earned and to the extent no known issues involving collection exist. In cases where revenues are not likely to be collected, the Company establishes reserves for such amounts. Such reserves are based upon historical collection experience with the various franchisees taking into consideration the financial stability of such franchisees.

Area Development Agreements - The Company enters into domestic Area Development agreements which grant the area developer the right to solicit prospective franchisees for the operation of Precision Tune Auto Care centers within a specific geographic region. For each location opened, a separate franchise agreement is executed. The Company believes that the development rights are not distinct from franchise agreements.

Notes to Consolidated Financial Statements

International Master Franchise Agreements - The Company enters into International Master Franchise agreements which grant the master franchisee the right to sell franchises for the operation of Precision Tune Auto Care centers within a specific geographic region. Due to uncertainties, revenue from the sale of International Master Franchise agreements is recognized when all material services or conditions related to the agreements are satisfied and the Company has received any payments that are due.

International Royalty Revenue - Due to uncertainties, the Company's international royalty and development revenues are recognized when all material services or conditions related to the agreements are satisfied and payment is received.

Cash Management

The Company's cash activities are included with the Parent's centralized cash management processes, whereby the Company's cash is combined with other cash of the Parent. The net cash transfers between the Company and the Parent appear in the accompanying statement of cash flows as net advances to the Parent.

Goodwill

Goodwill represents the excess of cost of the acquired net assets over the net amounts assigned to assets acquired and liabilities assumed. Goodwill is not amortized, but rather evaluated for impairment at least annually, or sooner when circumstances indicate an impairment may exist. Impairment exists when the carrying amount of goodwill exceeds its implied fair value. The Company has elected to first perform a qualitative assessment, based on relevant events and circumstances, to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. Impairment is reviewed in the first quarter of each fiscal year. Management has concluded that the approximately \$9.1 million carrying value of goodwill was not impaired.

Income Taxes

The Company is a single-member LLC and is treated as a disregarded entity for federal and state income tax purposes. As such, income and losses of the Company pass through to the Parent. Accordingly, no provision for income taxes is made in these financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Notes to Consolidated Financial Statements

Accounts Receivable

Accounts receivable are stated at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts at the end of the year. Management determines the allowance for doubtful accounts by evaluating individual customer receivables by assessing recent historical experience, current economic conditions and any reasonable and supportable forecasts to identify risk characteristics that are shared within the financial asset. These risk characteristics are then used to bifurcate the aging method into risk pools. Historical credit loss for each risk pool is then applied to the current period aging as presented in the identified risk pools to determine the needed reserve allowance. In the absence of current economic conditions and/or forecasts that may affect future credit losses, the Company has determined that recent historical experience provides the best basis for estimating credit losses. Management recorded a reserve for doubtful accounts of \$5,716 as of December 31, 2023 and \$4,466 as of December 31, 2022. For the years ended December 31, 2023 and 2022, the Company wrote-off accounts receivable balances totaling \$0 and \$245, respectively.

Property and Equipment

Property and equipment are stated at cost and depreciated on a straight-line basis for book purposes and accelerated methods for tax purposes over the estimated useful lives of the related assets. The estimated useful life for software ranges from three to seven years.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, trade accounts receivable and notes receivable. The trade receivable balances are dispersed among a wide customer and franchisee base. The Company routinely assesses the financial strength of its customers. The Company maintains reserves for credit losses, and such losses have been within management's expectations. The Company's cash is held at FDIC insured financial institutions; however, cash may exceed insured amounts.

Use of Estimates in Preparing Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

The Company adopted ASC 326, Financial Instruments--Credit Losses, as of January 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and notes receivable. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The allowance for credit losses as of December 31, 2023, and change in the allowance for credit losses during the year ended December 31, 2023, was not material to the financial statements.

Notes to Consolidated Financial Statements

Note 3. Notes Receivable

During the years ended December 31, 2023 and 2022, the Company had various promissory note agreements with franchisees for the payment of royalty amounts due to the Company. Interest rates on the notes vary from zero percent to four percent. The notes expire at various dates through January 5, 2037. Interest income recorded related to these notes for the years ended December 31, 2023 and 2022 totaled \$4,926 and \$5,472, respectively.

Note 4. Company Allocations

In connection with the presentation of these financial statements, the Company has allocated costs incurred by the Parent for services provided on behalf of the Company.

The Parent provides certain business development, accounting, human resources, legal, and other corporate services to the Company. Expenses allocated to the Company for these services totaled approximately \$1.73 million for each of the years ended December 31, 2023 and 2022, respectively. Allocation of these expenses is based on the time and efforts of personnel within each department. Management believes this allocation method reasonably reflects the cost associated with the benefits received by the Company for these activities; however, the allocations of costs and expenses do not necessarily indicate the costs that would have been incurred by the Company if it had been operating as a non-affiliated entity.

Note 5. Intangible Assets

Intangible assets were recorded as a result of pushdown accounting applied related to the Company's acquisition by Icahn Automotive. The intangible assets represent the value of the franchise agreements in place as of the acquisition date. The intangible assets are being amortized over the estimated useful lives, which the Company has estimated as the average remaining term of existing franchise agreements by geographic area plus one five-year renewal period. Estimated lives range from 62 months to 79 months. The components of intangible assets, net, are as follows:

	<u>2023</u>	<u>2022</u>
Franchise agreements	\$ 11,100,000	\$ 11,100,000
Accumulated amortization	<u>(11,025,577)</u>	<u>(9,878,230)</u>
Intangible assets, net	<u>\$ 74,423</u>	<u>\$ 1,221,770</u>

Amortization expense was \$1,147,347 and \$1,800,944 for the years ended December 31, 2023 and 2022, respectively.

Notes to Consolidated Financial Statements

Note 6. Related Party Transaction

Pursuant to the terms of a management agreement between the Parent and PTAC Marketing Fund, Inc. (PMF), the Parent provides certain administrative services to PMF, a national advertising fund for Precision Tune Auto Care Center franchisees formed to improve the business environment for Precision Tune Auto Care centers and promote the exchange of ideas and advertising methods among the contributing participants of PMF. In accordance with standard franchise agreement terms, Precision Tune Auto Care centers are required to contribute 1.5 percent of gross sales to PMF. Contributions collected by the Company on behalf of PMF totaled approximately \$213,836 and \$168,905 at December 31, 2023 and 2022, respectively, and are recorded in due to related-party.

Note 7. Subsequent Events

In preparing these statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 29, 2024, the date the financial statements were available to be issued. The Company has determined that there are no subsequent events that require recognition or disclosure.



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INDEPENDENT AUDITOR'S CONSENT

We consent to the use of our report, dated March 31, 2023, related to the audited consolidated financial statements of Precision Franchising LLC and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the related consolidated statements of operations, member's equity and cash flows for the years ended December 31, 2022 and 2021, and the notes to the consolidated financial statements, for inclusion in the Franchise Disclosure Document for prospective franchisees of Precision Franchising LLC dated March 31, 2023.

Yount, Hyde & Barbours, P.C.

Winchester, Virginia
March 31, 2023



**PRECISION FRANCHISING LLC
AND SUBSIDIARY**

Leesburg, Virginia

CONSOLIDATED FINANCIAL REPORT

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Precision Franchising LLC and Subsidiary
Leesburg, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Precision Franchising LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the related consolidated statements of operations, member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precision Franchising LLC and Subsidiary as of December 31, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 audits. 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 Financial Statements

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

In preparing the 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 within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
March 31, 2023

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Balance Sheets
December 31, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$ 172,823	\$ 92,941
Accounts receivable, net	157,227	209,989
Notes receivable - current	<u>36,798</u>	<u>33,781</u>
Total current assets	<u>366,848</u>	<u>336,711</u>
Other Assets		
Accounts receivable - parent	43,017,020	39,137,286
Notes receivable - long term	126,793	146,357
Goodwill	9,088,469	9,088,469
Intangible assets, net	<u>1,221,770</u>	<u>3,022,714</u>
Total other assets	<u>53,454,052</u>	<u>51,394,826</u>
Total assets	<u>\$ 53,820,900</u>	<u>\$ 51,731,537</u>
 Liabilities and Member's Equity		
Current Liabilities		
Accrued expenses	\$ 75,967	\$ 68,834
Deferred revenue	50,000	--
Due to related party	<u>168,905</u>	<u>164,134</u>
Total current liabilities	<u>294,872</u>	<u>232,968</u>
Member's Equity		
Member's interest	1	1
Contributed capital	20,427,940	20,427,940
Retained earnings	<u>33,098,087</u>	<u>31,070,628</u>
Total member's equity	<u>53,526,028</u>	<u>51,498,569</u>
Total liabilities and member's equity	<u>\$ 53,820,900</u>	<u>\$ 51,731,537</u>

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Operations
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenue		
Royalty	\$ 8,587,074	\$ 8,055,068
Franchise development	10,000	30,000
Other revenue	427,147	375,246
Total revenues	9,024,221	8,460,314
 Direct costs	 3,920,801	 3,744,057
Contribution	5,103,420	4,716,257
 General and administrative expense	 1,280,489	 1,257,660
 Amortization expense	 1,800,944	 1,828,867
Operating income	2,021,987	1,629,730
 Other income	 5,472	 6,020
Net income	\$ 2,027,459	\$ 1,635,750

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Member's Equity
For the Years Ended December 31, 2022 and 2021

	<u>Member's Interest</u>	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2020	\$ 1	\$ 20,427,940	\$ 29,434,878	\$ 49,862,819
Net income	<u>--</u>	<u>--</u>	<u>1,635,750</u>	<u>1,635,750</u>
Balance, December 31, 2021	1	20,427,940	31,070,628	51,498,569
Net income	<u>--</u>	<u>--</u>	<u>2,027,459</u>	<u>2,027,459</u>
Balance, December 31, 2022	<u>\$ 1</u>	<u>\$ 20,427,940</u>	<u>\$ 33,098,087</u>	<u>\$ 53,526,028</u>

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Net income	\$ 2,027,459	\$ 1,635,750
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization expense	1,800,944	1,828,867
Changes in assets and liabilities:		
Accounts receivable, net	52,762	6,709
Notes receivable	16,547	57,508
Accrued expenses	7,133	(44,873)
Deferred revenue	50,000	--
Net cash provided by operating activities	3,954,845	3,483,961
 Cash Flows from Financing Activities		
Net advances to parent	(3,879,734)	(3,521,084)
Due to related party, net	4,771	13,336
Net cash (used in) financing activities	(3,874,963)	(3,507,748)
 Net increase (decrease) in cash	79,882	(23,787)
 Cash, beginning of year	92,941	116,728
 Cash, end of year	\$ 172,823	\$ 92,941

See Notes to Consolidated Financial Statements.

PRECISION FRANCHISING LLC AND SUBSIDIARY
(a wholly owned subsidiary of Precision Tune Auto Care, Inc.)

Notes to Consolidated Financial Statements

Note 1. Nature of Operations

Precision Franchising LLC and Subsidiary (collectively, the Company) (a wholly owned subsidiary of Precision Tune Auto Care, Inc. (the Parent)) was organized on August 15, 2001, in the Commonwealth of Virginia and began operations October 26, 2001. The Company was formed for the purpose of franchising automotive service centers. Through its franchised centers, automotive maintenance services, including specialized automotive care services and fast oil change and lube services, are provided to automobile owners, with a focus on those high-frequency items required on a periodic basis to properly maintain vehicles. On April 25, 2003, the Company formed PT Auto Care Canada Inc., for the purpose of conducting franchising operations in Canada. As of December 31, 2022 and 2021, the Company had no franchises in Canada. The Company is headquartered in Leesburg, Virginia.

On July 28, 2017, Icahn Automotive Group LLC (Icahn Automotive), a wholly-owned subsidiary of Icahn Enterprises L.P. (NASDAQ: IEP), announced that it completed the acquisition of the Precision Auto Care, Inc.

Note 2. Summary of Significant Accounting Policies

A summary of significant accounting policies that are consistently applied in the preparation of the Company's financial statements follows:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany accounts and activity have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America. The financial statements portray the consolidated financial position, operations and cash flows of the Company on a stand-alone basis. Accordingly, they include the assets, liabilities, revenue, and expenses directly related to the Company's operations that were either specifically identifiable or allocable to the Company. The financial information included herein may not necessarily reflect the consolidated financial position and results of operations of the Company in the future or what these amounts would have been if the Company had operated as a non-affiliated entity.

Certain operating expenses reflected in the consolidated financial statements include charges for certain services provided by the Parent. These charges have been determined using methodologies that reasonably reflect the Company's direct benefit derived from such expenditures. The allocation methodologies consist primarily of measures of costs incurred by the Parent for services provided on behalf of the Company (see Note 4).

Notes to Consolidated Financial Statements

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Franchise Agreements – The Company’s franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the advertising fund contributions, and development of training materials. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they would not be considered to be individually distinct and therefore would be accounted for as a single performance obligation. The performance obligation, under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor’s underlying activities associated with the symbolic intellectual property will vary both within a day and day-to-day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor’s performance of providing access to the symbolic intellectual property (including other related activities).

The Company has elected to recognize upfront fees upon completion of pre-opening services and opening of the new franchise. This is not in accordance with ASC 606, however management has assessed that due to the limited number of new franchise sales, the resulting departure from ASC 606 is not material to the financial statements.

Domestic Royalty Revenue - Domestic royalty revenues are recognized in the period earned and to the extent no known issues involving collection exist. In cases where revenues are not likely to be collected, the Company establishes reserves for such amounts. Such reserves are based upon historical collection experience with the various franchisees taking into consideration the financial stability of such franchisees.

Area Development Agreements - The Company enters into domestic Area Development agreements which grant the area developer the right to solicit prospective franchisees for the operation of Precision Tune Auto Care centers within a specific geographic region. For each location opened, a separate franchise agreement is executed. The Company believes that the development rights are not distinct from franchise agreements.

Notes to Consolidated Financial Statements

International Master Franchise Agreements - The Company enters into International Master Franchise agreements which grant the master franchisee the right to sell franchises for the operation of Precision Tune Auto Care centers within a specific geographic region. Due to uncertainties, revenue from the sale of International Master Franchise agreements is recognized when all material services or conditions related to the agreements are satisfied and the Company has received any payments that are due.

International Royalty Revenue - Due to uncertainties, the Company's international royalty and development revenues are recognized when all material services or conditions related to the agreements are satisfied and payment is received.

Cash Management

The Company's cash activities are included with the Parent's centralized cash management processes, whereby the Company's cash is combined with other cash of the Parent. The net cash transfers between the Company and the Parent appear in the accompanying statement of cash flows as net advances to the Parent.

Goodwill

Goodwill represents the excess of cost of the acquired net assets over the net amounts assigned to assets acquired and liabilities assumed. Goodwill is not amortized, but rather evaluated for impairment at least annually, or sooner when circumstances indicate an impairment may exist. Impairment exists when the carrying amount of goodwill exceeds its implied fair value. The Company has elected to first perform a qualitative assessment, based on relevant events and circumstances, to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. Impairment is reviewed in the first quarter of each fiscal year. Management has concluded that the approximately \$9.1 million carrying value of goodwill was not impaired.

Income Taxes

The Company is a single-member LLC and is treated as a disregarded entity for federal and state income tax purposes. As such, income and losses of the Company pass through to the Parent. Accordingly, no provision for income taxes is made in these financial statements.

Accounts Receivable

Trade receivables are stated at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts at the end of the year. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables. Management recorded a reserve for doubtful accounts of \$4,466 as of December 31, 2022 and \$3,666 as of December 31, 2021. For the year ended December 31, 2022, the Company recognized bad debt expense of \$245. There was no bad debt expense for the year ended December 31, 2021.

Notes to Consolidated Financial Statements

Property and Equipment

Property and equipment are stated at cost and depreciated on a straight-line basis for book purposes and accelerated methods for tax purposes over the estimated useful lives of the related assets. The estimated useful life for software ranges from three to seven years.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, trade accounts receivable and notes receivable. The trade receivable balances are dispersed among a wide customer and franchisee base. The Company routinely assesses the financial strength of its customers. The Company maintains reserves for credit losses, and such losses have been within management's expectations. The Company's cash is held at FDIC insured financial institutions; however, cash may exceed insured amounts.

Use of Estimates in Preparing Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, and subsequent amendments. ASC 842 requires companies that lease assets (lessees) to recognize a right-of-use asset and a lease liability on the balance sheet. The Company adopted ASC 842 effective January 1, 2022. The Company determined it had no lease transactions within the scope of ASC 842 and, accordingly, there was no impact to the consolidated financial statements as a result of the adoption.

Other recent authoritative guidance issued by the FASB (including technical corrections to the Accounting Standards Codification) are not expected to have a material effect on our consolidated financial statements.

Note 3. Notes Receivable

During the years ended December 31, 2022 and 2021, the Company had various promissory note agreements with franchisees for the payment of royalty amounts due to the Company. Interest rates on the notes vary from zero percent to four percent. The notes expire at various dates through January 5, 2037. Interest income recorded related to these notes for the years ended December 31, 2022 and 2021 totaled \$5,472 and \$6,020, respectively.

Notes to Consolidated Financial Statements

Note 4. Company Allocations

In connection with the presentation of these financial statements, the Company has allocated costs incurred by the Parent for services provided on behalf of the Company.

The Parent provides certain business development, accounting, human resources, legal, and other corporate services to the Company. Expenses allocated to the Company for these services totaled approximately \$1.73 million for each of the years ended December 31, 2022 and 2021. Allocation of these expenses is based on the time and efforts of personnel within each department. Management believes this allocation method reasonably reflects the cost associated with the benefits received by the Company for these activities; however, the allocations of costs and expenses do not necessarily indicate the costs that would have been incurred by the Company if it had been operating as a non-affiliated entity.

Note 5. Intangible Assets

Intangible assets were recorded as of July 28, 2017 as a result of pushdown accounting applied related to the Company's acquisition by Icahn Automotive. The intangible assets represent the value of the franchise agreements in place as of July 28, 2017. The intangible assets are being amortized over the estimated useful lives, which the Company has estimated as the average remaining term of existing franchise agreements by geographic area plus one five-year renewal period. Estimated lives range from 62 months to 79 months. The components of intangible assets, net, are as follows:

	<u>2022</u>	<u>2021</u>
Franchise agreements	\$ 11,100,000	\$ 11,100,000
Accumulated amortization	<u>(9,878,230)</u>	<u>(8,077,286)</u>
Intangible assets, net	<u>\$ 1,221,770</u>	<u>\$ 3,022,714</u>

Amortization expense was \$1,800,944 and \$1,828,867 for years ended December 31, 2022 and 2021 respectively.

Note 6. Related Party Transaction

Pursuant to the terms of a management agreement between the Parent and PTAC Marketing Fund, Inc. (PMF), the Parent provides certain administrative services to PMF, a national advertising fund for Precision Tune Auto Care Center franchisees formed to improve the business environment for Precision Tune Auto Care centers and promote the exchange of ideas and advertising methods among the contributing participants of PMF. In accordance with standard franchise agreement terms, Precision Tune Auto Care centers are required to contribute 1.5 percent of gross sales to PMF. Contributions collected by the Company on behalf of PMF totaled approximately \$168,905 and \$164,134 at December 31, 2022 and 2021, respectively, and are recorded in due to related-party.

Notes to Consolidated Financial Statements

Note 7. Subsequent Events

In preparing these statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 31, 2023, the date the financial statements were available to be issued. The Company has determined that there are no subsequent events that require recognition or disclosure.

EXHIBIT I

**Information Regarding Area Developer/Area Representative (If Applicable)
And Open-Area Co-operatives**

PRECISION FRANCHISING LLC AREA DEVELOPERS' MAILING LIST

EXHIBIT I

Part 1

As of December 31, 2024

AREA TUNE, INC.
Attn: David Grimaud
P. O. Box 159
Chapin, SC 29036
(803) 345-3624 - SC office
(803) 345-5570 FAX
109 - Portion of GA, Portion of SC

FOR FEDERAL EXPRESS/UPS PURPOSES
804 Old Forge Rd.
Chapin, SC 29036
(803) 345-3624

G. P. G., INC.
Attn: David Grimaud
P. O. Box 159
Chapin, SC 29036
(803) 345-3624 - SC office
(803) 345-5570- SC fax
021 - Portion of GA, Portion of AL

FOR FEDERAL EXPRESS/UPS PURPOSES:
804 Old Forge Rd.
Chapin, SC 29036
(803) 345-3624

GRIMAUD ENTERPRISES, INC.
Attn: David Grimaud
P. O. Box 159
Chapin, SC 29036
(803) 345-3624 - SC office
(803) 345-5570 - SC fax
022 - Portion of TX
024 - Portion of AL, Portion of FL, Portion of MS
025 - Portion of LA
033 - Portion of UT
056 - Portion of AL
064 - Portion of SC, Portion of NC, Portion of TN, Portion of VA,
Portion of OH, WV
093 - Portion of PA
107 - Portion of GA

FOR FEDERAL EXPRESS/UPS PURPOSES:
804 Old Forge Rd.
Chapin, SC 29036
(803) 345-3624

OKLAMOTIVE, INC.
Attn: Gregory Grimaud
P.O. Box 721303
Oklahoma City, OK 73172
(405) 720-7753
(405) 720-7783 - FAX
048 - Portion of OK, Portion of AR
057 - Portion of OK, Portion of TX

FOR FEDERAL EXPRESS PURPOSES
7508 NW 129th Street
Oklahoma City, OK 73142

PRECISION FRANCHISING, INC.
Attn: David Sanderson and Robert Allbert
106 Woodwinds Industrial Ct.
Cary, NC 27511
(919) 469-2450 - office
FAX - (919) 460-9920
055 - Portion of NC
059 - Portion of NC

**AREA DEVELOPER ADDENDUM TO DISCLOSURE DOCUMENT
(AREA TUNE, INC.)**

ITEM 1

FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The area developer for the area(s) described below is AREA TUNE, INC. (the “area developer”). The area developer is a Georgia corporation, incorporated December 1988. It does business as “Area Tune, Inc.” Its principal business address and telephone number are P. O. Box 159, Chapin, South Carolina 29036 and (803) 345-3624. The area developer has no predecessors. The area developer has affiliated relationships, through common stockholder ownership, with several entities that either own or operate Precision Tune centers or act as area developers for different territories. The affiliated entities that are area developers are listed as follows:

Grimaud Enterprises, Inc. is a South Carolina corporation, incorporated in June, 1979. Grimaud Enterprises, Inc. has been involved in providing tune-ups and related services for motor vehicles since January 25, 1979 under the name PRECISION TUNE AUTO CARE®. The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE® franchises since January 25, 1979 and has not engaged in franchise sales in any other line of business.

Oklamotive, Inc. is an Oklahoma corporation, incorporated in November 1992. Its principal business address is Post Office Box 720178, Oklahoma City, Oklahoma 73172. Oklamotive, Inc. has been involved in providing tune-ups and related services for motor vehicles since October 23, 1993 under the name PRECISION TUNE AUTO CARE. Oklamotive, Inc. has been soliciting candidates for Precision TuneAuto Care® franchises as an area developer for parts of Arkansas, Oklahoma and Texas since approximately November 13, 1992, and has not engaged in franchise sales in any other line of business.

GPG, Inc. is a Georgia corporation, incorporated on November 24, 1981. Its principal business address is Post Office Box 159 Chapin, South Carolina. GPG, Inc. has been involved in providing tune-ups and related services for motor vehicles since December 4, 1981 under the name PRECISION TUNE AUTO CARE. GPG, Inc. has solicited franchise candidates for Precision Tune Auto Care® franchises as an area developer for parts of Georgia and Alabama since approximately December 4, 1981, and has not engaged in franchise sales in any other line of business.

The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE^(R) franchises, as described in this disclosure document, in the counties listed below.

GEORGIA COUNTIES

Chatham Glynn

The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE® franchises since approximately December 1988, and has not engaged in franchise sales in any other line of business.

ITEM 2

BUSINESS EXPERIENCE

DAVID GRIMAUD: PRESIDENT

Mr. David Grimaud has been President of AREA TUNE, INC. since April 9, 2020 and was Vice-President since July 13, 1990. In addition, Mr. Grimaud also holds positions with other corporations doing business as Precision Tune Auto Care.

KALEB NIMZ: VICE PRESIDENT

Kaleb Nimz has been Vice President of Area Tune, Inc. December 22, 2020. In addition, Mr. Nimz also holds positions with other corporations doing business as Precision Tune Auto Care.

Maureen Grimaud: Secretary/Director

Maureen Grimaud has been Secretary and Director of Area Tune, Inc. since April 9, 2020. In addition, Ms. Grimaud also holds positions with other corporations doing business as Precision Tune Auto Care.

Sadie Meetz: Treasurer

Sadie Meetz has been Treasurer of Area Tune, Inc. since December 22, 2020. In addition, Ms. Meetz also holds positions with other corporations doing business as Precision Tune Auto Care.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item for the area developer.

ITEM 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this addendum has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

ITEM 6

OTHER FEES

Regional advertising cooperatives of the nature described in Items 6 and 11 of the disclosure document exist in the area developer's area, and franchisees located in the area developer's area are required to participate in the regional advertising cooperative (see Exhibit "G-1" attached).

ADDENDUM TO FRANCHISE AGREEMENT

Until such time as Franchisor has a national or regional advertising program, Franchisee agrees to participate together with the Area Developer and other Franchisees in an advertising pool to be administered by Area Developer. Any portion of the nine percent (9%) advertising fee not paid to Precision Franchising LLC shall be paid into the advertising pool as designated by Area Developer.

(witness)

(Franchisee)

Dated: _____

(witness)

(Area Developer)

Dated: _____

APPROVED AS A NON-PARTY:

PRECISION FRANCHISING, LLC.

(witness)

Dated: _____

**AREA DEVELOPER ADDENDUM TO DISCLOSURE DOCUMENT
(G.P.G., INC.)**

ITEM 1

FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The area developer for the area(s) described below, is G.P.G., INC. (the "area developer"). The area developer is a Georgia corporation and was incorporated November 24, 1981. It does business as "G.P.G., Inc.". Its principal business address and telephone number are Post Office Box 159, Chapin, South Carolina 29036 and (803) 345-3624. The area developer has no predecessors. The area developer has affiliated relationships, through common stockholder ownership, with several entities that either own or operate Precision Tune centers or act as area developers for different territories. The affiliated entities that are area developers are listed as follows:

Area Tune, Inc. is a Georgia corporation incorporated in December 1988. Its principal business address is Post Office Box 159 Chapin, South Carolina 29036. The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE® franchises for parts of Georgia and South Carolina since approximately December 1988, and has not engaged in franchise sales in any other line of business.

Grimaud Enterprises, Inc. is a South Carolina corporation, incorporated in June 1979. Grimaud Enterprises, Inc. has been involved in providing tune-ups and related services for motor vehicles since January 25, 1979 under the name PRECISION TUNE AUTO CARE®. The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE® franchises since January 25, 1979 and has not engaged in franchise sales in any other line of business.

Oklamotive, Inc. is an Oklahoma corporation, incorporated in November 1992. Its principal business address is Post Office Box 720178, Oklahoma City, Oklahoma 73172. Oklamotive, Inc. has been involved in providing tune-ups and related services for motor vehicles since October 23, 1993 under the name PRECISION TUNE AUTO CARE®. Oklamotive, Inc. has solicited franchise candidates for Precision Tune Auto Care® franchises for parts of Arkansas, Oklahoma and Texas since approximately November 13, 1992, and has not engaged in franchise sales in any other line of business.

The area developer solicits franchise candidates for PRECISION TUNE AUTO CARE^(R) franchises, as described in this disclosure document, in the counties listed below.

GEORGIA COUNTIES:

Appling	Baker	Berrien	Brantley	Bulloch	Camden
Atkinson	Baldwin	Bibb	Brooks	Burke	Candler
Bacon	Ben Hill	Bleckley	Bryan	Calhoun	Charlton
Chattahoochee	Coffee	Cook	Decatur	Dougherty	Effingham
Clay	Colquitt	Crawford	Dodge	Early	Elbert
Clinch		Crisp	Dooly	Echols	Emanuel
Evans	Grady	Harris	Irwin	Jenkins	Lanier
Franklin	Greene	Hart	Jeff Davis	Johnson	Laurens

Glascock	Hancock	Houston	Jefferson	Jones	Lee
Liberty	Lowndes	Marion	Meriwether	Monroe	Oglethorpe
Lincoln	Macon		Miller	Montgomery	Peach
Long	Madison	McIntosh	Mitchell	Muscogee	Pierce
Pulaski	Randolph	Seminole	Sumter	Tattnall	Terrell
Putnam	Schley	Stephens	Talbot	Taylor	Thomas
Quitman	Screven	Stewart	Taliaferro	Telfair	Tift
Toombs	Turner	Ware	Wayne	Wilcox	Worth
Treutlen	Twiggs	Warren	Webster	Wilkes	
Troup	Upton	Washington	Wheeler	Wilkinson	

ALABAMA COUNTY:

Russell

The area developer has been involved in providing to the motoring public tune-ups and related services for motor vehicles since December 4, 1981, under the name PRECISION TUNE AUTO CARE®. The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE® franchises since approximately December 4, 1981, and has not engaged in franchise sales in any other line of business.

ITEM 2

BUSINESS EXPERIENCE

These persons may have ownership interests or positions as officers or directors with one or more affiliates noted above.

DAVID W. GRIMAUD: PRESIDENT/DIRECTOR

Mr. David W. Grimaud has been President of G.P.G., INC. since April 18, 1991. He also became a Director of the area developer on March 11, 2011. In addition, Mr. Grimaud now holds positions with other corporations doing business as Precision Tune Auto Care.

Kaleb Nimz: Vice President

Mr. Kaleb Nimz became Vice-President of G.P.G., Inc on April 8, 2020. In addition Mr. Nimz now hold positions with other corporations doing business as Precision Tune Auto Care.

Sadie L. Meetze: TREASURER

Ms. Meetze has been Treasurer of G.P.G., Inc since December 1997.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item for the area developer.

ITEM 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this addendum has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

ITEM 6

OTHER FEES

Regional advertising cooperatives of the nature described in Items 6 and 11 of the disclosure document exist in the area developer's area, and franchisees located in the area developer's area are required to participate in the regional advertising cooperative (see Exhibit "G-1" attached).

ADDENDUM TO FRANCHISE AGREEMENT

Until such time as Franchisor has a national or regional advertising program, Franchisee agrees to participate together with the Area developer and other Franchisees in an advertising pool to be administered by Area Developer. Any portion of the nine percent (9%) advertising fee not paid to Precision Franchising LLC shall be paid into the advertising pool as designated by Area developer.

(witness)

(Franchisee)

Dated: _____

(witness)

(Area Developer)

Dated: _____

APPROVED AS A NON-PARTY:

PRECISION FRANCHISING, LLC.

(witness)

By _____

Dated: _____

**AREA DEVELOPER ADDENDUM TO DISCLOSURE DOCUMENT
(GRIMAUD ENTERPRISES, INC.)**

Item 1

FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The area developer for the parts of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Texas, Utah, Virginia and West Virginia, listed below, is GRIMAUD ENTERPRISES, INC. (the "area developer"). The area developer is a South Carolina corporation, incorporated in June 1979. It does business as "Grimaud Enterprises, Inc." Its principal business address and telephone number are Post Office Box 159, Chapin, South Carolina 29036 and (803) 345-3624. The area developer has no predecessors. The area developer has affiliated relationships, through common stockholder ownership, with several entities that either own or operate Precision Tune centers or act as area developers for different territories. The affiliated entities that are area developers are listed as follows:

Oklamotive, Inc. is an Oklahoma corporation, incorporated in November 1992. Its principal business address is Post Office Box 720178, Oklahoma City, Oklahoma 73172. Oklamotive, Inc. has been involved in providing tune-ups and related services for motor vehicles since October 23, 1993 under the name PRECISION TUNE AUTO CARE. Oklamotive, Inc. has solicited franchise candidates for Precision Tune Auto Care® franchises for parts of Arkansas, Oklahoma and Texas since approximately November 13, 1992, and has not engaged in franchise sales in any other line of business.

GPG, Inc. is a Georgia corporation, incorporated on November 24, 1981. Its principal business address is Post Office Box 159 Chapin, South Carolina. GPG, Inc. has been involved in providing tune-ups and related services for motor vehicles since December 4, 1981 under the name PRECISION TUNE AUTO CARE. GPG, Inc. has solicited franchise candidates for Precision Tune Auto Care® franchises for parts of Georgia and Alabama since approximately December 4, 1981, and has not engaged in franchise sales in any other line of business.

Area Tune, Inc. is a Georgia corporation incorporated in December 1988. Its principal business address is Post Office Box 159 Chapin, South Carolina 29036. The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE® franchises for parts of Georgia and South Carolina since approximately December 1988, and has not engaged in franchises sales in any other line of business.

The area developer offers franchises for PRECISION TUNE AUTO CARE^(R) businesses, as described in this disclosure document, in the counties listed below.

ALABAMA COUNTIES:

State of Alabama excluding Russell county.

FLORIDA COUNTIES:

Bay	Calhoun	Escambia
Gulf	Holmes	Jackson
Okaloosa	Santa Rosa	Walton
Washington		
Madison	Columbia	Lafayette
Wakulla	Gadsden	Liberty
Hamilton	Putnam	St. Johns
Levy	Alachua	Clay

Bradford	Union	Dixie
Gilchrist	Baker	Nassau
Duval	Suwannee	Taylor
Jefferson	Leon	Franklin
Sumter	Volusia	Flagler
Marion	Citrus	Hernando

GEORGIA COUNTIES

Banks	Butts	Barrow	Bartow
Carroll	Chattooga	Cherokee	Clarke
Clayton	Cobb	Coweta	Dawson
DeKalb	Douglas	Fayette	Floyd
Forsyth	Fulton	Gordon	Gwinnett
Habersham	Hall	Haralson	Heard
Henry	Jackson	Jasper	Lamar
Lumpkin	Morgan	Newton	Oconee
Paulding	Pickens	Pike	Polk
Rabun	Rockdale	Spalding	Towns
Union	Walton	White	

LOUISIANA PARISHES

East Feliciana	St. Helena	Tangipahoa
Washington	St. Tammany	Livingston
Ascension	Assumption	St. James
St. John the Baptist	St. Charles	Jefferson
Orleans	Plaquemines	St. Bernard
LaFourche	Terrebonne	West Feliciana
Ouachita	Rapides	Iberville
West Baton Rouge	East Baton Rouge	Iberia
St. Martin	St. Mary	Acadia
Beauregard	Calcasieu	Cameron
Jefferson Davis	Lafayette	St. Landry
Vermilion		

MISSISSIPPI COUNTIES:

Warren	Smith	Wayne
Hinds	Jasper	Adams
Rankin	Clarke	Franklin
Scott	Jefferson	Amite
Newton	Lincoln	Pike
Wilkinson	Lauderdale	Lawrence
Claiborne	Marion	Walthall
Copiah	Covington	Simpson
Stone	Jones	Forrest
Perry	Greene	Jackson
George	Hancock	Harrison
Lamar	Pearl River	Jefferson Davis
Attala	Bolivar	Carroll
Chickasaw	Choctaw	Clay

Grenada	Holmes	Humphreys
Issaquena	Kemper	Leake
Leflore	Lowndes	Madison
Monroe	Montgomery	Neshoba
Noxubee	Oktibbeha	Sharkey
Sunflower	Tallahatchie	Washington
Webster	Winston	Yazoo

NORTH CAROLINA COUNTIES:

Cherokee	Clay	Henderson
Transylvania	Swain	Buncombe
Madison	Graham	Jackson
Mitchell	Yancey	Haywood
Macon		

OHIO COUNTIES

Belmont	Washington
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SOUTH CAROLINA COUNTIES:

All counties excluding Aiken

TENNESSEE COUNTIES:

Sullivan	Washington	Carter
Johnson	Unicoi	Greene
Hancock	Hawkins	

TEXAS COUNTIES

Harris	Brazoria	Galveston
Jefferson	Montgomery	Orange
Austin	Burleson	Calhoun
Chambers	Colorado	Grimes
Hardin	Jackson	Jasper
Leon	Liberty	Madison
Matagorda	Newton	Polk
Robertson	Sabine	San Jacinto
Trinity	Tyler	Walker
Waller	Wharton	Ft. Bend

UTAH COUNTIES:

Weber
Salt Lake
Davis
Box Elder
Utah
Cache

VIRGINIA COUNTIES:

Washington

The area developer has been involved in providing to the motoring public tune-ups and related services for motor vehicles, since June 1979, under the name PRECISION TUNE AUTO CARE®. The area developer has been selling PRECISION TUNE AUTO CARE® franchises since approximately June 1979, and has not offered franchises in any other line of business.

Item 2

BUSINESS EXPERIENCE

These persons may have ownership interests or positions as officers or directors with one or more affiliates noted above.

David W. Grimaud: Chief Executive Officer/Director

Mr. David W. Grimaud has been the Chief Executive Office of Grimaud Enterprises, Inc. since March 2021 and was the President of GRIMAUD ENTERPRISES, INC from May 1995 to March 2021. Mr. Grimaud was Treasurer of the area developer from July 1991 to May 1995. He was also Vice President of the area developer from March 1987 to July 27, 1991. In addition, Mr. Grimaud now holds positions with other corporations doing business as Precision Tune Auto Care.

Kaleb Nimz-President

Mr. Kaleb Nimz has been President of Grimaud Enterprises, Inc. since March 2021. Mr. Nimz was Vice-President of Grimaud Enterprises, Inc. from January 2019 until March 2021 and was Director of Internal Marketing of Grimaud Enterprises from December 2014 until January 2019.

Thomas “Randy” Scott – Vice President

Mr. Randy Scott has been Vice President of Grimaud Enterprises, Inc. since March 28, 2021. He is Vice-President, Director of Operations for Grimaud Enterprises, Inc. since January 2014.

Gladys F. Grimaud: Secretary/Director

Mrs. Gladys F. Grimaud has been Secretary/Director of GRIMAUD ENTERPRISES, INC since June 1979. In addition, Mrs. Grimaud has held positions with various corporations doing business as Precision Tune Auto Care, Midas Muffler and Rentzall, Pineapple House Interiors and Chapin Furniture Outlet since December 1975.

Sadie L. Meetze: Treasurer

Ms. Meetze has been Treasurer of GRIMAUD ENTERPRISES, INC. since May 31, 1995.

Todd Hall: Director Franchise Development

Mr. Todd Hall is Director of Franchise Development for Grimaud Enterprises, Inc. since May 2022 to present. He was Chief Development Officer for Leading the Way from August 2019 to May 2022 and was Senior Consultant for Westfall Gold from January 2017 to July 2019.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item for the area developer.

Item 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this addendum has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

Item 6

OTHER FEES

Regional advertising cooperatives of the nature described in Items 6 and 11 of the disclosure document exist in the area developer's area, and franchisees located in the area developer's area are required to participate in the regional advertising cooperative (see Exhibit "G-1" attached).

ADDENDUM TO FRANCHISE AGREEMENT

Until such time as Franchisor has a national or regional advertising program, Franchisee agrees to participate together with the Area developer and other Franchisees in an advertising pool to be administered by Area developer. Any portion of the nine percent (9%) advertising fee not paid to Precision Franchising LLC shall be paid into the advertising pool as designated by Area developer.

(witness)

(Franchisee)

Dated: _____

(witness)

(Area developer)

Dated: _____

APPROVED AS A NON-PARTY:

PRECISION FRANCHISING, LLC.

(witness)

By _____

Dated: _____

**AREA DEVELOPER ADDENDUM TO DISCLOSURE DOCUMENT
(PRECISION FRANCHISING, INC.)**

ITEM 1

FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The area developer for the area(s) described below, is PRECISION FRANCHISING, INC. (the “area developer”). The area developer is a North Carolina corporation and was formed on May 11, 1979. It does business as “Precision Franchising, Inc.” Its principal business address and telephone number are 106 Woodwinds Industrial Ct., Cary, North Carolina 27511 and (919) 469-2450. The area developer has no predecessors. The area developer has no predecessors or affiliates.

The area developer offers franchises for PRECISION TUNE AUTO CARE^(R) businesses, as described in the disclosure document, in the counties listed below.

NORTH CAROLINA COUNTIES:

AREA 055

Alamance	Beaufort	Bertie
Bladen	Brunswick	Camden
Carteret	Caswell	Chatham
Chowan	Columbus	Craven
Currituck	Dare	Duplin
Durham	Edgecombe	Franklin
Gates	Granville	Greene
Halifax	Harnett	Hertford
Hyde	Johnston	Jones
Lee	Lenoir	Martin
Nash	New Hanover	Northampton
Onslow	Orange	Pamlico
Pasquotank	Pender	Perquimans
Person	Pitt	Robeson
Sampson	Tyrrell	Vance
Wake	Warren	Washington
Wayne	Wilson	

AREA 059:

Alexander	Alleghany	Anson	
Ashe	Avery	Burke	
Cabarrus	Caldwell	Catawba	
Cleveland	Cumberland	Davidson	
Davie	Forsyth	Gaston	
Guilford	Hoke	Iredell	
Lincoln	McDowell	Mecklenburg	
Montgomery	Moore	Polk	
Randolph	Richmond	Rockingham	
Rowan	Rutherford	Scotland	
Stanly	Stokes	Surry	
Union	Watauga	Wilkes	Yadkin

The area developer has been involved in providing to the motoring public tune-ups and related services for motor vehicles since July 1979, under the name PRECISION TUNE AUTO CARE. The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE franchises since approximately January 1979, and has not engaged in franchise sales in any other line of business.

ITEM 2

BUSINESS EXPERIENCE

JASON B. ALLBERT: CHIEF EXECUTIVE OFFICER/PRESIDENT/DIRECTOR

Mr. Jason B. Allbert has been Chief Executive Officer/President/Director of the PRECISION FRANCHISING, INC. since October, 2015. From February 2010 to October, 2015 Mr. Allbert was Vice President of PRECISION FRANCHISING, INC.

DAVID L. SANDERSON: SECRETARY/DIRECTOR

Mr. David L. Sanderson has been Secretary/Director of PRECISION FRANCHISING, INC. since October 2015 and was Chief Executive Officer/President/Director of PRECISION FRANCHISING, INC. from 1982 to October 2015.

LITIGATION

No litigation is required to be disclosed in this Item of the addendum.

ITEM 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this addendum has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

ITEM 6

OTHER FEES

Regional advertising cooperatives of the nature described in Items 6 and 11 of the disclosure document exist in the area developer's area, and franchisees located in the area developer's area are required to participate in the regional advertising cooperative. (See Exhibit "G-1")

ADDENDUM TO FRANCHISE AGREEMENT

Until such time as Franchisor has a national or regional advertising program, Franchisee agrees to participate together with the Area Developer and other Franchisees in an advertising pool to be administered by Area Developer. Any portion of the nine percent (9%) advertising fee not paid to Precision Franchising, LLC. shall be paid into the advertising pool as designated by Area developer.

(witness)

(Franchisee)

Dated: _____

(witness)

(Area developer)

Dated: _____

APPROVED AS A NON-PARTY:

PRECISION FRANCHISING, LLC.

(witness)

By _____

Dated: _____

**AREA DEVELOPER ADDENDUM TO DISCLOSURE DOCUMENT
(OKLAMOTIVE, INC.)**

Item 1

FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The area developer for the area(s) described below is OKLAMOTIVE, INC. (the “area developer”). The area developer is an Oklahoma corporation, incorporated November 1992. It does business as “Oklamotive, Inc.” Its principal business address and telephone number are Post Office Box 720178, Oklahoma City, Oklahoma 73172 and (405) 219-9502. The area developer has no predecessors. The area developer has affiliated relationships, through common stockholder ownership, with several entities that either own or operate Precision Tune centers or act as area area developers for different territories. The affiliated entities that are area developers are listed as follows:

GPG, Inc. is a Georgia corporation, incorporated on November 24, 1981. Its principal business address is Post Office Box 159 Chapin, South Carolina. GPG, Inc. has been involved in providing tune-ups and related services for motor vehicles since December 4, 1981 under the name PRECISION TUNE AUTO CARE. GPG, Inc. has solicited franchise candidates for Precision Tune Auto Care® franchises as an area developer of Precision Tune Auto Care for parts of Georgia and Alabama since approximately December 4, 1981, and has not engaged in franchise sales in any other line of business.

Area Tune, Inc. is a South Carolina corporation incorporated in December, 1988. Its principal business address is Post Office Box 159 Chapin, South Carolina 29036. The area developer has solicited franchise candidates for Precision Tune Auto Care® franchises as an area developer of Precision Tune Auto Care for parts of Georgia and South Carolina since approximately December 1988, and has not engaged in franchise sales in any other line of business.

Grimaud Enterprises, Inc. is a South Carolina corporation, incorporated in June, 1979. Grimaud Enterprises, Inc. has been involved in providing tune-ups and related services for motor vehicles since January 25, 1979 under the name PRECISION TUNE AUTO CARE. The area developer has solicited franchise candidates for Precision Tune Auto Care® franchises since January 25, 1979 and has not engaged in franchise sales in any other line of business.

The area developer offers franchises for PRECISION TUNE AUTO CARE^(R) businesses, as described in this disclosure document, in the counties listed below.

OKLAHOMA COUNTIES:

Adair	Grant	Noble
Alfalfa	Greer	Nowata
Atoka	Harmon	Okfuskee
Beaver	Harper	Oklahoma
Beckham	Haskell	Okmulgee
Blaine	Hughes	Osage
Bryan	Jackson	Pawnee
Caddo	Jefferson	Payne
Canadian	Johnston	Pittsburg
Carter	Kay	Pontotoc
Cherokee	Kingfisher	Pottawatomie
Choctaw	Kiowa	Pushmataha
Cimarron	Latimore	Rogers
Cleveland	Le Flore	Roger Mills

Coal	Lincoln	Seminole
Comanche	Logan	Sequoyah
Cotton	Love	Stephens
Craig	Major	Texas
Creek	Marshall	Tillman
Custer	Mayes	Tulsa
Delaware	McClain	Wagoner
Dewey	McCurtain	Washington
Ellis	McIntosh	Washita
Garfield	Murray	Woods
Garvin	Muskogee	Woodward
Grady	Ottawa	

TEXAS COUNTIES:

Archer	Wichita	Clay
--------	---------	------

ARKANSAS COUNTIES:

Ashley	Lafayette
Benton	Lincoln
Boone	Little River
Bradley	Logan
Calhoun	Madison
Carroll	Miller
Chicot	Montgomery
Clark	Nevada
Cleveland	Newton
Columbia	Ouachita
Crawford	Perry
Dallas	Pike
Desha	Polk
Drew	Pope
Franklin	Scott
Garland	Sebastian
Hempstead	Sevier
Hot Spring	Union
Howard	Washington
Johnson	Yell

The area developer has been involved in providing to the motoring public tune-ups and related services for motor vehicles since October 23, 1993, under the name PRECISION TUNE AUTO CARE. The area developer has been soliciting franchise candidates for PRECISION TUNE AUTO CARE franchises since approximately November 13, 1992, and has not engaged in franchise sales franchises in any other line of business.

Item 2

BUSINESS EXPERIENCE

These persons may have ownership interests or positions as officers or directors with one or more affiliates noted above.

Gregory G. Grimaud: President.

Mr. Gregory G. Grimaud is President of OKLAMOTIVE, INC. and has been so since the inception of the

corporation in November, 1992. From May 1985 to November 1992, Mr. Grimaud served as a pilot with the United States Air Force.

Suzanne Grimaud, Secretary/Director

Ms. Suzanne Grimaud has been Director/Secretary of OKLAMOTIVE, INC. since February 13, 2023. From 1992 to present Ms. Grimaud has been an officer and shareholder in multiple corporations doing business as Precision Tune Auto Care.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item for the area developer.

Item 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this addendum has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

Item 6

OTHER FEES

Regional advertising cooperatives of the nature described in Items 6 and 11 of the disclosure document exist in the area developer's area, and franchisees located in the area developer's area are required to participate in the regional advertising cooperative (see Exhibit "G-1" attached).

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	N/A
Illinois	April 1, 2025
Indiana	April 1, 2025
Maryland	
Michigan	Filed May 7, 2025 Expires October 30, 2026
Minnesota	
New York	April 1, 2025
North Dakota	N/A
Rhode Island	N/A
South Dakota	N/A
Virginia	
Washington	
Wisconsin	N/A

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 J

Disclosure Receipts

Exhibit J Receipt

This disclosure documents summarizes certain provision of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Precision Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you signing a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan, Oregon, Washington and Wisconsin require 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 Precision Franchising, 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 law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit B.

The following offered for sale, sold or arranged the sale of a franchise to the prospective franchisee set forth below:

Name: _____	Name: _____
Address: _____	Address: _____
Phone Number: _____	Phone Number: _____
Name: _____	Name: _____
Address: _____	Address: _____
Phone Number: _____	Phone Number: _____

Date of Issuance: April 1, 2025

See Exhibit B for our registered agents authorized to receive service of process.

I have received the following document dated April 1, 2025 that included the following exhibits:

- Exhibit A - Effective Dates and State Addendum to Disclosure Document (If Required)
- Exhibit B - List of Agencies/Agents for Service of Process
- Exhibit C - Franchise Agreement and Related Agreements
- Exhibit D - List of Franchises and Company-Owned Centers
- Exhibit E - List of Former Franchisees
- Exhibit F - Franchisee Organizations We Have Created, Sponsored or Endorsed
- Exhibit G - Independent Franchisee Associations
- Exhibit H - Franchisor's Financial Statements

- Exhibit I - Information Regarding Area Developer/Area Representative//Master Franchisee (If Applicable)
- Exhibit J - Disclosure Receipts

PROSPECTIVE FRANCHISEE

INDIVIDUAL

Sign Name: _____
 Print Name: _____
 Date: _____

Sign Name: _____
 Print Name: _____
 Date: _____

Sign Name: _____
 Print Name: _____
 Date: _____

CORPORATION

_____ name of corporation

Sign Name: _____
 Print Name: _____
 Its: _____
 Date: _____

Sign Name: _____
 Print Name: _____
 Its: _____
 Date: _____

LIMITED LIABILITY COMPANY

_____ name of limited liability company

Sign Name: _____
 Print Name: _____
 Its: _____
 Date: _____

Sign Name: _____
 Print Name: _____
 Its: _____
 Date: _____

PARTNERSHIP

_____ name of partnership

Sign Name: _____
 Print Name: _____
 Date: _____

Sign Name: _____
 Print Name: _____
 Date: _____

THIS COPY IS FOR YOU TO KEEP

Prospective Franchisee
Center : _____

Exhibit J Receipt

This disclosure documents summarizes certain provision of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Address: _____ Address: _____

Phone Number: _____ Phone Number: _____

Name: _____ Name: _____

Address: _____ Address: _____

Phone Number: _____ Phone Number: _____

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Prospective Franchisee
Center : _____

- Exhibit I - Information Regarding Area Developer/Area Representative//Master Franchisee (If Applicable)
- Exhibit J - Disclosure Receipts

PROSPECTIVE FRANCHISEE

INDIVIDUAL

Sign Name: _____ Print Name: _____ Date: _____
Sign Name: _____ Print Name: _____ Date: _____
Sign Name: _____ Print Name: _____ Date: _____

CORPORATION

_____ name of corporation
Sign Name: _____ Print Name: _____ Its: _____ Date: _____
Sign Name: _____ Print Name: _____ Its: _____ Date: _____

LIMITED LIABILITY COMPANY

_____ name of limited liability company
Sign Name: _____ Print Name: _____ Its: _____ Date: _____
Sign Name: _____ Print Name: _____ Its: _____ Date: _____

PARTNERSHIP

_____ name of partnership
Sign Name: _____ Print Name: _____ Date: _____
Sign Name: _____ Print Name: _____ Date: _____

Sign this copy of the receipt, date your signature and return it to Precision Franchising LLC, Franchise Development Department, via U.S. Mail at 19980 Highland Vista Blvd., Suite 155, Ashburn, VA 20147 or via facsimile at (703) 771-7108.