



TM®

FRANCHISE DISCLOSURE DOCUMENT

ABRA Franchisor SPV LLC
a Delaware limited liability company
440 South Church Street, Suite 700
Charlotte, North Carolina 28202
(704) 377-8855
www.abraauto.com
damien.reyna@drivenbrands.com

The franchise offered is to operate an Abra® repair and refinishing shop specializing in high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices.

The total investment necessary to begin operations of an Abra® repair center franchise ranges from \$263,640 to \$4,569,050. This includes \$30,000 to \$40,000 that must be paid to the franchisor or affiliate. If you want development rights, you must pay us a development fee equal to \$5,000 multiplied by the number of additional Abra® repair centers you commit to develop (excluding the first Abra® repair center).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Damien Reyna at damien.reyna@drivenbrands.com or at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 and (704) 377-8855.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov 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 of this Franchise Disclosure Document: ~~May 31~~ June 13, 2024 ~~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 Exhibits A and B.
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 D 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 Abra® 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 an Abra® franchisee?	Item 20 or Exhibits A and B 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 H.

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in North Carolina. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in North Carolina than in your own state.
2. **Mandatory Minimum Payments**. You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

TABLE OF CONTENTS

<u>Item</u>		<u>Page</u>
ITEM 1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	13
ITEM 3	LITIGATION.....	15
ITEM 4	BANKRUPTCY	18
ITEM 5	INITIAL FEES	18
ITEM 6	OTHER FEES.....	19
ITEM 7	ESTIMATED INITIAL INVESTMENT.....	25
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	28
ITEM 9	FRANCHISEE’S OBLIGATIONS	31 <u>32</u>
ITEM 10	FINANCING	33 <u>34</u>
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	33 <u>34</u>
ITEM 12	TERRITORY	41 <u>42</u>
ITEM 13	TRADEMARKS	42 <u>43</u>
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	44
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	45
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	45
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	45 <u>46</u>
ITEM 18	PUBLIC FIGURES.....	53
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	54 <u>53</u>
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION.....	54
ITEM 21	FINANCIAL STATEMENTS	58 <u>57</u>
ITEM 22	CONTRACTS.....	58
ITEM 23	RECEIPTS	59 <u>58</u>

EXHIBITS

- A - List of Abra® Repair Centers
- B - List of Former Franchisees
- C - Table of Contents of Operations Playbook
- D - Financial Statements
- E - Abra® Franchise Agreement
- F - Multiple Repair Center Development Agreement
- G - Electronic Transfer of Funds Authorization
- H - List of State Administrators/Agents for Service of Process
- I - State-Specific Addenda and Abra® Franchise Agreement Riders
- J - Form of General Release
- K - Guarantee of Performance
- L - Receipts

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

To simplify the language in this disclosure document, “we,” “us,” “our” or “Abra” means ABRA Franchisor SPV LLC, the franchisor. “You,” “your” or “Franchisee” means the person or legal entity to whom we grant a franchise. If you are a corporation, limited liability company, or other legal entity, certain provisions of the Franchise Agreement (Exhibit E) also apply to your owner(s).

We are a Delaware limited liability company organized on August 14, 2019. Our principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. We do business under our corporate name and the name “Abra” and under no other name. If we have an agent in your state for service of process, we disclose that agent in Exhibit H.

Predecessors

Abra’s predecessor, ABRA Automotive Systems LP (“Our Predecessor”) was incorporated under the laws of the State of Minnesota on March 16, 1987, and was converted into a Delaware limited partnership on September 30, 2014. Our Predecessor’s former parent and predecessor was ABRA Auto Body & Glass LP, a Delaware limited partnership (“Our Predecessor’s Former Parent”). Our Predecessor’s Former Parent (which at the time was a Minnesota corporation named ABRA, Inc.) opened the first Abra® Repair Center in March 1984 in Fridley, Minnesota. Our Predecessor’s Former Parent transferred the assets related to that Repair Center to a wholly-owned subsidiary (ABRA Fridley, Inc.) in December 1988. In March 1987, shareholders of Our Predecessor’s Former Parent formed Our Predecessor (as its wholly-owned subsidiary) to establish and develop the “Abra” franchise system. In May 1989, Our Predecessor’s Former Parent assigned its rights in the Marks (defined below) to Our Predecessor. Our Predecessor’s Former Parent never offered franchises for Abra® Repair Centers (defined below) or any other line of business.

On August 28, 2014, Wand Parent LP (“Wand”) indirectly acquired control of Our Predecessor’s Former Parent by acquiring its parent, Collision Acquisition Holding Company LP (formerly Collision Acquisition Holding Company, Inc.). Wand was itself majority-owned, through various subsidiaries, by H&F Wand AIV I, L.P., H&F Wand AIV II, L.P. and H&F Executives VII, L.P. (collectively, the “H&F Investors”), all of which are investment fund affiliates of the private investment firm Hellman & Friedman LLC (“H&F”). Wand, the H&F Investors and H&F all have a principal business address of c/o Hellman & Friedman LLC, One Maritime Plaza, 12th Floor, San Francisco, California 94111. In or about February 2019, affiliates of Wand purchased the Caliber-branded automotive repair system and combined these operations under common ownership with the Abra corporately-owned and franchised operations. Driven Brands Inc., a Delaware corporation (“Driven Brands”), purchased Our Predecessor in September 2019. Our Predecessor’s principal business address was 7225 Northland Drive North, Suite 210, Brooklyn Park, Minnesota 55428, which also was the principal business address of Our Predecessor’s Former Parent. Neither we, Our Predecessor nor our affiliates currently own any Abra® Repair Centers.

Parents and Certain Affiliates

We are a direct, wholly-owned subsidiary of Driven Systems LLC, a Delaware limited liability company (“Driven Systems”). Driven Systems is a wholly-owned subsidiary of Driven Brands Funding, LLC, a Delaware limited liability company (“Driven Brands Funding”), ~~a Delaware limited liability~~

~~company~~. Driven Systems and Driven Brands Funding share our principal business address. As stated in Item 21, Driven Systems guarantees the performance of Abra.

We are an indirect, wholly-owned subsidiary of Driven Brands. Driven Brands shares our principal business address. Until July 2015, Driven Brands was the direct parent company of several automotive brands described in this disclosure document. Driven Brands was restructured as part of a secured financing transaction which closed in July 2015 and is now the indirect parent company of the current franchisors of all of these brands.

Our affiliate, Spire Supply, LLC (~~“Spire Supply”~~), a Delaware limited liability company (“Spire Supply”), may sell certain goods and services to our franchisees for use in operating their Abra® Repair Centers. Spire Supply shares our principal business address. Spire Supply has not offered franchises in any lines of business or operated any business of the type being offered under this disclosure document.

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

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

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

Driven Affiliates

Driven Holdings is the indirect parent company to ~~nine~~⁹ franchisors, including Meineke Franchisor SPV LLC (“Meineke”), Maaco Franchisor SPV LLC (“Maaco”), Merlin Franchisor SPV LLC (“Merlin”), Econo Lube Franchisor SPV LLC (“Econo Lube”), 1-800-Radiator Franchisor SPV LLC (“1-800-Radiator”), CARSTAR Franchisor SPV LLC (“CARSTAR”), Take 5 Franchisor SPV LLC (“Take 5”), FUSA Franchisor SPV LLC (“FUSA”) and Abra. In April 2015, Driven Holdings and its franchised brands at the time (which included Meineke, Maaco, Merlin and Econo Lube) became Affiliated Programs (defined

below) through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, Abra and FUSA brands became Affiliated Programs. Meineke, Maaco, Merlin, Econo Lube, CARSTAR, Take 5, and FUSA share our principal business address. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December ~~3028~~, 20232024, there were ~~702716~~ franchised Meineke centers, ~~2217~~ franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December ~~3028~~, 20232024, there were ~~377363~~ franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December ~~3028~~, 20232024, there were ~~2214~~ Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services, including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December ~~3028~~, 20232024, there were ~~nine8~~ Econo Lube N' Tune franchises and ~~129~~ Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other ~~automotive~~ parts, products and equipment to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December ~~3028~~, 20232024, there were ~~194193~~ 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December ~~3028~~, 20232024, owned and operated ~~one1~~ 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises

for new automobile repair facilities in October 1995. As of December ~~3028~~, ~~2023~~2024, there were ~~455~~471 franchised CARSTAR facilities and no company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December ~~3028~~, ~~2023~~2024, there were ~~325~~432 franchised Take 5 outlets and ~~644~~710 affiliate-owned Take 5 outlets operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December ~~3028~~, ~~2023~~2024, there were ~~203~~212 franchised Fix Auto ~~repair shops and no company-owned Fix Auto~~ shops operating in the United States, ~~nine of which are operated by FUSA's affiliate under a franchise agreement with FUSA.~~

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

As of December ~~3028~~, ~~2023~~2024, there were: (i) ~~15~~14 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) ~~18~~17 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) ~~313~~317 franchised CARSTAR facilities and ~~one~~1 company-owned CARSTAR facility in Canada; (v) ~~303~~32 franchised Take 5 outlets and ~~seven~~7 company-owned Take 5 outlets in Canada; (vi) ~~57~~71 franchised UniglassPlus businesses, 27 franchised UniglassPlus/Ziebart businesses, and ~~five~~5 franchised Uniglass Express businesses in Canada, and ~~two~~1 company-owned UniglassPlus ~~businesses~~business and one company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, ~~57~~56 franchised VitroPlus/Ziebart businesses, and ~~four~~3 franchised Vitro Express businesses in Canada, and ~~three~~1 company-owned VitroPlus ~~businesses and no~~business and 1 company-owned VitroPlus/Ziebart ~~businesses~~business in Canada; (viii) ~~32~~31 franchised Docteur du Pare Brise businesses and ~~no~~2 company-owned Docteur du Pare Brise businesses in Canada; (ix) ~~12~~11 franchised Go! Glass & Accessories businesses and no franchised Go! Glass businesses in Canada, and ~~eight~~8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) ~~eight~~8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

In December 2021, Driven Brands acquired Auto Glass Now's (~~“AGN”~~) repair locations. As of December ~~3028~~, ~~2023~~2024, there were ~~more than 220~~224 repair locations operating under the AUTOGLASSNOW® name in the United States (~~“AGN Repair Locations”~~). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations

may offer products and services to Driven Brands' affiliates and their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

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

Other Affiliates with Franchise Programs

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

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

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks, and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with GoTo Foods through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, ~~2023~~ 2024, there were ~~1,156~~ 1,182 franchised and 11 affiliate-owned Auntie Anne's shops in the United States and ~~817~~ 815 franchised Auntie Anne's shops outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with GoTo Foods in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, ~~2023~~ 2024, there were ~~324~~ 336 franchised Carvel shoppes in the United States and ~~29~~ 39 franchised Carvel shoppes outside the United States.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, ~~2023~~ 2024, there were ~~952~~ 1,002 franchised and ~~22~~ 28 affiliate-owned Cinnabon bakeries in the United States ~~and 952, 1,040~~ franchised Cinnabon bakeries outside the United States. ~~In addition, as of December 31, 2023, there were 185, and 193~~ franchised Seattle's Best Coffee units outside the United States.

Jamba franchises Jamba® stores, which feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, ~~2023~~ 2024, there were ~~approximately~~

~~733726~~ franchised Jamba stores and 1 affiliate-owned Jamba store in the United States and ~~5761~~ franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants, which ~~offer a line of feature~~ deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, ~~2023~~2024, there were ~~506524~~ franchised and 36 affiliate-owned McAlister's restaurants ~~and 33 affiliate-owned restaurants operating~~ in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants, which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, ~~2023~~2024, there were ~~606591~~ franchised and ~~six~~5 affiliate-owned Moe's Southwest Grill restaurants ~~operating~~ in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants, which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, ~~2023~~2024, there were ~~295280~~ franchised and 28 affiliate-owned Schlotzsky's restaurants ~~and 22 affiliate-owned restaurants operating~~ in the United States.

Inspire Brands, Inc. ("Inspire Brands") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to ~~six~~6 franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("Arby's"), Baskin-Robbins Franchising LLC ("Baskin-Robbins"), Buffalo Wild Wings International, Inc. ("Buffalo Wild Wings"), Dunkin' Donuts Franchising LLC ("Dunkin'"), Jimmy John's Franchisor SPV, LLC ("Jimmy John's"), and Sonic Franchising LLC ("Sonic"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("Inspire International"), DB Canadian Franchising ULC ("DB Canada"), DDBR International LLC ("DB China"), DD Brasil Franchising Ltda. ("DB Brasil"), DB Mexican Franchising LLC ("DB Mexico"), and BR UK Franchising LLC ("BR UK"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system, which feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts, including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December ~~31~~29, 20232024, there were ~~3,413~~3,365 Arby's restaurants operating in the United States (~~2,316~~2,286 franchised and ~~1,097~~1,079 company-owned) ~~and 200, including 1 multi-brand location. Additionally, as of December 29, 2024, there were 231 single-branded~~ franchised Arby's restaurants operating internationally.

Baskin-Robbins is the franchisor of Baskin-Robbins® restaurants, which offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered

franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 29, 2024, there were 2,245 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,245 restaurants, 974 were single-branded Baskin-Robbins restaurants, 2 were Baskin-Robbins restaurants operating at a multi-brand location, and 1,269 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 5,651 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under the Buffalo Wild Wings® name (“Buffalo Wild Wings Sports Bars”) and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name (“BWW-GO Restaurants”). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December ~~31~~29, 20232024, there were ~~1,185~~1,183 Buffalo Wild Wings Sports Bars operating in the United States (~~533~~538 franchised and ~~652~~645 company-owned) and 65 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of December ~~31~~29, 20232024, there were ~~791~~140 BWW-GO Restaurants operating in the United States (~~31~~90 franchised and ~~485~~0 company-owned).

~~Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of December 31, 2023, there were 3,521 Sonic Drive-Ins operating in the United States (3,195 franchised and 326 company owned).~~

~~Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system, which feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. Jimmy John's and its predecessor have been franchising since 1993. As of December 31, 2023, there were 2,644 Jimmy John's restaurants operating in the United States (2,604 franchised and 40 affiliate owned). Of those 2,644 restaurants, 2,641 were single-branded Jimmy John's restaurants and three were franchised Jimmy John's restaurants operating at multi-brand locations.~~

Dunkin' is athe franchisor of Dunkin'® restaurants, which offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of December ~~31~~29, 20232024, there were ~~9,580~~9,768 Dunkin' restaurants operating in the United States (~~9,548~~9,734 franchised and ~~323~~4 company-owned). Of those ~~9,580~~9,768 restaurants, ~~8,295~~8,480 were single-branded Dunkin' restaurants, ~~two~~19 were ~~franchised~~ Dunkin' restaurants operating at multi-brand locations, and ~~1,283~~1,269 were franchised Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December ~~31~~29, 20232024, there were ~~4,210~~4,328 single-branded franchised Dunkin' restaurants operating internationally.

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

owned). Of those 2,689 restaurants, 2,668 were singled-branded Jimmy John's restaurants and 21 were Jimmy John's restaurants operating at multi-brand locations. Additionally, as of December 29, 2024, there were 5 franchised Jimmy John's restaurants operating internationally.

~~Baskin-Robbins is a~~Sonic is the franchisor of ~~Baskin-Robbins~~Sonic Drive-In® restaurants, which ~~offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks.~~ Sonic became an Affiliated Program through an acquisition in December ~~2020. Baskin-Robbins~~2018. Sonic has offered franchises ~~in the United States and certain international markets for Baskin-Robbins~~for Sonic restaurants since ~~March 2006~~May 2011. As of December ~~31 29, 2023~~2024, there were ~~2,261 franchised Baskin-Robbins restaurants~~3,461 Sonic Drive-Ins operating in the United States. ~~Of those 2,261 restaurants, 977 were single-branded Baskin-Robbins restaurants, one was a Baskin-Robbins restaurant operating at a (3,144 franchised and 317 company-owned), including 1 multi-brand location, and 1,283 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 31, 2023, there were 5,383 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.~~

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

Primrose School Franchising SPE, LLC ("Primrose") is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta, Georgia 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988. As of December 31, ~~2023~~2024, there were ~~505~~525 franchised Primrose facilities operating in the United States. Primrose has not offered franchises in any other line of business.

ME SPE Franchising, LLC ("Massage Envy") is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, ~~2023~~2024, there were ~~1,053~~1,009 Massage Envy locations operating in the United States, including ~~1,044~~1,000 operated as total body care Massage Envy businesses and ~~nine~~9 operated as traditional Massage Envy businesses. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, ~~2023~~2024, there were ~~nine~~9 regional developers operating 11 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. (“CKE”), through ~~two~~2 indirect, wholly-owned subsidiaries (Carl’s Jr. Restaurants LLC and Hardee’s Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl’s Jr.[®] and Hardee’s[®] trade names and business systems. Carl’s Jr. restaurants and Hardee’s restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger[®] sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee’s restaurants offer Red Burrito[®] Mexican food products through a Hardee’s/Red Burrito dual concept restaurant. A small number of Carl’s Jr. restaurants offer Green Burrito[®] Mexican food products through a Carl’s Jr./Green Burrito dual concept restaurant. CKE’s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067. In December 2013, CKE became an Affiliated Program through an acquisition. Hardee’s restaurants have been franchised since 1961. As of January ~~2927~~, ~~2024~~2025, there were ~~204~~202 company-operated Hardee’s restaurants and ~~1,406~~1,369 franchised Hardee’s restaurants, including ~~136~~ franchised 129 Hardee’s/Red Burrito dual concept restaurants, operating in the United States. Additionally, there were ~~458~~473 franchised Hardee’s restaurants operating outside the United States. Carl’s Jr. restaurants have been franchised since 1984. As of January ~~2927~~, ~~2024~~2025, there were ~~49~~50 company-operated Carl’s Jr. restaurants and ~~1,019~~982 franchised Carl’s Jr. restaurants, including ~~243~~ franchised 218 Carl’s Jr./Green Burrito dual concept restaurants, operating in the United States. In addition, there were ~~661~~687 franchised Carl’s Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

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

Merry Maids franchises residential house cleaning businesses under the Merry Maids[®] mark. Merry Maids’ predecessor began business and started offering franchises in 1980. As of December 31, ~~2023~~2024, there were ~~813~~796 Merry Maids franchises in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore[®] mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean[®] mark. ServiceMaster’s predecessor began offering franchises in 1952. As of December 31, ~~2023~~2024, there were ~~619~~585 ServiceMaster Clean franchises and ~~2,064~~1,995 ServiceMaster Restore franchises in the United States.

Two Men and a Truck franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck[®] mark, and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck[™] mark. Two Men and a Truck’s predecessor began offering moving franchises in February 1989. Two Men and a Truck began offering Two Men and a Junk Truck franchises in 2023. As of December 31, ~~2023~~2024, there were ~~313~~339 Two Men and a Truck franchises and ~~three~~3 company-owned Two Men and a Truck businesses in the United States. As of December 31, ~~2023~~2024, there were ~~20~~62 Two Men and a Junk Truck franchises in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, ServiceMaster of Canada Limited offers franchises in Canada, ServiceMaster

Limited offers franchises in Great Britain, and Two Men and a Truck offers franchises in Canada and Ireland.

NBC Franchisor LLC (“NBC”) franchises gourmet bakeries that offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC’s predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at ~~4560 Belt Line Road~~5005 Lyndon B. Johnson Pkwy, Suite ~~350600~~, AddisonDallas, Texas ~~7500175244~~. As of December 31, ~~2023~~2024, there were ~~562644~~ Nothing Bundt Cakes franchises and ~~1617~~ company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium ~~Center Licensing, Franchisor~~ LLC (“Mathnasium”) franchises learning centers that provide math instruction using the Mathnasium® system of learning. ~~Mathnasium~~Mathnasium’s predecessor began offering franchises in late 2003. ~~Mathnasium~~ Mathnasium’s predecessor became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, ~~2023~~2024, there were ~~968995~~ franchised and 4 affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, ~~2023~~2024, there were ~~89100~~ franchised Mathnasium centers in Canada. Mathnasium International Franchising, LLC has offered franchises outside the United States and Canada since May 2015. As of December 31, ~~2023~~2024, there were ~~7991~~ franchised Mathnasium centers outside the United States and Canada. ~~Mathnasium, Mathnasium~~ Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056, and none of them has ever offered franchises in any other line of business.

Youth Enrichment Brands, LLC is the direct parent company to ~~three~~3 franchisors operating in the United States: i9 Sports, LLC (“i9”), SafeSplash Brands, LLC (“Streamline Brands”), and School of Rock Franchising LLC (“School of Rock”). i9 became an Affiliated Program through an acquisition in September 2021. Streamline Brands became an Affiliated Program through an acquisition in June 2022. School of Rock became an Affiliated Program through an acquisition in September 2023. The ~~three~~3 franchisors have never offered franchises in any other line of business.

i9 franchises businesses that operate, market, sell, and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products, and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 ~~became an Affiliated Program through an acquisition in September 2021. i9 has a~~has its principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, ~~2023~~2024, there were ~~245264~~ i9 Sports franchises in the United States.

Streamline Brands offers franchises under the SafeSplash Swim School® brand and operates under the SwimLabs® and Swimtastic® brands, all of which provide “learn to swim” programs for children and adults, birthday parties, summer camps, and other swimming-related activities. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand from August 2015 through March 2023 and under the SwimLabs brand from February 2017 through ~~April~~March 2023. Streamline Brands ~~became an Affiliated Program through an acquisition in June 2022 and has a~~has its principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As

of December 31, ~~2023~~2024, there were ~~128~~102 franchised and ~~company-owned~~29 affiliate-owned SafeSplash Swim School outlets (including 12 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, 11 franchised Swimtastic swim schools, and ~~one~~1 dual-branded Swimtastic and SwimLabs swim school operating in the United States.

School of Rock franchises businesses that operate performance-based music schools with a rock music program under the School of Rock® mark. School of Rock began offering franchises in September 2005. School of Rock has a principal place of business at 1 Wattles Street, Canton, Massachusetts 02021. As of December 31, ~~2023~~2024, there were ~~234~~254 franchised and ~~47~~49 affiliate-owned School of Rock schools in the United States and ~~78~~92 franchised School of Rock schools outside the United States.

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

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

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

Secured Financing Transaction

As part of a secured financing transaction which closed in October 2019 (the "Secured Financing Transaction"), we became the franchisor of all existing and future Abra franchise and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Abra® Repair Centers in the U.S. were also transferred to us.

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

Driven Brands and various entities affiliated with Driven Brands have entered into several secured financing transactions prior to the Secured Financing Transaction (and may enter into other securitization/financing transactions in the future). As a result of these transactions, there have been certain restructuring of various Driven Brands affiliates which are described in this Item 1.

The Franchise Offered

Abra franchises the right to operate Abra® auto body and glass repair and refinishing shops ("Abra® Repair Centers" or "Repair Centers") under the terms of the Franchise Agreement in the form

included in this disclosure document as [Exhibit E](#) (the “Franchise Agreement”). An Abra® Repair Center offers high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Currently, Abra is offering new franchises only to existing Abra franchise owners that are in good standing under their Franchise Agreement, as well as approved shareholders and affiliates of such franchise owners, and will be signing new franchise agreements in connection with a transfer or assignment of an existing franchise agreement. We have offered franchises and development rights for Repair Centers since January 2020.

Abra has entered into agreements with certain insurance companies (“Corporately Managed Insurance Programs” or “CMIPs”) under the terms of which CMIP partners may provide preferred access to participation in their direct repair programs (“DRPs”) or performance-based agreements (“PBAs”). In order to participate in these CMIPs, you will enter into our then-current form of Service Level Agreement (the “Service Level Agreement”), which includes our minimum requirements and CMIP partner requirements for participation in these programs. [Depending on the CMIP, Abra® Repair Centers may be subject to a bottom-line discount on the chargeable price of repair assignments in the next measurement period during the term of the CMIP, which bottom-line discount may be higher depending on your Repair Center’s performance and other factors we determine if: \(i\) your Repair Center fails to meet certain key performance indicators established by the CMIP, and/or \(ii\) if the Abra® Repair Centers that are participants in the CMIP collectively fail to meet certain key performance indicators established by the CMIP.](#) Our current form of Service Level Agreement is attached as Exhibit H to the Franchise Agreement. If the Repair Center is your first Abra® Repair Center and/or you are not a party to an effective Abra service level agreement as of the date on which you sign the Franchise Agreement, you will sign the Service Level Agreement together with the Franchise Agreement.

Abra has an optional centralized program, under the terms of which Abra will complete the total loss estimate for applicable total loss claims submitted by participating Abra® Repair Center franchisees (the “Total Loss Processing Program”). If you desire to participate in the Total Loss Processing Program, Abra must first approve you. If Abra approves you to participate in the Total Loss Processing Program, you will sign an addendum to the Franchise Agreement, which states the terms and conditions of the Total Loss Processing Program (the “Total Loss Processing Program Addendum”), the current form of which is attached as [Exhibit J](#) to the Franchise Agreement, and any other documents that Abra may reasonably require ~~in connection with~~ [relating to](#) your participation in the Total Loss Processing Program. (You will sign the Total Loss Processing Program Addendum (and any other required documents) either ~~simultaneously with your execution of~~ [when you sign](#) the Franchise Agreement or during the [Franchise Agreement’s](#) ~~term of the Franchise Agreement~~, depending on when you elect (as applicable), and Abra approves you, to participate in the Total Loss Processing Program.) Under the terms of the Total Loss Processing Program Addendum, you will pay Abra a fee for each total loss estimate request that you submit to Abra, and Abra accepts, regardless of whether Abra determines that the claim is a total loss (the “Total Loss Processing Fee”), as further detailed in Item 6.

Abra has another optional centralized program, under the terms of which Abra will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as Abra determines) participating Abra® Repair Center (the “Call Center Program”). If you desire to participate in the Call Center Program, Abra must first approve you. If Abra approves you to participate in the Call Center Program, you will sign an addendum to the Franchise Agreement, which states the terms and conditions of the Call Center Program (the “Call Center Program Addendum”), the current form of which is attached as [Exhibit K](#) to the Franchise Agreement, and any other documents that Abra may reasonably require ~~in connection with~~ [relating to](#) your participation in the Call Center Program. (You will sign the Call Center Program Addendum (and any other required documents) either ~~simultaneously with your execution of~~ [when you sign](#) the Franchise Agreement or during the [Franchise Agreement’s](#) term

~~of the Franchise Agreement~~, depending on when you elect (as applicable), and Abra approves you, to participate in the Call Center Program.) Under the terms of the Call Center Program Addendum, you will pay Abra a fee (the “Call Center Fee”) during any period in which you participate in the Call Center Program, as further detailed in Item 6.

The customers for the goods and services which you will offer at your Repair Center include individuals seeking to have their personal automobiles repaired, painted and refinished, although up to 85% of your business may be performed ultimately on behalf of insurance companies. The market for auto body repair and refinishing services, as well as auto glass repair and replacement services, is well-developed and competitive. Business activity in general for auto body collision services will increase during periods of inclement weather.

Abra has developed a marketing system which creates, in the minds of customers, a certain image that Abra® Repair Centers offer high quality auto repair and refinishing services. Abra has also developed a business strategy for getting and keeping customers, and an operations system designed to maintain high quality standards in services offered at the Repair Centers. Abra has developed all of these as part of the business system (the “Business System”) which you will receive the right to use. Abra uses and licenses certain service marks and trademarks, logos, trade dress and other commercial symbols, including the service marks “Abra,” “Abra Auto Body & Glass” and “ABRA AUTO BODY REPAIR OF AMERICA” (collectively, the “Marks”) in connection with the operation of Abra® Repair Centers. Abra has the right to modify, enhance or add to the Marks.

The purchase of an Abra® franchise permits you: (i) to use the Marks; (ii) to obtain access to the distinctive operational and management attributes of the Business System, including a confidential operational manual (or manuals) describing complete guidelines for the operation of a Repair Center (the “Operations Playbook”); (iii) to take advantage of the combined purchasing power of all Abra® Repair Centers as well as its affiliates to obtain supplies and inventory at a competitive price; and (iv) to receive various forms of opening and operational assistance from Abra and its affiliates.

If you own an existing auto body repair and refinishing service business and meet Abra’s other qualifications, you may convert your existing business to an Abra® Repair Center. A conversion franchisee may encounter lower investment requirements than a start-up franchisee (as described in Item 7). If you desire to convert your business to an Abra® Repair Center, you must sign the Franchise Agreement, together with a “Conversion Addendum” in the form included as Exhibit C to the Franchise Agreement.

You may enter into a Multiple Repair Center Development Agreement in the form included in this disclosure document as Exhibit F (the “Development Agreement”) under which you will receive certain rights to develop multiple Abra® Repair Centers within a specific territory. If you sign the Development Agreement, you will sign our then-current form of franchise agreement for each Abra® Repair Center developed under the Development Agreement. Each then-current form of franchise agreement may differ from the version of Franchise Agreement attached to this disclosure document, except that you will pay a reduced Initial Franchise Fee (defined in Item 5) of \$25,000 for each Abra® Repair Center you develop under the Development Agreement. You must directly own each Repair Center developed under the Development Agreement and must develop these Repair Centers within the time frame described in the Development Agreement.

Laws and Regulations

You must comply with all laws, rules and regulations governing the operation of the Repair Center, and obtain all permits and licenses necessary to operate the Repair Center. In addition to laws and regulations that apply to businesses generally, your Repair Center may be subject to federal, state and local

environmental laws and regulations governing, for example, disposal of hazardous waste and occupational health and safety. You will need to obtain a federal Environmental Protection Agency waste generation license. Your local or state government may also require that you obtain an air compressor operation permit. The paint booth and paint storage room in your Repair Center must conform to state or local fire codes. Further, your Repair Center will be subject to various federal, state and local government regulations relating to site location and zoning. Your Repair Center business may also be impacted by automobile insurance laws.

Applicable laws and regulations are subject to repeal and/or modification. Moreover, there may be other laws and regulations, in addition to those referenced in the preceding paragraph, that directly impact operators of repair and refinishing shops. Prior to purchasing the franchise, we strongly encourage you to investigate the various laws and regulations that may be applicable to your Repair Center.

Competition

In the auto body repair and refinishing service business, your competitors will include automobile dealerships which have automobile collision repair shops and independently owned local auto body shops, as well as shops that belong to other national and regional automotive repair shop systems. In the auto glass repair and replacement service business, your competitors will include independently owned local auto glass shops and other national and regional glass shop systems as well as certain of our affiliates as described above. Some of the national repair center and glass shop systems will have significantly greater financial resources than Abra and you.

Item 2

BUSINESS EXPERIENCE

Manager and Chief Executive Officer of Abra; Director, Chief Executive Officer and President of Driven Brands: ~~Jonathan Fitzpatrick~~ Daniel Rivera

Mr. ~~Fitzpatrick~~ Rivera has been a Manager and Chief Executive Officer of Abra since ~~August 2019~~ May 2025. Mr. ~~Fitzpatrick was~~ Rivera was also appointed to the office of Chief Executive Officer and President and to serve on the Board of Directors of Driven Brands and the Board of Managers of various Driven Brands' affiliates in ~~July 2012~~ May 2025. From February 2023 to April 2025, Mr. Rivera served as Executive Vice President and Chief Operating Officer of Driven Brands. From January 2020 to January 2023, Mr. Rivera was Executive Vice President and Group President, Maintenance for Driven Brands and also served as Brand President for Take 5.

Manager, Executive Vice President, and Secretary of Abra; Director, Executive Vice President, General Counsel, and Secretary of Driven Brands: Scott O'Melia

Mr. O'Melia has served as Manager, Executive Vice President, and Secretary of Abra since May 2020. Mr. O'Melia also has served as Director, Executive Vice President, General Counsel, and Secretary of Driven Brands since May 2020. In addition, Mr. O'Melia has served as Manager, Executive Vice President, and Secretary of various Driven Brands affiliates since May 2020. ~~From May 2019 to April 2020, Mr. O'Melia was in between positions.~~

~~Interim Executive Vice President and Chief Financial Officer of Abra and Driven Brands and Senior Vice President, FP&A, Treasury, and Investor Relations of Driven Brands: Joel Arnao: Michael E. Diamond~~

~~Mr. Arnao has been Interim~~Diamond has served as Executive Vice President and Chief Financial Officer of Abra ~~and Driven Brands since May 2024 and Senior Vice President, FP&A, Treasury, and Investor Relations of Driven Brands since July 2023.~~ In addition, Mr. Arnaosince August 2024. Mr. Diamond also has served as ~~Interim~~Executive Vice President and Chief Financial Officer of Driven Brands and various Driven Brands affiliates since ~~May~~August 2024. From ~~November~~September 2020 to ~~June 2023~~July 2024, Mr. ~~Arnao~~Diamond was Executive Vice President ~~of Finance of Rite Aid Corporation in Charlotte, North Carolina. From June 2020 to October 2020, Mr. Arnao was a Senior Advisor of Navhio Consulting in Charlotte, North Carolina. From December 2018 to May 2020, Mr. Arnao~~ Chief Financial Officer of The Michaels Companies, located in Irving, Texas. From January 2018 to August 2020, Mr. Diamond was Chief Financial Officer ~~and Vice President of Finance for Merchants Distributors, LLC in Hickory, North Carolina, U.S. of Pizza Hut, Inc., located in Plano, Texas.~~

~~Executive Vice President and Chief Operating Officer of Driven Brands: Daniel Rivera~~

~~Mr. Rivera has been Executive Vice President and Chief Operating Officer of Driven Brands since February 2023. Mr. Rivera was Executive Vice President and Group President, Maintenance for Driven Brands and also served as Brand President for Take 5 from January 2020 to January 2023. He served as Brand President for Econo Lube, Merlin, Econo Lube N' Tune, LLC, and SBA TLC, LLC from April 2017 to December 2019. Mr. Rivera also served as Brand President for Meineke from June 2015 to December 2019, and served as Meineke Car Care Centers, LLC's President from October 2014 to December 2019.~~

~~Executive Vice President and Group President, Paint, Collision and Glass Franchising for Driven Brands: Michael Macaluso~~

Mr. Macaluso has served as Executive Vice President and Group President, ~~Paint, Collision and Glass~~Franchising for Driven Brands since January ~~2020~~2025. Mr. Macaluso ~~was appointed to serve also~~ has served on the Board of Directors of Carstar Canada SPV GP Corporation, located in Hamilton, Ontario, Canada, and various Driven Brands' Canadian affiliates ~~in~~since July 2020. In addition, Mr. Macaluso ~~also~~ has served as President of Pro Oil Canada GP Corporation, located in Hamilton, Ontario, Canada, since July 2017; President of CARSTAR Canada GP Corporation, located in Hamilton, Ontario, Canada, since February 2015; and President of Take 5 Canada GP Corporation, located in Hamilton, Ontario, Canada, since May 2019. From ~~February 2016~~January 2020 to December ~~2019~~2024, Mr. Macaluso served as ~~Brand~~Executive Vice President ~~for CARSTAR~~and Group President, Paint, Collision and Glass for Driven Brands.

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

Mr. Rippey has been Senior Vice President of Franchise Development for Driven Brands since January 2020. ~~From January 2017 to December 2019, Mr. Rippey served as Vice President of Franchising for Take 5.~~

~~Chief Operating Officer, Collision for Driven Brands: Damien Reyna~~

Mr. Reyna has served as Chief Operating Officer, Collision for Driven Brands since January 2023. From February 2020 to December 2022, Mr. Reyna was Vice President, Insurance for Driven Brands. ~~From June 2017 to January 2020, Mr. Reyna was Director, Insurance Relations for Driven Brands.~~

Brand President, Collision for Driven Brands: Sabrina Thring

Ms. Thring has served as Brand President, Collision for Driven Brands since June 2023. From January 2023 to May 2023, Ms. Thring served as Senior Vice President of Revenue Operations, Paint and Collision for Driven Brands. From January 2021 to December 2022, Ms. Thring was Chief Operating Officer, Collision for Driven Brands. From April 2020 to December 2020, Ms. Thring was Chief Operating Officer of FUSA. ~~From January 2020 to March 2020, Ms. Thring was Vice President, Strategy and Analytics for Maaco. From January 2018 to December 2019, Ms. Thring was Vice President, MSO Operations of Maaco.~~

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

Mr. Newberry has been Vice President of Franchise Development, Collision for Driven Brands since January 2020. ~~From March 2016 to January 2020, Mr. Newberry was Director of Franchise Development for CARSTAR.~~

Senior Vice President, Operations for Abra: Scott Paul

Mr. Paul has been Senior Vice President, Operations for Abra since May 2024. Mr. Paul also has been Senior Vice President, Operations for CARSTAR since May 2024. From January 2022 to April 2024, Mr. Paul was Vice President, Operations for CARSTAR. From February 2020 to December 2021, Mr. Paul was Director, Operations for CARSTAR. ~~From July 2019 to January 2020, Mr. Paul was a commercial broker for Reliable Risk Management in Scottsdale, Arizona. From January 2019 to June 2019, Mr. Paul was Vice President, Insurance Sales for CARSTAR.~~

Item 3

LITIGATION

Pending ~~Action~~ Franchisor Parent Actions

Genesee County Employees' Retirement System v. Driven Brands Holdings Inc., Jonathan G. Fitzpatrick, and Tiffany L. Mason et al., Case No. 3:23-cv-00895-MOC-DCK, in the United States District Court for the Western District of North Carolina (Charlotte Division) (December 2023). On December 22, 2023, ~~plaintiff~~ Genesee County Employees' Retirement System (~~"Plaintiff"~~) filed a securitiesputative class action lawsuit in the U.S. District Court for the Western District of North Carolina (the "Court") against Driven Brands Holdings, ~~Driven Brands Holdings' President and as well as former~~ Chief Executive Officer (and ~~Abra's Manager and Chief Executive Officer~~) President of Driven Brands, Jonathan G. Fitzpatrick, and a former executive of Driven Brands Holdings' ~~former Chief Financial Officer (and Abra's former Executive Vice President and Chief Financial Officer)~~, Tiffany L. Mason (collectively, the "Individual Defendants"). ~~Plaintiff alleges that Defendants failed to disclose material adverse information or made misrepresentations regarding Driven Brands Holdings' business and operations following the acquisitions of the International Car Wash Group and AGN. Plaintiff claims that Defendants violated for violations of~~ Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 ~~and Rule 10b-5 promulgated under the Act and that Defendants Mr. Fitzpatrick and Ms. Mason violated~~ (the "Exchange Act") by Driven Brands Holdings, as well as violations of Section 20(a) of the Exchange Act. ~~Plaintiff by the Individual Defendants.~~ Genesee County Employees' Retirement System alleges that Driven Brands Holdings failed to disclose information that allegedly resulted in material misstatements about Driven Brands Holdings' business and prospects in its quarterly filings. Genesee County Employees' Retirement System seeks unspecified compensatory damages, costs and expenses, and an award of equitable relief, as the court ~~court~~ Court considers appropriate. Genesee County Employees' Retirement System, Oakland County Employees' Retirement

System, and Oakland County Voluntary Employees' Beneficiary Association (collectively, the "Michigan Funds") moved for appointment as lead plaintiffs. The Michigan Funds purport to represent a class of stockholders who purchased Driven Brands Holdings shares between October 27, 2021 and August 1, 2023. On May 31, 2024, the Court appointed the Michigan Funds as lead plaintiffs. On August 13, 2024, the Michigan Funds filed an amended complaint and, on October 14, 2024, Driven Brands Holdings filed a motion to dismiss the amended complaint. On February 20, 2025, the Court denied the motion. Driven Brands Holdings disputes the allegations of wrongdoing and intends to vigorously defend against the action.

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

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

Concluded Predecessor Action

Anderson Ford-Mazda, LLC v. ABRA Automotive Systems, LP, Case No. 01-19-0001-2666, American Arbitration Association (April 2019). On April 24, 2019, claimant Anderson Ford-Mazda, LLC (“Claimant”) filed an Arbitration Demand against Our Predecessor. The matter relates to the merger between Caliber Collision Centers and Abra Auto Body Repair of America. Claimant alleged that Our Predecessor breached the franchise agreement and the implied covenant of good faith and fair dealing because, after the merger, an existing Caliber auto body repair shop that had been operating for years was located more than a mile from Claimant’s ABRA location, resulting in an improper encroachment of the licensed area granted to Claimant under its franchise agreement. On August 19, 2019, Our Predecessor responded to Claimant’s Arbitration Demand by denying Claimant’s claims and by denying that the events at issue gave rise to any breach of the franchise agreement. On September 22, 2020, the parties signed a Settlement Agreement. Under the terms of the Settlement Agreement, Claimant was paid \$57,500, and the parties signed a mutual release of all claims arising from or in any way relating to the parties’ relationship. Following the parties’ notification of settlement, the American Arbitration Association closed the matter on September 25, 2020.

Pending Driven Affiliate Action

~~5002090 Ontario Inc. and Asif Ali v. Take 5 Canada SPV LP, Bruno Piva, Noah Pollack, and Jonathan Fitzpatrick, Court File No. CV 22-00692201-0000, Superior Court of Justice of the Province of Ontario (December 2022).—On December 23, 2022, 5002090 Ontario Inc. and its director, Asif Ali (collectively, “Ali”), the former franchisee of a Take 5 Oil Change® centre in Ontario, Canada (previously operated as a Pro Oil Change® Centre until its conversion), filed a Statement of Claim against the current franchisor of Take 5 Oil Change® centres in Canada, Take 5 Canada, Take 5 Canada’s Director, Chief Executive Officer, and President (and Abra’s Manager and Chief Executive Officer), Mr. Fitzpatrick, Take 5 Canada’s franchise broker, Mr. Piva, and a former Take 5 Canada (and Abra) executive, Mr. Pollack, alleging breach of the disclosure and fair dealing provisions of the *Arthur Wishart Act (Franchise Disclosure), 2000* and, alternatively, negligent misrepresentation, as well as breach of good faith. Ali alleges that, when he purchased the Take 5 Oil Change® centre from a then Pro Oil Change® centre franchisee, he believed that, on the basis of the franchise disclosures that he received from Take 5 Canada and an alleged verbal agreement with a Take 5 Canada representative, he was receiving a full 10-year term to operate the Take 5 Oil Change® centre. According to the Statement of Claim, Ali entered into a loan agreement in connection with his purchase of the Take 5 Oil Change® centre, the terms of which included “a minimum timeframe of 7 years.” Ali alleges, however, that his franchise agreement was terminated after less than two years based on his failure to provide the required notice to renew. Ali contends that he does not have copies of any assignment agreement with the prior franchisee, any sublease with Take 5 Canada for the Take 5 Oil Change® centre premises, or other Take 5 Oil Change® centre-related agreements referenced in Take 5 Canada’s notice of termination. Ali alleges that he sold the Take 5 Oil Change® centre assets when Take 5 Canada threatened legal action if he failed to vacate the Take 5 Oil Change® centre premises. Ali claims that his lender subsequently commenced legal action against him for defaulting on the Take 5 Oil Change® centre-related loan and, as part of a settlement, he was required to pay the lender certain amounts. Ali seeks damages (including punitive damages) of at least CAN\$368,000, interest, declarations that Take 5 Canada’s franchise disclosures were invalid and void and that the above-referenced assignment agreement (if it exists) is void, and costs of the action. Take 5 Canada delivered a Statement of Defence in April 2023. To Take 5 Canada’s knowledge, none of the individual defendants have been served with the Statement of Claim, and it is unclear if Ali intends to continue pursuing this litigation. Take 5 Canada and the other defendants are defending this action.~~

~~Driven Affiliate Subject to Currently Effective Injunctive Order~~

~~State of Arizona, et rel., Thomas C. Horne, Attorney General vs. Econo Lube N' Tune, Inc., Case No. CV2011-018783, in the Superior Court of the State of Arizona in and for the County of Maricopa. On October 13, 2011, Econo Lube N' Tune, Inc., a predecessor of Econo Lube (an affiliate of Abra), entered into a consent judgment with the State of Arizona that grew out of an investigation of the specific operations of a company owned Econo Lube center located in Phoenix, Arizona. The investigation alleged that the center manager unnecessarily changed out an air conditioning compressor on a customer's vehicle. As a result of the investigation, the State alleged violations of A.R.S. § 44-1522 (the State's consumer protection act). Econo Lube N' Tune, Inc. denied all of the allegations in the State's complaint that was filed contemporaneously with the consent judgment. As a means to settle these allegations, the parties agreed to a consent judgment wherein, without agreeing to any of the allegations in the complaint, an agreed injunction was entered into by Econo Lube N' Tune, Inc. stipulating that it would not commit any unfair trade practices against its customers. The injunction also prohibits the company from further employing the center manager who allegedly committed these alleged unfair practices. As part of the consent judgment, Econo Lube N' Tune, Inc. agreed to pay the State of Arizona \$30,000 in civil penalties and \$10,494.63 in attorneys' fees.~~

Disclosures Regarding Affiliated Programs

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

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

The People of the State of California v. Dunkin' Brands, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed March 19, 2019). On March 14, 2019, our affiliate, Dunkin' Brands, Inc. ("DBI"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision that prevents

Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin' franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

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

Other than the above actions, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

You must pay to Abra an "Initial Fee" to cover the cost of services, including the General Manager Training courses, that Abra provides to you before, or shortly after, your Repair Center opens. The total amount for your Initial Fee will depend on the services that Abra provides to you and the number of Repair Centers that you commit to developing if you sign a Development Agreement. The Initial Fee includes the Initial Franchise Fee, Development Fee (if applicable) and the Opening Promotion Fee.

Initial Franchise Fee. If you are opening a single Repair Center, you must pay an Initial Franchise Fee of \$35,000 to Abra. If you are currently opening your second or subsequent Repair Center, the Initial Franchise Fee is \$25,000. In either case, unless you already have an approved site for your Repair Center, you will first sign a Site Selection Agreement, which governs your selection of a site for your Repair Center. You must pay \$10,000 of the Initial Franchise Fee to Abra, as a deposit, when you sign the Site Selection Agreement. You must then pay the balance of the Initial Franchise Fee to Abra when you sign the Franchise Agreement. You must sign a separate Franchise Agreement for each Repair Center you open.

You or Abra may terminate the Site Selection Agreement for any reason on written notice to the other party at any time before you sign a lease or purchase agreement for the site of the Repair Center. If you terminate the Site Selection Agreement, Abra will refund \$5,000 (50%) of your \$10,000 deposit. If Abra terminates the Site Selection Agreement within ~~six~~6 months of the date that you sign it, Abra will refund the full \$10,000 deposit to you plus interest at the rate of 4% per year. The Initial Franchise Fee (including deposit) is not otherwise refundable. During the fiscal year ended December ~~30~~28, ~~2023~~2024, franchisees signing the Franchise Agreement paid or committed to pay an Initial Franchise Fee between \$10,000 and \$25,000.

Development Fee. You may only enter into a Development Agreement with Abra if you are, at the same time, entering into a Franchise Agreement for a single Repair Center. Under the Development Agreement, you must pay Abra \$5,000 for each additional Repair Center to be developed in the exclusive development area granted to you (the “Exclusive Development Territory”). Abra and you will agree to the number of Repair Centers that you will develop before you sign the Development Agreement. In addition, the Development Agreement will contain a minimum development schedule, which will specify when each of the Repair Centers must be developed and opened. The total development fee (not including the fee for your first Repair Center) is determined by multiplying the number of Repair Centers to be developed under the Development Agreement by \$5,000 (the “Development Fee”). For example, if you agree to develop a total of ~~three~~3 Repair Centers within a specified area, you will sign a single Franchise Agreement for the first Repair Center and pay Abra’s standard Initial Franchise Fee of \$35,000 for the first Repair Center. Then, you will also sign a Development Agreement for the remaining ~~two~~2 Repair Centers. The Development Fee will equal \$10,000 (\$5,000 multiplied by the ~~two~~2 additional Repair Centers to be developed). The entire amount of the Development Fee is due and payable in a lump sum to Abra when you sign the Development Agreement. For each Repair Center developed under a Development Agreement, you will pay a reduced Initial Franchise Fee of \$25,000. You receive a credit of \$5,000 against this reduced Initial Franchise Fee in exchange for your payment of the Development Fee. Of the remaining balance of \$20,000, you will pay \$10,000 when you sign the Site Selection Agreement for each Repair Center and \$10,000 when you sign the Franchise Agreement for each Repair Center. The Development Fee is not refundable.

Opening Promotion Fee. You must pay a nonrefundable “Opening Promotion Fee” of \$5,000 to Abra when you sign the Franchise Agreement. Abra may use the Opening Promotion Fee for initial advertising and promotion activities for the Repair Center as Abra considers appropriate, although Abra’s current policy is to use the amounts collected to reimburse franchisees for approved promotional expenditures that they make.

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

Item 6

OTHER FEES

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount (See Note 1)	Due Date	Remarks
Continuing Fee (New franchises)	5% of your Gross Sales or \$45,000 per year, whichever is greater	On or before the day of each calendar month that we periodically specify (the “Payment Day”), currently, the 10th day of each calendar month, for the previous month	We may modify the Payment Day and corresponding reporting period at any time. See also Notes 2 and 9
Continuing Fee (Conversion franchises)	Up to 5% of Gross Sales, depending on volume, subject to annual minimum	On or before the Payment Day, currently, the 10th day of each calendar month, for the previous month	See Notes 2, 3 and 9
Continuing Fee (Renewing franchises)	Same as existing franchise agreement	On or before the Payment Day, currently, the 10th day of each calendar month, for the previous month	See Notes 2, 4 and 9
National Brand Fund Fee	Maximum amount is 1% of your Gross Sales; currently, 0.7% of Gross Sales	On or before the Payment Day, currently, the 10th day of each calendar month, for the previous month	See Note 9 and Item 11 for further details
Regional/Local Marketing Fee	Maximum amount is 3% of your Gross Sales	On or before the Payment Day, currently, the 10th day of each calendar month, for the previous month	See Notes 5 and 9 and Item 11 for further details
Site Review Fee	\$150 per proposed site for the 5th and any subsequent proposed site for the Repair Center	When incurred	We will review, at no charge, up to four ⁴ sites that you have selected as potential sites for the Repair Center.
Joint Business Listings	Will vary depending on area and type of listing	When incurred	See Note 6
Transfer Fee	\$5,000	Before completion of transfer	Payable when the Franchise Agreement or substantial portion of the assets of the Repair Center or any controlling interest in you is transferred

Column 1 Type of Fee	Column 2 Amount (See Note 1)	Column 3 Due Date	Column 4 Remarks
Missing Document Expenses	\$100 for each missing document	After inspection or audit	Payable if, during an audit, you cannot provide documents you are obligated to retain
Audit Expenses	Costs and expenses related to audit	After inspection or audit	Payable only if the Continuing Fees paid by you are deficient by more than 2%
Renewal Fee	\$7,500	Before renewal of Franchise Agreement	
Insurance	Will vary under circumstances <u>Costs, premiums, and other expenses that Abra incurs in obtaining insurance on your behalf and Abra's reasonable costs in enforcing your insurance obligation</u>	When Abra requests reimbursement	Payable to Abra if you do not pay insurance premium and Abra pays it for you
Interest Expenses	Lesser of 18% per year or maximum rate permitted by law	When due	See Note 7
Computer System pass-through fees	Will vary depending on vendor and service provided	Upon invoice by Abra	See Note 8
Evaluation of Supplies	Will vary under circumstances	Upon invoice by Abra	If you request to use supplies that we have not previously approved, you must pay the costs that we incur in evaluating the supplies.
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	Abra may recover costs and reasonable attorneys' fees if you lose in a dispute with Abra.

Column 1 Type of Fee	Column 2 Amount (See Note 1)	Column 3 Due Date	Column 4 Remarks
<p>Convention Supplemental and Refresher Training Fees Programs</p>	<p>Our then-current fee</p> <p>If assessed, will vary under circumstances Currently, we charge up to \$400 per person, per day for supplemental or refresher training provided at our headquarters, and up to \$500 per person, per day for onsite supplemental or refresher training; we may increase each of these fees up to \$1,000 per person, per day</p>	<p>When incurred</p>	<p>Payable if we require you and/or any Repair Center Manager to attend and complete any supplemental and refresher training programs that we may periodically require; you also will be responsible for all travel and living expenses of your employees and, if the training is conducted onsite, our representatives incurred during the training</p> <p>See Note 10 and Item 11</p>
<p>Convention Registration Fees</p>	<p>Our then-current registration fee, not to exceed \$1,000 per attendee</p>	<p>When incurred</p>	<p>See Note 10</p>
<p>Central Review Fee</p>	<p>Our then-current fee, equal to a percentage of all Gross Sales generated by CMIPs, which fee is subject to increase upon 30 days' prior written notice to you</p> <p>(Currently, 0% of applicable Gross Sales; we may increase this fee and charge up to 2% of Gross Sales generated by CMIPs:-)</p>	<p>On or before the Payment Day, currently, the 10th day of each calendar month, for the previous month</p>	<p>Currently, we do not charge a Central Review Fee, although we reserve the right to do so in the future- The; the Central Review Fee is applied towards the costs of the central review program, including the cost of managing and administering DRPs, and negotiating and administering contracts, with auto insurance companies and other third parties, and may be applied to additional insurance programs that mandate our central</p>

Column 1 Type of Fee	Column 2 Amount (See Note 1)	Column 3 Due Date	Column 4 Remarks
			review oversight.
Paint Surcharge	\$3,000 for each month that you use a supplier other than a Preferred Supplier for your requirements of paint for the Repair Center	When incurred	The Paint Surcharge reasonably represents our estimate of the damages to us and the Business System arising from your decision not to purchase paint from a Preferred Supplier.
Total Loss Processing Fee	Our then-current fee for each total loss estimate request that you submit to us, and we accept (regardless of whether we determine that the claim is a total loss), subject to increase upon 30 days' prior written notice to you (Currently, \$50 per total loss estimate request submitted by you and accepted by us; we may increase this fee and charge up to \$100 per total loss estimate request submitted by you and accepted by us.)	Unless otherwise stated in the applicable invoice from us, on or before the Payment Day, currently, the 10th day of each calendar month, for the previous month	Payable only if you choose to participate in our Total Loss Processing Program; you may terminate the Total Loss Processing Program Addendum by providing us 30 days' prior written notice

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount (See Note 1)	Due Date	Remarks
Call Center Fee	<p>Our then-current fee, equal to a percentage of Gross Sales during any period in which you participate in the Call Center Program, which <u>is</u> subject to increase upon 30 days' prior written notice to you</p> <p>(Currently, 0.25% of Gross Sales <u>\$399 per month (or, if you own and operate 2 or more Abra® Repair Centers, \$349 per Abra® Repair Center per month)</u>; we may increase this fee and charge up to 0.5% of Gross Sales, \$1,000 per Abra® Repair Center per month <u>per Abra® Repair Center per month</u>)</p>	Unless otherwise stated in the applicable invoice from us, on or before the Payment Day, currently, the 10th day of each calendar month, for the previous month	Payable only if you choose to participate in our Call Center Program; <u>you may terminate the Call Center Program Addendum by providing written notice to us within 7 days of our providing you written notice of an increase in the Call Center Fee, with termination of the Call Center Program Addendum to be effective 30 days after our notice of the increase to you.</u>

Notes:

- (1) Except where otherwise noted, all fees are payable to Abra, are imposed uniformly on our franchisees and are nonrefundable. We may periodically implement incentive programs to encourage franchise system growth. Under the incentive programs, we may, among other things, waive or reduce the Continuing Fee, the National Brand Fund Fee, and/or the Regional/Local Marketing Fee payable by a franchisee for a limited period of time. We may modify or discontinue any incentive program we implement at any time.
- (2) “Gross Sales” means the total revenues you receive from the sale of goods and services at or in connection with the Repair Center (including sublet labor and new and used replacement parts), less sales or similar taxes or refunds. For purposes of determining your level of Gross Sales, you will use Abra’s fiscal year period. Abra reserves the right to negotiate different continuing fee amounts with individual franchisees on a case-by-case basis, in its discretion. For any part of the Continuing Fees that are calculated as annual amounts, Abra will collect these amounts from you on a monthly basis in equal installments.
- (3) If you are converting an existing repair and refinishing shop to the Abra® brand, you will pay a variable Continuing Fee based on the amount of your Repair Center’s Gross Sales during the year. Before you sign the Franchise Agreement, we will determine, based on your records, a threshold figure that approximates your existing business’s annual Gross Sales prior to the conversion, but using Abra’s definition of Gross Sales (the “Baseline”). After you convert the existing repair and refinishing shop to the Abra® brand, your Continuing Fee for Gross Sales during each fiscal year

up to the Baseline amount will be the greater of \$45,000 or 1.5% of your Gross Sales. (This figure is also your minimum annual Continuing Fee.) For Gross Sales during any fiscal year above the Baseline, the Continuing Fee is 5% of Gross Sales. For example, if a conversion franchisee has an existing Baseline of \$1,000,000, then collects \$1,500,000 during its first fiscal year while operating as an Abra® franchisee, that franchisee would be required to pay total Continuing Fees of \$70,000 for the year, as follows: \$45,000 (for Gross Sales up to the \$1,000,000 Baseline) + \$25,000 (5% x the remaining \$500,000) = \$70,000.

- (4) If you are renewing your franchise after having operated as an Abra franchisee for at least 10 years, you will pay the same Continuing Fee under the renewal agreement as you paid under the Franchise Agreement that is scheduled to expire.
- (5) Abra has the right to require you to participate in a regional/local marketing program for your Designated Market Area. As discussed in Item 11, this program will be administered by Abra. Abra will specify the actual amount you must pay as a “Regional/Local Marketing Fee,” up to a maximum amount of 3% of Gross Sales.
- (6) Abra does not require you to obtain a particular form of telephone listing for your Repair Center; however, Abra has the right to establish a toll-free nationwide telephone number and to list the toll-free number in local, regional or national listings, including (among other things) Internet listings. If Abra establishes a national toll-free number, you must participate in the listing program and pay your Repair Center’s pro rata share of the costs for the number and the listing(s).
- (7) Any unpaid Continuing Fees, Marketing Fees, Central Review Fees, Total Loss Processing Fees (as applicable), Call Center Fees (as applicable), or other fees due to Abra or its affiliates will bear interest at the rate of 18% per annum or the maximum rate permitted by law, whichever is less. In addition, you must timely pay all obligations and liabilities due and payable to suppliers, lessors and creditors. You must sign any documents Abra reasonably requests, including letters of credit and financing statements, to ensure payment of amounts due to Abra or its affiliates for direct purchases of any items used in your business. A payment will be considered unpaid if not received by Abra on or before the date due, if not honored by your bank, or, if you must pay by electronic transfer of funds, there are insufficient funds in your business bank account to collect the payment by a transfer of funds.
- (8) Abra has the right to purchase components, hardware, software, upgrades, updates, maintenance and training for the Network Computer System (including the CCC System (defined in Item 8) or any substitute software) on behalf of Abra franchisees, and to charge you for your share of these items.
- (9) Abra has the right to require you to sign an electronic transfer of funds authorization for your business bank account. If Abra requests that you make any payments by electronic fund transfer for your business bank account, you will sign all documents needed to accomplish payment by such method and will pay all reasonable costs related thereto. A copy of Abra current electronic transfer of funds authorization is included as Exhibit G of this disclosure document. The electronic transfer of funds authorization permits Abra or its affiliates to collect from your account, through electronic transfers, amounts due and payable to Abra or its affiliates for goods or services, including Continuing Fees, National Brand Fund Fees, Central Review Fees, Total Loss Processing Fees (if applicable), and Call Center Fees (if applicable).

- (10) If you own and operate more than ~~one~~1 Abra® Repair Center: (a) you may send ~~one~~1 representative to the national convention to represent all of the Abra® Repair Centers that you own and operate; (b) if you send at least ~~one~~1 representative to the national convention, you will pay us our then-current registration fee (if applicable) for each of your attendees; and (c) if you fail to send a representative to the national convention, you will pay us our then-current registration fee (if applicable) for each of your Abra® Repair Centers.
- (11) To secure payment of the fees and amounts owed to Abra and/or any of its affiliates under the Franchise Agreement and all other related agreements, you must sign the security agreement attached as Exhibit I to the Franchise Agreement (the “Security Agreement”). Under the Security Agreement, you will grant Abra a continuing security interest in all current and future assets of your Repair Center, and all books and records relating to and all proceeds from all of the assets of the Repair Center. This security interest will secure all payment obligations to Abra and/or any of its affiliates.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial Franchise Fee (See Note 2)	\$35,000 (See Note 2)	Two <u>2</u> installments (or lump sum if you already have an approved site)	\$10,000 when you sign the Site Selection Agreement (if applicable), balance due when you sign the Franchise Agreement	Abra
Real Estate and Leasehold/Land Improvements	\$25,000 to \$4,000,000, or more (See Note 3)	As incurred	Before opening	Third-party contractors and architects
Equipment and Fixtures	\$130,000 to \$375,000, or more (See Note 4)	Lump sum	Before opening	Third-party suppliers
Signs	\$5,000 to \$25,000 (See Note 5)	Lump sum	Before opening	Third-party suppliers
Computer Hardware/Software System	\$14,400 to \$21,600 (See Note 6)	Lump sum	Usually when you place the order	Third-party suppliers

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Deposits and Business Licenses	\$0 to \$5,000 (See Note 7)	Lump sum	Before opening	Landlord, utility companies and government agencies
Opening Promotion Fee and POP Materials	\$7,000 (See Note 8)	As incurred	When you sign the Franchise Agreement	Abra and third-party supplier
Opening Inventory and Supplies	\$10,000 to \$15,000 (See Note 9)	Lump sum	Before opening	Third-party supplier(s)
Safety Training (See Note 10)	\$240 to \$450	As incurred	Before and after opening	Third-party supplier
I-CAR Certification (See Note 11)	\$2,000 to \$10,000	As incurred	Before and after opening	ICAR, providers of travel and lodging services
Additional Funds - 3 Months	\$45,000 to \$75,000 (See Note 12)	As incurred	Before opening and as incurred	Abra, your employees, third-party suppliers
TOTAL (See Note 13)	\$263,640 to \$4,569,050			

Notes:

- (1) Except where otherwise noted, all fees that you pay to Abra are nonrefundable. Third-party lessors, contractors and suppliers will decide if payments to them are refundable.
- (2) The Initial Franchise Fee for each additional Repair Center is \$25,000. See Item 5 for the conditions when the Initial Franchise Fee is partially refundable. If you enter into a Development Agreement, you will pay us a Development Fee equal to \$5,000 for each additional Repair Center to be developed under the Development Agreement, and we will credit the \$5,000 towards the Initial Franchise Fee for the applicable Repair Center.
- (3) Abra anticipates that all Repair Centers will be located in leased premises. The term of the lease generally ranges from ~~five~~5 to 15 years. You may, however, desire to acquire land and build the building for a particular Repair Center. The minimum amount stated is an estimate of the cost of improvements if you are converting an existing business, which generally satisfies our site requirements, to an Abra® Repair Center. The maximum amount stated is an estimate of the cost of land and building (and site development costs) should you purchase these items. Typical locations for a Repair Center are downtown and suburban business centers, industrial parks and warehouse centers. The typical zoning classification in which Abra® Repair Centers are located is light industrial or commercial. The typical building for a Repair Center will have approximately 10,000 to 20,000 square feet of floor space with appropriate access for automobiles. Your site costs for a standard Abra® Repair Center may vary significantly from site to site. The exact cost will depend on several factors, such as the condition and location of the premises, whether you purchase the land and building, whether you elect to do more than the minimum required construction or

renovations, whether you are converting an existing automobile repair shop or leasing new space, the landlord's agreement to reimburse you for certain improvements and other economic factors. This estimate is based on information we or Our Predecessor has received during the past several years.

- (4) This estimate includes costs for installation. Your investment in equipment and fixtures necessary to operate the Repair Center is highly variable. Your exact investment depends on several factors, including the size and location of the proposed Repair Center, local labor costs, current prices charged by suppliers, discretionary expenditures, inflation, financing costs and similar factors beyond Abra's or your control. The cost will increase as the number of square feet increases. The minimum amount stated assumes that you will purchase ~~one~~1 paint booth, ~~one~~1 preparation station, ~~one~~1 standard frame machine and electronic measuring equipment for your Repair Center. The maximum amount stated assumes that you will purchase ~~two~~2 paint booths, ~~two~~2 preparation stations, ~~two~~2 standard frame machines and electronic measuring equipment for your Repair Center. If you are converting your existing business to an Abra® Repair Center, you will likely possess some of the required equipment and fixtures and pay less for equipment and fixtures than would a start-up franchisee.
- (5) This item is for indoor and outdoor signs for the Repair Center. The signs must meet Abra's standards and specifications and comply with any local government regulations.
- (6) You must use in your Repair Center a "Network Computer System," including hardware and certain software, which meets established computer industry standards and meets Abra's operating specifications. In addition, you must lease from one or more designated third parties certain customized software designed specifically for your Repair Center. Your computer hardware components must be compatible with all software Abra specifies, including the customized software identified in Item 11. You may purchase or lease the computer hardware components. Although Abra does not offer any financing arrangement for the Network Computer System, you should be able to obtain a 36-month or 48-month lease from one or more third-party leasing companies. Your monthly lease payments for the Network Computer System will likely range from \$450 to \$600, which includes software licensing fees other than fees for the CCC System. You may incur additional costs in configuring your computer hardware components to conform with the estimating software that Abra prescribes.
- (7) This amount includes utility and security deposits and business licenses. Deposits are generally refundable, but license fees are not.
- (8) You must pay Abra an Opening Promotion Fee of \$5,000 when you sign the Franchise Agreement. In addition, prior to opening your Repair Center, you must purchase POP Materials (defined in Item 8) from our approved supplier.
- (9) Your initial investment in inventory and supplies may be lower depending on whether you are able to obtain paint supplies on a consignment basis.
- (10) Abra strongly recommends that you arrange for a safety training program for the employees of your Repair Center, both before you open and on an ongoing basis. Abra recommends (but does not require) that franchisees use the training program offered by Abra's approved supplier, Team Safety, LLC. The estimate included above relates to your first ~~three~~3 months of operations only.
- (11) You are required to achieve and maintain Gold Class certification from the non-profit Inter-Industry Conference on Auto Collision Repair (I-CAR) within ~~one~~1 year of opening your Repair Center as

an Abra® Repair Center. You will incur training fees and, in some cases, travel expenses for your employees to attend training in connection with I-CAR certification. You are encouraged to contact I-CAR for more information about certification and costs.

- (12) This amount estimates your initial pre-opening expenses not otherwise mentioned in the Table and expenses you will incur during the first ~~three~~3 months of Repair Center operations, including lodging, meals and travel expenses for you and, if applicable, your Repair Center Manager to attend the initial training courses, initial wages and fringe benefits, insurance premiums, rent, advertising, taxes, office, paper and cleaning supplies and telephone hook-up. It does not include inventory (materials and parts used for specific services provided) costs beyond the opening inventory costs identified in the Table. The amounts are estimates, and Abra cannot guarantee that you will not incur additional expenses in starting the business. Your costs will depend on factors such as how much you follow Abra's systems and procedures, your management skills and experience, local economic conditions, the local market for Abra® Repair Centers, the prevailing wage rate, competition and the sales level reached during the initial period.
- (13) This total is an estimate of your initial investment and is based on our estimate of regional (Midwest) average costs and prevailing market conditions and our and Our Predecessor's (combined with ~~Our Predecessor's Former Parent's~~almost its former parent's) over 40 years of experience in the business. You should review this amount carefully with a business advisor before deciding to purchase the franchise. These figures are estimates only, and we cannot guarantee that you will not have additional expenses starting your Abra® business. We cannot estimate your initial investment under a Development Agreement, other than the Development Fee, which is described in Item 5.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and quality of products and services throughout the Abra® system, you must comply with and maintain Abra's quality standards. Although you are not required to lease real estate from Abra, Abra must consent to the location of your Repair Center. You must comply with Abra's then-current approved specifications and standards in constructing and equipping your Repair Center. You also must use equipment (including hardware and proprietary and non-proprietary software, as further explained below, for the Network Computer System), signs, fixtures, furnishings, products, supplies and advertising and sales promotion materials that meet Abra's specifications and standards. We may designate the manner or method through which you purchase products or services through approved suppliers, including through the DrivenAdvantage Platform. As stated in Item 1, Driven Product Sourcing operates the DrivenAdvantage Platform, through which you may purchase certain products for use in operating your Repair Center. Through the DrivenAdvantage Platform, Driven Product Sourcing provides you the opportunity to benefit from Driven Product Sourcing's purchasing power, expertise, and supplier network. For any products for which we designate Driven Product Sourcing as the designated supplier or an approved supplier, you will generally be required to purchase those products through the DrivenAdvantage Platform.

We designate certain approved suppliers of paint to the Business System as "Preferred Suppliers," which suppliers may include us and/or our affiliates. You may choose to use, or not use, a Preferred Supplier. If you use an approved supplier other than a Preferred Supplier (if applicable) for your requirements of paint for the Repair Center, we may assess a nonrefundable Paint Surcharge for each month you use an approved supplier other than a Preferred Supplier.

You must purchase all of the point-of-purchase materials required to be purchased for the opening of your Repair Center (the “POP Materials”) from an approved supplier (which may be us or one of our affiliates).

You must use software that is compatible with Abra’s Network Computer System, and Abra periodically may designate specific operating software for use by franchisees, including certain customized software that you may be required to license from Abra’s designees. You must use the proprietary estimating and business management software package that we prescribe for the Business System. Currently, the required software package consists of CCC Estimating, Accumark Advisor, and Workflow BMS, which you must purchase as a package from our designated supplier, CCC Information Services, Inc. (the “CCC System”).

Although Abra has the right under the Franchise Agreement to require a specific type of auto glass estimating and reporting software, as of the date of this disclosure document, Abra allows franchisees to use any auto glass software solution they choose to provide auto glass replacement services to their customers. Currently, Abra recommends (but does not require) a customized auto glass estimating and reporting software application called GlasPacLX, which is available from GTS Services. In addition to software licensing fees and related charges, GTS Services imposes an Electronic Data Interchange (EDI) charge for each electronic business transaction conducted through your Network Computer System. These charges currently range from \$0.40 to \$2.50 per transaction for Abra franchisees, depending on volume. Other auto glass software providers also charge license fees and EDI transaction charges. You should contact the glass software provider that you choose to determine actual costs.

Abra and/or its affiliates may derive revenue based on your purchases and leases, including from charging you (at prices exceeding its and their costs) for services and products that Abra or its affiliates sell you and from promotional allowances, rebates, volume discounts, and other amounts paid to Abra and its affiliates by suppliers that Abra designates, otherwise approves, or recommends for some or all Abra® franchisees. Abra and its affiliates may use all amounts received from suppliers, whether or not based on your and other franchisees’ prospective or actual dealings with them, without restriction for any purposes that Abra and its affiliates consider appropriate.

During fiscal year ~~2023~~2024, Abra’s affiliates derived revenue from franchisee purchases of the CCC System or other software programs of approximately \$~~43,245,83,873~~. Your expenditures on license fees and computer training fees will represent less than 2% of the cost to establish your Repair Center. Your software license and maintenance fees for the CCC System and your glass software program will represent less than 5% of the cost to operate your Repair Center. Abra has the right under the Franchise Agreement to designate software other than the CCC System as the required estimating software and to designate a single source for your auto glass software. You must implement any changes that Abra mandates, at your expense. Abra also has the right to purchase components, hardware, software, upgrades, updates, maintenance and training for the Network Computer System (including the CCC System or any future substitute software) on behalf of the entire network of franchised Abra® Repair Centers, and to charge you for your share of these items.

You may sell or provide at, or otherwise use in, your Repair Center only those services and products that Abra approves. Approved services and products must meet specifications and standards that Abra develops. Abra periodically publishes for the benefit of franchisees a list identifying approved products for use in an Abra® Repair Center. Abra may periodically update and alter these specifications and standards and modify the list of services or products you may sell or use in an Abra® Repair Center. If we have not designated or otherwise approved a supplier for the particular approved product, you may purchase the approved product from any available source of supply.

While Abra will provide you with a list of “Preferred Suppliers” for paint and “recommended” suppliers for other various items other than the CCC System, Abra does not currently maintain a list of approved suppliers, although it may do so in the future. You may use any supplier who can provide these other various items meeting Abra’s specifications (if any), and Abra may verify that the item the supplier provides meets Abra’s specifications (if any). If, however, Abra, at any time, designates or otherwise approves a supplier for a particular item, you must use that supplier. Abra does not provide material benefits to franchisees based on franchisee’s purchases of particular products or services or their use of particular suppliers.

Abra ordinarily states within the Operations Playbook, or otherwise in writing (including through Abra’s intranet, as described in Item 11, or by other electronic means), general specifications and standards for Repair Center equipment, paint and paint materials, signs, fixtures, furnishings, promotional materials, and computer hardware and non-proprietary software used in your Repair Center. Abra periodically modifies or adjusts these specifications and standards.

In addition to listing recommended, approved (as applicable), and designated suppliers, Abra will periodically negotiate and enter into consolidated supply program agreements with approved third-party suppliers for the purchase of various supplies, products, and services needed for use in the operation of an Abra® Repair Center (“Supplier Agreements”). Under these Supplier Agreements, suppliers may agree to extend discounted prices and/or other concessions to Abra’s affiliate-owned and participating franchised Abra® Repair Centers (“Consolidated Supply Programs”). Abra franchisees who wish to participate in Consolidated Supply Programs must enter into an amendment to the Franchise Agreement (the “Consolidated Supply Amendment”), under which the franchisees agree to be bound by all applicable program rules, conditions and guidelines. Franchisees are permitted to opt out of participation in individual Consolidated Supply Programs, by providing 30 days’ written notice to Abra. The Consolidated Supply Amendment is included as Exhibit E to the Franchise Agreement, which is attached as Exhibit E to this disclosure document.

You must modernize your Repair Center on notice from Abra, although Abra cannot require you to do so more than once every ~~five~~5 years. The modernization must conform to the standards that Abra requires at that time for similarly situated new Abra® Repair Centers. Because the scope of modernization may range from simply repainting the Repair Center to completely refurbishing the entire Repair Center, including structural changes, remodeling, redecorating and replacing furniture, fixtures, signs, supplies and office, computer and other Repair Center equipment, Abra estimates that current costs for a modernization project may range between \$5,000 and \$50,000 each time you modernize. Before you modernize your Repair Center, you must submit your modernization plans to Abra for its approval.

You must purchase and maintain at your sole expense the types of insurance with limits and deductibles or self-insured retentions as specified in Section 9 of the Franchise Agreement, or as further described in the Operations Playbook. This is in addition to any other insurance that may be required by applicable law, any lender or lessor. Currently, the types of coverages that you are required to obtain include the following: (1) Commercial Auto (Garage Operations – Other Than Covered Autos, Garage Operations – Covered Autos, Garage Keepers Coverage and Physical Damage Coverage); (2) statutory workers’ compensation (or such other disability benefits type insurance as may be required by statute or rule of the state in which you do business) and employers’ liability insurance; (3) commercial umbrella/excess liability; (4) all risk commercial property insurance with full replacement cost limits; (4) cyber-risk insurance (both first-party and third-party losses); (5) Employment Practices Liability insurance (including third-party discrimination); and (6) any other insurance coverage that is required by federal, state or municipal law. Your insurance policies must name Abra, its affiliates, and any other party designated by Abra as additional insureds, and must provide that your insurance is primary and non-contributory, and that your insurer waives any right of subrogation against Abra and its affiliates. In addition to the preceding

minimum coverage requirements, under the Service Level Agreement, you must, at your sole expense, obtain and maintain the insurance policies and in the amounts stated in the CMIPs in which you participate for claims that may arise from or in connection with your performance of services at your Repair Center under the Service Level Agreement.

The foregoing are only minimum insurance requirements. In general, you may need more insurance depending on your own financial situation, risk tolerances, and local risk issues. Abra does not represent that any required insurance will adequately cover you, and we recommend that you consult with your own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection you need and desire (apart from the coverage required by Abra).

During fiscal year ~~2023~~2024, Abra derived revenue from the sale of products to Abra franchisees of approximately \$~~56,144~~54,904, which was 0.7% of Abra’s total revenues of \$~~8,180,198~~8,380,464 in fiscal year ~~2023~~2024. Abra and its affiliates also received fees or payments from third-party suppliers during fiscal year ~~2023~~2024. These payments were in lump sum or periodic payments. During fiscal year ~~2023~~2024, Abra and its affiliates received purchase discounts and/or volume rebates of approximately \$~~1,659,108~~1,716,455 from suppliers in connection with franchisee purchases from these suppliers.

Abra estimates that the purchase or lease of equipment (including computer hardware and non-proprietary software), signs, fixtures, furnishings, products, supplies and advertising and sales promotion materials (see Item 11 for information on advertising and sales promotion materials) which meet Abra’s specifications and standards will represent approximately 30% to 90% of the cost to establish your Repair Center and approximately 10% to 20% of the cost to operate your Repair Center.

None of our officers currently own an interest in any non-affiliated, third-party suppliers that comprise the existing supply base for the Abra® system. Abra is not currently aware of any purchasing or distribution cooperatives in the Abra® system that offer to you certain products used in your Repair Center. Except as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Repair Center that you currently must buy or lease from us (or our affiliate) or from designated or approved suppliers.

Item 9

FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Sections 1(A), 4(A), and 6(K) of Franchise Agreement, Sections 1-4 of Site Selection Agreement, Section 2 of Conversion Addendum and Sections 3 and 4 of Development Agreement	Item 11

Obligation	Section in Agreement	Item in Disclosure Document
b. Pre-opening purchases/lease	Sections 6(C) and (K), and 8(C) and (D) of Franchise Agreement and Section 3 of Site Selection Agreement	Items 5, 7, and 8
c. Site development and other pre-opening requirements	Sections 4 and 6(K) of Franchise Agreement, Section 4 of Site Selection Agreement and Sections 4 and 5 of Development Agreement	Items 5, 7, 8 and 11
d. Initial and ongoing training	Sections 5(B), (C) and (E), and 6(B) and (L) of Franchise Agreement	Items 5 and 11
e. Opening	Sections 5(B) and (C), 6(H) and (I), 8(C) and 13(A)(1) of Franchise Agreement	Items 5 and 11
f. Fees	Sections 2(B)(5)-(6), 6(M) , 7(A)-(D), 8(A)-(C), and 12(C)(8) of Franchise Agreement, Section 7 of Site Selection Agreement, Section 1 of Conversion Addendum, Section 2 of Development Agreement, Sections 5.1 and 6.0 of Service Level Agreement, Section 1.B. of Total Loss Processing Program Addendum, and Section 1.C. of Call Center Program Addendum	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Section 6 of Franchise Agreement and Sections 5.0 and 9.0 of Service Level Agreement	Items 8, 11 and 16
h. Trademarks and proprietary information	Section 3, 6(G) and 15(B) of Franchise Agreement, Sections 5 and 9(A) of Site Selection Agreement, and Section 12.01 of Service Level Agreement	Items 13 and 14
i. Restrictions on products/services offered	Section 6(C) of Franchise Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 6(O) and (P) of Franchise Agreement and Section 7.0 of Service Level Agreement	None
k. Territorial development and sales quotas	Section 1(B) of Franchise Agreement, Section 1 of Site Selection Agreement and Sections 1-5 of Development Agreement	Item 12
l. Ongoing product/service purchases	Section 6(C) of Franchise Agreement	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 2(B)(3), 4(B) and 6(D) of Franchise Agreement	Items 6 and 11

Obligation	Section in Agreement	Item in Disclosure Document
n. Insurance	Section 9 of Franchise Agreement, Section 10.0 of Service Level Agreement and Section 3 of Security Agreement	Items 6 and 8
o. Advertising	Section 8 of Franchise Agreement	Items 5, 6, 7, 8 and 11
p. Indemnification	Section 10 of Franchise Agreement and Section 11.0 of Service Level Agreement	None
q. Owner's participation/management/staffing	Sections 6(B) and (H) of Franchise Agreement	Items 11 and 15
r. Records/reports	Sections 7(D), (F) and (G) of Franchise Agreement and Section 8.0 of Service Level Agreement	Item 6
s. Inspections/audits	Sections 6(J) and 7(H) of Franchise Agreement and Section 5.3 of Service Level Agreement	Item 6
t. Transfer	Sections 11 and 12 and Exhibit G of Franchise Agreement, Section 10 of Site Selection Agreement, Section 8 of Development Agreement, and Section 2.5 of Service Level Agreement	Items 6 and 17
u. Renewal	Section 2(B) of Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Sections 15 and 16(B) of Franchise Agreement, Section 9 of Site Selection Agreement and Section 7 of Development Agreement	Item 17
w. Non-competition covenants	Section 16 of Franchise Agreement	Item 17
x. Dispute resolution	Sections 17 of Franchise Agreement, Section 9 of Development Agreement, Section 14.0 of Service Level Agreement and Section 9.3 of Security Agreement	Item 17

Item 10

FINANCING

Abra does not offer direct or indirect financing. Abra does not guarantee your note, lease or obligation.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Abra is not required to provide you with any assistance.

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

Pre-opening Assistance. Before you open your Repair Center, Abra or its designee will:

- (1) Grant you rights to establish a specific number of Repair Centers at locations we consent to within the Exclusive Development Territory if you sign a Development Agreement (Development Agreement - Section 1).
- (2) Provide you with a copy of Abra's Site Guidelines (defined below) and assist you in evaluating a site for your Repair Center (Site Selection Agreement - Section 2).
- (3) Review up to ~~four~~4 sites (at no charge) that you have selected as potential sites for the Repair Center. Abra will inspect additional sites for \$150 per site (Site Selection Agreement - Section 2).
- (4) Provide you with specifications for the layout and design of the Repair Center (Franchise Agreement - Section 5(A)).
- (5) Provide the mandatory training program described below (Franchise Agreement - Section 5(B)).
- (6) Furnish you with a copy of, or otherwise make available to you (through Abra's intranet or through some other means of electronic access) the confidential Operations Playbook. You must keep the Operations Playbook and its contents confidential and return (and cease any all access of) it when the Franchise Agreement terminates (Franchise Agreement - Section 5(D)).
- (7) Provide you (through the Operations Playbook or otherwise) with a list of the standard fixtures, equipment, supplies, signs and initial inventory to be used in the Repair Center, as well as a list of approved products (Franchise Agreement - Section 5(A)).
- (8) Provide opening assistance to assist you immediately before and during the initial opening of your Repair Center. Abra is not liable for damages arising out of your failure to open your Repair Center by a particular date (Franchise Agreement - Section 5(C)).

Ongoing Assistance. During the operation of your Repair Center, Abra or its designee will:

- (1) Conduct periodic evaluations of your Repair Center and provide to you written reports to assist you in Repair Center operations (Franchise Agreement - Section 5(E)).

- (2) Provide, at your written request, advisory services relating to Repair Center operations (Franchise Agreement - Section 5(E)).
- (3) Periodically make available all changes and additions to the Business System generally made available to all franchisees (Franchise Agreement - Section 5(E)).
- (4) Periodically furnish you with (or allow you electronic access to) updated and revised material for the confidential Operations Playbook (Franchise Agreement - Section 5(E)).
- (5) Provide, in some cases for a fee, additional training programs and materials as Abra considers appropriate (Franchise Agreement - Section 5(E)).
- (6) In Abra's judgment, provide you with access to certain portions of Abra's intranet or other similar communications media that may be used by Abra in the future, and provide you with an Abra® network email address.
- (7) Assist with submitting applications on behalf of a pre-certified Repair Center for participation in CMIPs, DRPs or PBAs (Franchise Agreement - Section 6(Q)).

Marketing Programs. Abra establishes and conducts various marketing programs as follows.

Abra has the right to require you to contribute a maximum of 1% of your Gross Sales as a "National Brand Fund Fee" to the Abra® National Brand Fund. Franchised Repair Centers currently are required to contribute 0.7% of Gross Sales to the National Brand Fund. Abra may use amounts from the National Brand Fund for, among other things: (1) broadcast or print advertising; (2) the creation, development and production of advertising and promotional materials, including ad slicks, commercials, videotapes, digital monitor marketing, on-hold messaging, direct mail pieces and other print advertising; (3) market research or other brand-related research and development; (4) product research and development; (5) services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies; (6) customer loyalty and incentive programs, sponsorships, marketing meetings and sales incentives; (7) development and maintenance of the external Abra website, the Abra intranet, establishment of a national or regional toll-free number, and the costs of utilizing future communications media platforms or technologies for the promotion of the Abra brand, the Marks or for communications with customers; (8) web-based advertising, including search engine optimization, social media, and related costs; (9) management and administration of CMIPs and similar programs with other third parties, including costs incurred in contract negotiation and administration; (10) the operation of Abra's Customer Care Center and Abra's National Audit program, which helps to confirm compliance with Abra's insurance partner profiles; (11) administrative costs, salaries and benefits for marketing support personnel; and (12) other expenses relating to the general promotion or maintenance of the Marks or Abra's brand image. No amount of the National Brand Fund will be used on advertising the principal purpose of which is to solicit new franchise sales. Abra may, however, use money contributed to the National Brand Fund for materials that include the phrase "Franchises Available" or comparable language, and Abra may include franchise-related content on websites that it establishes or maintains.

Each Abra franchisee must pay the National Brand Fund Fee. All Abra franchisees will contribute the same percentage of Gross Sales as National Brand Fund Fees. In addition, company-owned Repair Centers, if any, must also pay the National Brand Fund Fee on the same basis as other franchisees. Abra administers the National Brand Fund and provides you (upon request) with an annual unaudited statement of the receipts and disbursements of the National Brand Fund. The National Brand Fund is not a trust or

escrow account, and Abra has no fiduciary obligations regarding the National Brand Fund. Abra is not obligated to spend any amount on advertising in the area or territory where you are located.

During our fiscal year ended December ~~3028~~, ~~2023~~2024, National Brand Fund Fees were expended as follows: approximately ~~59~~69.1% was spent on administrative expenses (including salaries and other compensation and benefits for individuals involved in national sales and marketing, general office expenses, travel and entertainment expenses, telecommunications, and information technology); approximately ~~17~~10.5% was spent on the National Audit program; approximately ~~23~~16.7% was spent on advertising production and promotional events; and approximately ~~4~~3.7% was spent on other items (including training, professional expenses, and other operating expenses). National Brand Fund Fees not spent in any fiscal year will be carried over for future use or used to repay any amounts previously loaned by us to the National Brand Fund.

You must also pay an “Opening Promotion Fee” of \$5,000 to Abra when you sign the Franchise Agreement. Abra administers the use of the Opening Promotion Fee. Currently, Abra uses the Opening Promotion Fee to reimburse up to \$5,000 for expenditures that you make on approved marketing and promotional activities in connection with the opening of your Repair Center, if the expenditures are made within 12 months of the Repair Center opening. You must provide Abra with documentation of the expenditures according to Abra’s reasonable reimbursement policies and procedures. If you do not make these expenditures, Abra may spend any unreimbursed amounts on marketing activities that Abra considers appropriate, contribute the amounts to the National Brand Fund, or retain the amounts in Abra’s general funds. Abra will use your Opening Promotion Fee only for the promotion of your Repair Center, except as provided in the preceding sentence. Abra does not receive an administrative fee to cover related marketing and administrative expenses from the Opening Promotion Fee.

In addition, prior to opening the Repair Center, you must purchase the POP Materials from Abra’s approved supplier.

You may develop advertisement materials for your own use, at your own cost, if your materials are factually correct and accurately depict the Marks. If you develop advertising materials, you must provide a copy of the materials to Abra for its review and approval (in writing) before you use the advertising materials.

Abra has the right to require that you participate in, and contribute a maximum of 3% of Gross Sales as a “Regional/Local Marketing Fee” to, a regional/local marketing program established by Abra in the Designated Market Area (the “DMA”) where your Repair Center is located. Abra will be responsible for administering the regional/local marketing program according to its judgment, although Abra will have no fiduciary obligations with respect to the program. In administering the program, Abra may consult with participating Repair Centers periodically. As requested by participating Repair Centers, Abra will prepare and make available annual or periodic financial statements for the regional/local marketing program. Abra may adopt formal rules governing its regional/local marketing activities. Abra also reserves the right to dissolve or otherwise modify its existing regional/local marketing program, including the right to establish advertising cooperatives. Currently, Abra does not plan to use any portion of Regional/Local Marketing Fees to sell additional franchises. Regional/Local Marketing Fees not spent in any fiscal year will be carried over for future use.

Except in years when Fees remain unchanged, Abra will advise you each year what amount you will be required to contribute as a National Brand Fund Fee and as a Regional/Local Marketing Fee. Other than the programs described above, Abra is not obligated to conduct any additional advertising, marketing or promotion.

As of the date of this disclosure document, there is no advertising council for the franchise system. Abra has the power, however, to form, change or dissolve any advertising council. In addition, any advertising council that Abra forms will serve in only an advisory capacity.

We have the right to require you, at your expense, to participate in an Abra website or other online communication systems. You may not create and maintain your own website(s) for the Repair Center. We may create and maintain a webpage for the Repair Center on the Abra website to ensure it is consistent with our standards, as we may modify them periodically. We have the right to determine the content and use of any websites or other online communication systems and will establish the rules under which franchisees will participate. If we include information about the Repair Center on the Abra website, you must give us the information and materials that we periodically request concerning the Repair Center. We retain all rights relating to any website or other online communication systems (including the domain name or URL for the Abra website, the log of “hits” by visitors, and any data and other personal or business data that visitors (including you) supply) and may alter or terminate the site or systems. Your general conduct on any website or other online communication systems, and specifically your use of the Marks, domain names or any advertising, is subject to the provisions of the Franchise Agreement. All content you post on local sites relating to your Repair Center or the franchised business must be approved in advance by us. Certain information obtained through your participation in the website or other online communication systems may be considered confidential information, including access codes and identification codes. Your right to participate in any website or other online communication systems (including our intranet, if any) or to otherwise use the Marks or Business System on the Internet terminates when the Franchise Agreement expires or terminates. We reserve all rights to online listings. You must cooperate in any of our attempts to gain access to and control of directory listings for the purposes of maintaining a competitive search engine ranking, through consistent representation of the business name and information.

Network Computer System. You must install a network-based computer system (the “Network Computer System”) meeting Abra’s operational standards and reporting requirements. The details of these standards and requirements will be described in the Operations Playbook or otherwise in writing and may be modified in response to changes in marketing conditions, business operating needs or technology. Abra estimates that a new franchisee will spend between approximately \$14,400 to \$21,600 for all the components of a new Network Computer System, including hardware and software, but excluding ongoing maintenance costs.

You must install and maintain computer hardware sufficient to maintain a network of workstations, each of which must have the ability to run the latest versions of Abra’s designated software programs. The Network Computer System must also include all of the hardware necessary to support various functionalities that Abra may require, each of which must meet Abra’s current specifications and requirements. You must also maintain high speed Internet access for the Network Computer System in the manner that Abra specifies.

The Network Computer System must run each of the software programs that Abra requires, including the CCC System described in Item 8 of this disclosure document. Required software may include: the collision repair and auto glass estimating, reporting and management software programs described in Item 8 of this disclosure document; imaging software; paint mixing software; proprietary data communications software (from estimating system companies); accounting software; credit card processing software; remote access software; email support software; general office software (including word processing, spreadsheet, database and other programs); operating systems (including network operating systems); anti-virus software; backup software and other software programs, all of which must meet Abra’s current specifications and requirements.

You must purchase quality computer hardware and software from reliable sources and ensure that the software vendors' hardware configuration requirements are met or exceeded. Hardware and software company contact information is available from Abra upon request. Buying unapproved hardware may result in workflow interruptions and additional costs to you. You are solely responsible for the appropriate purchase, installation and configuration of all computer hardware and software and for ensuring that your Network Computer System is continuously operational.

Before purchasing collision repair estimating systems and digital imaging systems, you should ensure that the systems that you plan to purchase comply with the DRP requirements of the various insurance company partners, both current and future, with whom you intend to do business.

You are contractually required to make periodic upgrades and updates to the Network Computer System hardware and software. There are no contractual limitations on the frequency and cost of this requirement. (Franchise Agreement - Section 6(L))

The approximate costs of software subscription and maintenance contracts and Internet access for your Network Computer System will range from \$1,155 to \$1,990 per month, as follows:

CCC System	\$1,045 - \$1,545
Glass Replacement System	\$70 - \$120*
Internet Access	\$40 - \$325
TOTAL	\$1,155 - \$1,990

*This range does not include EDI transaction charges, which range from \$0.40 to \$2.50 (or more) per electronic transaction, depending upon your glass software provider, your volume of transactions and the arrangement you negotiate.

Computer and network replacement parts are an additional expense. Although independent hardware and software support providers are recommended, Abra may be available to provide some types of support at an estimated rate of up to \$150 per hour.

Abra has the right to (and currently does) remotely access the operational and financial data stored in your Network Computer System, including Customer Data (defined in Item 14). You must cooperate with Abra to allow such access by, among other things, configuring and maintaining your Network Computer System to allow inbound traffic for Abra to retrieve data. We and our affiliates may use this information and data, together with any records and reports that you are required to provide to us under the Franchise Agreement, for any purpose and in any form as we and they periodically determine, including to conduct marketing and cross-promotional campaigns and to compile on an aggregated basis statistical and performance information relating to our (or our affiliates') services and products, Abra® Repair Centers, and/or other automotive businesses franchised and owned by us and our affiliates. You must ensure that the Network Computer System is continuously operational. (Franchise Agreement - Section 6(L))

Site Selection. If you already have a potential site for an Abra® Repair Center, you may propose the location to Abra. We may consent to the site after we have independently reviewed it. If you do not have a proposed site, you and Abra will enter into a Site Selection Agreement under which you agree to locate a proposed site for your Repair Center, and Abra agrees to provide you certain assistance in locating the site. (Site Selection Agreement - Section 1) Under the Site Selection Agreement, Abra will furnish you with a copy of our Site Selection Guidelines (the "Site Guidelines"). Abra will also consult with you in the selection of a site for your Repair Center and will, at no charge to you, review up to ~~four~~4 sites selected by you as potential sites for your Repair Center. Abra will charge \$150 for each additional site

you request us to review. (Site Selection Agreement - Section 2) You are solely responsible, however, for locating and obtaining a site which meets Abra's standards and criteria and that is acceptable to Abra. You are also responsible for determining that the proposed site meets all zoning and other applicable government requirements, and that you have obtained all required government permits.

Abra must consent to the proposed site for your Repair Center. The general site selection and evaluation criteria which you should consider (and which Abra will consider in determining whether to consent to your site) include traffic patterns, parking, layout of the facility, population of the surrounding area, size and rental cost of property and other, similar factors. Abra's evaluation or review of a site for the Repair Center does not constitute a recommendation or guarantee as to the success of the site. If you have not leased or purchased a site acceptable to Abra within ~~six~~⁶ months of signing the Site Selection Agreement, Abra may terminate the Site Selection Agreement and the Franchise Agreement and Abra may retain the \$10,000 deposit paid by you under the Site Selection Agreement.

If you enter into a Development Agreement, Abra and you will have agreed to an Exclusive Development Territory in which additional Repair Centers may be opened. Abra will evaluate a location and enter into a Site Selection Agreement or a Franchise Agreement for an additional Repair Center if, at the time of your request: (i) you have paid all amounts due and owing to Abra and are in good standing under all outstanding franchise agreements relating to the Exclusive Development Territory; (ii) you are not in default under the Development Agreement; and (iii) the proposed site for the Repair Center is within the Exclusive Development Territory, and Abra consents to the site after evaluating the criteria described above.

Development Time. The typical length of time between Abra's acceptance of the Site Selection Agreement and the opening of your business varies from ~~six~~⁶ to 12 months. This period can be longer or shorter depending on the time of year, availability of financing, local construction delays, how soon you can attend training or other factors.

Training. We will be offering a training program for new franchises granted and for transferees of existing Abra® Repair Centers, as necessary. We will provide such training to you and certain of your managers (i.e., general manager, customer service manager, customer service representative, and pre-op manager) via an on-site or online training program within approximately 10 weeks after the effective date of the Franchise Agreement. (Franchise Agreement - Section 5(B)) You and the managers we designate must successfully complete certain of these training courses prior to opening your Repair Center or shortly after opening. We will provide you with the program along with a timeline for on-site and remote training. We expect the classroom training to be approximately ~~two~~² to ~~three~~³ days in length for each manager and the on-the-job training to be another ~~one~~¹ to ~~two~~² days, although the length of time may vary depending upon the experience of the franchisee. ~~As a new franchisor, we~~^{We} plan to be flexible in scheduling training to accommodate our and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. You are responsible for travel costs, room and board, salaries, fringe benefits and other expenses you and your personal incur in attending the training courses.

The following chart describes our current initial training program, which we may modify for the particular trainees:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training⁽¹⁾	Column 3 Hours of On-the-Job Training⁽²⁾	Column 4 Location
General Manager Training (including ABRA Op-Ex, CCC One Management system, etc.)	17 hours	11 hours	Your Repair Center and Online
Totals	17 hours	11 hours	

Column 1 Subject	Column 2 Hours of Classroom Training⁽¹⁾	Column 3 Hours of On-the-Job Training⁽²⁾	Column 4 Location
Customer Service Manager Training (including CCC One Management System, Image Publisher, etc.)	16 hours	10 hours	Your Repair Center and Online
Totals	16 hours	10 hours	

Column 1 Subject	Column 2 Hours of Classroom Training⁽¹⁾	Column 3 Hours of On-the-Job Training⁽²⁾	Column 4 Location
Customer Service Representative Training (including Call Center, Sales Process, Check-In, etc.)	13 hours	7 hours	Your Repair Center and Online
Totals	13 hours	7 hours	

Column 1 Subject	Column 2 Hours of Classroom Training⁽¹⁾	Column 3 Hours of On-the-Job Training⁽²⁾	Column 4 Location
Pre-Op Manager Training (including Workflow Process, CCC One Management System, Parts Procurement, etc.)	16 hours	10 hours	Your Repair Center and Online
Totals	16 hours	10 hours	

Footnotes:

- (1) We provide most, if not all, of the “Classroom Training” listed in the above tables through online instructional modules contained in our “Learning Management System” or “LMS.” The instructional modules cover a variety of operational topics, all of which are available to franchisees on an ongoing basis through the LMS.
- (2) Much of the “On-the-Job Training” listed in the above table consists of a trainee’s completion of “demonstration checklists,” in which the trainee completes a series of tasks at the Repair Center

premises in the presence of a trainer or supervisor, to demonstrate the trainee's knowledge of a given subject.

The training materials will include all parts of the Operations Playbook, the ABRA Team Member Handbook, Manager's Safety Manual and various other written materials. The precise timing depends on the time it takes you to locate an approved site and sign an approved lease (if applicable); the training program schedule; obtaining financing and insurance; and installation of the required business management system. Jenna Smathers oversees all training programs and materials. She has been our North American Education and Training Manager since January 2017 and has more than ~~14~~15 years of training experience. Other Abra employees who have experience and expertise in the subjects to be taught may participate in training, as we consider appropriate.

We also will periodically provide additional training programs (*e.g.*, Bumper Repair Training Session) when we consider it beneficial to franchisees. Although we expect many of these programs to be optional for franchisees, we may require that you and your Repair Center manager attend, at a minimum: (i) the annual ABRA convention (at a location we determine); and (ii) up to one mandatory additional training program per year, which we may designate (conducted at the local, regional or national level). You will be required to pay our then-current fees (if any) for attending any mandatory conventions, refresher training or seminars. If you own and operate more than ~~one~~1 Abra® Repair Center: (a) you may send one representative to the national convention to represent all of the Abra® Repair Centers that you own and operate; (b) if you send at least ~~one~~1 representative to the national convention, you will pay us our then-current registration fee (if applicable) for each of your attendees; and (c) if you fail to send a representative to the national convention, you will pay us our then-current registration fee (if applicable) for each of your Abra® Repair Centers. You are also required to pay all travel and living expenses, salaries and fringe benefits and any other related costs incurred by your attendees in connection with attendance at such conventions, refresher training and seminars and any mandatory training programs and, for any training program conducted at your Abra® Repair Center, the travel and living expenses that our representatives incur while conducting the training. The fees associated with these conventions, seminars and training programs will vary according to such factors as program content and length, required materials and location.

If you receive a default notice under the Franchise Agreement and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you and/or your Repair Center manager(s) re-attend and successfully complete any of the training programs or courses described above at your expense (including payment of our then-current training fees).

Operations Playbook. Included in this disclosure document as Exhibit C is the table of contents for Abra's confidential Operations Playbook. As of the date of this disclosure document, the Operations Playbook consists of ~~144~~110 total pages. Each section of the Operations Playbook will generally be provided as a separate electronic page, or series of pages, that may vary in size and number depending on the settings you select on your computer.

Item 12

TERRITORY

You will receive a "Protected Area" surrounding the location of the Repair Center. Abra will not establish another franchised or company-owned Abra® Repair Center in your Protected Area. The Protected Area will be a ~~one-mile~~1-mile radius surrounding the Repair Center site. Abra and its affiliates have the right to issue competing franchises or to directly or indirectly develop and operate competing company-owned and affiliate-owned businesses under trademarks and service marks other than the Marks

at any locations, as determined by Abra or any of its affiliates, inside or outside of your Protected Area. Further, Abra and its affiliates have the right both within and outside your Protected Area to distribute products or services through alternative channels of distribution (including the Internet or any other existing or future form of electronic commerce) under the Marks, or under any other trademarks, service marks, trade names and commercial symbols.

Abra also has the right to put some limitations on national or market-wide DRPs that Abra may develop for the Abra® system. A national or market-wide DRP is a repair program designed to meet the needs of customers that have locations close to more than ~~one~~ 1 Abra® Repair Center. For example, Abra may develop DRPs designed to meet the needs of insurance companies. You do not need to achieve a certain sales volume or market penetration to retain the Protected Area under the Franchise Agreement. You may relocate the Repair Center only with Abra's written consent, which Abra will not unreasonably withhold.

If you enter into a Development Agreement, you will receive an "Exclusive Development Territory" under which you will have certain exclusive rights to develop more than ~~one~~ 1 Repair Center. The Exclusive Development Territory is not necessarily the same area as your Protected Area under the Franchise Agreement. The Exclusive Development Territory will vary in size, depending on the number of Repair Centers you intend to open, the population density and the demographics in the area in which you desire to operate. Abra will not establish another franchised or company-owned Abra® Repair Center in the Exclusive Development Territory so long as you meet the minimum development schedule and comply with all other provisions described in the Development Agreement and you otherwise comply with the provisions of each related Franchise Agreement. As described above, however, Abra has certain limited rights under the Franchise Agreement to distribute products using the Marks, including the "ABRA" service mark or other trademarks in the Exclusive Development Territory.

You may advertise outside your Protected Area and may serve customers from outside your Protected Area. Likewise, Abra, its affiliates, and other Abra® franchisees may advertise within your Protected Area and may serve customers who reside within your Protected Area without compensation to you.

Abra generally will not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular area. Because of the rights we reserve in your Protected Area, you will not receive an exclusive territory for your franchise. You may face competition from other franchisees, from repair centers that we own, or from other channels of distribution or competitive brands that we control.

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

Item 13

TRADEMARKS

Abra grants you the license to operate a Repair Center under the Marks, including the federally registered “ABRA” service mark. You do not receive any rights under any Development Agreement to use the Marks. Those rights are granted under the Franchise Agreement. As noted in Item 1, we became the owner of these Marks in October 2019.

The following schedule lists only the principal Marks that you are licensed to use. We or Our Predecessor or its affiliates have filed all required affidavits and renewals.

Trademark, Service Mark or Design	U.S. Reg. or App. Ser. No.	Principal/ Supplemental Register	Date of Registration/ Application	Status
ABRA	2,677,946	Principal	1/21/2003; renewed 8/10/2023	Registered
	5,482,722	Principal	5/29/2018	Registered
ABRA AUTO BODY REPAIR OF AMERICA	5,729,136	Principal	4/16/2019	Registered
RIGHT THE FIRST TIME, ON TIME.	4,108,932	Principal	3/6/2012; renewed 8/10/2023	Registered
	98332085 7,619,763	Principal	12/27/2023 12/24/2024	Application Pending Registered

~~Abra does not have a federal registration for the last Mark in the table above (App. Ser. No. 98332085). Therefore, that Mark does not have as many legal benefits and rights as a federally registered trademark. If Abra’s right to use this Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.~~

Your use of the Marks and any goodwill is to Abra’s exclusive benefit and you retain no rights in the Marks. You retain no rights in the Marks when the Franchise Agreement expires. You may make changes or substitutions to the use of the Marks only if Abra directs you to do so.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, any state trademark administrator, or any court, and no pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks. There are currently no agreements in effect that significantly limit Abra’s rights to use or license the use of any Marks in any manner material to the franchise. Abra is unaware of any superior rights or infringing uses which could materially affect your use of the Marks.

Federal trademark registration gives Abra certain rights in certain geographic areas to the use of the mark “ABRA,” dating back to the date of application, May 8, 1985, as against any subsequent user or applicant

in Abra's class (i.e., auto body repair, maintenance, refinishing and painting services). Abra may not have the ability, however, to inhibit the use of any similar service mark or trademark first used by another prior to May 8, 1985. If others have established rights to the "ABRA" service mark in certain geographic areas, Abra may be restricted in its ability to use the Marks in those areas.

Abra is not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. Abra reserves the right to control any trademark litigation and will take the action Abra believes appropriate if a third party infringes the Marks. You must notify Abra promptly if you become aware of any infringement or unauthorized use of the Marks and cooperate with any action that Abra takes. If any party claims that its rights to use any of the Marks are superior and Abra confirms that claim, you must, at your expense, immediately make the changes and use the substitutions to the Marks as Abra requires.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered which are material to the "Abra" franchise offered, although Abra does claim copyright protection for the Franchise Agreement, the Operations Playbook (and any other intranet content, as applicable), the Site Guidelines and various sales promotional and other materials periodically published.

Abra does not contract with individual franchisees to protect the copyrights, to protect individual franchisees against infringement or unfair competition claims arising out of the franchisee's use of the copyrights, or to participate in the franchisee's defense or indemnify the franchisee. Abra reserves the right to control any copyright litigation and will be the sole judge as to whether any suit will be brought or settled when any person or entity infringes Abra's copyrights.

You must keep confidential during and after the term of the Franchise Agreement all information, knowledge and know-how, including the Site Guidelines, the Operations Playbook (and the intranet), any other manuals created for use in the operation of the Repair Center, methods, supplier lists, procedures, specifications, techniques, computer programs, and other data and information generated by, or used or developed in, operating the Repair Center, including Customer Data, and any other information contained periodically in the Network Computer System or that visitors (including you) provide to the Abra website. You must not duplicate or provide any of this information to any party other than, during the term of the Franchise Agreement, those of your employees who need to know that information. When the Franchise Agreement terminates, you must return to Abra all hard copies of the Operations Playbook (if any), the Site Guidelines and all other material Abra has created and provided to you, and discontinue access to Abra's intranet.

You must comply with our standards, our other directions, all applicable Payment Card Industry ("PCI") data security standards, and all applicable laws and regulations in connection with the Repair Center and any Customer Data stored on the Network Computer System. You also must employ reasonable means to safeguard the confidentiality and security of Customer Data. "Customer Data" means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to the Repair Center's customers and prospective customers. You must comply with all laws and regulations related to privacy and data protection and breach response policies Abra may periodically establish. You must notify us immediately after becoming aware of any actual or suspected breach involving Customer Data (a "Data Security Incident") at or in connection with the Repair Center. You must comply with our instructions in responding to any Data Security Incident. We (and our designated

affiliates) have the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at your expense.

During and after the Franchise Agreement's term, we and our affiliates may make all disclosures and use the Customer Data in our and their business activities and in any manner that we or they consider necessary or appropriate. You must secure from your vendors, customers, prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Data to us and our affiliates and for us and our affiliates to use that Customer Data in the manner that the Franchise Agreement contemplates.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must personally manage and operate the Repair Center unless you receive Abra's prior written consent to delegate your authority to a Repair Center Manager. Abra recommends, but does not require, that the Repair Center Manager own an interest in the franchisee entity. You and your Repair Center Manager (if you have one) must attend and complete the training courses described in Item 11.

Each person or entity owning a 10% or greater interest (direct or indirect) in the franchisee entity is considered a principal owner and must sign the Personal Guaranty attached to the Franchise Agreement. These people and entities agree to discharge all obligations of the franchisee under the Franchise Agreement and are bound by all its provisions, including maintaining the confidentiality of proprietary information described in Item 14 and complying with the noncompete covenants described in Item 17.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services that Abra has approved. You also must offer all goods and services that Abra designates as required for all franchisees. Abra may, in its judgment, add new goods and services, based upon its evaluation of various factors, including customer demand, the geographic location of your Repair Center and any other factor which Abra considers important to the operation of your Repair Center. Abra's right to modify the approved list of goods and services to be offered at an Abra® Repair Center is unlimited.

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

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of franchise term	Section 2(A) of Franchise Agreement, Section 6 of Development Agreement, and Section 2.1 of Service Level Agreement	Franchise Agreement: 10 years. Development Agreement: Will vary from one ¹ to five ⁵ years, depending on the development schedule agreed to by the parties. Service Level Agreement: The term expires, unless earlier terminated, on the date on which all of the master service agreements between us and/or our affiliates and our various insurance carrier customers expire or are terminated.
b. Renewal or extension of the term	Section 2(B) of Franchise Agreement	If you are in good standing, you can renew the Franchise Agreement for one additional 10-year term.
c. Requirements for you to renew or extend	Section 2(B) of Franchise Agreement	Provide advance notice, be in compliance with your Franchise Agreement, remodel Repair Center premises, meet then-current qualification and training requirements, pay renewal fee, sign new agreement, which may contain materially different terms and conditions than your original Franchise Agreement (except that you will pay a Renewal Fee in lieu of an Initial Franchise Fee, and your Continuing Fee under the renewal agreement will be the same as under the Franchise Agreement that is scheduled to expire), and secure extension of lease.
d. Termination by you	Section 14 of Franchise Agreement, Section 8(B) of Site Selection Agreement and Section 7(A) of Development Agreement	Franchise Agreement: If you are complying with the Franchise Agreement, you may terminate the Franchise Agreement upon Abra's failure to cure a material default within 30 days of receiving written notice of the default. Site Selection Agreement: You may terminate the Site Selection Agreement for any reason (upon written notice to Abra) at any time before you sign a lease or purchase agreement for the Repair Center site.

Provision	Section in franchise or other agreement	Summary
		Development Agreement: With or without cause upon written notice to Abra.
e. Termination by Abra without cause	Not applicable to Franchise Agreement and Development Agreement Section 8(C) of Site Selection Agreement	During first six <u>6</u> months, Abra may terminate the Site Selection Agreement at any time prior to your execution of lease or site purchase agreement. If you have not entered into acceptable lease or site purchase agreement by the end of the first six <u>6</u> months, Abra may terminate the Agreement at any time.
f. Termination by Abra with cause	Sections 13(A) and (B) of Franchise Agreement, Sections 7(A) and (B) of Development Agreement, Sections 2.3 – 2.6 of Service Level Agreement, and Section 7 of Security Agreement	Abra can terminate the Franchise Agreement, the Development Agreement, or the Service Level Agreement, as applicable, only if you default. If you default under the Security Agreement, we have all rights, options and remedies available to us under the Uniform Commercial Code (as adopted under applicable state law), as well as any other rights, options and remedies available at law or in equity, and have the right to seek the appointment of a receiver over you, your business, and/or its assets.
g. “Cause” defined – curable defaults	Sections 13(A) and (B) of Franchise Agreement, Sections 7(A) and (B) of Development Agreement, Section 2.3 of Service Level Agreement, Section 6 of Security Agreement	Franchise Agreement: You have 30 days from date of notice of breach to cure: the failure to open the Repair Center within nine <u>9</u> months after you sign the Franchise Agreement, a violation of any material provision of the Franchise Agreement (including failure to abide by Abra’s standards and requirements in operating the Repair Center, or non-payment of amounts owed to Abra), an assignment of assets to creditors, and the expiration or termination of the Repair Center’s lease. Development Agreement: 30 days from date of notice of breach to cure the failure to meet the minimum development schedule, and your violation of any material provision of the Development Agreement, any franchise agreement or site selection agreement. Service Level Agreement: If you fail to perform any obligation under the Service Level Agreement other than those mentioned in (h.) below, and fail to cure the default within 30 days after written notice from us, we will have the right to terminate the Service Level Agreement

Provision	Section in franchise or other agreement	Summary
		<p>or remove you from one or more insurance programs.</p> <p>Security Agreement: We have the right to terminate the Security Agreement if you fail to perform or observe the terms of the Security Agreement and do not cure the default within 30 days after written notice from us.</p>
<p>h. “Cause” defined – non-curable</p>	<p>Sections 13(A) and (B) of Franchise Agreement, Sections 7(A) and (B) of Development Agreement, Sections 2.4 and 2.5 of Service Level Agreement, and Section 6 of Security Agreement</p>	<p>Franchise Agreement: Repeated defaults even if cured, defaults which by their nature cannot be cured, repeated deception of Repair Center customers, conviction of felony or violation of a statute which harms the Repair Center’s reputation, insolvency, abandonment of the Repair Center, failure to comply with the requirements of any CMIP, defaults which impair the goodwill associated with the Marks and intentionally falsifying any information provided to Abra.</p> <p>Development Agreement: Bankruptcy, insolvency, conviction of an offense related to your operation of the Repair Center, any attempt to subfranchise, repeated defaults even if cured, and any breach which, due to its nature, cannot be cured.</p> <p>Service Level Agreement: Non-curable defaults include committing fraud of any kind; ceasing business; failure to comply with the carrier requirements or our requirements; lapse or revocation of any required license, permit, or certificate; bankruptcy or similar proceeding; default under and/or termination of any of your franchise agreements; or unauthorized transfer. With respect to the preceding non-curable defaults, except an unauthorized transfer, in lieu of termination, we may suspend the Service Level Agreement.</p> <p>Security Agreement: Non-curable defaults include failure to completely and timely meet your payment obligations under the Franchise Agreement, materially incorrect or misleading representations in Security Agreement, financial statement or other document, notice of bulk sale of your Repair Center’s assets, bankruptcy-related events, challenge validity or enforceability of Security Agreement or the</p>

Provision	Section in franchise or other agreement	Summary
		perfection or priority of lien granted to us, and material adverse change in your financial condition or ability to make payments under the Franchise Agreement.
i. Your obligations on termination/non-renewal	Sections 15(A) and (B) of the Franchise Agreement, Section 9(A) of Site Selection Agreement and Section 7(C) of Development Agreement	<p>Franchise Agreement: Pay all amounts due, cease use of Marks and proprietary and promotional materials furnished by Abra, return manuals, software, and other materials to Abra, assign telephone numbers to Abra, cease holding yourself out as an Abra franchisee, comply with confidentiality, noncompetition, and other post-term obligations, assign remaining leasehold interest to Abra or its designee, discontinue use of Business System, redecorate the Repair Center premises, remove franchise signs and fixtures (also see r. below).</p> <p>Site Selection Agreement: Return Site Guidelines to Abra and refrain from divulging any information you received from Abra.</p> <p>Development Agreement: All of your rights will revert to Abra.</p>
j. Assignment of contract by Abra	Section 12(A) of Franchise Agreement and Section 10(B) of Site Selection Agreement	Abra can assign and transfer the Franchise Agreement, including any pledge or grant of security interest. Assignee must fulfill Abra's Franchise Agreement and Site Selection Agreement obligations.
k. "Transfer" by you - definition	Sections 12(B) and (C) of Franchise Agreement, Section 10(A) of Site Selection Agreement, Section 8 of Development Agreement, and Section 2.5 of Service Level Agreement	<p>Franchise Agreement: Includes any transfer of your business, the Repair Center, substantially all of the assets of your business, the Franchise Agreement, or any controlling interest in you.</p> <p>Site Selection Agreement: Includes any transfer of your interest in the Site Selection Agreement.</p> <p>Development Agreement: Includes any attempt to sell, pledge or transfer your interest in the Development Agreement.</p> <p>Service Level Agreement: Sale of all or substantially all of the assets of the Repair Center or your assets; merger or any other business combination of you and another person or entity; or any investment in you by a competitor of ours or one of our affiliates.</p>

Provision	Section in franchise or other agreement	Summary
<p>l. Abra’s approval of transfer by franchisee</p>	<p>Section 12(C) of Franchise Agreement, Section 8 of Development Agreement, and Section 2.5 of Service Level Agreement</p>	<p>Abra has the right to approve all transfers of the Franchise Agreement and the Development Agreement, but will not unreasonably withhold approval.</p> <p>Under the Franchise Agreement, Abra will not consent to a transfer to a transferee if the transferee (or any of the transferee’s direct or indirect owners or affiliates) operates, has a direct or indirect ownership interest in, or performs services for a Competitive Business (defined in q. below). If you terminate or attempt to terminate the Franchise Agreement to engage in a transfer that violates the preceding sentence, Abra will be entitled to injunctive relief prohibiting the transfer, which transfer will be void.</p> <p>Under the Service Level Agreement, you must obtain our prior written consent with respect to transfers.</p>
<p>m. Conditions for Abra’s approval of transfer</p>	<p>Sections 12(B) and (C) of Franchise Agreement and Section 8 of Development Agreement</p>	<p>Transfer of Franchise Agreement to corporation or other entity you own or control: You and each person or entity owning a 10% or greater interest (direct or indirect) in the corporation or entity sign a Personal Guaranty, you provide proof that corporation or entity can financially perform the Franchise Agreement and give Abra 15 days’ written notice.</p> <p>Other transfers of Franchise Agreement: you must provide any prospective party to a transfer a copy of the Franchise Agreement before entering into any negotiations relating to the transfer, new franchisee must have similar qualifications to you, must qualify and complete training, new franchisee must not be involved in a competitive business, you must pay transfer fee, you must pay all amounts owed to Abra and be in good standing, new franchisee assumes existing Franchise Agreement or (at Abra’s option) signs then-current franchise agreement, and you must sign a general release (if state law allows) and agree to observe all post-termination obligations under Franchise Agreement (also see r. below). The transfer must occur through the use of an escrow or closing attorney, and the escrow or closing instructions will provide for payment of all fees to Abra and a “hold back” of 2% of your annual Gross Sales for a period not</p>

Provision	Section in franchise or other agreement	Summary
		<p>to exceed 24 months to provide for correction of defects in your workmanship or for payment to the transferee of warranted or guaranteed work you performed.</p> <p>Transfer of Development Agreement: New franchisee must qualify and complete training, new franchisee must not be involved in a competitive business, you must pay transfer fee, you must pay all amounts owed to Abra and be in good standing, and you must assign all interest in all franchise agreements to new franchisee.</p>
n. Abra’s right of first refusal to acquire your business	Section 11 of Franchise Agreement	You may not transfer your business, the Repair Center, the material assets of your business, or the Franchise Agreement to any third party without first offering the same to Abra in writing at the same price and on the same terms as stated in the proposed third-party offer. Abra may accept the offer within 90 days after receipt of all required information. Abra may assign its right of first refusal.
o. Abra’s option to purchase your business	Section 15(C) of Franchise Agreement	Abra has the option, exercisable within 90 days after your Franchise Agreement terminates or expires, to inform you that it intends to purchase (or designate a third party that will purchase) all or part of the Repair Center assets (including any leasehold or real property interest) at fair market value, excluding goodwill. If the parties are unable to agree on the fair market value, the purchase price will be determined by an independent appraiser selected by Abra. Abra may assign its purchase option.
p. Your death or disability	Sections 11(B) and 12(C) and (D) of Franchise Agreement	Your representative must, within 90 days, transfer your interest in the business to a third party approved by Abra. If assignee is your spouse or child, no transfer fee is required. If you are a corporation or other entity, your owners can transfer their ownership interests in you, upon death or permanent disability, to your other owners without offering Abra a right of first refusal.
q. Non-competition covenants during the term of the franchise	Section 16(A) of Franchise Agreement	You cannot divert any business or customers to one of Abra’s competitors, harm the Marks, or be directly or indirectly involved in any other business that offers auto body repair and refinishing services (a “Competitive Business”),

Provision	Section in franchise or other agreement	Summary
		except that the following will not be considered a Competitive Business: (a) a business you conduct under a franchise granted by Abra to you; or (b) any other automotive business franchised by Driven Brands Holdings or its subsidiaries.
r. Non-competition covenants after the franchise is terminated or expires	Section 16(B) of Franchise Agreement	You cannot, for one year following termination or expiration, divert any business or customers to one of Abra’s competitors, harm the Marks, or be involved in any Competitive Business at your location or within 10 miles of your Repair Center or any other Abra® Repair Center.
s. Modification of the agreement	Sections 3(B), 6(F) and 18(A) and (F) of Franchise Agreement, Section 13(A) of Site Selection Agreement, Section 12 of Development Agreement, Section 3.0 of Service Level Agreement, and Section 9.1 of Security Agreement	<p>Franchise Agreement: No modifications generally, but Operations Playbook, list of authorized Marks and required goods subject to change.</p> <p>Development Agreement: No modification of Development Agreement unless Abra and you agree in writing to do so.</p> <p>Service Level Agreement: We may modify, by providing you written notice, the list of our master service agreements with carriers and our requirements for participation in the insurance programs.</p> <p>Security Agreement: The Security Agreement can be waived, amended, terminated or discharged, and Abra’s security interest and liens can be released, only explicitly in a writing signed by Abra, and, in the case of amendment, in a writing signed by you and Abra.</p>
t. Integration/merger clause	Section 18(F) of Franchise Agreement and Section 11 of Development Agreement	Only the terms of the Franchise Agreement, the Development Agreement (and written exhibits to them) are binding, subject to applicable law. Any other promises may not be enforceable. However, the integration/merger clauses of these agreements do not disclaim representations made by Abra in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 17 of Franchise Agreement and Section 9 of Development Agreement	Except for certain claims, all disputes subject to arbitration in Charlotte, North Carolina (subject to state law).

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	Section 17(D) of Franchise Agreement and Section 9.3 of Security Agreement	Litigation under the Franchise Agreement (subject to arbitration obligations) and Security Agreement is in state or federal court of general jurisdiction in the state, and in (or closest to) the city, where we maintain our principal business address at the time that the action is brought (currently Charlotte, North Carolina) (subject to state law).
w. Choice of law	Section 18(D) of Franchise Agreement, Section 12 of Site Selection Agreement, Section 9 of Development Agreement and Section 9.4 of Security Agreement	North Carolina law applies (subject to state law).

Item 18

PUBLIC FIGURES

Abra does not use any public figure to promote its franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

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

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary*
For years ~~2021~~2022 to ~~2023~~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	2021	57	63	+6
<u>Franchised</u>	2022	63	57	-6
	2023	57	57	0
Company-Owned	2021 <u>2024</u>	0 <u>57</u>	0 <u>55</u>	0 <u>-2</u>
<u>Company-Owned</u>	2022	0	0	0
	2023	0	0	0
Total Outlets	2021 <u>2024</u>	57 <u>0</u>	63 <u>0</u>	+6 <u>0</u>
<u>Total Outlets</u>	2022	63	57	-6
	2023	57	57	0
	<u>2024</u>	<u>57</u>	<u>55</u>	<u>-2</u>

* All 2024, 2023, and 2022, ~~and 2021~~ figures in the tables are as of our fiscal year ends of December 28, 2024, December 30, 2023, and December 31, 2022, ~~and December 25, 2021~~, respectively.

Table No. 2

**Transfers of Outlets ~~From Franchisee~~from Franchisees to New Owners
(~~Other~~other than the Franchisor)
For years ~~2021~~2022 to ~~2023~~2024**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Iowa	2021	0
<u>Iowa</u>	2022	1
	2023	0
Minnesota	2021 <u>2024</u>	0
<u>Minnesota</u>	2022	1
	2023	1
South Dakota	2021 <u>2024</u>	0

Column 1	Column 2	Column 3
State	Year	Number of Transfers
<u>South Dakota</u>	2022	1
	2023	0
Washington	2021 <u>2024</u>	1 <u>2</u>
	2022	0
	2023	0
Wisconsin	2021	1
	2022	0
	2023	0
Total	2021	2
<u>Total</u>	2022	3
	2023	1
	<u>2024</u>	<u>2</u>

Table No. 3

Status of Franchised Outlets
For years ~~2021~~2022 to ~~2023~~2024

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Colorado	2021	2	1	0	0	0	0	3
<u>Colorado</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Georgia	2021 <u>2024</u>	2 <u>3</u>	0	0	0	0	0	2 <u>3</u>
<u>Georgia</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Idaho	2021 <u>2024</u>	1 <u>2</u>	0	0	0	0	0	1 <u>2</u>
<u>Idaho</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021 <u>2024</u>	1	0	0	0	0	0	1
<u>Illinois</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Indiana	2021 <u>2024</u>	1	0	0	0	0	0	1
<u>Indiana</u>	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
Iowa	2021 <u>2024</u>	7 <u>0</u>	1 <u>0</u>	0	0	0	0	8 <u>0</u>
<u>Iowa</u>	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Michigan	2021 <u>2024</u>	3 <u>8</u>	0	0	0	0	0	3 <u>8</u>

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
Michigan	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Minnesota	2021 2024	15 3	1 0	0	0	0	0	16 3
Minnesota	2022	16	0	1	0	0	0	15
	2023	15	0	0	0	0	0	15
Montana	2021 2024	1 15	0	0	0	0	0	1 15
Montana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021 2024	1	0	0	0	0	0	1
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021 2024	1	0	0	0	0	0	1
North Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Dakota	2021 2024	3 1	1 0	0	0	0	0	4 1
North Dakota	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
South Carolina	2021 2024	1 4	0	0	0	0	0	1 4
South Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Dakota	2021 2024	8 1	0 0	0	0	0	0	8 1
South Dakota	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Tennessee	2021 2024	5 8	0	0	0	0	0	5 8
Tennessee	2022	5	0	4	0	0	0	1
	2023	1	0	0	0	0	0	1
Washington	2021 2024	2 1	0	0	0	0	0	2 1
Washington	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Wisconsin	2021 2024	6 3	0	1 0	0	0	0	6 2
Wisconsin	2022	6	0	1	0	0	0	5
	2023	5	0	1	0	0	0	4
Total	2021 2024	57 4	6 0	7 0	0	0	0	63 3
Total	2022	63	1	7	0	0	0	57
	2023	57	1	1	0	0	0	57
	2024	<u>57</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55</u>

Table No. 4

**Status of Company-Owned Outlets
For years ~~2021~~2022 to ~~2023~~2024**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
All States	2021 <u>2022</u>	0	0	0	0	0	0
	2022 <u>2023</u>	0	0	0	0	0	0
	2023 <u>2024</u>	0	0	0	0	0	0
Total	2021 <u>2022</u>	0	0	0	0	0	0
	2022 <u>2023</u>	0	0	0	0	0	0
	2023 <u>2024</u>	0	0	0	0	0	0

Table No. 5

Projected Openings as of December ~~30~~28, ~~2023~~2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
All States <u>North Dakota</u>	0	0 <u>1</u>	0
<u>Minnesota</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	0	0 <u>2</u>	0

The names, addresses and telephone numbers of all Abra franchisees as of December ~~30~~28, ~~2023~~2024, are listed in Exhibit A.

A list containing the names and last known addresses and telephone numbers of all Abra franchisees (if any) that have had a Repair Center franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who have failed to communicate with Abra within 10 weeks of the disclosure document issuance date is attached as Exhibit B.

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

In certain instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Abra franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the Abra® system.

Item 21

FINANCIAL STATEMENTS

Attached as Exhibit D are the audited consolidated financial statements of Driven Systems, our parent company, and its subsidiaries for the fiscal years ended December 28, 2024, December 30, 2023, and December 31, 2022 ~~and for the years ended December 31, 2022, December 25, 2021, and December 26, 2020~~; and Driven Systems' unaudited balance sheet as of March ~~30, 2024~~ 2025, and its unaudited statements of income and cash flows for the ~~three-month periods~~ 3-month period ended March ~~30, 2024 and April 1, 2023~~ 29, 2025. Driven Systems guarantees the performance of Abra. A copy of the guarantee of Driven Systems is attached to this disclosure document as Exhibit K.

As reflected in Item 1, Driven Brands will be providing required support and services to franchisees under a management agreement with us. Attached as Exhibit D are the audited consolidated financial statements of Driven Brands and its subsidiaries for the fiscal years ended December 28, 2024, December 30, 2023, and December 31, 2022 ~~and for the years ended December 31, 2022, December 25, 2021, and December 26, 2020~~; and Driven Brands' unaudited balance sheet as of March ~~30, 2024~~ 2025, and its unaudited statements of income and cash flows for the ~~three-month periods~~ 3-month period ended March ~~30, 2024 and April 1, 2023~~ 29, 2025. These financial statements are being provided for disclosure purposes only. Driven Brands is not a party to the Franchise Agreement or Development Agreement we sign with franchisees nor does it guarantee our obligations under the Franchise Agreement or Development Agreement we sign with franchisees.

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

Item 22

CONTRACTS

The Abra® Franchise Agreement, Site Selection Agreement, Personal Guaranty, Conversion Addendum, Assignment of Telephone Numbers, Consolidated Supply Program Amendment, Acknowledgment Addendum, Service Level Agreement, Security Agreement, Total Loss Processing Program Addendum, and Call Center Program Addendum are attached to this disclosure document as Exhibit E. The Abra® Multiple Repair Center Development Agreement is attached to this disclosure document as Exhibit F. The Electronic Transfer of Funds Authorization is attached to this disclosure document as Exhibit G. The Riders to the Abra® Franchise Agreement are attached to this disclosure document as Exhibit I. The Form of General Release is attached to this disclosure document as Exhibit J.

Item 23

RECEIPTS

Exhibit L of this disclosure document contains our and your copies of the Franchise Disclosure Document Receipt.

EXHIBIT A

List of Abra® Repair Centers

LIST OF ABRA REPAIR CENTERS

Repair Center Number & Name	Franchisee Name	Repair Center Address	Repair Center City	Repair Center State	Repair Center Zip Code	Repair Center Phone #
Colorado						
17003 Abra Durango	Durango Motor Company	1200 Carbon Junction	Durango	CO	81301	970-247-1212
17063 Abra Ft. Collins	ABS-Cooper, Inc.	2520 Co Road 54G	Fort Collins	CO	80524	970-482-9927
17002 Abra Greeley	ABS - WCG, Inc.	2835 S. 31st Avenue	Greeley	CO	80631	970-352-1313
Georgia						
17060 Abra Gwinnett	KFACC, LLC	2586 Satellite Boulevard	Duluth	GA	30096	678-924-4150
17059 Abra Woodstock	Cherokee Ford, Inc.	195 Woodstock Parkway	Woodstock	GA	30188	678-841-6981
Idaho						
17011 Abra Post Falls	Knudtsen Chevrolet Co	1900 E. Polston Avenue	Post Falls	ID	83877	208-664-8107
Illinois						
17012 Abra Sterling	Schreiber Automotive Group, LLC	1818 North Locust Street	Sterling	IL	61081	815-625-2700
Iowa						
17004 Abra Dubuque	Anderson/Weber Toyota, Inc.	3400 Center Grove Drive	Dubuque	IA	52003	319-556-3281
17008 Abra Fort Dodge	Fort Dodge Ford, Lincoln, Inc.	2723 - 5th Avenue S.	Fort Dodge	IA	50501	515-576-7505
17009 Abra Fort Madison	Jim Baier Inc.	560I Avenue O	Fort Madison	IA	52627	319-470-4444
17007 Abra Hiawatha	Junge Auto Body LLC	770 Boyson Road	Hiawatha	IA	52233	319-378-0441
17010-02 Abra Iowa City	Junge Auto Body IC, LLC	1420 Willow Creek Court	Iowa City	IA	52246	319-354-4554
17006 Abra Muscatine	Weber Auto Inc.	3000 Highway 38 North	Muscatine	IA	52761	319-556-3281
17057 Abra North Liberty	Junge Auto Body NL LLC	505 Madison Avenue	North Liberty	IA	52317	319-626-6600
17005 Abra Sioux City	Sioux City Motor Company	2001 East 6th Street	Sioux City	IA	51106	712-277-8420
Michigan						
17015 Abra Sparta	Extreme Auto Customs Inc.	485 Apple Jack Court	Grand Rapids	MI	49508	817-932-8865
17016 Abra Holland	Chrispell Auto Body Repair Inc.	744711 East Lakewood Boulevard	Holland	MI	49424	616-396-2214
17014 Abra Grand Rapids	Extreme Auto Customs Inc.	3145 29 th Street Southeast	Kentwood	MI	49512	616-452-2229
Minnesota						
17026 Abra Brainerd	DNA Body Shop Inc.	15910 Edgewood Drive	Baxter	MN	56425	218-825-8046
17018 Abra Chanhassen	Lius Technologies Inc.	60 Lake Drive, P.O. Box 728	Chanhassen	MN	55317	952-240-4475
17028-01 Abra Duluth	DeBoer Automotive Services Inc.	109 East Central Entrance	Duluth	MN	55811	218-786-9831
17019 Abra Elk River	KLST, Inc.	1175 11175 183rd Circle N.W.	Elk River	MN	55330	763-241-9500
17022 Abra Faribault	Harry Brown's, Inc. & Faribault Chrysler LLC	1850 South Grant Street	Fairbault	MN	55021	507-333-1235
17025Abra Mankato	Jerry's Body Shop Inc.	1671 E. Madison Avenue	Mankato	MN	56001	507-388-4895
17029-01 Abra Marshall	Lockwood Motors Inc.	1608 East College Drive	Marshall	MN	56258	507-532-3285

LIST OF ABRA REPAIR CENTERS

Repair Center Number & Name	Franchisee Name	Repair Center Address	Repair Center City	Repair Center State	Repair Center Zip Code	Repair Center Phone #
17021 Abra Princeton	KLST of Princeton, Inc.	32018 I25th Street NW	Princeton	MN	55371	763-633-2272
17020 Abra Red Wing	TAK of Rochester Inc.	4902 Mounds View Drive	Red Wing	MN	55066	651-385-0072
17023 Abra Rochester	Tom Kadlec Pontiac Honda	444 37th Street NE	Rochester	MN	55906	507-288-2272
17027-01 Abra Cloquet	KLST of Cloquet, LLC	3206 Rivergate Avenue	Scanlon	MN	55720	218-786-9831
17024 Abra St. Cloud	KLST of St. Cloud, Inc.	41 Division Street	Waite Park	MN	56387	320-253-4166
17056 Abra Winona	Dahl Collision, LLC	1111 West Service Drive	Winona	MN	55987	507-961-1560
17017 Abra Woodbury	Cabin Resources LLC	8230 Hudson Road	Woodbury	MN	55125	651-738-2272
17030-01 Abra Worthington	C&S Auto Body, Inc.	1035 1035 Oxford Street	Worthington	MN	56187	507-295-0893
Montana						
17058 Abra Billings	Frontier Chevrolet Co.	3000 King Avenue West	Billings	MT	59102	406-896-3000
Nebraska						
17035 Abra Omaha	Ryan Collision Center Inc.	8001 8001 F Street	Omaha	NE	68127	402-592-3344
North Carolina						
17032 Abra Asheville	Asheville Ford LLC	24 Interstate Boulevard	Asheville	NC	28806	770-649-5124
North Dakota						
17033 Abra Bismarck	Buller Automotive Inc.	1901 1901 E. Bismarck Expressway	Bismarck	ND	58504	701-255-2272
17034 Abra Grand Forks	Hansen Ford Lincoln Mercury, Inc.	2151 32nd Avenue S.	Grand Forks	ND	58201	701-746-6411
17064 Abra Mandan	Buller Automotive, Inc.	3729 Memorial Highway	Mandan	ND	58554	701-663-0144
17065 Abra Minot	Buller Automotive, Inc.	629 20th Avenue SE	Minot	ND	58701	701-852-2272
South Carolina						
17036 Abra Anderson	Anderson Ford - Mazda LLC	3900 Clemson Boulevard	Anderson	SC	29621	864-225-4151
South Dakota						
17042 Abra Aberdeen	Aberdeen Chrysler Center Inc.	601 Auto Plaza Drive	Aberdeen	SD	57401	605-225-5611
17062 Abra Brookings	LS Holdings, Inc.	305 5 th Street S.	Brookings	SD	57006	605-692-6686
17061 Abra Mitchell-SD	HiWings LLC	715 South Main Street	Mitchell	SD	57301	605-996-1884
17037 Abra Rapid City	McKie Ford Lincoln, Inc.	350 N. LaCrosse Street	Rapid City	SD	57701	605-348-1400
17040 17040-01 Abra Sioux Falls North	Sioux Falls Ford Inc.	201 201 South Carolyn Avenue	Sioux Falls	SD	57107	605-506-1075
17039 17039-01 Abra Sioux Falls South	Saturn Luxury Auto Mall of Sioux Falls, Inc.	2601 S. Carolyn Avenue	Sioux Falls	SD	57106	605-506-1076
17041 Abra Watertown	Sharp Chevrolet- Pontiac-Cadillac, Inc.	1320 9 th Avenue S.W.	Watertown	SD	57201	605-886-8081
17038 Abra Yankton	Northtown, Inc.	3818 Broadway	Yankton	SD	57078	605-665-7432
Tennessee						
17047 Abra Clarksville	Wyatt-Johnson Buick, Pontiac, GMC Truck, Inc.	855 Kraft Street	Clarksville	TN	37040	931-647-5512

LIST OF ABRA REPAIR CENTERS

Repair Center Number & Name	Franchisee Name	Repair Center Address	Repair Center City	Repair Center State	Repair Center Zip Code	Repair Center Phone #
Washington						
17049-01 Abra Ellensburg	TM Morris, Inc.	641 West University Way	Ellensburg	WA	98926	509-925-5680
17048 Abra Spokane	Eve K. Family Holding LLC	311 South Dishman Mica Road	Spokane Valley	WA	99206	509-534-5510
17066 Abra Foothills of Spokane	Knudtsen Foothills LLC	202 E. Foothills Drive	Spokane	WA	99207	509-324-8200
Wisconsin						
17051-01 Abra Hudson	Hudson Ford, LLC	904 O'Keefe Road	Hudson	WI	54016	651-436-7000
17055 Abra La Crosse	Dahl Automotive La Crosse Inc.	1 Copeland Avenue	La Crosse	WI	54603	608-791-6438
17054-01 Abra New Lisbon	SNS Collision LLC	1005 Commerce Drive	New Lisbon	WI	53950	608-562-6200
17052 Abra Wisconsin Rapids	Rapids Ford Lincoln Mercury LLC	4330 8th Street South, Suite 100	Wisconsin Rapids	WI	54494	715-422-0252

LIST OF ABRA REPAIR CENTERS

~~**LIST OF ABRA REPAIR CENTERS**~~

~~(FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPENED AS OF DECEMBER ~~30~~²⁸, ~~2023~~²⁰²⁴)~~

None.

EXHIBIT B

List of Former Franchisees

~~LIST OF FORMER FRANCHISEES~~

LIST OF FORMER FRANCHISEES

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

Franchisee Name	City	State	Zip Code	Phone # <u>or E-mail</u>
Minnesota <u>South Dakota</u>				
* DeBoer Automotive Services Inc <u>Randy Nehring</u>	Seanlon <u>Sioux Falls</u>	MN <u>South Dakota</u>	55720 <u>57106</u>	218-786-9834 <u>randy@siouxfallsford.com</u>
* <u>Randy Nehring</u>	<u>Sioux Falls</u>	<u>South Dakota</u>	<u>57106</u>	<u>randy@siouxfallsford.com</u>
<u>TM Morris, Inc. (Tyler Morris & Mackenzie Morris)</u>	<u>Ellensburg</u>	<u>Washington</u>	<u>98926</u>	<u>Unknown</u>
<u>Wisconsin</u>				
Eau Claire <u>Twin Cities Automotive Group, LLC (Chase Hawkins & Jeffrey Hildebrand)</u>	Altoona <u>Hudson</u>	WI <u>Wisconsin</u>	54720 <u>54016</u>	<u>Chase.hawkins@carouselmotor.com</u> 715-828-9654 <u>jeff.hildebrand@carouselmotor.com</u>

* Denotes transfer; Franchisee and Abra® Repair Center remain operating in the Abra® franchise system.

EXHIBIT C

Table of Contents of Operations Playbook

Driven Brands Collision Operations Playbook

Table of Contents

1. **Welcome Message from ~~your~~Your Team**.....75

2. **Disclaimer**.....108

3. **Introduction**.....119

~~4. Chapter Overview: THE MUSTS~~.....13

~~5. Collision University Quick Links~~.....16

~~6. Chapter 1: Customer Experience~~ 19

4. [Customer Experience: Purpose](#)..... 10

5. [Customer Experience: The Musts of Customer Selling](#) 11

6. [Customer Experience: Customer Interaction Best Practices](#) 12

7. [Customer Experience: Greeting the Customer](#) 13

8. [Customer Experience: Understand](#)..... 14

9. [Customer Experience: Educate](#) 15

10. [Customer Experience: Ask for the Sale](#)..... 17

11. [Customer Experience: Follow Up](#)..... 18

~~7. Chapter 2: Drop Off Process~~..... 30

12. [Drop Off Process: Purpose](#)..... 19

13. [Drop Off Process: The Musts](#)..... 20

14. [Drop Off Process: Customer Arrival](#)..... 22

~~8. Chapter 3: Customer Communication~~..... 37

15. [Customer Communication: Process](#) 25

16. [Customer Communication: The Musts](#)..... 26

17. [Customer Communication: The Process](#) 27

~~9. Chapter 4: Call Center & Scheduling~~ 45

18. [Call Center & Scheduling: Purpose](#)..... 30

19. [Call Center & Scheduling: The Musts](#)..... 31

20. [Call Center Process Overview](#)..... 33

21. [Best Practices](#) 35

~~10. Chapter 5: DRP Compliance & Auditing~~..... 54

22. [DRP Compliance & Auditing: Purpose](#)..... 37

23. [DRP Compliance & Auditing: Overview](#)..... 38

24. [DRP Compliance & Auditing: The Musts](#)..... 39

<u>25.</u>	<u>DRP Compliance & Auditing: Tip Sheet</u>	<u>41</u>
<u>26.</u>	<u>DRP Compliance & Auditing: Collision University</u>	<u>43</u>
<u>27.</u>	<u>DRP Compliance & Auditing: CCC Advisor Tool</u>	<u>44</u>
<u>28.</u>	<u>DRP Compliance & Auditing: FPM DRP Coaching Auditing Processes</u>	<u>45</u>
<u>29.</u>	<u>DRP Compliance & Auditing: Central Review</u>	<u>46</u>
	11- Chapter 6: Pre-Op (DFR)	68
<u>30.</u>	<u>Pre-Op (DFR): Purpose</u>	<u>48</u>
<u>31.</u>	<u>Pre-Op (DFR): The Musts</u>	<u>49</u>
<u>32.</u>	<u>Items to Assist in Pre Op/DFR</u>	<u>51</u>
<u>33.</u>	<u>Pre-Op/DFR Steps</u>	<u>53</u>
<u>34.</u>	<u>Pre-Op/DFR General Best Practices</u>	<u>56</u>
	12- Chapter 7: Parts Procurement	80
<u>35.</u>	<u>Parts Procurement: Purpose</u>	<u>58</u>
<u>36.</u>	<u>Parts Procurement: The Musts</u>	<u>59</u>
<u>37.</u>	<u>Parts Procurement Process: Parts Ordering</u>	<u>60</u>
<u>38.</u>	<u>Parts Procurement Process: Receiving</u>	<u>61</u>
<u>39.</u>	<u>Parts Procurement Process: Parts Storage & Organization</u>	<u>62</u>
<u>40.</u>	<u>Parts Procurement Process: Invoicing</u>	<u>64</u>
<u>41.</u>	<u>Parts Procurement Process: Parts Return</u>	<u>65</u>
<u>42.</u>	<u>Parts Procurement Process: Price/Profit Matching</u>	<u>66</u>
<u>43.</u>	<u>Parts Procurement: Parts Department General Best Practices</u>	<u>67</u>
	13- Chapter 8: Production	92
<u>44.</u>	<u>Production Management: Purpose</u>	<u>68</u>
<u>45.</u>	<u>Production Management: The Musts</u>	<u>69</u>
<u>46.</u>	<u>Production Management Process</u>	<u>70</u>
<u>47.</u>	<u>Technician & Painter Meeting Prioritize Daily Tasks & Timelines</u>	<u>72</u>
<u>48.</u>	<u>Monitor Repair Status of each vehicle in Production</u>	<u>73</u>
<u>49.</u>	<u>Repair Plan Review</u>	<u>74</u>
	14- Chapter 9: Team Engagement	99
<u>50.</u>	<u>Team Engagement: Purpose</u>	<u>75</u>
<u>51.</u>	<u>Team Engagement & Problem Solving: The Musts</u>	<u>76</u>
<u>52.</u>	<u>Problem Solving Key Processes</u>	<u>78</u>
<u>53.</u>	<u>Team Engagement: Best Practices</u>	<u>80</u>
	15- Chapter 10: Quality Control	105

<u>54.</u>	<u>Quality Control: Purpose</u>	<u>81</u>
<u>55.</u>	<u>Quality Control: The Musts</u>	<u>82</u>
<u>56.</u>	<u>Quality Control Process: Hard Stops</u>	<u>83</u>
	16-Chapter 11: Vehicle Delivery	117
<u>57.</u>	<u>Vehicle Delivery: Purpose</u>	<u>89</u>
<u>58.</u>	<u>Vehicle Delivery: The Musts</u>	<u>90</u>
<u>59.</u>	<u>The Vehicle Delivery Process</u>	<u>92</u>
	17-Chapter 12: Organized Workspace	124
<u>60.</u>	<u>Organized Workplace: Purpose</u>	<u>94</u>
<u>61.</u>	<u>Organized Workplace: The Musts</u>	<u>95</u>
<u>62.</u>	<u>Organized Workplace: Tools & Shadow Boards</u>	<u>96</u>
<u>63.</u>	<u>Organized Workplace: Facility Maintenance</u>	<u>97</u>
<u>64.</u>	<u>Organized Workplace: Lot Management</u>	<u>99</u>
<u>65.</u>	<u>Intro to 5S</u>	<u>100</u>
	18-Chapter 13: Safety	133
<u>66.</u>	<u>Safety: The Musts</u>	<u>101</u>
<u>67.</u>	<u>Safety Checklist</u>	<u>102</u>
	19-Chapter 14: KPI Targets & Reporting	137
<u>68.</u>	<u>KPI Targets & Reports: Purpose</u>	<u>104</u>
<u>69.</u>	<u>KPI Targets & Reports: The Musts</u>	<u>105</u>
<u>70.</u>	<u>KPI Targets</u>	<u>106</u>
<u>71.</u>	<u>Qlik Dashboard Training</u>	<u>108</u>
<u>72.</u>	20-Summary	143<u>110</u>

Total Pages: ~~144~~110

EXHIBIT D

Financial Statements

DRIVEN SYSTEMS LLC

Consolidated Financial Statements and Report of
Independent Auditors

Driven Systems LLC and Subsidiaries

For the years ended
December 28, 2024, December 30, 2023
and December 31, 2022

Table of contents

Report of Independent Auditors	<u>1</u>
Consolidated Financial Statements:	
Consolidated Balance Sheets	<u>3</u>
Consolidated Statements of Operations	<u>4</u>
Consolidated Statements of Members' Equity	<u>5</u>
Consolidated Statements of Cash Flows	<u>6</u>
Notes to Consolidated Financial Statements	<u>7</u>



Report of Independent Auditors

To the Management of Driven Systems LLC

Opinion

We have audited the accompanying consolidated financial statements of Driven Systems LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 28, 2024, December 30, 2023, and December 31, 2022, and the related consolidated statements of operations, of member's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 28, 2024, December 30, 2023, and December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
May 22, 2025

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2022
Assets			
Current assets:			
Cash and cash equivalents	\$ 855	\$ 1,000	\$ 1,000
Accounts and notes receivable, net	72,891	4,817	7,028
Total current assets	73,746	5,817	8,028
Other assets	1,867	736	454
Intangible assets, net	475,519	482,680	488,626
Goodwill	10,158	19,390	19,390
Total assets	\$ 561,290	\$ 508,623	\$ 516,498
Liabilities and members' equity			
Current liabilities:			
Deferred franchise revenue	\$ 30,599	\$ 27,762	\$ 25,682
Total liabilities	30,599	27,762	25,682
Members' equity	530,691	480,861	490,816
Total members' equity	530,691	480,861	490,816
Total liabilities and members' equity	\$ 561,290	\$ 508,623	\$ 516,498

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(in thousands)</i>	For the years ended		
	December 28, 2024	December 30, 2023	December 31, 2022
Revenue:			
Franchise fee revenue	\$ 240,426	\$ 245,135	\$ 211,935
Other revenue	29,751	44,581	49,382
Total revenue	270,177	289,716	261,317
Costs and expenses:			
Operating expenses	95,028	84,039	75,834
Loss on sale of business	—	1,620	—
Amortization	8,887	8,989	8,925
Total costs and expenses	103,915	94,648	84,759
Net income	\$ 166,262	\$ 195,068	\$ 176,558

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

in thousands

Balance as of December 25, 2021	\$ 509,206
Net income	176,558
Deemed distribution to Parent	<u>(194,948)</u>
Balance as of December 31, 2022	\$ 490,816
Net income	195,068
Maaco contribution	4,838
Deemed distribution to Parent	<u>(209,861)</u>
Balance as of December 30, 2023	\$ 480,861
Net income	166,262
Deemed distribution to Parent	<u>(116,432)</u>
Balance as of December 28, 2024	<u>\$ 530,691</u>

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands)</i>	For the years ended		
	December 28, 2024	December 30, 2023	December 31, 2022
Net income	\$ 166,262	\$ 195,068	\$ 176,558
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	8,887	8,989	8,925
Loss on sale of business	—	1,620	3,144
Other	(1,727)	174	—
Changes in assets and liabilities:			
Accounts and notes receivable, net	(69,205)	1,930	2,352
Deferred franchise revenue	2,837	2,080	3,969
Cash provided by operating activities	107,054	209,861	194,948
Cash flow from investing activities:			
Proceeds from sale of business	9,233	—	—
Cash flows provided by investing activities	9,233	—	—
Cash flows from financing activities:			
Deemed distribution to parent	(116,432)	(209,861)	(194,948)
Cash used in financing activities	(116,432)	(209,861)	(194,948)
Net change in cash	(145)	—	—
Cash, beginning of period	1,000	1,000	1,000
Cash, end of period	\$ 855	\$ 1,000	\$ 1,000
Supplemental cash flow disclosures - non-cash items:			
Contributed accounts receivable, net	61,645	—	—

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Description of Business

Description of Business

Driven Systems LLC (the “Company”) is a single member limited liability company organized in the state of Delaware on June 9, 2015. The Company, together with its subsidiaries, are referred to herein as the “Securitization Entities.” The other Securitization Entities include Meineke Franchisor SPV LLC, Maaco Franchisor SPV LLC, Econo Lube Franchisor SPV LLC, Take 5 Franchisor SPV LLC, Merlin Franchisor SPV LLC, 1-800 Radiator Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, FUSA Franchisor SPV LLC and ABRA Franchisor SPV LLC. The Company is a direct, wholly-owned subsidiary of Driven Brands Funding, LLC, (“Driven Funding”) which is a direct, wholly-owned subsidiary of Driven Funding Holdco, LLC (“Driven Holdco”), which is a direct, wholly-owned subsidiary of Driven Brands, Inc. (the “Parent”), which is a direct, wholly-owned subsidiary of Driven Holdings, LLC (“Driven Holdings”), which is a direct, wholly-owned subsidiary of Driven Brands Holdings Inc. (the “Ultimate Parent”). The assets and liabilities of Drive N Style Franchisor SPV, LLC were sold on July 17, 2023.

As of December 28, 2024, Driven Brands, Inc. and its subsidiaries comprised the worldwide operations of Meineke Car Care Centers (“Meineke”), Maaco Collision Repair and Auto Painting (“Maaco”), Merlin’s 200,000 Miles shops (“Merlin’s”), Pro Oil Change (“Pro Oil”), Take 5 Oil Change (“Take 5”), Econo-Lube N’ Tune (“Econo Lube”), 1-800-Radiator & A/C (“Radiator”), Spire Supply, CARSTAR auto body repair experts (“CARSTAR”), Fix Auto USA (“FUSA”) and ABRA Auto Body Repair of America (“ABRA”), (collectively, the “Driven Franchise Brands”). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. Driven Brands, Inc. is also comprised of Automotive Training Institute (“ATI”) and Clairus Group (“Clairus”), and Auto Glass Now (“AGN”), which are not contributed to the Securitization Entities. ATI provides automotive business training services to assist shop owners with efficiencies and profitability, and Clairus and AGN are providers of on-demand auto glass, calibration services, and auto appearance services. As of December 28, 2024, the Securitization Entities encompassed approximately 3,850 units worldwide, with 83% located within the United States and the remainder located in Canada. Approximately 81% of the units were franchised as of December 28, 2024. The assets and liabilities of nine FUSA company-operated stores were sold in January 2024.

Meineke, Merlin’s, Pro Oil, and Econo Lube each provide automotive repair and maintenance services through retail locations. Maaco, CARSTAR, and ABRA provide auto body repairs and painting services through retail locations. Take 5 is an operator of oil change centers, offering rapid oil changes and light maintenance services within the United States and Canada. Spire Supply is a distribution and sourcing company serving as a single point for inventory sourcing for the Company.

On July 31, 2015, the Parent contributed to the various Securitization Entities, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. and Canadian intellectual property, trademarks/tradenames, franchise agreements, development agreements, and all rights to develop and expand the Driven Franchise Brands excluding CARSTAR, Take 5, FUSA, and ABRA (collectively, the “Securitization IP”) along with certain franchisee notes receivable, (collectively the “Managed Assets”). The Parent, certain non-securitization Canadian subsidiaries, and the Securitization Entities entered into the Driven Brands License Agreement, Econo Lube License Agreement, Pro Oil Canadian Franchisor License Agreement, Meineke Canadian Franchisor License Agreement, 1-800 Radiator Canadian Franchisor License Agreement and Maaco Canadian Franchisor License Agreement (collectively the “License Agreements”) pursuant to which the Securitization Entities, collectively, granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Securitization IP in connection with owning and operating the company-owned store locations and (ii) an exclusive license to use and sublicense the Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On May 13, 2016, the Parent contributed to Carstar Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, development agreements, and all rights to develop and expand the CARSTAR franchise brand (collectively, the “Carstar Securitization IP”) at a value of approximately \$18 million. The Parent, certain non-securitization Canadian subsidiaries, and Carstar Franchisor SPV LLC entered into the 2016 Amended and Restated Master License Agreement whereby Carstar Franchisor SPV LLC granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Carstar Securitization IP in connection with owning and operating the company-owned store locations and (ii) an exclusive license to use and sublicense the Carstar Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

On April 24, 2018, the Parent contributed to Take 5 Properties SPV LLC and Take 5 Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, development agreements, lease assets and all rights to develop and expand the Take 5 franchise brand (collectively, the “Take 5 Securitization IP”), along with property and equipment, (collectively, the “Take 5 Managed Assets”) at a value of approximately \$113 million (\$81 million in property and equipment, \$35 million in intangible assets and \$3 million in deferred rent liabilities). The Parent, certain non-securitization subsidiaries, Take 5 Properties SPV LLC, and Take 5 Franchisor SPV LLC entered into the 2018 Amended and Restated Master License Agreement whereby Take 5 Franchisor SPV LLC granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Take 5 Securitization IP in connection with owning and operating the company-owned store locations and (ii) an exclusive license to use and sublicense the Take 5 Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

On April 24, 2018, the Parent contributed to Driven Product Sourcing LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, and certain product sourcing contracts (collectively, the “Spire Supply Assets”) of Spire Supply at a value of \$0.

On October 4, 2019, the Parent contributed to ABRA Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, and all rights to develop and expand the ABRA franchise brand (collectively, the “ABRA Securitization IP”) at a value of approximately \$38 million. The Parent, certain non-securitization subsidiaries, and ABRA Franchisor SPV LLC entered into the 2019 Amended and Restated Master License Agreement whereby ABRA Franchisor SPV LLC granted to Parent an exclusive license to use and sublicense the ABRA Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

During the year ended December 28, 2019, the Parent contributed to Take 5 Properties SPV LLC, through the Company and Driven Brands Funding, LLC, property and equipment at a value of approximately \$31 million.

On July 6, 2020, the Parent contributed to FUSA Properties SPV LLC and FUSA Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, development agreements, lease assets, and all rights to develop and expand the Fix Auto franchise brand (collectively, the “FUSA Securitization IP”), along with property and equipment, (collectively, the “FUSA Managed Assets”) at a value of approximately \$35 million, which included \$19 million of goodwill. The Parent, certain non-securitization subsidiaries, FUSA Properties SPV LLC and FUSA Franchisor SPV LLC entered into the 2020 Mondofix License Assignment Agreement whereby FUSA Franchisor SPV LLC was granted an exclusive license to use and sublicense the FUSA Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

The contributions of the Take 5 Securitization IP, CARSTAR Securitization IP, FUSA Securitization IP, Radiator Securitization IP, FUSA Managed Assets, Radiator Managed Assets, ABRA Securitization IP, cash, and franchisee notes receivable are between entities under common control and were recorded at book value. No gain or loss has been realized on the transactions.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Securitization Entities entered into an amended and restated Management Agreement dated April 24, 2018, amended on October 4, 2019 and July 6, 2020 (“the Management Agreement”), which obligates the Parent (the “Manager”) to manage and service the Managed Assets, Carstar Securitization IP, Take 5 Securitization IP, Take 5 Managed Assets, Spire Supply Assets, FUSA Securitization IP, FUSA Managed Assets, and ABRA Securitization IP as defined in the Management Agreement. The primary responsibilities of the Manager under the Management Agreement include administering collections and otherwise managing the Managed Assets, Carstar Securitization IP, Take 5 Securitization IP, Take 5 Managed Assets, Spire Supply Assets, FUSA Securitization IP, FUSA Managed Assets, and ABRA Securitization IP on behalf of the Securitization Entities, and to perform certain franchising, marketing, intellectual property and operation and reporting services on behalf of the Securitization Entities with respect to the Managed Assets. In performing its obligations under the Management Agreement, the Manager acts solely as an independent contractor of the Securitization Entities, except to the extent the Manager is deemed to be an agent of the Securitization Entities by virtue of engaging in franchise sales activities, or receiving payments on behalf of the Securitization Entities. In exchange for providing such services, the Manager is entitled to receive a management fee on a weekly basis.

Note 2—Summary of Significant Accounting Policies

Fiscal Year

The Company operates and reports financial information on a 52 or 53-week year with the fiscal year ending on the last Saturday in December. Our fiscal years ending December 28, 2024 and December 30, 2023 both consisted of 52-weeks. Fiscal year ending December 31, 2022 consisted of 53-weeks.

Basis of Presentation

The consolidated financial statements include the accounts of the Securitization entities. Intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the valuation of intangible assets and goodwill, as well as impairment of intangible assets and goodwill, and allowance for credit losses. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

The year ended December 30, 2023 includes an adjustment to the Consolidated Balance Sheets and Statement of Members' Equity for items that originated in prior years. The adjustment increased intangible assets, net and members' equity by \$4.9 million and \$4.9 million, respectively. The Company evaluated the materiality of the adjustments on prior period financial statements and recorded the adjustments were immaterial to both the current and prior financial statements.

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. The Company maintains cash balances in interest bearing transaction accounts with various financial institutions, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250 thousand. The Company has not experienced any losses of cash, despite maintaining balances that exceed the federally insured limit.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accounts and Notes Receivable

The Company's accounts receivable consists principally of amounts due related to product sales, centrally billed commercial fleet work, centrally billed insurance claims, advertising, franchise fees, rent due from franchisees and training services. These receivables are generally due within 30 days of the period in which the corresponding sales occur and are classified as Accounts and notes receivable, net on the Consolidated Balance Sheets. Accounts receivable are reported at their estimated net realizable value.

Notes receivable are primarily from franchisees and relate to financing arrangements for certain past due balances or to partially finance the acquisition of company-operated stores or refranchising locations. The notes are typically collateralized by the assets of the store being purchased. Interest income recognized on these notes is included in Other revenue on the accompanying Consolidated Statements of Operations. The Company places notes receivable on a non-accrual status based on management's determination if it is probable that the principal balance is not expected to be repaid per the contractual terms. When the Company places a note receivable on a non-accrual status, interest income recorded on the note is reversed through Other revenue.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. The Company's indefinite-lived intangibles are comprised of trademarks and tradenames. Management tests goodwill for impairment on the first day of the fourth quarter every year or more frequently if events or changes in circumstances indicate the asset might be impaired.

In performing a quantitative test for impairment of goodwill, we primarily use the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of goodwill and indefinite-lived intangible assets. Significant assumptions are made by management in estimating fair value under the discounted cash flow model including future trends in sales and terminal growth rates, operating expenses, overhead expenses, tax depreciation, capital expenditures, and changes in working capital, along with an appropriate discount rate based on our estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied.

In the process of a quantitative test of our trademark intangible assets, we primarily use the relief-from-royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate, and a discount rate to be applied to the forecasted revenue stream.

There is an inherent degree of uncertainty in preparing any forecast of future results. Future trends in system-wide sales are dependent to a significant extent on national, regional, and local economic conditions. Any decreases in customer traffic or average repair order due to these or other reasons could reduce gross sales at franchise locations, resulting in lower royalty and other payments from franchisees, as well as lower sales at company-operated locations. This could reduce the profitability of franchise locations, potentially impacting the ability of franchisees to make royalty payments owed to us when due (which could adversely impact our current cash flow from franchise operations), and company-operated sites.

The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite.

Management tests goodwill for impairment at the reporting unit level on the first day of the fourth quarter every year or more frequently if events or changes in circumstances indicate the asset might be impaired.

Definite Lived Intangible Assets

The Company's definite lived intangible assets are comprised primarily of trademarks, franchise agreements, and license agreements.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset as follows:

	<u>Estimated Useful Life</u>
Franchise agreements	3 to 30 years
License agreements	7 to 19 years

The lives of definite lived intangibles are reviewed and reduced if changes in their planned use occurs. If changes in the assets planned use are identified, management reviews the useful life and carrying value of the asset to assess the recoverability of the assets if facts and circumstances indicate the carrying value may not be recoverable. The recoverability test requires management to compare the undiscounted cash flows expected to be generated by the intangible asset or asset group to the carrying value. If the carrying amounts of the intangible asset is not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent the carrying value exceeds its fair value.

Management reviews business combinations to identify intangible assets, which are typically tradenames and customer relationships, and value the assets based on information and assumptions available to us at the date of purchase utilizing income and market approaches to determine fair value.

Revenue Recognition

In accordance with the Management Agreement, 2016 Amended and Restated Master License Agreement, 2018 Amended and Restated Master License Agreement and License Agreements, the 2019 Amended and Restated Master License Agreement and License Agreements, and 2020 Amended and Restated Master License Agreements, revenue is recognized for amounts received or due to the Company for the use of the Company's intellectual property.

Franchise revenue is comprised of royalties generated from franchisee fees as well as the Parent's company owned stores. Franchise fee royalty revenue is based on the fee agreements defined in the subsidiaries' franchise agreements. Royalties generated from the Parent's company owned stores are based on the fee agreements defined in the Management Agreement, Amended and Restated Master License Agreement, and any applicable sub-license agreements. Company-owned store revenue is driven by servicing of customer vehicles, net of operating expenses except for rent expense. Product distribution margin revenue is based on paint and supply products delivered to franchisees. Advertising fee royalty revenue is based on the fee arrangements set forth in the subsidiaries' franchise agreements and is recognized net of advertising expenditures. Initial franchise fees are recognized on a straight-line basis over the life of the franchise agreement as the performance obligation is satisfied.

Income Taxes

The Company is a limited liability company treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the member. As such, no recognition of federal or state income taxes for the Company or its subsidiaries that are organized as limited liability companies have been provided for in the accompanying consolidated financial statements. Any uncertain tax position taken by the member is not an uncertain position of the Company.

As it pertains to the Company and the impact on the Ultimate Parent, the Company follows applicable authoritative guidance with respect to the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. The Company records any interest and penalties associated as additional income tax expense in the Consolidated Statements of Operations. Based on management analysis, the Company does not believe any unrecognized tax benefits significantly changed in the current period. Furthermore, the Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3—Accounts and Notes Receivable, net

The balance on the Consolidated Balance Sheets is primarily related to customers, vendors, and franchisees. In June 2024, Driven Brands, Inc. contributed assets to Driven Brands Funding LLC. Assets contributed included accounts receivable for the following brands: Radiator, ABRA, CARSTAR, FUSA, Meineke, Maaco, Product Sourcing, and Take 5. The impact of the accounts receivable contribution was \$62 million.

Accounts and notes receivable, net consisted of the following:

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2022
Accounts receivable	\$ 78,088	\$ 7,673	\$ 12,835
Notes receivable	2,113	927	645
Accounts and notes receivables, gross	80,201	8,600	13,480
Less:			
Allowance for doubtful accounts	(5,443)	(3,047)	(5,998)
Accounts and notes receivables, net	\$ 74,758	\$ 5,553	\$ 7,482
Accounts and notes receivable long-term	\$ 1,867	\$ 736	\$ 454
Accounts and notes receivable current	72,891	4,817	7,028
Accounts and notes receivables, net	\$ 74,758	\$ 5,553	\$ 7,482

Note 4— Goodwill and Intangible Assets

Changes in the carrying amount of goodwill for the years ended December 28, 2024 and December 30, 2023 are as follows:

<i>(in thousands)</i>	Total
Balance at December 30, 2023	19,390
Sale of business unit	(9,232)
Balance at December 28, 2024	\$ 10,158

During the year ended December 28, 2024, Driven Funding sold nine FUSA company-operated stores to a franchisee. The Company allocated \$9 million of goodwill based on the fair value at the time of sale.

Intangible assets consisted of the following:

<i>(in thousands)</i>	December 28, 2024		
	Gross carrying value	Accumulated amortization	Net Carrying Value
Definite-lived intangible assets			
Franchise Agreements	\$ 198,764	\$ 66,469	132,295
License Agreements	10,700	6,739	3,961
	209,464	73,208	136,256
Indefinite-lived intangible assets			
Trademarks	339,263	—	339,263
Total intangible assets	\$ 548,727	\$ 73,208	\$ 475,519

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<i>(in thousands)</i>	December 30, 2023		
	Gross carrying value	Accumulated amortization	Net Carrying Value
Definite-lived intangible assets			
Franchise Agreements	\$ 196,363	\$ 58,863	\$ 137,500
License Agreements	10,700	5,458	5,242
	<u>207,063</u>	<u>64,321</u>	<u>142,742</u>
Indefinite-lived intangible assets			
Trademarks	339,938	—	339,938
Total intangible assets	<u>\$ 547,001</u>	<u>\$ 64,321</u>	<u>\$ 482,680</u>

<i>(in thousands)</i>	December 31, 2022		
	Gross carrying value	Accumulated amortization	Net Carrying Value
Definite-lived intangible assets			
Franchise Agreements	\$ 198,874	\$ 51,998	\$ 146,876
License Agreements	10,517	3,967	6,550
	<u>209,391</u>	<u>55,965</u>	<u>153,426</u>
Indefinite-lived intangible assets			
Trademarks	335,200	—	335,200
Total intangible assets	<u>\$ 544,591</u>	<u>\$ 55,965</u>	<u>\$ 488,626</u>

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset. Intangible asset amortization expense was \$9 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022.

Amortization expense related to intangible assets for the next five fiscal years and thereafter is as follows:

<i>(in thousands)</i>	
2025	\$ 8,939
2026	8,939
2027	8,933
2028	7,839
2029	7,805
Thereafter	93,801
Total amortization	<u>\$ 136,256</u>

Note 5—Related Party Transactions

Cash collections from revenue and cash disbursements for management fees, interest expense and other operating expenses are made at Driven Holdco. Because the revenue and expenses related to these cash flows are recorded on the consolidated financial statements of the Company, the Company has recorded deemed distributions to Driven Holdco of \$116 million, \$210 million, and \$195 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively.

In exchange for providing management services, the Parent is entitled to receive certain management fees on a weekly basis. The Company's management fees to the Parent were \$50 million, \$40 million, and \$36 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022 respectively. These fees are included in Operating expenses on the Consolidated Statements of Operations.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Driven Brands Funding, LLC (the “Issuer”) holds approximately \$2 billion in debt in the form of six Senior Notes maturing in April 2049, October 2049, January 2051, October 2051, October 2052, and October 2054. The Senior Notes are secured by substantially all assets of the Issuer and guaranteed by Driven Holdco and subsidiaries of the Issuer. The interest expense allocated to the Company was \$44 million, \$44 million, and \$40 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively. These amounts are included in Operating expenses on the Consolidated Statements of Operations.

Note 6—Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 22, 2025, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.

Consolidated Financial Statements
(Unaudited)

Driven Systems LLC and Subsidiaries

For the three months ended
March 29, 2025 and March 30, 2024

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(in thousands)</i>	March 29, 2025	December 28, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 837	\$ 855
Accounts and notes receivable, net	93,438	72,891
Total current assets	94,275	73,746
Notes receivable, net	1,632	1,867
Intangible assets, net	473,285	475,519
Goodwill	10,158	10,158
Total assets	\$ 579,350	\$ 561,290
Liabilities and members' equity		
Current liabilities:		
Deferred franchise revenue	\$ 30,416	\$ 30,599
Total liabilities	30,416	30,599
Members' equity	548,934	530,691
Total members' equity	548,934	530,691
Total liabilities and members' equity	\$ 579,350	\$ 561,290

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<i>(in thousands)</i>	Three months ended	
	March 29, 2025	March 30, 2024
Revenue:		
Franchise fee revenue	\$ 60,197	\$ 53,105
Other revenue	3,378	6,878
Total revenue	63,575	59,983
Costs and expenses:		
Operating expenses	5,633	16,848
Amortization	2,328	2,220
Total costs and expenses	7,961	19,068
Net income	\$ 55,614	\$ 40,915

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(UNAUDITED)

in thousands

Balance as of December 30, 2023	\$ 480,861
Net income	40,915
Deemed distribution to Parent	<u>(41,176)</u>
Balance as of March 30, 2024	<u>\$ 480,600</u>
Balance as of December 28, 2024	\$ 530,691
Net income	55,614
Deemed distribution to Parent	<u>(37,371)</u>
Balance as of March 29, 2025	<u>\$ 548,934</u>

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(in thousands)</i>	Three months ended	
	March 29, 2025	March 30, 2024
Net income	\$ 55,614	\$ 40,915
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	2,328	2,220
Other operating, net	(94)	—
Changes in assets and liabilities:		
Accounts and notes receivable, net	(20,312)	(3,064)
Deferred franchise revenue	(183)	1,105
Cash provided by operating activities	37,353	41,176
Cash flows from financing activities:		
Distributions to parent	(37,371)	(41,176)
Cash used in financing activities	(37,371)	(41,176)
Net change in cash	(18)	—
Cash, beginning of period	855	1,000
Cash, end of period	\$ 837	\$ 1,000

DRIVEN BRANDS, INC.

Consolidated Financial Statements and Report of
Independent Auditors

Driven Brands Inc. and Subsidiaries

For the years ended
December 28, 2024, December 30, 2023
and December 31, 2022

Table of contents

Report of Independent Auditors	3
Consolidated Financial Statements:	
Consolidated Balance Sheets	5
Consolidated Statements of Operations	6
Consolidated Statements of Comprehensive Income	7
Consolidated Statements of Shareholders' Equity	8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	11



Report of Independent Auditors

To the Management of Driven Brands, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Driven Brands, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 28, 2024, December 30, 2023, and December 31, 2022, and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 28, 2024, December 30, 2023, and December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
May 22, 2025

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2022
Assets			
Current assets:			
Cash and cash equivalents	\$ 129,633	\$ 150,581	\$ 158,799
Restricted cash	358	657	657
Accounts and notes receivable, net	174,234	146,295	167,249
Inventory	55,900	63,612	54,696
Prepaid and other assets	24,005	25,031	26,878
Related party receivable	378,222	328,953	258,476
Income tax receivable	—	3,680	1,698
Assets held for sale	73,109	—	—
Advertising fund assets, restricted	49,716	45,627	36,421
Total current assets	885,177	764,436	704,874
Related party receivable	128,144	128,144	128,144
Property and equipment, net	406,906	361,330	303,893
Operating lease right-of-use assets	412,544	397,211	335,760
Deferred commissions	7,246	6,312	7,121
Intangibles, net	634,794	703,573	727,646
Goodwill	1,205,531	1,238,504	1,225,457
Deferred tax asset	—	2,576	1,827
Other assets	126,098	55,248	28,414
Total assets	\$ 3,806,440	\$ 3,657,334	\$ 3,463,136
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable	\$ 78,779	\$ 51,280	\$ 41,348
Income taxes payable	58,250	42,446	4,834
Accrued expenses and other liabilities	155,893	146,104	184,561
Current portion of long-term debt	27,185	26,426	27,605
Advertising fund liabilities	22,030	23,392	36,726
Total current liabilities	342,137	289,648	295,074
Long-term debt, net	2,122,346	2,177,283	2,213,218
Operating lease liabilities	397,652	371,404	313,644
Deferred tax liabilities	118,209	141,909	139,568
Deferred revenue	31,314	30,507	29,310
Long-term accrued expenses and other liabilities	2,037	3,749	5,947
Total liabilities	3,013,695	3,014,500	2,996,761
Shareholders' equity:			
Class A common stock, \$.01 par value, authorized 60,000,000 voting shares; 56,560,217 shares issued and outstanding at December 28, 2024, December 30, 2023, and December 31, 2022	565	565	565
Class B common stock, \$.01 par value, authorized 12,461,152 non-voting shares; 0 shares issued and outstanding at December 30, 2023 and December 31, 2022	—	—	—
Additional paid-in-capital	339,565	291,426	274,922
Retained earnings	458,822	364,781	209,246
Accumulated other comprehensive loss	(6,207)	(14,321)	(18,728)
Total shareholders' equity attributable to Driven Brands Inc.	792,745	642,451	466,005
Non-controlling interests	—	383	370
Total shareholders' equity	792,745	642,834	466,375
Total liabilities and shareholders' equity	\$ 3,806,440	\$ 3,657,334	\$ 3,463,136

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN BRANDS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(in thousands)</i>	Fiscal year ended		
	December 28, 2024	December 30, 2023	December 31, 2022
Net revenue:			
Franchise royalties and fees	\$ 188,634	\$ 190,367	\$ 171,734
Company-operated store sales	1,176,774	1,130,996	933,906
Advertising contributions	101,316	98,850	87,750
Supply and other revenue	285,625	286,072	247,084
Total net revenue	1,752,349	1,706,285	1,440,474
Operating expenses:			
Company-operated store expenses	747,096	697,317	553,650
Advertising expenses	101,617	97,290	87,986
Supply and other expenses	137,176	154,586	140,107
Selling, general and administrative expenses	433,995	357,192	325,462
Acquisition costs	2,439	7,589	9,657
Store opening costs	5,135	4,885	2,809
Depreciation and amortization	77,505	75,933	55,892
Asset impairment charges	9,320	4,542	107
Total operating expenses	1,514,283	1,399,334	1,175,670
Operating income	238,066	306,951	264,804
Other (income) expense, net			
Interest expense, net	104,648	108,002	88,124
Loss on debt extinguishment	205	—	—
Loss (gain) on foreign currency transactions, net	12,836	(1,997)	5,511
Total other expenses, net	117,689	106,005	93,635
Income before taxes	120,377	200,946	171,169
Income tax expense	26,336	45,411	17,538
Net income	94,041	155,535	153,631
Net loss attributable to non-controlling interests	—	—	—
Net income attributable to Driven Brands Inc.	\$ 94,041	\$ 155,535	\$ 153,631

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN BRANDS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(in thousands)</i>	Fiscal year ended		
	December 28, 2024	December 30, 2023	December 31, 2022
Net income	\$ 94,041	\$ 155,535	\$ 153,631
Other comprehensive income:			
Foreign currency translation adjustments	7,489	1,062	(15,275)
Gain (loss) on swap, net	625	3,345	(1,866)
Other comprehensive income (loss), net	8,114	4,407	(17,141)
Total comprehensive income	102,155	159,942	136,490
Comprehensive gain (loss) attributable to non-controlling interests	—	\$ 13	\$ (36)
Comprehensive income attributable to Driven Brands Inc.	\$ 102,155	\$ 159,929	\$ 136,526

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN BRANDS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<i>in thousands</i>	Common stock, Class A and B	Additional paid-in- capital	Retained earnings	Accumulated other comprehensive income (loss)	Non- controlling interests	Total equity
Balance as of December 25, 2021	\$ 565	\$ 247,505	\$ 55,615	\$ (1,623)	\$ 406	\$ 302,468
Net income	—	—	153,631	—	—	153,631
Other comprehensive loss	—	—	—	(17,105)	(36)	(17,141)
Equity-based compensation expense	—	20,583	—	—	—	20,583
Contributions	—	6,834	—	—	—	6,834
Balance as of December 31, 2022	\$ 565	\$ 274,922	\$ 209,246	\$ (18,728)	\$ 370	\$ 466,375
Net income	—	—	155,535	—	—	155,535
Other comprehensive income	—	—	—	4,407	13	4,420
Equity-based compensation expense	—	15,300	—	—	—	15,300
Contributions	—	1,204	—	—	—	1,204
Balance as of December 30, 2023	\$ 565	\$ 291,426	\$ 364,781	\$ (14,321)	\$ 383	\$ 642,834
Net income	—	—	94,041	—	—	94,041
Other comprehensive income	—	—	—	8,114	—	8,114
Equity-based compensation expense	—	48,139	—	—	—	48,139
Acquisition of non-controlling interest	—	—	—	—	(383)	(383)
Balance as of December 28, 2024	\$ 565	\$ 339,565	\$ 458,822	\$ (6,207)	\$ —	\$ 792,745

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN BRANDS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands)</i>	Year ended		
	December 28, 2024	December 30, 2023	December 25, 2022
Net income	\$ 94,041	\$ 155,535	\$ 153,631
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	77,505	75,933	55,892
Equity-based compensation expense	48,139	15,300	20,583
Loss (gain) on foreign denominated transactions	20,620	(4,581)	10,287
(Gain) loss on foreign currency derivative	(7,784)	2,584	(4,776)
Loss (gain) on sale of fixed assets	14,687	(3,787)	(13,918)
Bad debt expense	6,525	1,838	5,746
Asset impairment costs	9,320	4,542	107
Amortization of cloud computing	8,270	1,923	—
Amortization of deferred financing costs and bond discounts	8,412	8,558	7,058
(Benefit) provision for deferred income taxes	(19,303)	373	2,467
Loss on extinguishment of debt	205	—	—
Other, net	13,964	14,800	1,104
Changes in assets and liabilities:			
Accounts and notes receivable, net	(46,091)	6,064	(49,043)
Inventory	(4,377)	(9,515)	(16,836)
Prepaid and other assets	1,074	3,014	(9,333)
Related party receivable	(49,002)	(69,840)	126,011
Advertising fund assets and liabilities, restricted	(5,451)	(16,861)	13,495
Other assets	(79,214)	(41,677)	(22,907)
Deferred commissions	(934)	418	3,407
Deferred revenue	807	1,937	1,925
Accounts payable	27,472	10,402	(31,122)
Accrued expenses and other liabilities	15,664	(27,272)	(51,271)
Income tax payable	17,631	35,497	352
Cash provided by operating activities	152,180	165,185	202,859
Cash flows from investing activities:			
Capital expenditures	(298,260)	(158,225)	(103,239)
Cash used in business acquisitions, net of cash acquired	(2,055)	(36,727)	(405,011)
Proceeds from sale-leaseback transactions	51,370	39,168	16,107
Proceeds from sale or disposal of businesses and fixed assets	144,764	8,234	19,918
Cash used in investing activities	(104,181)	(147,550)	(472,225)
Cash flows from financing activities:			
Payment of debt extinguishment and issuance costs	(9,441)	—	(7,172)
Proceeds from the issuance of long-term debt	274,794	—	365,000
Repayment of long-term debt	(327,538)	(22,971)	(20,159)
Acquisition of non-controlling interest	(383)	—	—

Repayment of principal portion of finance lease liability	(2,760)	(3,844)	(2,561)
(Distribution to) contribution from parent	—	(3,118)	6,834
Other, net	—	227	321
Cash provided by financing activities	(65,328)	(29,706)	342,263
Effect of exchange rate changes on cash	(3,525)	9,519	(2,489)
Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted	(20,854)	(2,552)	70,408
Cash and cash equivalents, beginning of period	150,581	158,799	82,676
Cash included in advertising fund assets, restricted, beginning of period	38,537	32,871	38,586
Restricted cash, beginning of period	657	657	657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period	189,775	192,327	121,919
Cash and cash equivalents, end of period	129,633	150,581	158,799
Cash included in advertising fund assets, restricted, end of period	38,930	38,537	32,871
Restricted cash, end of period	358	657	657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period	\$ 168,921	\$ 189,775	\$ 192,327

**Supplemental cash flow disclosures
- non-cash items:**

Capital expenditures included in accrued expenses and other liabilities	\$ 9,578	\$ 2,127	\$ 4,492
Related party asset purchases included in capital expenditures	134,860	—	—
Deferred consideration included in accrued expenses and other liabilities	1,596	2,630	27,303

**Supplemental cash flow disclosures
- cash paid for:**

Interest	\$ 97,080	\$ 108,119	\$ 88,655
Income taxes	—	—	13,202

The accompanying notes are an integral part of these consolidated financial statements.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Description of Business

Description of Business

Driven Brands Inc. and Subsidiaries (collectively, “the Company”) comprises the worldwide operations of Meineke Car Care Centers (“Meineke”), Maaco Collision Repair and Auto Painting (“Maaco”), Fix Auto USA (“FUSA”), Merlin’s 200,000 Miles shops (“Merlin’s”), Uniban (“Go Glass”), Econo-Lube N’ Tune (“Econo”), 1-800-Radiator & A/C (“Radiator”), Spire Supply, Drive N Style, Take 5 Oil Change (“Take 5”), CARSTAR auto body repair experts (“CARSTAR”), ABRA Auto Body Repair of America (“ABRA”), and Clairus Group (“Clairus”) (collectively, the “Driven Franchise Brands”). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. The Company is also comprised of Automotive Training Institute (“ATI”), which provides business-to-business automotive training services, and Auto Glass Now (“AGN”), which is comprised of our U.S. Glass business. As of December 28, 2024, the Driven Franchise Brands and AGN encompass 4,077 units worldwide, with 84% located within the United States and the remainder located primarily in Canada. Approximately 77% of the units are franchised. The Company is a direct, wholly-owned subsidiary of Driven Holdings, LLC, which is a direct wholly-owned subsidiary of Driven Brands Holdings Inc. (the “Ultimate Parent”). The assets and liabilities of Drive N Style Franchisor SPV, LLC were sold in July 2023. The assets and liabilities of nine FUSA company-operated stores were sold in January 2024.

Meineke, Merlin’s, and Econo each provide automotive repair and maintenance services through retail locations. Maaco, CARSTAR, FUSA, and ABRA, provide auto body repairs and painting services through retail locations. Radiator provides certain automotive parts to automotive repair stores, automotive parts stores, body shops and service stations. Take 5 is an operator of oil change centers, offering rapid oil changes and light maintenance services within the United States and Canada. Spire Supply and PH Vitres D’Auto (“PH Glass”) are distribution and sourcing companies serving as a single point for inventory sourcing for the Company. PH Glass was sold in August 2024. AGN, Driven Glass, Go Glass, and Clairus are providers of on-demand auto glass, calibration services, and auto appearance services. ATI provides automotive business training services to assist shop owners with efficiencies and profitability. The Company has also completed acquisition transactions, and in certain circumstances has retained the target’s brand name.

Note 2—Summary of Significant Accounting Policies

Fiscal Year

The Company operates and reports financial information on a 52 or 53-week year with the fiscal year ending on the last Saturday in December. Our fiscal years ending December 28, 2024 and December 30, 2023 both consisted of 52-weeks. Fiscal year ending December 31, 2022 consisted of 53-weeks.

Basis of Presentation

The consolidated financial statements include the accounts of the Company. Intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”) requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the valuation of intangible assets and goodwill, as well as impairment of intangible assets and goodwill, income tax, allowance for credit losses, valuation of derivatives, and self-insurance claims. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. These investments are carried at cost, which approximates fair value. The Company continually monitors its positions with, and the credit quality of, the financial institutions in which it maintains its deposits. As of December 28, 2024 and December 30, 2023, the Company maintained balances in various cash accounts in excess of federally insured limits.

Restricted Cash

The Company had total restricted cash of \$39 million, \$39 million, and \$34 million at December 28, 2024, December 30, 2023, and December 31, 2022, respectively, which primarily consisted of funds from franchisees pursuant to franchise agreements, the usage of which was restricted to advertising activities, and letters of credit collateral. Advertising funds are presented within Advertising fund assets, restricted, on the Consolidated Balance Sheets.

Accounts and Notes Receivable

The Company's accounts receivable consists principally of amounts due related to product sales, centrally billed commercial fleet work, centrally billed insurance claims, advertising, franchise fees, rent due from franchisees and training services. These receivables are generally due within 30 days of the period in which the corresponding sales occur and are classified as Accounts and notes receivable, net on the Consolidated Balance Sheets. Accounts receivable are reported at their estimated net realizable value.

Notes receivable are primarily from franchisees and relate to financing arrangements for certain past due balances or to partially finance the acquisition of company-operated stores or refranchising locations. The notes are typically collateralized by the assets of the store being purchased. Interest income recognized on these notes is included in Supply and other revenue on the accompanying Consolidated Statements of Operations. The Company places notes receivable on a non-accrual status based on management's determination if it is probable that the principal balance is not expected to be repaid per the contractual terms. When the Company places a note receivable on a non-accrual status, interest income recorded on the note is reversed through Supply and other revenue. The Company recorded an immaterial amount of interest income related to its notes receivables during the years ended December 28, 2024, December 30, 2023, and December 31, 2022.

Allowance for Credit Losses

Expected credit losses for uncollectible receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions considered include predefined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

Inventory

Inventory is stated at the lower of cost or net realizable value. The Company primarily purchases its oil, lubricants, and auto glass in bulk quantities to take advantage of volume discounts and to ensure inventory availability to complete services. Inventories are presented net of volume rebates.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are depreciated over the shorter of the estimated useful life or the remaining lease term of the related asset.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Estimated useful lives are as follows:

Buildings and improvements	5 to 40 years
Furniture and fixtures	5 to 7 years
Store equipment	5 to 15 years
Leasehold improvements	5 to 15 years
Vehicles	3 to 5 years
Computer equipment and software	3 to 5 years

Cloud computing arrangements

The Company capitalizes qualified cloud computing implementation costs associated with the application development stage and subsequently amortize these costs over the term of the hosting arrangement and stated renewal period, if it is reasonably certain we will renew. Capitalized costs are included in Other assets on the Consolidated Balance Sheets. The Company recorded capitalized cloud computing arrangement costs of \$116 million and \$52 million as of December 28, 2024 and December 30, 2023, respectively, which included \$46 million and \$29 million of cloud computing assets not-in-service and accumulated amortization of \$10 million and \$2 million, respectively. During the years ended December 28, 2024 and December 30, 2023, we recorded cloud computing amortization of \$8 million and \$2 million, respectively. As of December 31, 2022, no cloud computing arrangements were in service.

Leases

The lease standard requires the lessee in an operating lease to record a balance sheet gross-up upon lease commencement by recognizing a ROU asset and lease liability equal to the present value of the lease payments over the expected lease term. The ROU asset and lease liability are derecognized in a manner that effectively yields a straight-line lease expense over the lease term. In addition to the changes to the lessee operating lease accounting requirements, amendments may change the types of costs that can be capitalized related to a lease agreement for both lessees and lessors.

Finance lease ROU assets are depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Finance lease liabilities are recognized using the effective interest method, with interest determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Interest associated with finance lease liabilities is recognized in Interest expense, net, on the Consolidated Statements of Operations and is included in changes in Accrued expenses and other liabilities in the Consolidated Statements of Cash Flows.

At contract inception, we determine whether the contract is or contains a lease based on the terms and conditions of the contract. Lease contracts are recognized on our Consolidated Balance Sheets as ROU assets and lease liabilities; however, we have elected not to recognize ROU assets and lease liabilities on leases with terms of one year or less. Variable lease payments that are dependent on usage, output, or may vary for other reasons are excluded from lease payments in the measurement of the ROU assets and lease liabilities and are recognized as lease expense in the period the obligation is incurred. For lease agreements entered into or reassessed after the adoption of Topic 842, we combine lease and non-lease components. The Company's vehicle and equipment leases are comprised of a single lease component.

If a lease does not provide enough information to determine the implicit interest rate in the agreements, the Company uses its incremental borrowing rate in calculating the lease liability. The Company determines its incremental borrowing rate for each lease by reference to yield rates on collateralized debt issuances, which approximates borrowings on a collateralized basis, by companies of a similar credit rating as the Company, with adjustments for differences in years to maturity and implied company-specific credit spreads.

Certain leases include renewal and termination options and the option to renew is under our sole discretion. These lease renewals are included in the lease term in determining the ROU assets and liabilities when we are reasonably certain we will exercise the option.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The ROU asset also includes initial direct costs paid less lease incentives received from the lessor. The Company also records lease income for subleases of franchise stores to certain franchisees. Lease income from sublease rentals is recognized on a straight-line basis over the lease term.

Impairment of Long-Lived Assets

Long-lived assets that are used in operations are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through undiscounted future cash flows. Recognition and measurement of a potential impairment is performed on assets grouped with other assets and liabilities at the lowest level where identifiable cash flows are largely independent of the cash flows of other assets and liabilities. An impairment loss is the amount by which the carrying amount of a long-lived asset or asset group exceeds its estimated fair value. Fair value is generally estimated by internal specialists based on the present value of anticipated future cash flows or, if required, with the assistance of independent third-party valuation specialists, depending on the nature of the assets or asset group.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. The Company's indefinite-lived intangibles are comprised of trademarks and tradenames. Management tests goodwill for impairment on the first day of the fourth quarter every year or more frequently if events or changes in circumstances indicate the asset might be impaired.

In performing a quantitative test for impairment of goodwill, we primarily use the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of goodwill and indefinite-lived intangible assets. Significant assumptions are made by management in estimating fair value under the discounted cash flow model including future trends in sales and terminal growth rates, operating expenses, overhead expenses, tax depreciation, capital expenditures, and changes in working capital, along with an appropriate discount rate based on our estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied.

In the process of a quantitative test of our trademark intangible assets, we primarily use the relief-from-royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate, and a discount rate to be applied to the forecasted revenue stream.

There is an inherent degree of uncertainty in preparing any forecast of future results. Future trends in system-wide sales are dependent to a significant extent on national, regional, and local economic conditions. Any decreases in customer traffic or average repair order due to these or other reasons could reduce gross sales at franchise locations, resulting in lower royalty and other payments from franchisees, as well as lower sales at company-operated locations. This could reduce the profitability of franchise locations, potentially impacting the ability of franchisees to make royalty payments owed to us when due (which could adversely impact our current cash flow from franchise operations), and company-operated sites.

The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite. On September 29, 2024, the first day of the fourth quarter, the Company performed its annual impairment assessment of goodwill and indefinite-lived intangibles and determined there was no impairment in the years ended December 28, 2024, December 30, 2023, and December 31, 2022.

Definite Lived Intangible Assets

The Company's definite lived intangible assets are comprised primarily of trademarks, franchise agreements, license agreements, membership agreements, customer relationships, and developed technology.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset as follows:

	Estimated Useful Life
Trademarks	2 to 3 years
Franchise agreements	3 to 30 years
License agreements	7 to 19 years
Membership agreements	7 to 9 years
Customer relationships	13 to 16 years
Developed technology	5 to 8 years

The lives of definite lived intangibles are reviewed and reduced if changes in their planned use occurs. If changes in the assets planned use are identified, management reviews the useful life and carrying value of the asset to assess the recoverability of the assets if facts and circumstances indicate the carrying value may not be recoverable. The recoverability test requires management to compare the undiscounted cash flows expected to be generated by the intangible asset or asset group to the carrying value. If the carrying amounts of the intangible asset is not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent the carrying value exceeds its fair value.

Management reviews business combinations to identify intangible assets, which are typically trademarks and customer relationships, and value the assets based on information and assumptions available to us at the date of purchase utilizing income and market approaches to determine fair value.

Assets Held for Sale

Assets currently available for sale and expected to be sold within one year are classified as assets held for sale. During the year ended December 28, 2024, assets held for sale were purchased from a Related Party and continue to be marketed by the Company. During the year, the Company purchased approximately \$123 million, sold \$43 million, and impaired \$7 million, resulting in a net gain of \$6 million for the year ended December 28, 2024. There were no assets designated as held for sale as of December 30, 2023 or December 31, 2022.

Derivative instruments

We utilize derivative financial instruments to manage our interest rate and foreign exchange exposure. For derivatives instruments where we have not elected hedge accounting, the change in fair value is recognized in earnings. For derivative instruments where we have elected hedge accounting, the changes in the derivative and the hedged item attributable to the hedged risks are recognized in the same line within our Consolidated Statements of Operations. For derivatives designated as cash flow hedges, changes in the fair value of the derivative is initially recorded in Accumulated other comprehensive income (loss) and subsequently recorded to the Statement of Operations when the hedged item impacts earnings. Derivatives designated as hedge accounting are assessed at inception and on an ongoing basis whether the instrument is, and will continue to be, highly effective in offsetting cash flow or fair value of the hedged item and whether it remains probable the forecasted transaction will occur. Changes in the fair value for derivative instruments that do not qualify as hedge accounting are recognized in the Consolidated Statements of Operations.

Revenue Recognition

Franchise royalties and fees

Franchisees are required to pay an upfront license fee prior to the opening of a location. The initial license payment received is recognized ratably over the life of the franchise agreement. Franchisees will also pay continuing royalty fees, at least monthly, based on a percentage of the store level retail sales or a flat amount, depending on the brand. The royalty income is recognized as the underlying sales occur. In addition to the initial fees and royalties, the Company also recognizes revenue associated with development fees charged to franchisees, which are

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

recognized as income over the life of the associated franchise agreement. Development fees relate to the right of a franchisee to open additional locations in an agreed upon territory.

Company-operated store sales

Company-operated store sales are recognized, net of sales discounts, upon delivery of services and the service-related product.

The states and municipalities in which the Company operates impose sales tax on all of the Company's nonexempt revenue. The Company collects the sales tax from its customers and remits the entire amount to the appropriate taxing authority. The Company's policy is to exclude the tax collected and remitted from net revenue and direct costs. The Company accrues sales tax liabilities as it records sales, maintaining the amount owed to the taxing authorities in Accrued expenses and other liabilities in the Consolidated Balance Sheets.

Advertising contributions

Franchised and company-operated stores are generally required to contribute advertising dollars according to the terms of their respective contract (typically based on a percentage of sales) that are used for, among other activities, advertising the brand on a national and local basis, as determined by the brand's franchisor. The Company's franchisees make their contributions to a marketing fund which in turn administers and distributes their advertising contributions directly to the franchisor. This advertising fee revenue is recognized as the underlying sales occur. Advertising expenses are recorded as incurred. Revenues and expenses related to these advertising collections and expenditures are reported on a gross basis in the Consolidated Statements of Operations. The assets related to the advertising fund are considered restricted and disclosed as such on the Company's Consolidated Balance Sheets.

Any excess or deficiency of advertising fee revenue compared to advertising expenditures is recognized in the fourth quarter of the Company's fiscal year. Any excess of revenue over expenditures is recognized only to the extent of previously recognized deficits. When advertising revenues exceed the related advertising expenses and there is no recovery of a previously recognized deficit of advertising revenues, advertising costs are accrued up to the amount of revenues.

Supply and other revenue

Supply and other revenue includes revenue related to product sales, vendor incentive revenue, insurance licensing fees, store leases, software maintenance fees and automotive training services revenue. Supply and other revenue is recognized once title of goods is transferred to franchisees or other independent parties, as the sales of the related products occur, or ratably. Vendor incentive revenue is recognized as sales of the related product occur. Insurance licensing fee revenue is generated when the Company is acting as an agent on behalf of its franchisees and is recognized once title of goods is transferred to franchisees. The insurance license revenue is presented net of any related expense with any residual revenue reflecting the management fee the Company charges for the program. Store lease revenue is recognized ratably over the underlying property lease term. Software maintenance fee revenue is recognized monthly in connection with providing and servicing software. Automotive training services provided to third party shop owner/operators are recognized in accordance with agreed upon contract terms. These contracts may be for one-time shop visits or agreements to receive access to education and training programs for multiple years. For one-time shop visits, revenue is recognized at the time the service is rendered. For the multi-year education and training contracts, revenue is recognized ratably over the contract term.

Assets Recognized from the Costs to Obtain a Contract with a Customer

The Company has elected a practical expedient to expense costs as incurred for costs to obtain a contract when the amortization period would have been one year or less. The Company records contract assets for the incremental costs of obtaining a contract, included in Deferred commissions on the accompanying Consolidated Balance Sheets, with a customer if we expect the benefit of those costs to be longer than one year and if such costs are material. Commission expenses, a primary cost associated with the sale of franchise licenses, are amortized to Selling, general and administrative expenses in the Consolidated Statements of Operations ratably over the life of the associated franchise agreement.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Contract Balances

The Company generally records a contract liability when cash is provided for a contract with a customer before the Company has completed its contractual performance obligation. This includes cash payments for initial franchise fees as well as upfront payments on store owner consulting and education contracts. Franchise fees and shop owner consulting contract payments are recognized over the life of the agreement, which range from five to 20 and three to four year terms, respectively.

Company-Operated Store Expenses

Company-operated store expenses consist of payroll and benefit costs for employees at company-operated locations, as well as rent, costs associated with procuring materials from suppliers, and other store-level operating costs. The Company receives volume rebates based on a variety of factors which are included in Accounts receivable on the accompanying Consolidated Balance Sheets and accounted for as a reduction of company-operated store expenses as they are earned. Sales discounts received from suppliers are recorded as a reduction of the cost of inventory. Advanced rebates are included in Accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets and are accounted for as a reduction of company-operated store expenses as they are earned over the term of the supply agreement. Additionally, the Company includes subleasing expense associated with the subleasing of store buildings to franchisees within Supply and other expenses in the Consolidated Statements of Operations.

Store Opening Costs

Store opening costs consist of employee, facility, and grand opening marketing costs that company-operated stores incur prior to opening. The Company typically incurs store opening costs when opening new company-operated stores and when converting independently branded, acquired company-operated stores to one of its brands. These expenses are charged to expense as incurred.

Equity-based Compensation

The Company recognizes expense related to equity-based compensation awards over the service period (generally the vesting period) in the consolidated financial statements based on the estimated fair value of the award on the grant-date.

Fair Value of Financial Instruments

Fair value measurements enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories.

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3:** Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company estimates the fair values of financial instruments using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value for non-traded financial instruments. Accordingly, such estimates are not necessarily indicative of the amounts that the Company would realize in a current market exchange. The carrying amount for cash and cash equivalents, accounts receivable, inventory, other current assets, accounts payable and accrued expenses approximate fair value because of their short maturities.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial assets and liabilities measured at fair value on a recurring basis as of December 28, 2024 are summarized as follows:

<i>(in thousands)</i>	Level 1	Significant other observable inputs (Level 2)	Total
Derivative assets, recorded in Other assets	—	5,742	5,742
Derivative liabilities, recorded in Accrued expenses and other liabilities	—	19	19

Financial assets and liabilities measured at fair value on a recurring basis as of December 30, 2023 are summarized as follows:

<i>(in thousands)</i>	Level 1	Significant other observable inputs (Level 2)	Total
Derivative assets, recorded in Other assets	—	285	285
Derivative liabilities, recorded in Accrued expenses and other liabilities	—	233	233

Financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 are summarized as follows:

<i>(in thousands)</i>	Level 1	Significant other observable inputs (Level 2)	Total
Mutual fund investments held in rabbi trust	\$ 758	\$ —	\$ 758
Derivative assets, recorded in Accrued expenses and other liabilities	—	2,148	2,148
Derivative liabilities, recorded in Long-term accrued expenses and other liabilities	—	165	165

The fair value of the Company's derivative instruments are derived from valuation models, which use observable inputs such as quoted market prices, interest rates and forward yield curves.

The carrying value and estimated fair value of total long-term debt were as follows:

<i>(in thousands)</i>	December 28, 2024		December 30, 2023		December 31, 2022	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Long-term debt	<u>\$2,178,626</u>	<u>\$2,109,965</u>	<u>\$2,231,959</u>	<u>\$2,067,579</u>	<u>\$2,277,675</u>	<u>\$1,998,250</u>

Income Taxes

The Company accounts for income taxes under the liability method whereby deferred tax assets and liabilities are measured using enacted tax laws and rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effects on deferred tax assets and liabilities of subsequent changes in the tax laws and rates are recognized in income during the year the changes are enacted.

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

position. The tax benefits recognized on the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with tax authorities. The Company records any interest and penalties associated as additional Income tax expense in the Consolidated Statements of Operations.

Deferred Financing Costs

The costs related to the issuance of debt are presented in the accompanying balance sheets as a direct deduction from the carrying amount of that debt and amortized over the terms of the related debt agreements as interest expense using the effective interest method.

Insurance Reserves

The Company is partially self-insured for employee medical coverage. The Company records a liability for the ultimate settlement of claims incurred as of the balance sheet date based upon estimates provided by the third-party that administers the claims on the Company's behalf. The Company also reviews historical payment trends and knowledge of specific claims in determining the reasonableness of the reserve. Adjustments to the reserve are made when the facts and circumstances of the underlying claims change. If the actual settlements of the medical claims are greater than the estimated amount, additional expense will be recognized.

Foreign Currency Translation

We translate assets and liabilities of non-U.S. operations into U.S. dollars at rates of exchange in effect at the balance sheet date, and revenues and expenses at the average exchange rates prevailing during the period. Resulting translation adjustments are recorded as a separate component of other comprehensive income (loss). Transactions resulting in foreign exchange gains and losses are included in the Consolidated Statements of Operations.

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures. This ASU improves the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the tax rate reconciliation as well as disaggregation of income taxes paid by jurisdiction. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

Note 3—Accounts and Notes Receivable, net

Accounts and notes receivable, net consisted of the following:

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2022
Accounts receivable	\$ 189,662	\$ 157,653	\$ 185,569
Notes receivable	3,073	3,816	4,335
Total gross receivables	192,735	161,469	189,904
Less allowance for doubtful accounts	(15,674)	(11,604)	(19,504)
Less current portion of accounts and notes receivable	(174,234)	(146,295)	(167,249)
Notes receivable, long term	\$ 2,827	\$ 3,570	\$ 3,151

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The changes in the allowance for accounts and notes receivable are as follows:

(in thousands)

Balance as of December 31, 2021	\$	18,421
Bad debt expense		5,745
Write-off of uncollectible receivables		(4,662)
Balance as of December 25, 2022	\$	19,504
Bad debt expense		1,837
Write-off of uncollectible receivables		(9,737)
Balance at December 30, 2023	\$	11,604
Bad debt expense, net of recoveries		6,525
Write-off of uncollectible receivables		(2,455)
Balance at December 28, 2024	\$	15,674

Note 4—Business Combinations

The Company strategically acquires companies in order to increase its footprint and offer products and services that diversify its existing offerings, primarily through asset purchase agreements. These acquisitions are accounted for as business combinations using the acquisition method, whereby the purchase price is allocated to the assets acquired and liabilities assumed, based on their estimated fair values at the date of the acquisition with the remaining amount recorded in goodwill.

2024 Acquisitions

The Company completed one acquisition within the Maintenance business unit during the twelve months ended December 28, 2024, representing two sites for an aggregate cash consideration, net of cash acquired and liabilities assumed, of less than \$1 million.

2023 Acquisitions

The Company completed six acquisitions in the Maintenance business unit during the year ended December 30, 2023, representing six sites. The aggregate cash consideration for these acquisitions, net of cash acquired and liabilities assumed, was approximately \$9 million.

The Company completed two acquisitions in the Paint, Collision & Glass business unit during the year ended December 30, 2023, representing two sites. The aggregate cash consideration for these acquisitions, net of cash acquired and liabilities assumed, was approximately \$6 million.

The Company estimated the fair value of acquired assets and liabilities as of the date of acquisition based on information currently available. As the Company finalizes the fair value of assets acquired and liabilities assumed, additional purchase price adjustments may be recorded during the measurement period. The amounts for assets acquired and liabilities assumed for the 2023 acquisitions are as follows:

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2023 Maintenance Business unit

<i>(in thousands)</i>	Maintenance
Assets:	
Operating lease right-of-use assets	\$ 3,693
Property and equipment, net	3,855
Assets acquired	7,548
Liabilities:	
Accrued expenses and other liabilities	275
Operating lease liabilities	3,394
Total liabilities assumed	3,669
Cash consideration, net of cash acquired	8,108
Deferred consideration	490
Total consideration, net of cash acquired	\$ 8,598
Goodwill	\$ 4,719

2023 Paint, Collision & Glass Business unit

<i>(in thousands)</i>	Paint, Collision & Glass
Assets:	
Inventory	\$ 35
Property and equipment, net	667
Assets acquired	702
Cash consideration, net of cash acquired	4,947
Deferred consideration	695
Total consideration, net of cash acquired	\$ 5,642
Goodwill	\$ 4,940

2022 Acquisitions

The Company completed 6 acquisitions in the Maintenance business unit during the year ended December 31, 2022, representing 14 sites, each individually immaterial, which were deemed to be business combinations. The aggregate cash consideration for these acquisitions, net of cash acquired and liabilities assumed, was \$25 million.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company completed 10 acquisitions in the Paint, Collision & Glass business unit during the year ended December 31, 2022 representing 174 sites, which were deemed to be business combinations. The aggregate cash consideration for these acquisitions, net of cash acquired, was \$406 million. On December 30, 2021 the Company acquired AGN, which was comprised of 79 sites at the time of the Company's acquisition, for a total consideration of \$171 million. The purchase price allocation resulted in the recognition of \$49 million of intangible assets, \$37 million of which was a trade name intangible asset. The fair value of the acquired trade name was estimated using an income approach, specifically, the relief-from-royalty method. The Company utilized assumptions with respect to forecasted sales, the discount rate, and the royalty rate in determining the fair value of the acquired trade name. The purchase price allocation was considered complete for AGN as of December 31, 2022. On April 28, 2022, the Company acquired All Star Glass ("ASG"), which was comprised of 31 sites at the time of the acquisition for a total consideration of \$36 million. On July 6, 2022, the Company acquired K&K Glass, which was comprised of 8 sites for a total consideration of \$40 million. On July 27, 2022, the Company acquired Jack Morris Auto Glass, which was comprised of 9 sites for a total consideration of \$54 million. On September 8, 2022, the Company acquired Auto Glass Fitters Inc., which was comprised of 24 sites for a total consideration of \$72 million. The Company will amortize the acquired lease right of use assets, customer list intangibles, and definite lived trade name over their estimated remaining lives of 4 years, 13 years, and 1 year, respectively.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2022 Paint, Collision & Glass Business unit

The provisional amounts for assets acquired and liabilities assumed for the 2022 Paint, Collision & Glass acquisitions are as follows:

<i>(in thousands)</i>	Auto Glass Fitters Inc.	Jack Morris Auto Glass	K&K Glass	All Star Glass	Auto Glass Now	All Other Paint, Collision & Glass	Total PC&G
Assets:							
Accounts and notes receivable, net	5,264	1,162	—	2,349	—	832	9,607
Inventory	134	1,150	1,067	546	—	1,518	4,415
Prepaid and other assets	64	70	—	119	—	14	267
Property and equipment, net	417	418	1,553	568	1,064	1,628	5,648
Operating lease right-of-use assets	1,016	1,558	587	5,943	11,177	2,865	23,146
Intangibles, net	20,600	16,100	16,600	8,500	49,100	—	110,900
Goodwill	48,038	35,651	20,836	26,548	119,569	29,689	280,331
Deferred tax asset	—	—	—	—	—	84	84
Total assets acquired	75,533	56,109	40,643	44,573	180,910	36,630	434,398
Liabilities:							
Accounts payable	2,010	630	—	1,825	—	229	4,694
Accrued expenses and other liabilities	817	644	195	2,152	1,932	768	6,508
Current portion of long-term debt	—	—	—	10	31	—	41
Long-term debt, net	—	—	—	21	89	—	110
Operating lease liabilities	262	1,030	392	4,223	8,229	2,024	16,160
Deferred tax liabilities	375	19	—	—	—	—	394
Total liabilities assumed	3,464	2,323	587	8,231	10,281	3,021	27,907
Cash Consideration, net of cash acquired	56,044	48,386	40,056	36,342	170,629	30,209	381,666
Deferred Consideration	16,025	5,400	—	—	—	3,400	24,825
Consideration, net of cash acquired	\$ 72,069	\$ 53,786	\$ 40,056	\$ 36,342	\$ 170,629	\$ 33,609	\$ 406,491

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2022 Maintenance Business unit

The provisional amounts for assets acquired and liabilities assumed for the 2022 Maintenance acquisitions are as follows:

<i>(in thousands)</i>	Maintenance
Assets:	
Inventory	362
Property and equipment, net	5,040
Operating lease right-of-use assets	10,323
Goodwill	18,542
Deferred tax asset	844
Total assets acquired	35,111
Liabilities:	
Accrued expenses and other liabilities	792
Operating lease liabilities	9,402
Total liabilities assumed	10,194
Cash Consideration, net of cash acquired	22,849
Deferred Consideration	2,068
Total Consideration, net of cash acquired	\$ 24,917

Goodwill represents the excess of the consideration paid over the fair value of net assets acquired and includes the expected benefit of synergies within the existing business units and intangible assets that do not qualify for separate recognition. Goodwill, which was allocated to the Maintenance and Paint, Collision & Glass business units, is substantially all deductible for income tax purposes.

Deferred Consideration and Transaction Costs

Deferred consideration is typically paid six months to one-year after the acquisition closing date once all conditions under the purchase agreement have been satisfied. Included in the total consideration amounts above for the acquisitions in 2023 was \$1 million of consideration not paid on the closing date. The Company had \$2 million, \$3 million, and \$27 million of deferred consideration related to acquisitions at December 28, 2024, December 30, 2023, December 31, 2022, respectively. The Company paid \$1 million, \$24 million, and less than \$1 million of deferred consideration related to prior acquisitions during the years ended December 28, 2024, December 30, 2023, December 31, 2022, respectively. Deferred consideration is recorded within investing activities on the Consolidated Statements of Cash Flow at the time of payment.

Divestitures

During the third quarter of 2024, the Company completed the sale of its Canadian distribution business, primarily operated under the PH Vitres D'Auto brand at a sale price of approximately \$78 million. The sale included essentially all assets and liabilities associated with the business as well as allocated goodwill of \$13 million resulting in a loss of \$2 million on the sale of business within Selling, general and administrative expenses on the Consolidated Statements of Operations during the year ended December 28, 2024. Approximately \$47 million of the sale proceeds were utilized to repay a portion of outstanding secured senior notes with the remainder paid to a Related Party.

During the year ended December 28, 2024, the Company sold nine FUSA company-operated stores to a franchisee at a sale price of \$18 million. The Company sold certain store assets as well as allocated \$9 million of goodwill based on the fair value at the time of sale, resulting in a gain of \$5 million on the sale of businesses within Selling, general, and administrative expenses on the Consolidated Statements of Operations during the year ended December 28, 2024.

DRIVEN BRANDS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5 —Property and Equipment

Property and equipment consisted of the following:

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2022
Buildings	\$ 69,940	\$ 35,468	\$ 20,967
Land	20,349	16,633	2,864
Furniture and fixtures	35,687	32,449	23,464
Computer equipment and software	74,184	75,788	35,607
Store equipment	68,455	34,921	30,053
Leasehold improvements	256,997	239,533	201,416
Finance lease right-of-use assets	14,824	16,567	36,246
Vehicles	14,440	8,448	7,527
Construction in progress	61,038	54,416	59,669
Total property and equipment	615,914	514,223	417,813
Less: accumulated depreciation	(209,008)	(152,893)	(113,920)
Total property and equipment, net	\$ 406,906	\$ 361,330	\$ 303,893

Depreciation expense was \$51 million, \$51 million, and 33 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively.

Note 6 —Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill are as follows:

<i>(in thousands)</i>	Total
Balance at December 25, 2021	\$ 938,137
Acquisitions	298,873
Sale of business unit	(3,495)
Purchase price adjustments	(34)
Foreign exchange	(8,024)
Balance at December 31, 2022	\$ 1,225,457
Acquisitions	9,659
Sale of business unit	(587)
Purchase price adjustments	2,324
Foreign exchange	1,651
Balance at December 30, 2023	1,238,504
Acquisitions	599
Sale of business unit	(22,413)
Foreign exchange	(11,159)
Balance at December 28, 2024	\$ 1,205,531

Intangible assets for the years ended are as follows:

(in thousands)

Balance at December 28, 2024			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-Lived Amortizable			
Franchise agreements	\$ 219,043	\$ (78,386)	\$ 140,657
License agreements	11,893	(7,132)	4,761
Membership agreements	11,600	(7,673)	3,927
Customer relationships	82,108	(17,224)	64,884
Developed technology	25,561	(21,388)	4,173
Trademarks & other	14,243	(13,968)	275
Total definite lived amortizable	364,448	(145,771)	218,677
Indefinite-Lived			
Trademarks	416,117	—	416,117
Total	\$ 780,565	\$ (145,771)	\$ 634,794
Balance at December 30, 2023			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-Lived Amortizable			
Franchise agreements	\$ 221,996	\$ (69,643)	\$ 152,353
License agreements	11,998	(5,949)	6,049
Membership agreements	11,600	(6,173)	5,427
Customer relationships	129,730	(25,627)	104,103
Developed technology	25,923	(22,046)	3,877
Trademarks & other	14,244	(13,968)	276
Total definite-lived amortizable	415,491	(143,406)	272,085
Indefinite-Lived			
Trademarks	431,488	—	431,488
Total	\$ 846,979	\$ (143,406)	\$ 703,573
Balance at December 31, 2022			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-Lived Amortizable			
Franchise agreements	\$ 222,617	\$ (59,466)	\$ 163,151
License agreements	11,968	(4,354)	7,614
Membership agreements	11,600	(5,480)	6,120
Customer relationships	128,127	(16,369)	111,758
Developed technology	25,717	(19,788)	5,929
Trademarks & other	12,571	(11,336)	1,235
Total definite-lived amortizable	412,600	(116,793)	295,807
Indefinite-Lived			
Trademarks	431,839	—	431,839
Total	\$ 844,439	\$ (116,793)	\$ 727,646

Intangible assets decreased \$42 million relating to the sale of the Canadian distribution business during the year ended December 28, 2024. Refer to Note 4 for additional information.

Amortization expense was \$23 million, \$25 million, and \$23 million for the years ended December 28, 2024, December 30, 2023, December 31, 2022, respectively.

Amortization expense related to intangible assets for the next five fiscal years and thereafter is as follows:

<i>(in thousands)</i>	
2025	\$ 20,353
2026	18,504
2027	16,411
2028	15,382
2029	14,879
Thereafter	133,250
Total amortization	\$ 218,779

Note 7—Long-term Debt

Our long-term debt obligations consist of the following:

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2022
Series 2018-1 Securitization Senior Notes, Class A-2	\$ —	\$ 259,188	\$ 261,938
Series 2019-1 Securitization Senior Notes, Class A-2	275,176	285,000	288,000
Series 2019-2 Securitization Senior Notes, Class A-2	254,258	263,313	266,063
Series 2020-1 Securitization Senior Notes, Class A-2	163,081	168,875	170,625
Series 2020-2 Securitization Senior Notes, Class A-2	421,548	436,500	441,000
Series 2021-1 Securitization Senior Notes, Class A-2	424,841	439,875	444,375
Series 2022-1 Securitization Senior Notes, Class A-2	348,156	360,438	364,088
Series 2024-1 Securitization Senior Notes, Class A-2	273,625	—	—
Other debt ⁽¹⁾	17,941	18,770	41,586
Total debt	2,178,626	2,231,959	2,277,675
Less: debt issuance costs	(29,095)	(28,250)	(36,852)
Less: current portion of long-term debt	(27,185)	(26,426)	(27,605)
Total long-term debt, net	\$ 2,122,346	\$ 2,177,283	\$ 2,213,218

(1) Amount primarily consists of finance lease obligations.

2018-1 Securitization Senior Notes

In April 2018, Driven Brands Funding, LLC (the “Issuer”) issued \$275 million Series 2018-1 Securitization Senior Secured Notes (the “2018-1 Senior Notes”) bearing a fixed interest rate of 4.739% per annum. The 2018-1 Senior Notes had a final legal maturity date in April 2048 and an anticipated repayment date in April 2025. The 2018-1 Senior Notes were secured by substantially all assets of the Issuer and were guaranteed by the Securitization

Entities. The Company capitalized \$7 million of debt issuance costs related to the 2018-1 Senior Notes. The 2018-1 Senior Notes were repaid in July 2024.

2019-1 Securitization Senior Notes

In March 2019, the Issuer issued \$300 million of Series 2019-1 Securitization Senior Notes (the “2019-1 Senior Notes”) bearing a fixed interest rate of 4.641% per annum. The 2019-1 Senior Notes have a final legal maturity date in April 2049 and an anticipated repayment date in April 2026. The 2019-1 Senior Notes are secured by substantially all assets of the Issuer and are guaranteed by the Securitization Entities. The Company capitalized \$6 million of debt issuance costs related to the 2019-1 Senior Notes.

2019-2 Securitization Senior Notes

In September 2019, the Issuer issued \$275 million Series 2019-2 Securitization Senior Secured Notes (the “2019-2 Senior Notes”) bearing a fixed interest rate of 3.981% per annum. The 2019-2 Senior Notes have a final legal maturity date in October 2049 and an anticipated repayment date in October 2026. The 2019-2 Senior Notes are secured by substantially all assets of the Issuer and are guaranteed by the Securitization Entities. The Company capitalized \$6 million of debt issuance costs related to the 2019-2 Senior Notes.

Series 2019-3 Variable Funding Securitization Senior Notes

In December 2019, the Issuer issued Series 2019-3 Variable Funding Senior Notes (the “2019 VFN”) in the revolving amount of \$115 million. The 2019 VFN had a final legal maturity date in January 2050. The commitment under the 2019 VFN was set to expire in July 2022, with the option of three one-year extensions. In July 2023, the Company exercised the second of three one-year extension options. In July 2024, the 2019 VFN was refinanced with the 2024 VFN described below.

2020-1 Securitization Senior Notes

In July 2020, Driven Brands Funding, LLC and Driven Brands Canada Funding Corporation (together, the “Co-Issuers”), each wholly owned indirect subsidiaries of the Company, issued \$175 million 2020-1 Securitization Senior Notes (the “2020-1 Senior Notes”) bearing a fixed interest rate of 3.786% per annum. The 2020-1 Senior Notes have a final legal maturity date in July 2050 and an anticipated repayment date in July 2027. The 2020-1 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Canadian Co-Issuer and various subsidiaries of the Canadian Co-Issuer. The Company capitalized \$11 million of debt issuance costs related to the 2020-1 Senior Notes.

2020-2 Securitization Senior Notes

In December 2020, the Co-Issuers issued \$450 million 2020-2 Securitization Senior Notes (the “2020-2 Senior Notes”) bearing a fixed interest rate of 3.237% per annum. The 2020-2 Senior Notes have a final legal maturity date in January 2051; and an anticipated repayment date in January 2028. The 2020-2 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Securitization Entities. The Company capitalized \$8 million of debt issuance costs related to the 2020-2 Senior Notes.

2021-1 Securitization Senior Notes

In September 2021, the Co-Issuers issued \$450 million of 2021-1 Securitization Senior Notes (the “2021-1 Senior Notes”) bearing a fixed interest rate of 2.791% per annum. The 2021-1 Senior Notes have a final legal maturity date in October 2051 and an anticipated repayment date in October 2028. The 2021-1 Senior Notes are secured by substantially all assets of the Co-issuers and are guaranteed by the Securitization Entities. The Company capitalized \$10 million of debt issuance costs related to the 2021-1 Senior Notes.

2022-1 Securitization Senior Notes

In October 2022, the Co-Issuers issued \$365 million of 2022-1 Securitization Senior Notes (the “2022-1 Senior Notes”), bearing a fixed interest rate of 7.393% per annum. The 2022-1 Senior Notes have a final legal

maturity date in October 2052, and an anticipated repayment date in October 2027. The 2022-1 Senior Notes are secured by substantially all assets of the Co-issuers and are guaranteed by the Securitization Entities. In conjunction with the issuance of the 2022-1 Senior Notes, the Co-Issuers also issued Series 2022-1 Class A-1 Notes in the amount of \$135 million, which can be accessed at the Issuer’s option if certain conditions are met. The Company capitalized \$7 million of debt issuance costs related to the 2022-1 Senior Notes.

2024-1 Securitization Senior Notes

In July 2024, the Co-Issuers issued \$275 million of 2024-1 Class A-2 Securitization Senior Notes (the “2024-1 Senior Notes”) bearing a fixed interest rate of 6.372% per annum. The 2024-1 Senior Notes have a final legal maturity date in October 2054 and an anticipated repayment date in October 2031. The 2024-1 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Co-Issuers and each of their respective subsidiaries. Proceeds from the 2024-1 Senior Notes were primarily used to repay the Company’s 2018-1 Class A-2 Securitization Senior Notes (the “2018-1 Senior Notes”). The Company incurred costs with third parties related to the issuance of the 2024-1 Senior Notes of \$2 million included within Interest expense, net on the Consolidated statements of Operations. The Company capitalized \$10 million of debt issuance costs related to the 2024-1 Senior Notes.

Series 2024-1 Variable Funding Securitization Senior Notes

In July 2024, the Co-Issuers issued Series 2024-1 Variable Funding Senior Notes, Class A-1 (the “2024 VFN”) in the revolving amount of \$400 million. The 2024 VFN have a final legal maturity date in October 2054. The commitment under the 2024 VFN is set to expire in October 2029, with the option of two one-year extensions. The 2024 VFN are secured by substantially all assets of the Co-Issuers and are guaranteed by the Co-Issuers and each of their respective subsidiaries. Borrowings incur interest at the Base Rate plus an applicable margin or SOFR plus an applicable margin. As of December 28, 2024, there were no amounts outstanding under the 2024 VFN and \$26 million of outstanding letters of credit, which reduced the borrowing availability under the 2024 VFN.

Scheduled debt repayments for the next five fiscal years and thereafter is as follows:

<i>(in thousands)</i>	
2025	\$ 27,185
2026	544,482
2027	515,133
2028	823,778
2029	3,406
Thereafter	264,642
Total future repayments	\$ 2,178,626

The Company has potential borrowing availability within the 2022-1 Class A-1 Notes and 2024 VFN for scheduled debt repayments due within 12 months of the date of the issuance of these financials.

Covenants of the Notes

The 2019-1 Senior Notes, 2019-2 Senior Notes, 2019-3 VFN, 2020-2 Senior Notes, 2021-1 Senior Notes, 2022-1 Senior Notes, and 2024-1 Senior Notes (collectively, the “Notes”) are subject to certain quantitative covenants related to debt service coverage and leverage ratios. In addition, the agreements related to the Notes also contain various affirmative and negative operating and financial reporting covenants which are customary for such debt instruments. These covenants, among other things, limit the ability of the Issuer and its subsidiaries to sell assets; engage in mergers, acquisitions, and other business combinations; declare dividends or redeem or repurchase capital stock; incur, assume, or permit to exist additional indebtedness or guarantees; make loans and investments; incur liens; and enter into transactions with affiliates. In the event that certain covenants are not met, the Notes may

become fully due and payable on an accelerated schedule. In addition, the Issuer may voluntarily prepay, in part or in full, any series of Class A-2 Notes at any time, subject to certain make-whole obligations.

As of December 28, 2024, the Issuers was in compliance with all covenants under the agreements discussed above.

Driven Brands Inc. has no material separate cash flows or assets or liabilities as of December 28, 2024. All business operations are conducted through its operating subsidiaries and it has no material independent operations. Driven Brands Inc. has no other material commitments or guarantees. As a result of the restrictions described above, certain of the subsidiaries' net assets are effectively restricted in their ability to be transferred to Driven Brands Inc. as of December 28, 2024.

Note 9— Leases

The Company's lease and sublease portfolio primarily consists of the real property leases related to franchisee service centers and company-operated service center locations, as well as office space and various vehicle and equipment leases. Leases for real property generally have terms ranging from five to 25 years, with most having one or more renewal options ranging from one to 10 years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. Equipment and vehicle leases generally have terms ranging from one to five years. The Company's portfolio of leases does not contain any material residual value guarantees or restrictive covenants.

The following table details our total investment in operating and finance leases where the Company is the lessee:

<i>(in thousands)</i>	Balance Sheet Location	December 28, 2024	December 30, 2023	December 25, 2022
Right-of-use assets				
Finance leases	Property and equipment, net	\$ 14,824	\$ 16,534	\$ 36,213
Operating leases	Operating lease right-of-use assets	412,544	397,211	335,760
Total right-of-use assets		<u>\$ 427,368</u>	<u>\$ 413,745</u>	<u>\$ 371,973</u>
Current lease liabilities				
Finance leases	Current portion of long-term debt	\$ 3,906	\$ 3,387	\$ 3,317
Operating leases liabilities	Accrued expenses and other liabilities	46,482	44,603	33,689
		<u>\$ 50,388</u>	<u>\$ 47,990</u>	<u>\$ 37,006</u>
Long-term lease liabilities				
Finance leases	Long-term debt	\$ 11,213	\$ 13,775	\$ 35,390
Operating leases	Operating lease liabilities	397,652	371,404	313,644
Total long-term lease liabilities		<u>\$ 408,865</u>	<u>\$ 385,179</u>	<u>\$ 349,034</u>

The lease cost for operating and finance leases recognized in the Consolidated Statements of Operations were as follows:

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2022
Amortization of right-of-use assets	\$ 4,278	\$ 1,446	\$ 2,928
Interest on lease liabilities	1,155	845	1,715
Operating lease expense	71,888	67,403	59,550
Short-term lease expense	1,757	145	430
Variable lease expense	573	1,615	1,522
Total lease expense, net	<u>\$ 79,651</u>	<u>\$ 71,454</u>	<u>\$ 66,145</u>

The Company also subleases certain facilities to franchisees and recognized \$5 million of sublease revenue during each of the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively, as a component of Supply and other revenue on the Consolidated Statements of Operations.

For the year ended December 28, 2024, the Company sold 34 maintenance properties in various locations throughout the U. S. for a total of \$51 million, resulting in a net gain of \$7 million. Concurrent with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements have terms ranging from 15 to 25 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately \$41 million and \$41 million, respectively, related to these lease arrangements.

For the year ended December 30, 2023, the Company sold 25 maintenance properties in various locations throughout the U. S. for a total of \$39 million, resulting in a net gain of less than \$4 million. Concurrent with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements have terms ranging from 15 to 20 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately \$25 million and \$25 million, respectively, related to these lease arrangements.

For the year ended December 31, 2022, the Company sold 11 maintenance properties in various locations throughout the U. S. for a total of \$16 million, resulting in a net gain of \$3 million. Concurrently with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements have terms ranging from 15 to 20 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately \$12 million and \$12 million, respectively, related to these lease arrangements.

	December 28, 2024	December 30, 2023	December 31, 2024
Weighted average remaining lease terms (years)			
Operating	11.1	10.1	15.6
Financing	9.6	10.5	12.0
Weighted average remaining discount rate			
Operating	6.3 %	5.9 %	5.3 %
Financing	4.4 %	4.4 %	5.0 %

Supplemental cash flow information related to the Company's lease arrangements were as follows:

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows used in operating leases	\$ 68,189	\$ 60,991	\$ 56,678
Operating cash flows used in finance leases	198	845	1,715
Financing cash flows used in finance leases	2,760	993	1,641
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 49,974	\$ 103,193	\$ 59,772
Finance leases	2,535	—	10,906

As of December 28, 2024, future minimum lease payments under noncancellable leases were as follows:

<i>(in thousands)</i>	Finance	Operating	Income from subleases
2025	\$ 4,549	\$ 74,810	\$ 5,022
2026	4,051	70,852	4,485
2027	3,369	64,317	4,057
2028	1,864	57,540	3,099
2029	1,395	52,119	1,613
Thereafter	3,101	280,957	8,958
Total undiscounted cash flows	18,329	600,595	<u>\$ 27,234</u>
Less: Present value discount	3,210	156,461	
Less: Current lease liabilities	3,906	46,482	
Long-term lease liabilities	<u>\$ 11,213</u>	<u>\$ 397,652</u>	

Note 10—Income Taxes

The components of our income tax expense were as follows:

<i>(in thousands)</i>	Year Ended		
	December 28, 2024	December 30, 2023	December 25, 2022
Current:			
Federal	\$ 33,608	\$ 38,916	\$ 7,568
State	3,511	6,706	5,158
Foreign	8,520	(680)	600
Deferred:			
Federal	(8,606)	(10,273)	12,984
State	1,619	11,502	(13,067)
Foreign	(12,316)	(760)	4,295
Total income tax expense	<u>\$ 26,336</u>	<u>\$ 45,411</u>	<u>\$ 17,538</u>

Deferred tax assets (liabilities) are comprised of the following:

<i>(in thousands)</i>	December 28, 2024	December 30, 2023	December 25, 2022
Deferred tax asset			
Accrued liabilities	\$ 1,697	\$ 1,572	\$ 6,159
Accounts receivable allowance	3,916	3,289	5,046
Net operating loss carryforwards	—	2,960	9,054
Lease liabilities	108,151	101,835	82,669
Interest expense limitation	30,157	27,249	8,537
Deferred revenue	7,494	7,283	6,693
Other deferred assets	8,838	5,632	5,091
Total deferred tax asset	160,253	149,820	123,249
Less valuation allowance	—	(1,112)	(1,216)
Net deferred tax asset	160,253	148,708	122,033
Deferred tax liabilities			
Goodwill and intangible assets	161,588	166,614	156,429
Right of use lease assets	100,491	97,577	80,156
Fixed asset basis differences	14,414	21,150	17,317
Unrealized foreign exchange differences	(1,180)	(371)	(920)
Other deferred liabilities	3,149	3,071	6,793
Total deferred liabilities	278,462	288,041	259,775
Net deferred liabilities	\$ 118,209	\$ 139,333	\$ 137,742

The Company's effective tax rate for the year ended December 28, 2024, differs from the federal statutory rate primarily due to state tax expense, non-deductible stock compensation, and favorable tax credits and transfer pricing adjustments. The Company's effective tax rate for the year ended December 30, 2023 differs from the federal statutory rate primarily due to state tax expense, non-deductible stock compensation, and favorable tax credits and transfer pricing adjustments. The Company's effective tax rate for the year ended December 31, 2022 differs from the federal statutory rate primarily due to state tax expense, non-deductible stock compensation, and favorable return-to-provision adjustments driven by a check-the-box election made during 2022.

As of December 28, 2024, the Company had a liability for uncertain tax positions of less than \$1 million. The Company has elected to treat interest and penalties associated with uncertain tax position as tax expense. The Company does not estimate any change to the position in the next 12 months. Based on management analysis, the Company does not believe any historical unrecognized tax benefits significantly changed during the years ended December 28, 2024, December 30, 2023, or December 31, 2022. The Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year.

The Company files income tax returns in the U.S., Canada, and various state jurisdictions. Examinations by various taxing authorities covering years 2018 to 2021 are on-going. The Company is generally subject to income tax examinations for years 2017 through 2022 and believes appropriate provisions for all outstanding matters have been made for all jurisdictions and open years.

As of December 28, 2024, the Company has no remaining pre-tax federal or state tax operating loss carry forwards. As of December 28, 2024, the Company has no net operating loss carryforwards in Canada. As of December 28, 2024, the Company had \$516 million of goodwill that was deductible for tax purposes.

Note 11—Related-Party Transactions

The Company has a related party receivable of \$506 million at December 28, 2024 with the Driven Holdings LCC, its parent company, of which \$378 million and \$128 million is classified as current and noncurrent, respectively, on the Consolidated Balance Sheets. The Company had a Related party receivable of \$457 million at December 30, 2023 with the Driven Holdings LCC, its parent company, of which \$329 million and \$128 million is classified as current and noncurrent, respectively on the Consolidated Balance Sheets. The Company had a Related party receivable of \$387 million at December 31, 2022 with the Driven Holdings LCC, its parent company, of which \$258 million and \$128 million is classified as current and noncurrent, respectively on the Consolidated Balance Sheets.

The Company made payments for facilities maintenance services in the aggregate amount of approximately \$4 million, \$7 million, and \$6 million during the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively, to Divisions Maintenance Group, an entity owned by affiliates of Roark Capital Management, LLC, which is related to the company's principal stockholders (Driven Equity Sub LLC, Driven Equity LLC, RC IV Cayman ICW Holdings Sub LLC and RC IV Cayman ICW Holdings LLC). The transactions were reviewed, ratified, and approved by the Audit Committee of the Ultimate Parent's Board of Directors in accordance with the our Related Person Transactions Policy.

Note 12—Equity Agreements and Incentive Equity Plan

On April 17, 2015, Driven Investor LLC established the Driven Investor LLC Incentive Equity Plan (the "Equity Plan"). The Equity Plan, among other things, established the ownership of certain membership units in Driven Investor LLC and defined the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Equity Plan calls for certain restrictions regarding transfers of units, corporate governance, and Board of Director representation.

In April 2015, Driven Investor LLC established certain profits interest units as part of the award agreements (the "Award Agreements") granted pursuant to the Equity Plan. The Award Agreements provide for grants of certain profits interest units to employees, directors, or consultants of Driven Investor LLC and Subsidiaries. For both the Profits Interest Time Units and Profits Interest Performance Units, if the grantee's continuous service terminated for any reason, the grantee forfeits all right, title, and interest in and to any unvested units as of the date of such termination, unless the grantee's continuous service period is terminated by the Company without cause within the six-month period prior to the date of consummation of the change in control and the other vesting criteria are achieved as a result. In addition, the grantee forfeits all right, title, and interest in and to any vested units if the grantee was terminated for cause, breaches any post-termination covenants, or fails to execute any general release required to be executed.

On January 6, 2021, the Ultimate Parent's Board of Directors approved the 2021 Omnibus Incentive Plan (the "Plan") and, effective January 14, 2021, the Ultimate Parent's shareholders adopted and approved the Plan. The Plan provides for the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock units, other stock-based awards, other cash-based awards, or any combination of the foregoing to current and prospective employees and directors of, and consultants and advisors to, the Ultimate Parent and its affiliates. The maximum number of shares of common stock available for issuance under the Plan is 12,533,984 shares. In conjunction with the closing of the Ultimate Parent's initial public offering ("IPO"), our Ultimate Parent's Board granted awards under the Plan to certain of our employees, representing an aggregate of 5,582,522 shares of common stock.

Profits Interest Units

Prior to IPO, the Ultimate Parent's equity awards included Profits Interest Units as noted above. There were two forms of Profits Interest - Time Units and Performance Units. Time Units generally vested in five installments of 20% on each of the first five anniversaries of the grant date or vesting date, provided that the employee remained in continuous service on each vesting date. All outstanding Time Units were to vest immediately prior to the effective date of a consummated sale transaction. The Time Units were exchanged for time-based restricted stock awards in connection with the IPO. In addition, the Ultimate Parent granted time-based and performance-based

options in connection with the IPO to most employees with Profit Interests (each an “IPO Option”). The exchange of Profits Interest - Time Units for time based time-based restricted stock awards did not require modification accounting.

The Performance Units were to vest immediately prior to the effective date of a consummated sale transaction or qualified public offering, including the IPO (a “Liquidity Event”) and the achievement of the other vesting criteria. The percentage of vesting was based on achieving certain performance criteria. No vesting occurred as a result of the as the other vesting criteria were not achieved. In connection with the IPO, the Performance Units were exchanged for performance-based restricted stock awards. Employees who received IPO Options had the same vesting conditions for the performance-based portion of the IPO Options as the performance-based restricted stock awards.

In October 2023, the Ultimate Parent converted 2,963,829 performance-based restricted stock awards to time-based awards that vest in full on April 30, 2025, subject to a continuous service requirement through the vesting date.

	Unvested Time Awards	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Awards	Weighted Average Grant Date Fair Value, per unit
Outstanding as of December 25, 2021	428,305	\$ 13.31	4,093,509	\$ 15.84
Forfeited/Cancelled	(30,869)	10.34	(77,760)	15.34
Vested	(107,767)	12.95	—	—
Outstanding as of December 31, 2022	289,669	\$ 13.76	4,015,749	\$ 15.84
Modifications	2,963,829	11.15	(2,963,829)	15.94
Forfeited/Cancelled	(53,865)	12.74	(251,895)	12.86
Vested	(96,542)	12.97	—	—
Outstanding as of December 30, 2023	3,103,091	\$ 11.31	800,025	\$ 16.22
Forfeited/Cancelled	(31,078)	12.40	(421,292)	16.55
Vested	(70,611)	14.16	—	—
Outstanding as of December 28, 2024	3,001,402	\$ 11.23	378,733	\$ 15.85

There was approximately \$8 million of unrecognized compensation expense related to the time-based restricted stock awards at December 28, 2024, which is expected to be recognized over a weighted-average vesting period of 0.4 years.

There was \$5 million of unrecognized compensation expense related to the performance-based restricted stock awards at December 28, 2024. No compensation costs were recognized for the performance-based restricted stock awards in the presented years given the performance criteria was not met or probable. Certain former employees continued to hold performance-based awards after the IPO.

Restricted Stock Units and Performance Stock Units

The Ultimate Parent issued restricted stock units (“RSUs”) and performance stock units (“PSUs”). Awards are eligible to vest provided that the employee remains in continuous service on each vesting date. The RSUs typically vest ratably in three installments on each of the first three anniversaries of the grant date. The PSUs vest after a three-year performance period. The number of PSUs that vest is contingent on the Ultimate Parent achieving certain performance goals, one being a performance condition and the other being a market condition. The number of PSU shares that vest may range from 0% to 200% of the original grant, based upon the level of performance. Certain awards are considered probable of meeting vesting requirements, and therefore, the Company has started

recognizing expense. For both RSUs and PSUs, if the grantee's continuous service terminates for any reason, the grantee shall forfeit all right, title, and interest in any unvested units as of the termination date.

For RSUs and PSUs with a performance condition the grant date fair value is based upon the market price of the Ultimate Parent's common stock on the date of the grant. For PSUs with a market condition, the Company estimates the grant date fair value using the Monte Carlo valuation model. For all PSUs, the Company reassesses the probability of the achievement of the performance condition at each reporting period.

The range of assumptions used for issued PSUs with a market condition valued using the Monte Carlo model were as follows:

	For the Year Ended		
	December 28, 2024	December 30, 2023	December 31, 2022
Annual dividend yield	—%	—%	—%
Expected term (years)	2.4-2.8	2.6-2.8	2.7-3.0
Risk-free interest rate	3.89%-4.65%	3.65%-4.51%	2.32%-3.05%
Expected volatility	49.2%-54.1%	37.9%-38.8%	40.9%-43.9%
Correlation to the index peer group	42.6%-49.2%	60.2%-60.3%	50.7%-59.5%

There was approximately \$20 million of total unrecognized compensation cost related to the unvested RSUs at December 28, 2024, which is expected to be recognized over a weighted-average vesting period of 1.9 years. In addition, there was approximately \$12 million of total unrecognized compensation cost related to the unvested PSUs, which are expected to be recognized over a weighted-average vesting period of 1.9 years.

The following are the restricted stock units and performance stock units granted:

	Unvested Time Units	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Units	Weighted Average Grant Date Fair Value, per unit
Balance as of December 25, 2021	62,425	\$ 23.38	107,296	\$ 24.58
Granted	300,067	27.96	488,488	32.39
Forfeited/Cancelled	(20,424)	26.18	(46,024)	29.22
Vested	(20,465)	23.41	—	—
Balance as of December 31, 2022	321,603	\$ 27.49	549,760	\$ 31.13
Granted	716,904	20.29	647,359	30.54
Forfeited/Cancelled	(126,822)	27.87	(283,131)	31.06
Performance achievement ⁽¹⁾	—	—	13,808	24.69
Vested	(105,149)	27.31	(82,848)	24.69
Balance as of December 30, 2023	806,536	\$ 21.07	844,948	\$ 31.24
Granted	1,580,185	13.91	1,215,468	15.62
Forfeited/Cancelled	(304,462)	16.91	(492,192)	26.38
Vested	(279,525)	21.09	(111,547)	32.20
Balance as of December 28, 2024	<u>1,802,734</u>	<u>\$ 15.27</u>	<u>1,456,677</u>	<u>\$ 19.58</u>

⁽¹⁾ Reflects the number of awards achieved above target levels for shares vested in the period.

Stock Options

The Ultimate Parent issued stock options, which vest provided that the employee remains in continuous service on the vesting date. The stock options were granted at the stock price of the Ultimate Parent on the grant date and permit the holder to exercise them for 10 years from the grant date.

In October 2023, the Company converted 2,438,643 performance-based options to time-based awards that vest in full on April 30, 2025, subject to a continuous service requirement through the vesting date. The remaining stock options generally vest on the fourth anniversary of the grant date or ratably over a vesting period of five years, but such vesting could accelerate for certain options based on certain conditions under the award.

The fair value of all time based units granted or modified was estimated using a Black-Scholes option pricing model using the following weighted-average assumptions for fiscal 2023:

	For the Year Ended
	December 30, 2023
Annual dividend yield	—%
Weighted-average expected life (years)	6.5
Risk-free interest rate	4.82%
Expected volatility	49.8%

The expected term of the incentive units is based on evaluations of historical and expected future employee behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based on the historical volatility of guideline public entities that are similar to the Ultimate Parent, as the Ultimate Parent did not have sufficient historical transactions of its own shares to calculate expected volatility. The Ultimate Parent does not intend to pay dividends or distributions in the future.

The following are the stock options granted:

	Time Based Stock Options Outstanding	Weighted Average Exercise Price	Performance Based Stock Options Outstanding	Weighted Average Exercise Price
Outstanding as of December 25, 2021	3,685,560	\$ 26.63	3,469,480	\$ 22.00
Forfeited/Cancelled	(68,510)	19.50	(190,544)	22.00
Exercised	(23,721)	21.70	—	—
Outstanding as of December 31, 2022	3,593,329	\$ 26.79	3,278,936	\$ 22.00
Modified	2,438,643	4.15	(2,438,643)	7.32
Forfeited/Cancelled	(448,028)	16.01	(553,038)	7.14
Exercised	(270,376)	22.00	—	—
Outstanding as of December 30, 2023	5,313,568	\$ 17.64	287,255	\$ 7.53
Forfeited/Cancelled	(130,740)	22.00	(287,255)	7.53
Outstanding as of December 28, 2024	5,182,828	\$ 17.59	—	\$ —
Exercisable as of December 28, 2024	687,032	\$ 20.76	—	\$ —

There was approximately \$8 million of total unrecognized compensation cost related to the unvested stock options at December 28, 2024, which is expected to be recognized over a weighted-average vesting period of 1.0 years.

For the years ended December 28, 2024, December 30, 2023, and December 31, 2022, no compensation cost was recognized for the performance-based stock options given the performance criteria was not met or probable. Certain former employees continued to hold performance-based options after the IPO.

Employee Stock Purchase Plan

On January 6, 2021, the Ultimate Parent's Board of Directors approved the Employee Stock Purchase Plan (the "ESPP") and effective January 14, 2021, the Ultimate Parent's shareholders adopted and approved the ESPP. On March 22, 2021, the Ultimate Parent's Board of Directors approved the International Employee Stock Purchase Plan (the "International ESPP"). The ESPP and International ESPP provide employees of certain designated subsidiaries of the Ultimate Parent with an opportunity to purchase the Ultimate Parent's common stock at a discount, subject to certain limitations set forth in the ESPP and International ESPP. The ESPP and International ESPP plans authorized the issuance of 1,790,569 shares of the Ultimate Parent's common stock. Total ESPP contributions were \$1 million for each of the years ended December 28, 2024, December 30, 2023, and December 31, 2022 and 73,196, 82,546, and 111,924 shares of the Ultimate Parent's common stock were purchased in each of the respective periods.

The Company recognized share-based compensation expense of \$48 million, \$15 million, and \$21 million for the years ended December 28, 2024, December 30, 2023, and December 31, 2022, respectively.

Note 14 - Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 22, 2025, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.

Consolidated Financial Statements
Unaudited

Driven Brands Inc. and Subsidiaries

For the three months ended
March 29, 2025 and March 30, 2024

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(in thousands)</i>	<u>March 29, 2025</u>	<u>December 28, 2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 115,007	\$ 129,633
Restricted cash	332	358
Accounts and notes receivable, net	197,125	174,234
Inventory	53,439	55,900
Prepaid and other assets	33,769	24,005
Related party receivable	352,219	378,222
Assets held for sale	70,691	73,109
Advertising fund assets, restricted	55,140	49,716
Total current assets	<u>877,722</u>	<u>885,177</u>
Related party receivable	128,144	128,144
Property and equipment, net	436,247	406,906
Operating lease right-of-use assets	421,411	412,544
Deferred commissions	7,315	7,246
Intangibles, net	630,558	634,794
Goodwill	1,206,391	1,205,531
Other assets	126,806	126,098
Total assets	<u>\$ 3,834,594</u>	<u>\$ 3,806,440</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 102,722	\$ 78,779
Income taxes payable	56,788	58,250
Accrued expenses and other liabilities	159,641	155,893
Current portion of long-term debt	27,184	27,185
Advertising fund liabilities	24,058	22,030
Total current liabilities	<u>370,393</u>	<u>342,137</u>
Long-term debt, net	2,119,491	2,122,346
Operating lease liabilities	410,762	397,652
Deferred tax liabilities	118,209	118,209
Deferred revenue	31,060	31,314
Long-term accrued expenses and other liabilities	1,596	2,037
Total liabilities	<u>3,051,511</u>	<u>3,013,695</u>
Shareholders' equity:		
Class A common stock, \$.01 par value, authorized 60,000,000 voting shares; 56,560,217 shares issued and outstanding at December 28, 2024 and December 30, 2023	565	565
Additional paid-in-capital	351,353	339,565
Retained earnings	454,435	458,822
Accumulated other comprehensive loss	(23,270)	(6,207)
Total shareholders' equity	<u>783,083</u>	<u>792,745</u>
Total liabilities and shareholders' equity	<u>\$ 3,834,594</u>	<u>\$ 3,806,440</u>

DRIVEN BRANDS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<i>(in thousands)</i>	Three months ended	
	March 29, 2025	March 30, 2024
Net revenue:		
Franchise royalties and fees	\$ 44,710	\$ 45,045
Company-operated store sales	314,131	284,229
Advertising contributions	25,325	24,070
Supply and other revenue	63,970	74,160
Total net revenue	448,136	427,504
Operating expenses:		
Company-operated store expenses	202,586	168,728
Advertising expenses	37,918	24,070
Supply and other expenses	34,538	35,228
Selling, general and administrative expenses	132,547	99,382
Depreciation and amortization	19,923	18,114
Total operating expenses	427,512	345,522
Operating income	20,624	81,982
Other (income) expense, net		
Interest expense, net	27,004	28,986
Loss (gain) on foreign currency transactions, net	(531)	3,801
Total other expenses, net	26,473	32,787
(Loss) income before taxes	(5,849)	49,195
Income tax (benefit) expense	(1,462)	18,420
Net (loss) income	(4,387)	30,775
Net (loss) income attributable to Driven Brands Inc.	\$ (4,387)	\$ 30,775

DRIVEN BRANDS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

<i>in thousands</i>	Common stock, Class A and B	Additional paid-in- capital	Retained earnings	Accumulated other comprehensive income (loss)	Non- controlling interests	Total equity
Balance as of December 30, 2023	\$ 565	\$ 291,426	\$ 364,781	\$ (14,321)	\$ 383	\$ 642,834
Net income	—	—	30,775	—	—	30,775
Other comprehensive income	—	—	—	(3,086)	—	(3,086)
Equity-based compensation expense	—	11,861	—	—	—	11,861
Contributions	—	—	—	—	—	—
Balance as of March 30, 2024	\$ 565	\$ 303,287	\$ 395,556	\$ (17,407)	\$ 383	\$ 682,384
Balance as of December 28, 2024	\$ 565	\$ 339,565	\$ 458,822	\$ (6,207)	\$ —	\$ 792,745
Net income	—	—	(4,387)	—	—	(4,387)
Other comprehensive income	—	—	—	(17,063)	—	(17,063)
Equity-based compensation expense	—	11,788	—	—	—	11,788
Balance as of March 29, 2025	\$ 565	\$ 351,353	\$ 454,435	\$ (23,270)	\$ —	\$ 783,083

DRIVEN BRANDS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(in thousands)</i>	Three months ended	
	March 29, 2025	March 30, 2024
Net (loss) income	\$ (4,387)	\$ 30,775
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	19,923	18,114
Equity-based compensation expense	11,788	11,861
Loss (gain) on foreign denominated transactions	(1,071)	5,586
(Gain) loss on foreign currency derivative	363	(1,785)
Gain on sale of fixed assets	(1,906)	(6,310)
Bad debt expense	4,348	2,063
Asset impairment costs	5,194	57
Amortization of cloud computing	1,881	1,345
Amortization of deferred financing costs and bond discounts	2,154	2,048
Provision for deferred income taxes	—	3,906
Other, net	(3,464)	5,893
Changes in assets and liabilities:		
Accounts and notes receivable, net	(27,240)	(16,314)
Inventory	2,462	(3,994)
Prepaid and other assets	(9,764)	(1,937)
Related party receivable	26,004	(84,523)
Advertising fund assets and liabilities, restricted	(3,396)	7,650
Other assets	(9,222)	(31,615)
Deferred commissions	(69)	(331)
Deferred revenue	(254)	1,659
Accounts payable	30,983	15,172
Accrued expenses and other liabilities	(11,389)	70,940
Income tax payable	(1,462)	8,564
Cash provided by operating activities	31,476	38,824
Cash flows from investing activities:		
Capital expenditures	(49,557)	(24,464)
Cash used in business acquisitions, net of cash acquired	—	(1,160)
Proceeds from sale-leaseback transactions	5,560	4,550
Proceeds from sale or disposal of businesses and fixed assets	3,625	18,249
Cash provided by (used in) investing activities	(40,372)	(2,825)
Cash flows from financing activities:		
Repayment of long-term debt	(5,725)	(7,616)
Repayment of principal portion of finance lease liability	(1,026)	(867)

Cash provided by financing activities	(6,751)	(8,483)
Effect of exchange rate changes on cash	292	(943)
Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted	(15,355)	26,573
Cash and cash equivalents, beginning of period	129,633	150,581
Cash included in advertising fund assets, restricted, beginning of period	38,930	38,537
Restricted cash, beginning of period	358	657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period	168,921	189,775
Cash and cash equivalents, end of period	115,007	172,229
Cash included in advertising fund assets, restricted, end of period	38,227	43,462
Restricted cash, end of period	332	657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period	<u>\$ 153,566</u>	<u>\$ 216,348</u>

EXHIBIT E

Abra® Franchise Agreement

FRANCHISE AGREEMENT

BETWEEN

ABRA FRANCHISOR SPV LLC
A Delaware limited liability company
440 South Church Street, Suite 700
Charlotte, North Carolina 28202
(704) 377-8855

AND

Name(s) of Franchisee

Street

City State Zip Code

() _____
Area Code Telephone

AUTHORIZED LOCATION:

Street

City State Zip Code

() _____
Area Code Telephone

CONFIDENTIAL

Copyright ~~2024~~2025 ABRA FRANCHISOR SPV LLC

ABRA FRANCHISOR SPV LLC
FRANCHISE AGREEMENT

INDEX

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1.	GRANT OF FRANCHISE; FRANCHISED LOCATION	1
2.	TERM; RENEWAL RIGHTS	2
3.	OWNERS HIP AND USE OF MARKS	3
4.	SITE DEVELOPMENT	4
5.	FRANCHISOR'S OBLIGATIONS	4
6.	OPERATION OF THE FRANCHISEE'S BUSINESS	5
7.	FEES, SALES REPORTS, FINANCIAL STATEMENTS AND AUDIT RIGHTS	12
8.	MARKETING AND PROMOTION	14
9.	INSURANCE	16
10.	INDEMNIFICATION	18
11.	FRANCHISOR'S RIGHT OF FIRST REFUSAL TO PURCHASE	19
12.	ASSIGNMENT OF FRANCHISE AGREEMENT	21
13.	FRANCHISOR'S TERMINATION RIGHTS	23
14.	FRANCHISEE'S TERMINATION RIGHTS	24
15.	FRANCHISEE'S OBLIGATIONS UPON TERMINATION	24
16.	FRANCHISEE'S COVENANTS NOT TO COMPETE	26
17.	REMEDIES	26
18.	GENERAL PROVISIONS	28
19.	ACKNOWLEDGMENTS	31

EXHIBITS

- A - SITE SELECTION AGREEMENT
- B - PERSONAL GUARANTY
- C - CONVERSION ADDENDUM TO FRANCHISE AGREEMENT
- D - ASSIGNMENT OF TELEPHONE NUMBERS
- E - CONSOLIDATED SUPPLY PROGRAM AMENDMENT
- F - ACKNOWLEDGMENT ADDENDUM
- G - FRANCHISOR DILIGENCE ITEMS
- H - SERVICE LEVEL AGREEMENT
- I - SECURITY AGREEMENT
- J - TOTAL LOSS PROCESSING PROGRAM ADDENDUM
- K - CALL CENTER PROGRAM ADDENDUM
- L - FRANCHISEE OWNERSHIP INFORMATION

C. Reservation of Rights. The limited Protected Area granted under this Agreement is the only territorial protection granted to Franchisee and does not in any way expressly or implicitly grant any other area, market, territorial, or development rights to Franchisee or, except as set forth in Section 1.B, restrict Franchisor or its affiliates in any way in the manner in which Franchisor and its affiliates may conduct or operate their respective businesses. Franchisor and its affiliates have the right to issue competing franchises or to directly or indirectly develop and operate competing company-owned and affiliate-owned businesses under trademarks and service marks other than the Marks at any locations, as determined by Franchisor or any of its affiliates, inside or outside Franchisee's Protected Area. Further, Franchisor and its affiliates have the right both within and outside of the Protected Area: (i) to distribute products or services through alternative channels of distribution (including the Internet or any other existing or future form of electronic commerce) under the Marks, or under any other trademarks, service marks, trade names and commercial symbols; and (ii) to require Franchisee to participate in Corporately Managed Insurance Programs, as further described in Section 6.Q.

2. TERM; RENEWAL RIGHTS

A. Term. The term of the license granted in this Agreement will be for ten (10) years commencing on the date of this Agreement.

B. Renewal. Franchisee will have the right to renew its Abra® license for one (1) additional term of ten (10) years, provided Franchisee meets the following conditions:

1. Franchisee has given Franchisor written notice at least one hundred eighty (180) days before the end of the term of this Agreement of its intention to renew;

2. Franchisee has complied with all of the material provisions of this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, including the payment of all monetary obligations owed by Franchisee to Franchisor;

3. Franchisee has, at its expense, made such reasonable capital expenditures necessary to remodel, modernize and redecorate the premises of the Repair Center and to replace and modernize the furniture, fixtures, supplies and equipment used in Franchisee's business so that Franchisee's business reflects the then-current physical appearance of new Abra® Repair Centers;

4. Franchisee has, at its expense, complied with Franchisor's then-current qualification and training requirements as Franchisor reasonably requires;

5. Franchisee has paid a Renewal Fee of Seven Thousand Five Hundred Dollars (\$7,500) to Franchisor at least thirty (30) days before the initial term of this Agreement expires to compensate Franchisor for direct and indirect costs and expenses associated with the renewal;

6. Franchisee executes the standard Franchise Agreement then being used by Franchisor; provided that Franchisee will pay (i) the Renewal Fee in lieu of the Initial Franchise Fee stated in the then-current Franchise Agreement, and (ii) the same Continuing Fees under the then-current standard Franchise Agreement as Franchisee pays under this Agreement; and

7. Franchisee is able to secure a renewal or extension of the lease (if applicable) for the Authorized Location.

3. OWNERSHIP AND USE OF MARKS

A. Ownership. Franchisor is the owner of the Marks, and Franchisee's use of the Marks shall inure to the benefit of Franchisor. Franchisee disclaims all right, titles, and interest in or to the Marks and the goodwill associated with the Marks.

B. Use. Franchisee's right to use and identify with the Marks and Business System applies only to the operation of the Repair Center at the Authorized Location, and exists concurrently with the term of this Agreement and only so long as Franchisee is in complete compliance with Franchisor's quality standards. Franchisee will have the right to use the Marks and Business System only in the manner Franchisor directs and approves in writing. Franchisee will not have or acquire any rights in any of the Marks or Business System other than the license of the right to use as governed by this Agreement. Franchisee will not during or after the term of this Agreement do anything directly or indirectly which would infringe upon, harm, mislead or contest the rights of Franchisor in the Marks or Business System.

C. Promotion. Franchisee will operate the Repair Center so that it is clearly identified and advertised as an Abra® Repair Center. The style, form and use of the words "Abra" in any advertising, written materials or supplies must, however, have the prior written approval of Franchisor, which approval will not be unreasonably withheld. Franchisee will use the name "Abra" and the other Marks which now or hereafter may form a part of the Business System, on all paper supplies, business cards, letterhead, envelopes, uniforms, advertising materials, signs or other articles in the identical combination and manner as may be prescribed by Franchisor in writing. Franchisee will comply with all trademark, trade name, service mark and copyright notice marking requirements.

D. Identity. Franchisee will not use the word "Abra" in its Entity (as defined in Section 6.A) name. Further, Franchisee will not register or use (except as authorized by Franchisor) any domain names that include the name "Abra" or the other Marks. Franchisee will clearly indicate on its business checks, purchase orders, business cards, receipts, promotional materials and other written materials that Franchisee is the owner of the Repair Center and that Franchisee is an Abra® franchisee. Franchisee will display a sign which is clearly visible to the general public indicating that the Repair Center is independently owned and operated.

E. Substitutions. If any third party claims that its rights to use any of the Marks are superior and if Franchisor determines that such claim is legally meritorious, Franchisee will, at its expense and upon receiving written notice from Franchisor, immediately use such changes and amendments to the Marks as may be required by Franchisor. Otherwise, Franchisee will not make any changes or amendments in or to the use of the Marks and Business System unless directed by Franchisor in writing.

F. Litigation. Franchisee will have no obligation to and will not defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. Franchisee will, however, immediately notify Franchisor of any claims or complaints made against Franchisee respecting the Marks and will, at Franchisee's expense, cooperate in all respects with Franchisor in any court or other proceedings involving the Marks. Franchisor will pay the cost and expense of all litigation Franchisor incurs, including attorneys' fees, specifically relating to the Marks. Franchisor and its legal counsel will have the right to control and conduct any litigation relating to the Marks.

4. SITE DEVELOPMENT

A. Site Selection Agreement. Before entering into this Agreement, Franchisee will acquire or lease, at its expense, the Repair Center premises under the provisions of the Site Selection Agreement attached hereto as Exhibit A.

B. Design and Appearance of Premises. The design and appearance of the exterior and interior of the Repair Center, including signs, are part of the Business System. It is essential to the integrity of Franchisor's Business System that as great a degree of uniformity as possible be maintained among the various premises of Abra® Repair Center franchisees. Franchisee agrees that: (1) the Repair Center will be built and equipped pursuant to the building plans and site plans Franchisor approves and will meet all Repair Center specifications described in the Operations Playbook or otherwise communicated to Franchisee by Franchisor, as to equipment, inventory, signs, fixtures, computer system, location and design and accessory features; (2) no material alteration or addition will be made to the premises without Franchisor's prior written consent; (3) the painting and décor will be maintained in such manner and form as Franchisor may reasonably require; (4) Franchisee will follow Franchisor's reasonable instructions with respect to layout and character of interior fixtures and furnishings; and (5) only such signs, emblems, logos, lettering, and artwork as Franchisor may reasonably require or periodically provide will be displayed on the Repair Center premises.

C. Permit Certification. Before occupying the Repair Center, Franchisee will file with Franchisor a statement certifying that Franchisee has obtained all required permits and certifications for operating the Repair Center, including zoning, access, sign and fire requirements.

5. FRANCHISOR'S OBLIGATIONS

A. Building Plans, Equipment, Supplies and Inventory. Franchisor will provide Franchisee with Franchisor's standard building plans, including exterior and interior layouts, and will designate the standard fixtures, equipment, supplies, signs and initial inventory for use in the Repair Center. In addition, Franchisor will provide Franchisee with lists of approved products and/or suppliers, as further described in Section 6(C).

B. Training. Franchisor will, at its expense, provide management and operations training courses to Franchisee and certain of its managers and key employees, as Franchisor designates. Training will take place online, at Franchisor's headquarters in Charlotte, North Carolina, or at such other locations as Franchisor may designate, including Franchisee's Repair Center. Franchisee, any Repair Center Manager and such other Repair Center employees as Franchisor designates must successfully complete certain of these training courses prior to opening Franchisee's Repair Center or shortly thereafter. Franchisor has the right to designate the actual course selection and scheduling for Franchisee. No individual will be permitted or authorized at any time during the term of this Agreement to manage Franchisee's business unless he/she has successfully completed the training courses designated by Franchisor. If Franchisee fails to successfully complete the applicable training courses, Franchisor may treat such failure as a breach of a material obligation under this Agreement and terminate this Agreement. Further, if Franchisee is given notice of default as set forth in Sections 13(A) and (B) and the default relates, in whole or in part, to Franchisee's failure to meet any operational standards, Franchisor has the right to require as a condition of curing the default that Franchisee, at Franchisee's expense (including payment of Franchisor's then-current training fees), comply with the additional training requirements prescribed by Franchisor. Franchisee will be responsible for travel costs, room and board, salaries, fringe benefits and other expenses incurred by Franchisee and its Repair Center Manager, if applicable, in attending the training courses.

C. Opening Assistance. Franchisor will assist in scheduling the opening of the Repair Center. Franchisee will not open or commence business operations until Franchisor has approved the opening. In addition, Franchisor will, at its expense and according to its judgment, assist Franchisee with up to four (4) additional weeks of on-site training at the Repair Center (the weeks may or may not be on a consecutive basis). Franchisor and Franchisee also may agree that Franchisor will provide management assistance and other services, in addition to the usual initial assistance and supervision Franchisor provides to all franchisees, for additional agreed upon compensation.

D. Operations Playbook. Franchisor will loan Franchisee one (1) copy of, or otherwise make available to Franchisee (through Franchisor's intranet or other means of written or electronic access as designated by Franchisor) Franchisor's operational manual (the "Operations Playbook"), which will contain Franchisor's required operational standards and other mandatory or suggested practices, standards and operating procedures that Franchisor develops for Abra® Repair Centers. Franchisor will also loan Franchisee one (1) copy of (or make available to Franchisee as described above) the Abra Team Member Handbook and the Manager's Safety Manual to assist Franchisee in opening and operating the Repair Center. Franchisee will comply with all provisions of the Operations Playbook and all other manuals Franchisor provides to Franchisee. Franchisor has the right to revise the Operations Playbook and any other manuals at any time by written or electronic means (including through Franchisor's intranet). Any mandatory specifications, standards and operating procedures contained in the Operations Playbook exist to create uniform standards of service, a uniform customer experience, and to protect Franchisor's interest in the Business System and the Marks, and not for the purpose of establishing control over, or any duty to take control over, the day-to-day operations of the Repair Center reserved to Franchisee.

E. Ongoing Assistance. During the operation of Franchisee's business, Franchisor will: (1) inspect the Repair Center as often as Franchisor deems necessary and provide Franchisee with written evaluations of the services provided by the Repair Center; (2) provide, upon the written request of Franchisee, advisory services pertaining to operation of Franchisee's business; (3) periodically make available to Franchisee all changes, improvements and additions to the Business System to the same extent made available to other franchisees; (4) provide Franchisee with all supplements and modifications to the Operations Playbook; (5) provide, in some cases for a fee, additional training programs and materials as Franchisor deems necessary; and (6) in Franchisor's judgment provide you with access to certain portions of Franchisor's intranet or other similar communications media that may be used by Franchisor in the future.

6. OPERATION OF THE FRANCHISEE'S BUSINESS

The Marks and Business System licensed to Franchisee represent valuable goodwill distinctive of Franchisor's business and reputation. Franchisor will periodically develop uniform standards of quality and service regarding the business operations of the Repair Center so as to protect (for the benefit of the Business System) the distinction, valuable goodwill and uniformity represented and symbolized by the Marks. To ensure that all franchisees will maintain the uniform requirements and quality standards for goods and services associated with Abra® Repair Centers and with the Marks and Business System, Franchisee will maintain the uniformity and quality standards Franchisor reasonably requires for the operation of Abra® Repair Centers and agrees to the following provisions:

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

1. Upon Franchisor's request, Franchisee agrees to provide Franchisor with copies of Franchisee's governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Franchisee's formation. During the term of this

Agreement, Franchisee's governing documents must provide that no Ownership Interest (defined below) in Franchisee may be transferred or issued, except in accordance with Sections 11.B and 12. In addition, all certificates and other documents representing Ownership Interests in Franchisee will bear a conspicuous printed legend to that effect in accordance with Section 11.B. "Ownership Interests" means (a) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (b) in relation to a limited liability company, membership interests or other equity interests; (c) in relation to a partnership, a general or limited partnership interest; (d) in relation to a trust, a beneficial interest in the trust; and (e) in relation to any Entity (including those described in (a) through (d) above), any other interest in that Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the direction of the management of the Entity or its business (including a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Repair Center, that Entity or its business.

2. Franchisee agrees and represents that Exhibit L to this Agreement completely and accurately describes all Owners (defined below) and their Ownership Interests in Franchisee and Franchisee's officers and principal executives. In this Agreement, "Owner" means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in Franchisee. Simultaneously with Franchisee's execution of this Agreement (or, if Franchisee is not then an Entity, at any such time that Franchisee becomes an Entity (including, but not limited to, in the event that this Agreement is transferred to an Entity in accordance with Section 12)), each Owner that directly or indirectly owns a ten percent (10%) or greater Ownership Interest in Franchisee (a "Guarantor") shall execute Franchisor's then-current form of personal guaranty of Franchisee's obligations (the "Personal Guaranty"), the current form of which is attached to this Agreement as Exhibit B. In addition, any individual or Entity that becomes a Guarantor at any time after the date of this Agreement, whether pursuant to Section 12 or otherwise, shall, as a condition of becoming such an Owner, execute the Personal Guaranty. Subject to Franchisor's rights and Franchisee's obligations under Sections 11.B and 12, Franchisee and Owners agree to sign and deliver to Franchisor promptly a revised Exhibit L to reflect any changes in the information that Exhibit L now includes.

B. Managerial Responsibility. The parties identified in Section 5(B) will attend and successfully complete Franchisor's training program described therein and, during the term of this Agreement, Franchisee (or any Guarantor approved by Franchisor) will personally manage, staff and operate the Repair Center, unless Franchisor and Franchisee agree that Franchisee may appoint a Franchisee employee to exercise such full-time management and control (the "Repair Center Manager"). Any potential Repair Center Manager must successfully complete Franchisor's training program, prior to assuming full-time management and control.

C. Approved Products and Services. Franchisee will dispense, sell, or offer for sale sufficient quantities of only such products, materials and services as Franchisor periodically approves in writing for the operation of Abra® Repair Centers. Franchisee will not offer or sell any other products, materials or services without Franchisor's written consent. Franchisee will purchase only such types, models or brands of fixtures, furniture, equipment, signs and supplies that Franchisor approves for Abra® Repair Centers as meeting its specifications and standards, including specifications and standards for quality, design, warranties, appearance, function and performance. Franchisor will periodically provide Franchisee with lists of approved products for sale and for use in the provision of services hereunder and may designate the manner or method through which Franchisee purchases products and/or services from approved suppliers. Franchisee may request that Franchisor approve supplies that are not on Franchisor's lists; however, Franchisee must obtain Franchisor's advance, written approval before using any such alternative supply.

Franchisor shall have the option to evaluate such alternative supply in any manner that Franchisor deems appropriate, and Franchisee must pay the costs of Franchisor's evaluation. Franchisee will, in operating its Repair Center, offer auto glass service and replacement at the Repair Center under standards established in the Operations Playbook. FRANCHISOR AND ITS AFFILIATES DISCLAIM ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH FRANCHISOR'S (AND/OR AN AFFILIATE'S) SALE OF ANY GOODS, EQUIPMENT, FURNITURE, SIGNS OR SUPPLIES TO FRANCHISEE.

Without limiting the foregoing sourcing requirements, Franchisor has designated certain approved suppliers of paint to the Business System as "Preferred Suppliers," which may include Franchisor and/or its affiliates. Franchisor may modify its list of Preferred Suppliers from time to time upon reasonable notice to Franchisee (in the Operations Playbook or otherwise in writing). Franchisee may choose to use, or not use, a Preferred Supplier for Franchisee's paint requirements. Franchisee acknowledges and agrees that a decision by Franchisee not to use a Preferred Supplier will have an adverse effect on the relationship that Franchisor and the Business System have with Preferred Suppliers. Accordingly, Franchisor reserves the right to assess a nonrefundable fee of Three Thousand Dollars (\$3,000) against Franchisee (the "Paint Surcharge") for each month that Franchisee uses an approved supplier other than a Preferred Supplier (if applicable) for its requirements of paint for the Repair Center. The Paint Surcharge shall be due and payable at the same time and in the same manner as the Continuing Fee or in such other manner Franchisor periodically specifies. Franchisee acknowledges and agrees that the Paint Surcharge reasonably represents Franchisor's estimate of the damages to Franchisor and the Business System arising from Franchisee's decision not to purchase paint from a Preferred Supplier.

D. Maintenance of Premises; Modernization. Franchisee will, at its expense, repair, paint and keep in an attractive, safe and sanitary condition the interior and exterior premises of the Repair Center. Franchisee will be required to periodically make reasonable capital expenditures to remodel, modernize and redecorate the Repair Center, and to replace and modernize the furniture, fixtures, signs, supplies and office, computer and other Repair Center equipment so that the Repair Center will reflect the then-current physical appearance of new Abra® Repair Centers. All remodeling, modernization or redecoration of the Repair Center must be done pursuant to Franchisor's then-current standards and specifications and only with Franchisor's prior written approval. Franchisee agrees to commence remodeling activities within ninety (90) days after written notice from Franchisor, although Franchisee will not be required to remodel, modernize and redecorate any Repair Center more than once every five (5) years during the term of this Agreement.

E. Compliance with Laws. Franchisee will, at its expense, comply with all applicable federal, state, local and municipal laws, ordinances, rules and regulations affecting the operation of the Repair Center, including, but not limited to: (1) all rules and regulations under the Occupational Safety and Health Act (OSHA) and all other applicable health and safety standards; (2) all laws and regulations regarding hiring, firing and compensation of employees; (3) the Americans with Disabilities Act (ADA); (4) the CAN-SPAM Act; (5) the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR) and other federal and state anti-solicitation laws regulating phone calls, spamming and faxing; and (6) state laws that regulate data security and privacy (including, but not limited to, the use, storage, transmission and disposal of data regardless of media type). Franchisee will timely obtain all permits, certifications or licenses necessary for the full and proper conduct of the business franchised hereunder, including licenses to do business, fictitious name registrations and sales tax permit clearances.

Franchisee acknowledges that Franchisee is an independent business and is solely responsible for control and management of its Repair Center, including, but not limited to, such matters as determining the prices at which Franchisee will offer and sell products and services, hiring and discharging Franchisee's

employees and setting and paying wages and benefits of Franchisee's employees. Franchisee acknowledges that Franchisor shall have no power, responsibility or liability in respect to such issues including, without limitation, hiring, discharge and discipline, setting and paying of wages and related matters. Further, Franchisee has had an opportunity to obtain legal advice regarding, and currently complies with, all applicable legal requirements that prohibit unfair, fraudulent or corrupt business practices, including U.S. and other legal requirements that are designed to combat terrorism and terrorist activities. In addition, neither Franchisee nor any Owner is named as a "specially designated national" or "blocked person" (or other similar classification) as designated by the United States Department of the Treasury's Office of Foreign Assets Control (or other applicable government agency).

F. Operating Procedures; Operations Playbook. To protect the reputation and goodwill of Franchisor and to maintain uniform operating standards under the Marks and Business System, Franchisee will conduct its business in accordance with the required standards for the Business System, as described in the Operations Playbook and other Franchisor manuals, one (1) copy of which Franchisee will have on loan from Franchisor, or as otherwise prescribed in writing by Franchisor (including through Franchisor's intranet or through other electronic means). Any required standards exist to protect Franchisor's interests in the Business System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The Operations Playbook and other manuals Franchisor provides to Franchisee will remain Franchisor's sole property. Franchisor has the right to periodically revise the contents of the Operations Playbook or any other manuals. Franchisee agrees to comply with each new or changed standard. Franchisee will ensure that its copy of (or access to) the Operations Playbook is kept current. In the event of any dispute as to the contents of the Operations Playbook, the terms of the master copy of the Operations Playbook Franchisor maintains (whether in hard copy or in electronic form) will be controlling.

Without limiting any other provision in this Agreement, Franchisor and its affiliates have the perpetual right to own and use and to authorize other Abra® Repair Centers to use, and Franchisee will fully and promptly disclose to Franchisor, all ideas, plans, improvements, concepts, methods and techniques relating to the development, marketing or operation of an Abra® Repair Center or any similar business conceived or developed by Franchisee or Franchisee's employees during the term of this Agreement. Franchisee may not test, offer, or sell any new products without Franchisor's prior written consent.

G. Confidential Information and Customer Data. Franchisee and those Owners who have signed the Personal Guaranty will not, during or after the term of this Agreement, communicate, disclose or use for the benefit of any other person or Entity any confidential information, knowledge or know-how concerning the Business System. Franchisee will disclose such confidential information only to such of its employees as must have access to it in order to operate Franchisee's business. Any and all information, knowledge and know-how, including the Operations Playbook, any other manuals created for use in the operation of the Repair Center, methods, supplier lists, procedures, specifications, techniques, computer programs, and other data and information generated by, or used or developed in, operating the Repair Center, including Customer Data, and any other information contained from time to time in the Network Computer System or that visitors (including Franchisee) provide to the Abra website, which Franchisor copyrights or designates as confidential will be deemed confidential for purposes of this Agreement. "Customer Data" means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to the Repair Center's customers and prospective customers. During and after the term of this Agreement, Franchisor and its affiliates may make any and all disclosures and use the Customer Data in its and their business activities and in any manner that Franchisor or they deem necessary or appropriate. Franchisee must secure from its vendors, customers, prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Data to Franchisor and its affiliates and for Franchisor and its affiliates to use that Customer Data in the manner that this Agreement contemplates.

H. Personnel. Franchisee or its Repair Center Manager (if applicable) will, at all times when open for business, be responsible for the business operations and staffing of Franchisee's business. Franchisee will employ and maintain a sufficient number of adequately trained, competent and courteous employees to provide efficient service to Franchisee's customers, and set and pay their wages, commissions and incentives. Franchisee will require its employees to wear such uniforms as may be designated by Franchisor. Franchisee will hire all employees and be exclusively responsible for the terms of their employment, work hours and compensation, with no liability to Franchisor. Franchisee acknowledges and agrees that all personnel decisions shall be made by Franchisee without any influence or advice from Franchisor, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Franchisor. All persons hired by or working for Franchisee shall not, for any purpose, be deemed Franchisor's employees or be subject to Franchisor's control.

I. Hours of Operation. Franchisee's business will be open for business for such days and hours as Franchisor may designate.

J. Evaluations. Franchisor or its authorized representative shall have the right to enter Franchisee's Repair Center at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by Franchisee, and to inspect and evaluate Franchisee's building, land, equipment, as well as conditions of sanitation and cleanliness at the Repair Center.

K. Lease. If Franchisee leases, rather than owns, the premises for Franchisee's Repair Center, Franchisee's lease or sublease for the Repair Center premises must be approved by Franchisor before its execution, but such approval will not be unreasonably withheld. Franchisee's lease must permit Franchisee to occupy the premises for the term of this Agreement and contain provisions requiring that: (1) so long as this Agreement remains in effect, the premises be used only for an Abra® business; (2) Franchisor will be granted the right (but not the duty) to take possession of the premises and assume the lease without liability for Franchisee's monetary defaults in the event of a termination of this Agreement or a threatened termination of the lease as a result of a breach by Franchisee; (3) the landlord will provide Franchisor written notice of any Franchisee default and/or Franchisee's right to cure; and (4) upon termination of this Agreement or the lease, Franchisee must remove all signs and materials bearing the name "Abra" and other Marks.

L. Computer System. An integrated network-based computer system has been developed for use in the Franchisee's business (the "Network Computer System"). Franchisee will, at its expense, install and use the Network Computer System, including all future updates, supplements, modifications and substitutions to it, in the operation of the Repair Center. Franchisee agrees to purchase software and computer hardware necessary to comply with Franchisor's written specifications for the Network Computer System. Franchisee must lease the customized software packages from the supplier(s) Franchisor designates. In addition, Franchisee may be required to enter into one or more computer software license agreements specified by the third-party supplier of the customized software package. The computer hardware for the Network Computer System must be configured with the computer software packages as a package unit as Franchisor designates. If Franchisor is requested to configure Franchisee's computer hardware component to conform with the computer software packages, Franchisor will provide such assistance for additional agreed upon compensation. Franchisor has the right to access Franchisee's Network Computer System, and the data (including Customer Data) and information the Network Computer System collects and stores, at such times and in such manner as Franchisor designates. Franchisee understands and agrees that Franchisor and its affiliates may use such information and data, together with any records and reports required by Section 7 or any other provision of this Agreement, for any purpose and in any form as determined by Franchisor and its affiliates from time to time, including, without limitation, to conduct marketing and cross-promotional campaigns and to compile on an aggregated

basis statistical and performance information relating to Franchisor's (or its affiliates') services and products, Abra® Repair Centers, and/or other automotive businesses franchised and owned by Franchisor and its affiliates. Franchisee agrees to obtain (and to continuously maintain at all times during the term of this Agreement) high speed internet access dedicated exclusively to the Network Computer System, via cable modem or DSL, or such other form of access or communication as Franchisor may designate in the future. Franchisee also agrees to purchase, install and maintain any equipment necessary to support such access or communication. Franchisee must at all times ensure that the Network Computer System is continuously operational. Franchisee shall comply with Franchisor's standards, other directions from Franchisor, all applicable Payment Card Industry ("PCI") data security standards, and all applicable laws and regulations, as any of them may be modified from time to time, in connection with the Repair Center and any Customer Data stored on the Network Computer System and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. Franchisee is solely responsible for protecting itself from disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures, or attacks. Franchisee must comply with all laws and regulations related to privacy and data protection and breach response policies Franchisor may periodically establish. Franchisee must notify Franchisor immediately after becoming aware of any actual or suspected breach involving Customer Data (a "Data Security Incident") at or in connection with the Repair Center. Franchisee must comply with Franchisor's instructions in responding to any Data Security Incident. Franchisor (and its designated affiliates) have the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at Franchisee's expense.

M. Additional Training. Franchisee and its Repair Center Manager (if any) must (at Franchisee's expense) attend both: (i) the Abra® national convention, as held by Franchisor from time to time at a location determined by Franchisor; and (ii) up to one (1) additional Franchisor-provided training program, on an annual basis, whether conducted at the local, regional or national level. If Franchisee owns and operates more than one (1) Abra® Repair Center: (1) Franchisee may send one (1) representative to the national convention to represent all of the Abra® Repair Centers that Franchisee owns and operates; (2) if Franchisee sends at least one (1) representative to the national convention, Franchisee will pay Franchisor Franchisor's then-current registration fee (if applicable) for each of Franchisee's attendees; and (3) if Franchisee fails to send a representative to the national convention, Franchisee will pay Franchisor the then-current registration fee (if applicable) for each of Franchisee's Abra® Repair Centers. Franchisee and any Repair Center Manager will also attend and complete such supplemental and refresher ~~and~~ training ~~courses~~ programs as Franchisor may, in its judgment, periodically require. Franchisor reserves the right to charge Franchisee its then-current training fee for such training programs. Franchisee will conduct ongoing training programs at the Repair Center for its employees. Franchisee will be responsible for travel costs, room and board, salaries, benefits, training manuals and other fees (if applicable) and/or expenses that Franchisee and its employees incur in attending such periodic conventions and ~~additional~~ supplemental, refresher, and ongoing training programs and, to the extent that any such training program is conducted at the Repair Center, the travel and living expenses that Franchisor's representatives incur while providing such training program.

N. Notification of Proceedings. Franchisee will notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, injunction or award of any court, agency or other governmental authority which may adversely affect the operation or financial condition of Franchisee's business.

O. Customer Service and Warranty Programs. Franchisee will ensure that services are rendered to all customers of the Repair Center in a prompt, workman-like and courteous manner. All

customer complaints will be dealt with promptly and courteously. Franchisee will provide to all Repair Center customers those warranties and guarantees Franchisor requires and on forms Franchisor furnishes.

P. Reimbursement Policies. Franchisee will honor all valid customer claims presented pursuant to such warranties and guarantees Franchisee, Franchisor and other Abra® franchisees make and will not require customers to provide any payment or reimbursement therefor. Franchisee will be reimbursed, at a rate consistent with its current pricing, for any services it performs in honoring a valid warranty or guarantee Franchisor or another Abra® franchisee issues. Franchisee will reimburse, within five (5) days after receipt of an invoice for such reimbursement, Franchisor or any Abra® franchisee, at Franchisor's or such franchisee's current pricing, for any services Franchisor or such franchisee performs in honoring a valid warranty or guarantee Franchisee issues.

Q. Insurance Programs. Franchisor has entered into verbal and/or written agreements with certain insurance companies ("Corporately Managed Insurance Programs" or "CMIPs") whereby the CMIP partners may provide preferred access to participation in their direct repair programs ("DRPs") or performance-based agreements ("PBAs"). To be considered for preferred access to these DRPs or PBAs, Franchisee must have complied with such participation requirements as Franchisor may set forth from time to time to include more items and/or remove some requirements as the collision and insurance industry standards adjust with the advent of new repair procedures. In connection with Franchisee's participation in one (1) or more Corporately Managed Insurance Programs, Franchisee must sign such documents and agreements as Franchisor may reasonably require, including a service level agreement in the form prescribed by Franchisor (the "Service Level Agreement"), the current version of which is attached hereto as Exhibit H. If the Repair Center is Franchisee's first Abra® Repair Center and/or Franchisee is not a party to an effective Abra® service level agreement as of the date on which Franchisee signs this Agreement, Franchisee will execute the Service Level Agreement simultaneously with Franchisee's execution of this Agreement.

Provided that Franchisee has complied with Franchisor's then-current participation requirements, Franchisor may assist Franchisee with submitting applications for participation in Corporately Managed Insurance Programs. A CMIP partner, however, may reserve the right to accept or deny individual center participation based on qualification criteria unique to its DRP or PBA, or a surplus of existing centers in Franchisee's area. Selection for participation in a CMIP qualifies Franchisee to receive work from the DRP or PBA, but neither Franchisor nor the CMIP partner provides a guaranty of any specific level of referral volume.

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

R. Website Participation. Franchisor has the right to require Franchisee, at Franchisee's expense, to participate in an Abra website or other online communication systems. Franchisee may not create and maintain its own website(s) for the Repair Center. Franchisor may create and maintain a webpage for the Repair Center on the Abra website to ensure it is consistent with Franchisor's standards, as they may be modified from time to time. Franchisor has the right to determine the content and use of any websites or other online communication systems and will establish the rules under which franchisees will participate. If Franchisor includes information about the Repair Center on the Abra website, Franchisee agrees to give Franchisor the information and materials that Franchisor periodically requests concerning the Repair Center. Franchisor retains all rights relating to any website or other online communication systems (including the domain name or URL for the Abra website, the log of "hits" by visitors, and any data and other personal or business data that visitors (including Franchisee) supply) and may alter or terminate the site or systems. Franchisee's general conduct on any website or other online communication systems, and

specifically its use of the Marks, domain names or any advertising, is subject to the provisions of this Agreement. All content posted on local sites by Franchisee relating to the Repair Center or the business Franchisee conducts under this Agreement must be approved in advance by Franchisor. Franchisee acknowledges that certain information obtained through its participation in the website or other online communication systems may be considered confidential information, including access codes and identification codes. Franchisee's right to participate in any website or other online communication systems (including Franchisor's intranet) or to otherwise use the Marks or Business System on the internet terminates when this Agreement expires or terminates. Franchisor reserves all rights to online listings. Franchisee must cooperate in any attempts by Franchisor to gain access to and control of directory listings for the purposes of maintaining a competitive search engine ranking, through consistent representation of the business name and information.

7. FEES, SALES REPORTS, FINANCIAL STATEMENTS AND AUDIT RIGHTS

A. Initial Franchise Fee. Franchisee will pay Franchisor an Initial Franchise Fee of Thirty-five Thousand Dollars (\$35,000) of which a deposit of Ten Thousand Dollars (\$10,000) was received when Franchisee executed a Site Selection Agreement and the balance of Twenty-five Thousand Dollars (\$25,000) is due and payable on the date of this Agreement. The Initial Franchise Fee is nonrefundable, except as provided in the Site Selection Agreement.

B. Continuing Fee. Franchisee will, for the term of this Agreement, pay to Franchisor a Continuing Fee equal to five percent (5%) of Franchisee's Gross Sales, subject to a minimum annual Continuing Fee of Forty-five Thousand Dollars (\$45,000) (the "Annual Minimum"). For purposes of determining annual Gross Sales and the Annual Minimum, Franchisee will use Franchisor's fiscal year period. The Annual Minimum will be prorated for any partial years during this Agreement's term. The term "Gross Sales" means the total amount of all revenues received by Franchisee from the sale of goods and services, whether for cash or by check or credit card, at or in connection with the Repair Center, including sublet labor and new and used replacement parts. Gross Sales will not include sales taxes collected from customers or bona fide refunds.

C. Central Review Fee. Franchisee will, for the term of this Agreement, pay Franchisor its then-current Central Review Fee equal to a percentage of Franchisee's Gross Sales generated by Corporately Managed Insurance Programs (as defined in Section 6(Q)). The Central Review Fee is applied towards the costs of Franchisor's central review program, including the cost of managing and administering DRPs, and negotiating and administering contracts, with auto insurance companies and other third parties, and may be applied to additional insurance programs that mandate Franchisor's central review oversight. Franchisor may increase the amount of the Central Review Fee at any time during the term of this Agreement by providing Franchisee thirty (30) days' prior written notice.

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

E. Call Center Fee. Franchisor has another optional program, pursuant to which Franchisor will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as determined by Franchisor in its sole discretion) participating Abra® Repair Center (the “Call Center Program”). If Franchisee desires to participate in the Call Center Program, Franchisee must first be approved by Franchisor. If Franchisor approves Franchisee to participate in the Call Center Program, Franchisee will sign an addendum to this Agreement, which sets forth the terms and conditions of the Call Center Program (the “Call Center Program Addendum”), the current form of which is attached hereto as Exhibit K, and any other documents that Franchisor may reasonably require in connection with Franchisee’s participation in the Call Center Program. Under the terms of the Call Center Program Addendum, Franchisee will, among other things, pay Franchisor a fee (the “Call Center Fee”) during any period in which Franchisee participates in the Call Center Program.

F. Payments. Franchisee will pay to Franchisor the Continuing Fees, Marketing Fees, Central Review Fees, Total Loss Processing Fees (as applicable), and Call Center Fees (as applicable) due under this Agreement on or before the day of each calendar month that Franchisor periodically specifies (the “Payment Day”), together with Franchisee’s sales reports and profit and loss statements as required under this Agreement. For the avoidance of doubt, Franchisor may modify the Payment Day and corresponding reporting period at any time in Franchisor’s sole discretion. Franchisee will certify the accuracy of such sales reports and will supply to Franchisor such supporting or supplementary materials as Franchisor may reasonably require to verify the accuracy of such payments. Franchisor has the right to require Franchisee to sign an electronic transfer of funds authorization to authorize and direct Franchisee’s bank or financial institution to transfer electronically directly to the account of Franchisor or its affiliates and to charge to the account of Franchisee all amounts due to Franchisor and/or its affiliates from Franchisee. Franchisee’s authorizations shall permit Franchisor and/or its affiliates to designate the amount to be transferred from Franchisee’s account. If Franchisor requires payment through the electronic transfer of funds, Franchisee will thereafter maintain a balance in its account sufficient to allow Franchisor and its affiliates to collect the amounts owed to them when due. Franchisee is responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section 7(D). Franchisee acknowledges and agrees that Franchisor has the right to require Franchisee to pay by electronic transfer of funds regardless of whether Franchisor imposes the same requirement on other Abra® franchisees. Any unpaid Continuing Fees, Marketing Fees, Central Review Fees, Total Loss Processing Fees (as applicable), Call Center Fees (as applicable), or other fees due to Franchisor or its affiliates will bear interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less. In addition, Franchisee will timely pay all of its obligations and liabilities due and payable to suppliers, lessors and creditors. Franchisee agrees to execute any and all documents Franchisor reasonably requests, including draft authorizations, letters of credit, and financing statements, to ensure payment of amounts due to Franchisor or Franchisor’s affiliates for direct purchases of any items used in Franchisee’s business. A payment will be considered unpaid if not received by Franchisor on or before the date due, if not honored by Franchisee’s bank, or, if Franchisee is required to pay by electronic transfer of funds, there are insufficient funds in Franchisee’s business bank account to collect the payment by a transfer of funds.

G. Taxes. Franchisee will promptly pay all federal, state and local taxes arising out of the operation of Franchisee’s business. Franchisor will not be liable for these or any other taxes, and Franchisee will indemnify Franchisor for any such taxes that may be assessed or levied against Franchisor which arise or result from Franchisee’s business.

H. Sales Reports and Repair Center Records. Franchisee will employ sound financial management and planning practices in the operation of Franchisee’s business and will keep full and accurate books, records and accounts consistent with generally accepted accounting principles. Franchisee will use estimate and repair order forms Franchisor periodically prescribes. Franchisee will maintain, at its expense, an accurate written record of daily Gross Sales and will deliver to Franchisor a signed and verified statement

of the monthly Gross Sales of Franchisee's business using such forms as Franchisor may require in writing. The monthly statements of Gross Sales and profit and loss will accompany Franchisee's Continuing Fee, Marketing Fee, Central Review Fee, Total Loss Processing Fee (as applicable), and Call Center Fee (as applicable) and, therefore, will be provided to Franchisor monthly on or before the Payment Day of each calendar month. Franchisor reserves the right to modify or substitute the required forms and impose additional recordkeeping procedures.

I. Financial Statements. Franchisee will, at its expense, provide Franchisor with an unaudited monthly profit and loss statement for the preceding month and year-to-date as Franchisor specifies using the forms and chart of accounts Franchisor requires. Franchisee will, at its expense, submit to Franchisor an audited profit and loss statement and balance sheet for any calendar or fiscal year during the term of this Agreement, together with such other reports, documents, data, forms, records and other information, including the tax returns of the Repair Center and each Guarantor, as Franchisor may reasonably request. All financial information provided to Franchisor under this Section must be presented in the form Franchisor periodically requires in writing.

J. Audit Rights. Franchisee will make all of its financial books and records available to Franchisor or its designated representative at all reasonable times for review and audit by Franchisor or its designee. Franchisee's financial books and records for each fiscal and calendar year will be kept in a secure place and will be available for audit by Franchisor for at least six (6) years. Franchisor or its designee may at all reasonable times enter the Repair Center premises or any other location to inspect, copy and audit Franchisee's books and records. If Franchisee fails to provide documents required to be maintained by Franchisee in the operation of Franchisee's business, Franchisee will be charged One Hundred Dollars (\$100) for each missing document. If an audit by Franchisor results in a determination that the Continuing Fees paid to Franchisor are deficient (underpaid) by more than two percent (2%), Franchisee will pay Franchisor for the reasonable costs and expenses that it has incurred as a result of the audit. If pursuant to audits, the Continuing Fees have been deficient by more than two percent (2%) twice or more within any five (5)-year period, this will be considered a material breach of this Agreement. Franchisor has the right to use in any appropriate manner all reports, data and other information that Franchisee submits to Franchisor or that Franchisor obtains through review of Franchisee's books and records or by accessing Franchisee's Network Computer System, which relate to the operation of the Repair Center. Specifically, Franchisor has the right to share said reports, data and other information with third parties, including, but not limited to, consultants and existing and potential franchisees.

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

8. MARKETING AND PROMOTION

A. Brand Fund. During the term of this Agreement, Franchisee will pay to Franchisor a Brand Fund Fee in an amount equal to as much as one percent (1%) of Franchisee's monthly Gross Sales (the

“Brand Fund Fee”). Unless the Brand Fund Fee remains unchanged from the prior year, Franchisor will annually notify Franchisee of the exact percentage of monthly Gross Sales to be paid as a Brand Fund Fee. Franchisor will place all Brand Fund Fees it receives in the Abra® Brand Fund (the “Brand Fund”) and manage such fund. Franchisor will also contribute to the Brand Fund for each Abra® Repair Center which it operates. Reasonable disbursements from the Brand Fund will be made for the payment of expenses incurred in connection with the general promotion and maintenance of the Marks, the Business System and the Abra brand image, including, but not limited to: (i) the cost of formulating, developing and implementing advertising and promotional campaigns and maintaining a direct sales staff; (ii) the cost of national or regional loyalty programs, customer satisfaction programs, the Abra website, intranet, any joint telephone numbers or customer contact center that Franchisor establishes, or use of future media platforms; (iii) management and administration of CMIPs and similar programs with other third parties, including costs incurred in contract negotiation and administration; and (iv) the reasonable costs of administering the Brand Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to Franchisor’s employees engaged in administration of the Brand Fund. The Brand Fund is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding the Brand Fund. Franchisor cannot ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. Franchisor will determine the methods of advertising, media employed and contents, terms and conditions of advertising campaigns and promotional programs. Franchisor will provide (upon written request) Franchisee an annual unaudited statement of the receipts and disbursements of the Brand Fund.

B. Regional/Local Advertising. Franchisor has the right (at any point during the term of this Agreement) to create or modify a Designated Market Area (“DMA”) for the geographic area in which Franchisee’s Repair Center is located. Franchisee must participate in, support and contribute a maximum of three percent (3%) of Franchisee’s monthly Gross Sales to a regional/local marketing program established by Franchisor for the DMA in which Franchisee’s Repair Center is located, if one has been established. Unless the Regional/Local Marketing Fee remains unchanged from the prior year, Franchisor will annually notify Franchisee of the exact percentage of monthly Gross Sales to be paid as a Regional/Local Marketing Fee. Franchisor will administer the regional/local marketing program according to its judgment, and has no fiduciary obligations regarding the program. Proceeds from Regional/Local Advertising Fees received by Franchisor will generally be spent on conducting advertising and promotional activities within Franchisee’s DMA and maintaining a direct sales staff, although Franchisor cannot ensure that Franchisee will benefit directly or on a pro rata basis from the future placement of any advertising in the DMA. As requested by Franchisee, Franchisor will prepare and make available annual or periodic financial statements for the regional/local marketing program. Franchisor may, in the same manner described in Section 8(A), use a reasonable portion of Regional/Local Marketing Fees collected by Franchisor to cover expenses associated with administering the regional/local marketing program. Franchisor has the right, in its judgment, to establish rules governing the regional/local marketing program, or to dissolve or modify the regional/local marketing program, including the right to establish advertising cooperatives.

C. Opening Promotion Fee. Upon execution of this Agreement, Franchisee will pay an Opening Promotion Fee of Five Thousand Dollars (\$5,000) which Franchisor will, in its judgment, use for opening promotion and initial advertising of the Repair Center. In addition, prior to Franchisee’s opening the Repair Center, Franchisee may be required by Franchisor to purchase certain point-of-purchase materials or other promotional materials.

D. Toll-Free Line. Franchisor has the right (but not the obligation) to establish a national or regional toll-free “800” or similar telephone number to serve as a single number for multiple Repair Centers or the entire network of Abra® franchised and/or affiliate-owned Repair Centers. If Franchisor establishes

a toll-free line, Franchisee shall participate in the program and pay the pro rata cost attributable the Repair Center.

E. Approved Advertising Materials. Franchisee will use its best efforts to promote and advertise its Abra® business in its local geographic area and will participate in all marketing and promotional programs Franchisor establishes. Franchisee will use only approved advertising and sales promotional materials. If Franchisee desires to use any unapproved advertising or sales promotional materials bearing the name “Abra” or other Marks, Franchisee must obtain written approval from Franchisor before using any such materials, which approval will not be unreasonably withheld. Franchisee will have the right to advertise and sell its products and services at whatever prices Franchisee determines.

9. INSURANCE

A. Coverage. Prior to the commencement of any activities or operations pursuant to this Agreement, Franchisee shall procure and maintain in full force and effect during the term of this Agreement (and for such period of time thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at Franchisee’s sole expense, the following insurance policy or policies in connection with Franchisee’s operations. Such policy or policies shall be written by an insurance company or companies approved by Franchisor, having both a Financial Size Category equal to or greater than IX and a rating of a least “A-” in the most recent Key Rating Guide published by A.M. Best and Company, Inc. (or another rating that Franchisor reasonably designates if A.M. Best and Company, Inc. no longer publishes the Key Rating Guide) and licensed to do business in the state in which Franchisee is located, and shall include, at a minimum, the following:

1. Commercial Auto (liability arising out of the ownership, maintenance or use of “any auto” (symbol 21)), including Broad Form Products Coverage, with the following minimum limits: (i) Garage Operations – Other Than Covered Autos: \$1 million each accident and \$2 million in the aggregate, (ii) Garage Operations – Covered Autos: \$1 million each accident, (iii) Garage Keepers (Comprehensive Coverage): For each location, greater of \$750,000 or then-current value of customer autos in Franchisee’s custody or control (as estimated using industry standard methods) – \$1,000 deductible for each customer’s auto and \$10,000 maximum deductible for all such loss in any one event, and (iv) Physical Damage (Comprehensive Coverage): Actual cash value or cost of repair, whichever is less, minus \$1,000 deductible for each covered auto;
2. Workers’ compensation with limits as required by statute (or such other disability benefits type insurance as may be required by statute or rule of the state in which Franchisee is located) and employers’ liability insurance with the following minimum limits: (i) Bodily injury by accident - \$500,000 each accident, (ii) Bodily injury by disease - \$500,000 each employee, and (iii) Bodily injury by disease - \$500,000 policy limit;
3. Commercial umbrella/excess liability insurance (following Commercial Auto Garage Operations and Employer’s Liability) with a minimum limit of \$3,000,000 each accident or occurrence and \$3,000,000 in the aggregate with a maximum deductible or self-insured retention of \$10,000;
4. All Risk commercial property insurance with full replacement cost limits for both buildings and personal property. Additional required coverages: Theft, valuable papers and records; and Business Interruption (covering a minimum of 12 months loss of income, including coverage for royalties), contingent business interruption, and extra expense;

5. Cyber-risk insurance with minimum limits and maximum retentions as follows: (i) Information Security & Privacy: \$1,000,000 minimum limit each claim and a maximum self-insured retention of \$10,000 each claim, (ii) Privacy Notification Costs: \$1,000,000 minimum limit each event and a maximum self-insured retention of \$10,000 each event, (iii) Regulatory Defense & Penalties: \$1,000,000 minimum limit each claim and a maximum self-insured retention of \$10,000 each claim, (iv) Business Interruption: \$1,000,000 minimum each event and a maximum self-insured retention of \$10,000 each event, (v) Data Protection: \$1,000,000 each event and a maximum self-insured retention of \$10,000 each event, and (vi) Cyber Extortion: \$250,000 each event and a maximum self-insured retention of \$10,000 each event;

6. Employment practices liability insurance (including third-party discrimination) with a minimum limit of \$1,000,000 per claim and an annual aggregate of \$2,000,000 with a maximum deductible or self-insured retention of \$10,000 per claim; and

7. Any other insurance coverage that is required by federal, state or municipal law.

B. Referenced in the Operations Playbook. All policies listed above in Section 9(A) above (unless otherwise noted below) shall contain such provisions, extensions, endorsements, deductibles or self-insured retentions and limits as may, from time to time, be provided in the Operations Playbook.

C. Policy Cancellation. Franchisee shall cause the insurer to endorse each such policy so as to provide thirty (30) days advance notice to Franchisor, in the manner provided in Section 18(H) below, of cancellation, material change or non-renewal of any policy. In addition, Franchisee shall provide thirty (30) days advance notice to Franchisor, in the manner provided in Section 18(H), of cancellation, material change or non-renewal of any policy.

D. No Waiver of Franchisee's Indemnity Obligations. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor shall Franchisee's procurement of required insurance relieve it of liability under the indemnity provisions set forth in Section 10 below. Franchisee's insurance procurement obligations under this Section are separate and independent of Franchisee's indemnity obligations.

E. Franchisor to be Additional Insured. All liability policies shall name Franchisor and its affiliates, and any other party designated by Franchisor as additional insureds, and shall provide that Franchisee's insurance is primary and non-contributory, and that Franchisee's insurer waives any right of subrogation against Franchisor and its affiliates.

F. Proof of Insurance. At least thirty (30) days prior to the time any insurance is required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any such policy, Franchisee shall deliver to Franchisor a copy of each new, renewal or replacement policy, inclusive of all endorsements, along with evidence of the premium payment. Certificates of Insurance are not acceptable.

G. Additional Coverages and Policy Limit Changes. Franchisor shall have the right to increase the minimum policy limits required under such insurance policies and require different or additional kinds of insurance or endorsements as it may determine to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances; provided, however, all changes shall apply, generally to all franchisees of Franchisor who are similarly situated. Notwithstanding the foregoing, Franchisor reserves the right to require Franchisee to maintain insurance (of such types, and in such amount as Franchisor may specify) to reflect any particular circumstances or situations affecting Franchisee. Insurance requirements will be communicated to

Franchisee via the Operations Playbook or other written directive. Franchisee shall take prompt action to implement such changes. In addition to the preceding minimum requirements, pursuant to the Service Level Agreement, Franchisee shall, at its sole expense, obtain and maintain such insurance policies and in such amounts set forth in the CMIPs in which Franchisee participates for claims that may arise from or in connection with Franchisee's performance of services at the Repair Center under the terms of the Service Level Agreement.

H. Franchisee's Failure to Obtain Required Insurance. In the event that Franchisee fails to obtain or maintain the insurance required under this Agreement, including the Operations Playbook, or furnish satisfactory evidence of insurance coverage and premium payments, Franchisor may, but is not obligated to and in addition to Franchisor's other rights and remedies under this Agreement, purchase said insurance on Franchisee's behalf. In such event, Franchisee shall fully cooperate with Franchisor's efforts to obtain insurance and shall promptly sign all forms required to obtain or maintain insurance. Franchisee shall reimburse Franchisor for any costs, premiums and other expenses incurred in obtaining insurance on Franchisee's behalf. Franchisee shall also reimburse Franchisor for the reasonable costs incurred in enforcing this obligation. These costs include, but are not limited to, mediation, and arbitration fees, court costs, attorneys' fees, management preparation time, witness fees, and travel expenses incurred by Franchisor or its agents or representatives, and interest on such fees and expenses.

I. Franchisor's Disclaimer. Franchisee's obligation to maintain insurance coverage pursuant to this Agreement and the Operations Playbook shall not be excused in any manner by reason of any separate insurance Franchisor or any indemnified party maintains, nor will it relieve Franchisee of its indemnity obligations pursuant to this Agreement. Franchisor does not represent or warrant that any insurance that Franchisee is required to purchase, or which Franchisor procures on Franchisee's behalf, will provide adequate coverage for Franchisee. The requirements of insurance specified in this Agreement are for Franchisor's protection. Franchisee should consult with its own insurance agents, brokers, attorneys, or other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Franchisor.

10. INDEMNIFICATION

From and after the date of this Agreement, Franchisee and each Guarantor, jointly and severally, shall indemnify Franchisor and its affiliates and their respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal predecessors, legal successors, and assigns of each of the forgoing entities/individuals (in their Entity and individual capacities) (collectively, all such individuals and entities are referred to herein as the "Franchisor Indemnitees") and hold the Franchisor Indemnitees harmless to the fullest extent permitted by applicable laws, from any and all Losses and Expenses incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of the Repair Center, including the failure of Franchisee to perform any covenant or agreement under this Agreement or any activities of Franchisee on or after the date of this Agreement, or any claims by any employee of Franchisee arising out of or relating to his or her employment with Franchisee (collectively, "Event"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the Franchisor Indemnitees; provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by any of the Franchisor Indemnitees or the gross negligence or willful acts of any of the Franchisor Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee). "Losses and Expenses" means losses, liabilities, claims, penalties, damages (compensatory, exemplary, and punitive), fines, payments, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending

against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to Franchisor's reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses.

Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a "Third Party Claim"), the Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section 10, give a claim notice to Franchisee with respect to such Third Party Claim. No delay or failure on the part of the Franchisor Indemnitee in so notifying Franchisee will limit any liability or obligation for indemnification pursuant to this Section 10, except to the extent of any material prejudice to Franchisee with respect to such claim caused by or arising out of such delay or failure. Franchisor will have the right to assume control of the defense of such Third Party Claim, and Franchisee and Guarantors will be responsible for the costs incurred in connection with the defense of such Third Party Claim. Franchisee and Guarantors will furnish Franchisor with such information as they may have with respect to such Third Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist Franchisor in the defense of such Third Party Claim. The fees and expenses of counsel incurred by Franchisor will be considered Losses and Expenses for purposes of this Agreement. Franchisor may as it deems necessary and appropriate take such actions to take remedial or corrective action with respect thereof as may be, in Franchisor's reasonable discretion, necessary for the protection of the Franchisor Indemnitees or Abra® Repair Centers generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third Party Claim without the prior written consent of Franchisee and Guarantors, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third Party Claim must include a written release from liability of such claim for all Franchisor Indemnitees. This Section 10 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

11. FRANCHISOR'S RIGHT OF FIRST REFUSAL TO PURCHASE

A. Restrictions. Franchisee will not sell, assign, trade, transfer, lease, sublease, or otherwise dispose of (whether through one or more related transactions) Franchisee's business, the Repair Center, the material assets of Franchisee's business (whether in whole or in part, and including any real property ownership or leasehold interest), and/or this Agreement to any third party, without first offering the same to Franchisor in writing. With respect to any such proposed transaction, Franchisee will (1) provide to Franchisor all of the items listed in Exhibit G to this Agreement, and (2) offer Franchisor the right to purchase at the same price and on the same terms as stated in the proposed third-party offer. Franchisor will have the right to accept such offer at any time within ninety (90) days from the date that Franchisor receives all of the items listed on Exhibit G of this Agreement (the "Franchisor Evaluation Period"). If Franchisor elects to exercise its rights pursuant to this Section, then Franchisor shall provide a written notice of such intent to Franchisee (the "Franchisor Intent Notice") before the expiration of the Franchisor Evaluation Period.

If Franchisor provides the Franchisor Intent Notice to Franchisee, Franchisor and Franchisee will negotiate in good faith a purchase agreement on substantially the same material terms and conditions of the third-party offer, except as outlined herein, and such other terms and conditions reasonably satisfactory to Franchisor and Franchisee. The purchase agreement shall contain such agreements, representations, warranties, covenants, indemnities and customer warranty reserve funds, and requiring such documents at closing, as are reasonably necessary to protect each party's interests. The closing shall occur not more than ninety (90) days after the date of the Franchisor Intent Notice unless the closing is delayed for reasons beyond Franchisor's reasonable control. In the event the consideration offered by a third party is such that Franchisor may not reasonably be able to provide the same form of consideration, then Franchisor may

purchase the interest proposed to be sold for the reasonable value equivalent in cash. If Franchisor and Franchisee are unable to agree on the reasonable value equivalent in cash of the consideration, Franchisor may designate, at its sole expense, an independent appraiser to determine the reasonable value equivalent in cash of the consideration. The independent appraiser's determination shall be binding. In addition, if the third-party purchaser and Franchisee have including terms in the proposed offer that, in Franchisor's reasonable judgment, are intended to make it difficult or impossible for Franchisor to exercise its rights under this Section, Franchisor shall not be required to match such terms in exercising such rights.

If Franchisor does not provide the Franchisor Intent Notice to Franchisee, then Franchisee will be free to sell or transfer to a third-party purchaser, provided that the terms and conditions of sale, including price, are no more favorable to the third-party purchaser than what was offered to Franchisor. Any such sale or transfer to a third party is expressly subject to the provisions described in Section 12 below. If (i) Franchisee determines that it is willing to accept terms and conditions from any third-party purchaser that are more favorable to the third-party purchaser than what has been offered to Franchisor, or (ii) more than ninety (90) days has passed since the expiration of the Franchisor Evaluation Period and the proposed sale has not occurred, Franchisee must again (1) notify Franchisor and (2) offer in writing the same terms and conditions to Franchisor, and Franchisor will have ninety (90) days after the date of receipt of such notification to accept Franchisee's offer. Franchisee expressly agrees to provide Franchisor the executed purchase agreement signed at the closing of the sale to the third-party purchaser so that Franchisor may confirm that the terms of the transaction are consistent with the offer made to Franchisor.

Franchisor has the right to assign Franchisor's rights under this Section 11(A) (in whole or in part) or designate a third party to exercise such rights. For the avoidance of doubt, either Franchisor or its third-party assignee can exercise the rights set forth in this Section 11(A). Franchisee expressly agrees that the items provided by Franchisee to Franchisor pursuant to Exhibit G of this Agreement may be disclosed by Franchisor to one (1) or more potential third-party designees. Further, Franchisee will cooperate with Franchisor and take all actions reasonably required to protect Franchisor's rights (including Franchisor's rights as to the business premises) under this Section 11(A).

B. Entity Franchisee. If Franchisee is an Entity, Owners cannot sell, assign, pledge or otherwise dispose of a controlling Ownership Interest in Franchisee (except to immediate family members of the controlling Owner(s) or to a trust established for their benefit) until such Ownership Interest has been first offered to Franchisor in writing under the same terms and conditions offered to any third party. Notwithstanding the terms of this Section, an Owner may bequeath, sell, assign, trade or transfer his/her Ownership Interest in Franchisee to the other Owners because of death or permanent disability without first offering it to Franchisor; however, Franchisee must provide Franchisor with written notice and legal documentation of all such transactions. All certificates and other documents representing Ownership Interests in Franchisee must bear the following legend:

“The shares of capital stock represented by this certificate are subject to a written Franchise Agreement which grants ABRA Franchisor SPV LLC a right of first refusal to purchase these shares of capital stock from the shareholder.”

This legend may be reasonably altered to fit Franchisee's Entity type, if other than a corporation. Nothing in this Section will be construed as prohibiting Ownership Interests in Franchisee from being pledged as security to an institutional lender who has provided financing to or for the Repair Center, provided the institutional lender accepts such security interest subject to Franchisor's reasonable conditions.

Without limiting any provision in this Section 11, in the event of a sale or transfer under this Section 11(B) or a sale or transfer arising out of Franchisee's insolvency or the filing of any petition by or against Franchisee under any provisions of any bankruptcy or insolvency law, Franchisor's right of first refusal will

(at Franchisor's option) constitute a right to purchase Franchisee's interest in this Agreement, and the building, equipment, inventory, fixtures, real property and leasehold interest used in the operation of the Repair Center. An amount and terms of purchase will be established by a qualified appraiser selected by the parties. If the parties cannot agree upon the selection of such an appraiser, one will be appointed by the American Arbitration Association ("AAA") upon petition of either party to appoint an appraiser to establish such price in accordance with the rules and procedures of the AAA. Franchisor will receive a statement in writing incorporating the appraiser's report. Franchisor then will have thirty (30) days from Franchisor's receipt of the statement setting forth the third-party offer or the appraiser's report to accept the offer by delivering written notice of acceptance to Franchisee.

12. ASSIGNMENT OF FRANCHISE AGREEMENT

A. By Franchisor. This Agreement may be assigned and transferred (including any pledge or grant of security interest) by Franchisor and will benefit Franchisor's successors and assigns. Any such assignment or transfer will require the assignee to fulfill Franchisor's obligations under this Agreement.

B. Entity Franchisee. If Franchisee is an individual, this Agreement may be transferred or assigned by Franchisee to an Entity that is owned or controlled by Franchisee, without triggering Franchisor's rights under Section 11, provided: (1) Franchisee and all owners, shareholders, partners, joint venturers, and any other person that directly or indirectly owns a ten percent (10%) or greater Ownership Interest in the proposed Entity transferee shall execute the Personal Guaranty and agree to be bound by the provisions of this Agreement, including, but not limited to, the Entity requirements in Section 6.A; and (2) Franchisee furnishes prior written proof to Franchisor substantiating that the proposed Entity transferee will be financially able to perform all of the provisions of this Agreement. Franchisee will give Franchisor fifteen (15) days' written notice before the proposed date of assignment or transfer of this Agreement to an Entity owned or controlled by Franchisee; however, the transfer or assignment of this Agreement will not be valid or effective until Franchisor has received completely executed legal documents effecting the transfer or assignment and has consented in writing to the transfer or assignment.

C. Conditions to Other Transfer or Assignment. Franchisee (and each Guarantor) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, Franchisee's business, the Repair Center, substantially all or all of the assets of Franchisee's business, this Agreement or any controlling Ownership Interest in Franchisee (a "controlling" Ownership Interest will include a proposed transfer of fifty percent (50%) or more of the Ownership Interests (direct or indirect) in Franchisee) without Franchisor's prior written consent, except to immediate family members or trusts established for their benefit. Franchisee agrees to provide any prospective party to a transfer a copy of this Agreement before entering into any negotiations relating to a transfer.

Franchisor will not unreasonably withhold its consent to a transfer, subject to Section 11 of this Agreement and to any or all of the following conditions described below which Franchisor may, in its judgment, deem necessary:

1. All of Franchisee's accrued monetary obligations to Franchisor will have been satisfied, and Franchisee is not in default under this Agreement;
2. Franchisee executes a written agreement in a form satisfactory to Franchisor, in which Franchisee covenants to observe all applicable post-term obligations and covenants contained in this Agreement;
3. The transferee-franchisee enters into a written agreement in a form satisfactory to Franchisor assuming and agreeing to discharge all of Franchisee's obligations and covenants under

this Agreement for the remainder of its term, including all warranty and guarantee work of Franchisee, or, at Franchisor's option, execute Franchisor's then-current standard form of franchise agreement (which may provide for different royalties, advertising contributions, duration, and other rights and obligations from those provided in this Agreement);

4. Franchisee executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its officers, directors, shareholders and employees, in their corporate and individual capacities;

5. The transferee-franchisee is approved by Franchisor and demonstrates to Franchisor's satisfaction that he/she meets Franchisor's managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct Franchisee's business;

6. The transferee-franchisee has equal or greater qualifications to Franchisee with respect to business experience (either in the automobile repair and refinishing industry or generally), resources (including financial resources), facilities, and/or other factors relevant to the successful operation of an Abra® Repair Center. Without limiting the generality of the preceding sentence, it is specifically agreed that Franchisor may reasonably withhold its consent to a transfer if: (a) Franchisee is (or was at the time the Franchise Agreement was executed) the operator of an automobile dealer business; (b) the proposed transferee-franchisee has not continuously operated an automobile dealer business at the proposed Authorized Location, during the twelve (12) months preceding the date of the proposed transfer; and/or (c) the proposed transferee-franchisee or any of its direct or indirect owners or affiliates operates, has a direct or indirect Ownership Interest in, or performs services for a Competitive Business;

7. The transferee-franchisee does not own, operate, franchise, develop, manage or control any business that is in any way competitive with or similar to the Abra® business;

8. The transferee-franchisee successfully completes Franchisor's then-current initial training program;

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

10. Franchisee pays Franchisor a transfer fee of Five Thousand Dollars (\$5,000) for the costs Franchisor incurs, including the costs of any required training. There will be no transfer fee payable with respect to transfers to immediate family members.

FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISEE MAY NOT INITIATE OR ATTEMPT TO INITIATE A TRANSFER TO A TRANSFEREE IF SUCH TRANSFEREE (OR ANY OF ITS DIRECT OR INDIRECT OWNERS OR AFFILIATES) OPERATES, HAS A DIRECT OR INDIRECT OWNERSHIP INTEREST IN, OR PERFORMS SERVICES FOR, A COMPETITIVE BUSINESS. FOR THE AVOIDANCE OF DOUBT, FRANCHISOR SHALL NOT CONSENT TO SUCH TRANSFER, AND FRANCHISOR'S REFUSAL TO CONSENT TO SUCH TRANSFER SHALL NOT BE DEEMED UNREASONABLE. If Franchisee

terminates or attempts to terminate this Agreement for the purpose of engaging in a transfer in violation of this Section 12, Franchisor shall be entitled to injunctive relief prohibiting such transfer, and any such transfer shall be void.

D. Death, Disability or Incapacity. In the event of death, disability or incapacity of any individual Franchisee or, if Franchisee is an Entity, any Guarantor, or upon the dissolution of an Entity Franchisee, the appropriate representative of such individual or Entity (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding ninety (90) days following such event, transfer his/her or its interest to a third party approved by Franchisor. Any such transfer will be subject to the provisions of Section 12(C) hereof.

E. Disclosure. Franchisor may require Franchisee to prepare and furnish to assignee and/or Franchisor such financial reports and other data relating to the Repair Center and its operations as Franchisor, in its judgment, may deem necessary or appropriate for assignee and/or Franchisor to evaluate the Repair Center and the proposed transfer. Franchisee agrees that Franchisor has the right to confer with proposed assignees and furnish them with information concerning the Repair Center and proposed transfer without being held liable to Franchisee, except for intentional misstatements made to any such assignee. Any such information furnished by Franchisor to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Repair Center and proposed transfer and shall not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

13. FRANCHISOR'S TERMINATION RIGHTS

A. Grounds. Franchisee will be in default, and Franchisor may, at its option, terminate this Agreement, as provided herein, if: (1) Franchisee fails to open and commence operations of the Repair Center at such time as the premises are ready for occupancy or within nine (9) months of the execution of this Agreement, whichever occurs first; (2) Franchisee violates any material provision or obligation of this Agreement, including payment of Continuing Fees, Marketing Fees, Central Review Fees, Total Loss Processing Fees (as applicable), Call Center Fees (as applicable), and other amounts owed to Franchisor; (3) Franchisee or any of its managers, directors, officers or Owners are convicted of, or plead guilty to or no contest to (a) a charge of violating any law which adversely impacts upon the reputation of Franchisee's business or (b) any felony; (4) Franchisee is insolvent within the meaning of any applicable state or federal law; (5) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (6) Franchisee voluntarily or otherwise "abandons" (as defined below) the franchised business for a continuous period of ten (10) days or more (unless, through no fault of Franchisee, Franchisee loses possession of the Repair Center due to government exercise of the power of eminent domain or disaster which prevents Franchisee from restoring the Repair Center and Franchisee relocates to a site within a one (1)-mile radius of the Authorized Location approved by Franchisor within sixty (60) days thereafter); (7) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the name "Abra" or any of the Marks or the Business System; (8) Franchisee's lease (if applicable) for the Repair Center premises expires or is terminated for any reason (unless, through no fault of Franchisee, the lessor of the premises in which the Repair Center is located refuses to renew Franchisee's lease and Franchisee relocates to a site within a one (1)-mile radius of the Authorized Location approved by Franchisor within sixty (60) days thereafter); or (9) Franchisee fails to comply with the requirements of any Corporately Managed Insurance Program, as may be set forth in the applicable Service Level Agreement for such program. The term "abandon" means Franchisee's failure to operate the Repair Center for a period of ten (10) consecutive days without Franchisor's prior written consent unless such failure is due to an act of God, war, strikes or riots.

B. Procedure. Except as described below, Franchisee will have thirty (30) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written notice within which to

remedy any default hereunder, and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to Franchisee effective immediately when the thirty (30)-day period (or such longer period as applicable law may require) expires. Franchisor may terminate this Agreement immediately upon delivery of written notice to Franchisee, with no opportunity to cure, if the termination results from any of the following: (1) any default which is the third similar default within any twelve (12)-month consecutive period; (2) the nature of Franchisee's breach makes it not curable; (3) Franchisee willfully and repeatedly deceives customers relative to the source, nature or quality of goods or services sold; (4) any default under items (3), (6), (7) or (8) in Section 13(A) above; or (5) Franchisee willfully and materially falsifies any report, statement, or other written data furnished to Franchisor. Any report submitted pursuant to Section 7 will be conclusively deemed to be materially false if it understates Gross Sales by more than four percent (4%).

C. Applicable Law. If the provisions of this Section 13 are inconsistent with applicable law of any jurisdiction, the applicable law will apply.

14. FRANCHISEE'S TERMINATION RIGHTS

Franchisee may terminate this Agreement if Franchisor violates any material obligation of Franchisor to Franchisee and fails to cure such violation within thirty (30) days after Franchisor's receipt of written notice from Franchisee; provided, however, that Franchisee is in substantial compliance with the Agreement at the time of giving such notice of termination. Franchisee's written notice must identify the violation and demand that it be cured.

15. FRANCHISEE'S OBLIGATIONS UPON TERMINATION

Upon the termination or expiration of this Agreement:

A. Post-Term Duties. Franchisee will: (1) within five (5) days, pay all amounts due and owing to Franchisor, Franchisor's affiliates, or any third party under this Agreement, or otherwise related to Franchisee's Repair Center; (2) cease all use and display of the Marks and of any proprietary materials (including the Operations Playbook, and/or any other material provided through Franchisor's intranet or other means of electronic communication) and of all promotional materials furnished or approved by Franchisor; (3) return to Franchisor by first class prepaid United States mail all customized computer software for the Network Computer System, the Operations Playbook and any other manuals, advertising materials, and all other printed materials relating to the operation of the franchised business; (4) assign to Franchisor the telephone numbers for the Repair Center (in accordance with the Assignment attached as Exhibit D to this Agreement); (5) not directly or indirectly represent to the public or otherwise hold itself out as a present or former Abra® franchisee; (6) comply with all other applicable provisions of this Agreement (including the confidentiality and non-compete provisions) or any other agreements between Franchisee and Franchisor (or its affiliates) that expressly or by their nature survive the termination or expiration of this Agreement; and (7) upon Franchisor's demand, assign to Franchisor or Franchisor's designee Franchisee's remaining interest in any lease then in effect for the Repair Center (although Franchisor will not assume any past due obligations). Without limiting the preceding sentence, upon termination or expiration of this Franchise Agreement for any reason, Franchisee's right to use the name "Abra" and the other Marks and the Business System will immediately terminate.

B. Redecoration. If Franchisee remains in possession of the Repair Center, Franchisee will, at its expense, modify both the exterior and interior appearance of the Repair Center so that it will be easily distinguished from the standard appearance of Abra® Repair Centers. At a minimum, such changes and modifications to the premises will include: (1) repainting the premises with totally different colors; (2)

removing all signs, photos, displays and other materials bearing the name “Abra” and other Marks or logos; (3) removing from the premises all fixtures which are indicative of Abra® Repair Centers; (4) discontinuing use of the approved employee uniforms and refraining from using any uniforms which are confusingly similar; and (5) discontinuing use of all confidential information regarding the operation of the Repair Center. If Franchisee fails to comply with this Section 15(B) within thirty (30) days of termination or expiration of this Agreement, Franchisor has the right to enter the Authorized Location and remove all signage, displays or other materials in Franchisee’s possession that bear any of the Marks or names or material confusingly similar to the Marks, and Franchisee must reimburse Franchisor for Franchisor’s costs incurred in taking such action.

C. Franchisor’s Repurchase Rights. Franchisor has the right but not the obligation, upon providing Franchisee written notice of Franchisor’s intent to exercise such right within ninety (90) days after the expiration or termination of this Agreement, to inform Franchisee that it intends to purchase or designate a third party that will purchase all or any portion of the assets of Franchisee’s Repair Center including, without limitation, equipment, the Network Computer System, fixtures, signage, furnishings, supplies, leasehold improvements, licenses, permits, inventory, and leasehold or real property interests in the Repair Center premises; provided that Franchisor may exclude from the assets purchased fixtures, equipment, signs, products and supplies that Franchisor has not previously approved as meeting quality or performance standards for the Repair Center. Franchisee agrees to promptly provide Franchisor all of the items listed in Exhibit G to this Agreement to determine whether to exercise its option under this Section 15(C). The purchase price for the Repair Center assets will be the fair market value (exclusive of goodwill) as agreed by the parties. If Franchisor and Franchisee cannot agree on the fair market value of the assets, fair market value will be determined by a qualified independent appraiser selected by Franchisor. Franchisor may offset against and reduce the purchase price by any amounts Franchisee owes to Franchisor or Franchisor’s affiliates.

In the event the Agreement is terminated or expires, and the parties cannot agree upon the fair market value of the assets, the price determined by the appraiser will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of an Abra® Repair Center and the appraiser will designate a price for each category of asset (e.g., equipment, fixtures, etc.), but shall not include the value of any goodwill of the Repair Center or business, as such goodwill is attributable to the Marks and the Business System. Within forty-five (45) days after Franchisor’s receipt of the appraisal report, Franchisor or its designated purchaser will identify the assets, if any, that it intends to purchase at the price designated for those assets in the appraisal report.

Once the assets are identified and the price is established, whether by agreement of the parties or the appraisal method described above, Franchisor or its designated purchaser and Franchisee will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. The purchase and sale documents shall contain such agreements, representations, warranties, covenants, indemnities and customer warranty reserve funds, and requiring such documents at closing, as are reasonably necessary to protect each party’s interests. The closing shall occur not more than ninety (90) days after the date of Franchisor’s written notice to Franchisee of its intent to exercise its rights under this Section 15(C), unless the closing is delayed for reasons beyond Franchisor’s reasonable control. If applicable, Franchisor and Franchisee will each pay one-half (1/2) of the appraiser’s fees and expenses. Franchisor’s interest in the Repair Center assets will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon Franchisor’s or its designated purchaser’s exercise of the purchase option and tender of payment, Franchisee agrees to sell and deliver (or to cause its affiliates to sell and deliver, if applicable) the purchased assets to Franchisor or its designated purchaser, free and clear of all encumbrances, and to execute and deliver, to Franchisor or its designated purchaser a bill of sale and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If Franchisor does not exercise its option to purchase under this Section, Franchisee may, subject to Section 16(B) of this Agreement, sell or lease the Repair Center premises and assets to a third-party purchaser. Franchisee's agreement with any third-party purchaser must expressly state that it is subject to the terms of Section 16(B), and that the purchaser has no right to use the Marks in any manner.

Franchisor has the right to assign Franchisor's rights under this Section 15(C) (in whole or in part) or designate a third party to exercise such rights. For the avoidance of doubt, either Franchisor or its third-party assignee can exercise the rights set forth in this Section 15(C). Franchisee expressly agrees that the items provided by Franchisee to Franchisor pursuant to Exhibit G of this Agreement may be disclosed by Franchisor to one (1) or more potential third-party designees. Franchisee will cooperate with Franchisor and take all actions reasonably required to protect Franchisor's rights (including Franchisor's rights as to the Repair Center premises) under this Section 15(C).

16. FRANCHISEE'S COVENANTS NOT TO COMPETE

A. During Term. Franchisee (and Guarantors) will not, during the term of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director, or shareholder of any other person or Entity: (1) divert or attempt to divert any business or customer of the business franchised hereunder to any competitor, or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the Business System; or (2) own, operate, lease, franchise, conduct, engage in, be connected with, have an interest in or assist any other business that offers auto body repair and refinishing services (a "Competitive Business"), provided that, for purposes of this Agreement, the following will not be deemed a Competitive Business: (a) a business conducted by Franchisee pursuant to a franchise granted by Franchisor to Franchisee; or (b) any other automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries. Section 16 will not, however, prevent Franchisee or any Guarantor from owning less than a five percent (5%) beneficial Ownership Interest in any publicly held company.

B. After Termination. Franchisee (and Guarantors) will not, for a period of one (1) year after this Agreement expires or is terminated (except for a termination as a result of a Franchisor's breach), on their own account or as an employee, agent, consultant, partner, officer, director, or shareholder of any other person or Entity: (1) engage in any act described in Section 16(A)(1); or (2) own, operate, lease, franchise, conduct, engage in, be connected with, have an interest in, or assist any person or Entity engaged in any Competitive Business at the Authorized Location or within a radius of ten (10) miles of the Authorized Location or any other Abra® Repair Center. Franchisee expressly agrees that the one (1)-year period and the ten (10)-mile radius are the reasonable and necessary time and distance needed to protect Franchisor if this Agreement expires or is terminated for any reason. Franchisee further agrees that the one (1)-year period will be tolled for any period during which Franchisee is in breach of this covenant or any other period during which Franchisor seeks to enforce this Agreement.

C. Injunctive Relief. Franchisee agrees that damages alone cannot adequately compensate Franchisor if there is a violation of these noncompetitive covenants and that injunctive relief is essential for the protection of Franchisor. Franchisee therefore agrees that in case of any alleged breach or violation of this Section by it, Franchisor may seek injunctive relief without posting any bond or security, in addition to all other remedies that may be available to Franchisor at equity or law.

17. REMEDIES

A. Arbitration. Except as qualified below in this Section 17(A), any dispute between the parties arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or Franchisee's business shall be submitted to binding arbitration under the authority of the Federal Arbitration Act and shall be arbitrated in accordance with the then current rules and procedures and under

the auspices of the AAA. Any arbitration shall be on an individual basis and not consolidated with any other proceeding or claims of other parties. The arbitration shall take place in Charlotte, North Carolina, or at such other place as may be mutually agreeable to the parties, and the proceedings shall be heard by one or more arbitrators as set forth in the AAA Rules. The decision of the arbitrators shall be final and binding on all parties; however, the arbitrators may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by Franchisor. Notwithstanding the foregoing, Franchisee recognizes that the Repair Center is one of a number of businesses identified by the Marks and similarly situated and selling to the public similar products and services, and hence the failure on the part of a single Franchisee to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all other Franchisees of Franchisor. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Franchisor shall forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. Similarly, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisor, Franchisee shall forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies shall be in addition to, and not in lieu of, all other remedies or rights which the parties might otherwise have by virtue of any breach of this Agreement by the other party.

B. Punitive Damages. Franchisor and Franchisee agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them, each will be limited to the recovery of actual damages sustained by it.

C. Jury Trial. Franchisor and Franchisee agree to waive, to the fullest extent permitted by law, any and all rights to a trial by jury in connection with the enforcement or interpretation of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action, or any legal action initiated for the recovery of damages for breach of this Agreement.

D. Consent to Jurisdiction. Subject to the arbitration obligations in Section 17(A), Franchisee and Guarantors agree that all judicial actions brought by Franchisor against Franchisee or Guarantors, or by Franchisee or Guarantors against Franchisor, Franchisor's affiliates or Franchisor's or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor maintains its principal business address at the time that the action is brought. Franchisee and each Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection that any of them may have to either jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which Franchisee or any Guarantor resides or the Repair Center is located.

E. Enforcement. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, costs, and expenses, the prevailing party incurs in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, the Authorized Location, or the Abra® business. Franchisee must give Franchisor written notice of any alleged breach of this Agreement by Franchisor. Any claim arising out of or relating to this Agreement, the relationship of the parties, Franchisor's operation of the Abra® franchise system, or Franchisee's operation of the Repair Center will

be barred unless filed before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) two (2) years after the first act or omission giving rise to an alleged claim. Claims of Franchisor for the underreporting of Gross Sales, for indemnification, or for claims related to Franchisor's rights under any of the Marks shall be subject only to the applicable state or federal statute of limitations.

18. GENERAL PROVISIONS

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

B. Waiver. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder, including any mandatory specification, standard or operating procedure, will constitute a waiver of any provision of this Agreement.

C. Cumulative Rights. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

D. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.), and the Federal Arbitration Act (9 U.S.C. Section 1 et seq.), this Agreement and the franchise relationship will be governed by the laws of the State of North Carolina, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship of a franchisor and its franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 18(D). This Agreement shall be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

E. Binding Effect. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

F. Entire Agreement. The "Background" section is a part of this Agreement. This Agreement, together with exhibits, represents the entire agreement of the parties. This Agreement supersedes and terminates any prior oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Subject to Franchisor's rights to modify the Marks and Business System and as otherwise provided herein, this Agreement shall not be altered or amended, in whole or in part, except by a writing signed by Franchisor and Franchisee. However, nothing in this Agreement or any related agreement is intended to disclaim the representations made in the most

recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative.

G. References. The term “Franchisee” as used herein is applicable to one or more persons or an Entity, as the case may be, and the singular usage includes the plural. References to “Franchisee,” “assignees” and “transferees” which are applicable to an individual or individuals mean the principal owner or owners of the Ownership Interests or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is an Entity. If Franchisee consists of more than one (1) individual, all individuals will be bound jointly and severally by the provisions of this Agreement.

H. Notices. All notices to be provided hereunder will be in writing and will be made by personal service or sent by prepaid first class United States mail to the respective parties at the following addresses or such other address as may be designated by written notice to the other party.

If to Abra: ABRA Franchisor SPV LLC
440 South Church Street
Suite 700
Charlotte, North Carolina 28202
Attn: _____

If to FRANCHISEE: _____

Notices delivered by a recognized delivery service that requires a written receipt will be an acceptable manner of personal service.

I. Relationship of the Parties. Franchisee is an independent contractor. Nothing in this Agreement, or arising from the conduct of the parties hereunder, is intended to or does in fact or law make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. Neither this Agreement, the nature of the relationship of the parties nor the dealings of the parties pursuant to this Agreement creates a fiduciary relationship between the parties. Further, Franchisor and Franchisee are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Franchisee’s acts or omissions under any circumstances. Although Franchisor retains the right to establish and modify the Business System that Franchisee must follow, Franchisee retains the responsibility for the day-to-day management and operation of the Repair Center and implementing and maintaining standards at the Repair Center. To the extent that the Operations Playbook or Franchisor’s guidelines or standards contain employee-related policies or procedures that might apply to Franchisee’s employees, those policies and procedures are provided for informational purposes only and do not represent mandatory policies and procedures to be implemented by Franchisee. Franchisee must determine to what extent, if any, these policies and procedures may be applicable to the operations at the Repair Center. Franchisor and Franchisee recognize that Franchisor neither dictates nor controls labor or employment matters for franchisees and that Franchisee, and not Franchisor, is solely responsible for dictating the terms and conditions of employment for Franchisee’s employees, including, but not limited to, training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. Franchisor has no relationship with Franchisee’s employees, and Franchisee has no relationship with Franchisor’s employees. Franchisee agrees to conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of the Repair Center and agrees to place such other notices of independent ownership at the Repair Center and on forms, business cards, stationery, marketing and other materials as Franchisor may require from time to time. Franchisee may not make any express or implied agreements, warranties, guarantees or

representations or incur any debt in Franchisor's name or on Franchisor's behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. Franchisor will not be obligated by or have any liability under any agreements made by Franchisee with any third party or for any representations made by Franchisee to any third party. Franchisor will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of the business hereunder.

J. No Recourse. Franchisee acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (i) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (iii) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

K. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Franchisor's Rights. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor may operate, administrate, develop, and change the Business System in any manner that is not specifically precluded by the provisions of this Agreement.

2. Franchisor's Reasonable Business Judgment. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees or is required to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever it exercises "Reasonable Business Judgment" in making its decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of "Reasonable Business Judgment," even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the Business System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the Business System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. By establishing the Reasonable Business Judgment standard, Franchisor and Franchisee recognize that it is in the best interest of the Business System that Franchisor's exercise of discretion in making decisions concerning or that affect the Business System, be given the same latitude that corporate boards of directors are given in making decisions concerning the direction of their companies. Neither Franchisee nor any third party (including a trier of fact), will substitute its judgment for Franchisor's Reasonable Business Judgment.

L. Notice of Potential Franchisor Profit. Franchisor and/or its affiliates may derive revenue based on Franchisee's purchases and leases, including from charging Franchisee (at prices exceeding its and their costs) for services and products that Franchisor or its affiliates sell Franchisee and from promotional allowances, rebates, volume discounts, and other amounts paid to Franchisor and its affiliates by suppliers that Franchisor designates, approves, or recommends for some or all Abra® franchisees.

Franchisor and its affiliates may use all amounts received from suppliers, whether or not based on Franchisee's and other franchisees' prospective or actual dealings with them, without restriction for any purposes that Franchisor and its affiliates deem appropriate.

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

19. ACKNOWLEDGMENTS

A. General. The following acknowledgments are made by and binding upon all franchisees signing this Agreement, except those franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

Franchisee acknowledges that it has conducted an independent investigation of the business franchised hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely depend on Franchisee's ability as an independent business person. 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. Franchisee has had an adequate opportunity to be thoroughly advised of the provisions of this Agreement and Franchisor's Disclosure Document and has had sufficient time and opportunity to evaluate and investigate the Business System and the procedures and financial requirements associated with the Business System as well as the competitive market in which it operates. Franchisee acknowledges that it has received, read, and understood this Agreement and that Franchisor has fully and adequately explained the provisions of it to Franchisee's satisfaction and that Franchisee has had sufficient time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

B. Other Franchises. Franchisee acknowledges that other franchisees of Franchisor have or will be granted franchises at different times and in different situations, and further acknowledges that the provisions of such franchises may vary substantially from those contained in this Agreement.

C. Receipt of Documents. Franchisee acknowledges that it received a copy of this Agreement at least seven (7) calendar days before the date on which this Agreement was executed. Franchisee further acknowledges that he/she has received a Franchise Disclosure Document at least fourteen (14) calendar days (or at least ten (10) business days, as applicable) before the date on which this Agreement was executed.

[D. SBA Loan. Franchisee represents, warrants and covenants that, if Franchisee has obtained or intends to obtain from a lender a loan in connection with the Repair Center in which funding is provided with the assistance of the United States Small Business Administration \("SBA"\), Franchisee must promptly notify Franchisor. Upon receipt of such notice, Franchisor will deliver to Franchisee a copy of Franchisor's SBA addendum to franchise agreement \(the "SBA Addendum"\), which SBA Addendum modifies certain](#)

provisions of this Agreement to comply with requirements related to SBA-assisted financing. Franchisee agrees to sign the SBA Addendum and return such signed SBA Addendum to Franchisor within five (5) days after receipt thereof from Franchisor.

E. ~~D.~~ No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

<Remainder of Page Blank. Signatures on Following Page>

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Agreement as of the day and year first above written.

This is a legal document which grants specific rights to and imposes certain obligations upon Franchisor and Franchisee. Consult legal counsel to be sure that you understand your rights and duties. Please insert the name and address of your attorney: _____

_____.

“FRANCHISOR”

“FRANCHISEE”

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

By: _____

Its: _____

EXHIBIT A
TO
FRANCHISE AGREEMENT
SITE SELECTION AGREEMENT

Exhibit A

SITE SELECTION AGREEMENT

This Agreement is made and entered into this ~~___~~ day of ~~___~~, 20___ on _____, by and between ABRA FRANCHISOR SPV LLC, a Delaware limited liability company, with its principal offices at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“Abra”), and _____, whose principal address is _____ (“Prospective Franchisee”).

INTRODUCTION

A. Abra franchises auto body repair and refinishing shops known as Abra® auto body and glass repair and refinishing shops (“Abra® Repair Centers”), the distinguishing characteristics of which are high quality auto body repair and refinishing at competitive prices, including painting, collision repair, rustproofing, air conditioning, wheel alignments and auto glass repair and replacement; quality control standards and specifications; advertising and promotional programs; training; distinctive standards and specifications for the site, layout and furnishings of an Abra® Repair Center. Abra uses and licenses certain service marks, trademarks, logos, trade dress and other commercial symbols, including the service mark “Abra,” and may hereafter adopt, use and license additional or substitute trademarks, service marks, logos, trade dress and commercial symbols in connection with the operation of Abra® Repair Centers (collectively, the “Marks”). Abra® Repair Centers use Abra’s methods, merchandising and business techniques, procedures, standards, specifications and the Marks (all of which are collectively referred to as the “Business System”), which Abra may periodically improve, further develop or otherwise modify.

B. Prospective Franchisee desires to operate an Abra® Repair Center (the “Repair Center”) as part of the and to enter into this preliminary Site Selection Agreement (the “Agreement”) for the purpose of selecting a site upon which Prospective Franchisee’s Repair Center will be located.

C. Abra is willing to license the Business System to Prospective Franchisee provided that Prospective Franchisee complies with all of Abra’s requirements and specifications for the Business System, including the provisions stated herein.

Abra and Prospective Franchisee agree as follows:

1. Site Selection. Prospective Franchisee will use his/her best efforts to select a proposed site for the Repair Center within the area described in Exhibit A attached hereto (the “Development Area”). Prospective Franchisee will submit to Abra in the form specified by Abra in its Site Selection Guidelines (the “Guidelines”), a copy of which is loaned to Prospective Franchisee upon execution of this Agreement, a description of the site and such other information or materials as Abra may reasonably require. In selecting a proposed site, Prospective Franchisee will bear in mind Abra’s commitment to locating all Abra® Repair Centers on main thoroughfares. Abra will not unreasonably withhold consent to a site in the Development Area that meets its standards as described in the Guidelines. Prospective Franchisee is solely responsible for determining that the proposed site meets all zoning and other applicable government requirements and for obtaining all required governmental permits. Abra’s consent to Prospective Franchisee’s site for an Abra® Repair Center does not constitute a recommendation, assurance or endorsement of the success of the site.

2. Site Selection Assistance. Abra will furnish Prospective Franchisee with the Guidelines and such consultation and on-site evaluation as Abra may deem advisable. Abra agrees, at no cost to Prospective Franchisee, to review up to four (4) sites selected by Prospective Franchisee as potential sites for his/her Repair Center. Abra will charge Prospective Franchisee One Hundred Fifty Dollars (\$150) for the review of each site in addition to the initial four (4) sites. Prospective Franchisee should consult with his/her legal counsel or financial manager in negotiating the lease or purchase of the site consented to by Abra. Abra may,

in its sole discretion, offer guidelines to Prospective Franchisee respecting such negotiations. Abra will not provide Prospective Franchisee with any financing for the site or serve as a guarantor for Prospective Franchisee.

3. Leased Premises. Prospective Franchisee may either lease or purchase the site on which the Repair Center will be located and may either lease or construct the building in which the Repair Center will be located. If Prospective Franchisee should lease the premises of the Repair Center, Prospective Franchisee will submit the lease, prior to its execution, to Abra for its approval, which approval will not be withheld unreasonably. Abra may require, as a condition of its approval, that the proposed lease contain certain provisions, including the following:

A. The premises will be used solely for the operation of Prospective Franchisee's Repair Center and will be open to the public and operated for the number of hours and the number of days specified in the Abra Operations Playbook ("the Operations Playbook");

B. Prospective Franchisee will not sublease or assign the lease or any part thereof except with the written approval of Abra;

C. Prospective Franchisee may place such exterior and interior signs as Abra will require from time to time;

D. The term of the lease (including renewal terms) will continue for the term of the Abra Franchise Agreement (as defined below);

E. Abra may enter the premises during normal business hours to make any modifications necessary to protect the Marks;

F. Abra may, at Abra's election, have the lease assigned to it upon termination or expiration of this Agreement or the Franchise Agreement; and

G. If Prospective Franchisee is in default under the terms of the lease, the landlord will give Abra notice of such default and the opportunity to cure the default.

4. Site Selection Guidelines. Prospective Franchisee acknowledges receipt of a copy, on loan, of the Guidelines from Abra. Prospective Franchisee agrees not to reprint or reproduce any portion of the Guidelines for any reason without the prior written consent of Abra in each instance nor to reveal its contents to any person other than those employees of Prospective Franchisee who must learn the information contained therein to perform their duties as such employees. Prospective Franchisee acknowledges and agrees that the Guidelines and any copies of the Guidelines and any information derived from Abra regarding the prospective franchise are and will remain the confidential trade secret property of Abra.

5. Marks. Prospective Franchisee acknowledges and agrees that neither this Agreement, nor Prospective Franchisee's or Abra's execution of this Agreement, entitles Prospective Franchisee to use the Marks.

6. Franchise Agreement. Five (5) business days after Prospective Franchisee executes a lease or purchase agreement for the site of the Repair Center, Prospective Franchisee will execute Abra's then-current form of Franchise Agreement (the "Franchise Agreement").

7. Deposit. Upon execution of this Agreement, Prospective Franchisee will deposit with Abra the sum of Ten Thousand Dollars (\$10,000) (the “Deposit”) to be applied against the initial franchise fee payable by Prospective Franchisee under the Franchise Agreement.

8. Termination.

A. Except as otherwise described below, this Agreement will remain in effect until Prospective Franchisee and Abra have executed the Franchise Agreement.

B. Prospective Franchisee may, prior to execution by Prospective Franchisee of a lease or purchase agreement for the site of the Repair Center, withdraw his/her application for a franchise to operate an Abra® Repair Center and terminate this Agreement for any reason upon written notice to Abra.

C. During the six (6)-month period following the execution of this Agreement, Abra may, at its discretion, terminate this Agreement by written notice to Prospective Franchisee at any time before Prospective Franchisee executes a lease or purchase agreement for the site of the Repair Center. If Prospective Franchisee has not leased or purchased a site acceptable to Abra within six (6) months following the execution of this Agreement, Abra may terminate this Agreement upon written notice to Prospective Franchisee.

9. Obligations Upon Termination.

A. Upon termination of this Agreement, Prospective Franchisee will return to Abra the copy of the Guidelines Prospective Franchisee received on loan from Abra. Prospective Franchisee agrees not to divulge any information he/she received from Abra, whether through the Guidelines or otherwise.

B. If Prospective Franchisee terminates this Agreement for any reason, Abra will refund to Prospective Franchisee fifty percent (50%) of the Deposit. If Abra terminates this Agreement within six (6) months of the date of its execution, Abra will refund to Prospective Franchisee the Deposit plus interest at the rate of four percent (4%) per annum. Otherwise, the Deposit is nonrefundable.

10. Nonassignability of Agreement.

A. Prospective Franchisee acknowledges and agrees that Abra has entered into this Agreement based upon Prospective Franchisee’s personal experience, skills, and managerial and financial qualifications. Prospective Franchisee agrees that it will not transfer this Agreement, except upon the prior express consent of Abra.

B. Abra reserves the right to sell or assign, in whole or in part, its interest in this Agreement.

11. Notices. Any notice or communication provided for herein will be in writing, signed by the party serving the notice, and either delivered personally or deposited in the United States mail, postage prepaid. If such notice is a notice of termination, it will be delivered by certified mail to the respective party at the address shown above unless a different address has been designated in writing by the other party. Any notice by mail will be deemed to have been given at the date and time of mailing.

12. Applicable Law. This Agreement will be interpreted and construed in accordance with the laws of the state in which the Development Area is located.

13. General Provisions.

A. Should any clause of this Agreement be held to be void or unenforceable for any reason by any court of competent jurisdiction, such clause will be deemed to be separable and the remainder of this Agreement will be deemed to be valid and in full force and effect.

B. If Prospective Franchisee consists of two (2) or more individuals, such individuals will be jointly and severally liable and references to Prospective Franchisee in this Agreement will include all such individuals. Reference to Prospective Franchisee as an individual will also include a partnership, corporation or other legal entity.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

PROSPECTIVE FRANCHISEE:

ABRA FRANCHISOR SPV LLC

By: _____

Its: _____

EXHIBIT A
TO
SITE SELECTION AGREEMENT
DESCRIPTION OF DEVELOPMENT AREA

EXHIBIT B
TO
FRANCHISE AGREEMENT
PERSONAL GUARANTY

Exhibit B

Franchisee or another of the guarantors of the Obligations. To the extent not prohibited by law, each of the undersigned consents that venue of any legal proceedings relating to the collection of this Personal Guaranty shall be, at Franchisor's (or, as applicable, its affiliate's) option, in Charlotte, North Carolina.

5. Each of the undersigned Guarantors: (a) acknowledges and agrees that Franchisor (and each of its affiliates) has not made any representations or warranties with respect to, does not assume any responsibility to any of the undersigned for, and has no duty to provide information to any of the undersigned regarding the collectability or enforceability of any of the Obligations or the financial condition of Franchisee or any Guarantor; (b) has independently determined the credit worthiness of Franchisee and the collectability and enforceability of the Obligations; and (c) until the Obligations are paid in full, will independently and without reliance on Franchisor (or any of its affiliates) continue to make the determinations described in 5(b) of this Personal Guaranty.

6. This is a continuing guaranty and shall remain in full force and effect so long as the Franchise Agreement is in effect, and thereafter so long as any Obligations remain in effect and not satisfied.

<Remainder of Page Blank. Signatures on Following Page>

IN WITNESS WHEREOF, each of the undersigned has signed this Personal Guaranty on the same day and year as the Franchise Agreement was signed.

In the Presence of:

PERSONAL GUARANTORS

Individually

Address

EXHIBIT C
TO
FRANCHISE AGREEMENT
CONVERSION ADDENDUM TO
FRANCHISE AGREEMENT

Exhibit C

Franchisee acknowledges and agrees that the foregoing illustration is provided solely to demonstrate the method of calculating the tiered monthly Continuing Fees and is not intended as a statement, representation or suggestion by Franchisor that Franchisee can or will achieve the above revenues or any specific volume or level of Gross Sales.

The Annual Minimum will be prorated for any partial years during the Term. Percentage Continuing Fees are payable on a monthly basis as set forth in Section 7(D) below. With respect to any portion of the Continuing Fees that are calculated as annual amounts, Franchisor shall have the right to invoice such amounts on a monthly basis in equal installments, or invoice an equivalent percentage of Gross Sales as estimated payments.

The term "Gross Sales" means the total amount of all revenues received by Franchisee from the sale of goods and services, whether for cash or by check or credit card, at or in connection with the Repair Center, including sublet labor and new and used replacement parts. Gross Sales will not include sales taxes collected from customers or bona fide refunds.

3. Site Selection Agreement. Section 4(A) of the Franchise Agreement is deleted given that Franchisor has previously approved Franchisee's existing business site as the Authorized Location for the Repair Center.

4. Website. If Franchisee is an existing automobile dealership, the following is added to the end of Section 6(R) of the Franchise Agreement: "Franchisor and Franchisee agree that Franchisee shall create, and maintain for as long as Franchisee is a franchisee of Franchisor, an internet link on Franchisee's dealership's primary website (currently _____) to Franchisor's official Abra® website (currently www.abraauto.com). Franchisee's use of any of the Marks in connection with the aforementioned link is subject to the provisions of this Agreement.

5. Construction. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Addendum as of the day and year first above written.

"FRANCHISOR"

"FRANCHISEE"

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

FRANCHISEE'S OWNERS

EXHIBIT D
TO
FRANCHISE AGREEMENT
ASSIGNMENT OF TELEPHONE NUMBERS

Exhibit D

ASSIGNMENT OF TELEPHONE NUMBERS

Date: _____

This assignment is effective as of the date of termination or expiration of the Franchise Agreement entered into between ABRA Franchisor SPV LLC (“us”) and _____ (“you”). You hereby irrevocably assign to us or our designee the telephone number or numbers and listings issued to you with respect to your Abra® Repair Centers (“telephone numbers”). This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the telephone numbers.

We hereby are authorized and empowered upon termination or expiration of the Franchise Agreement and without any further notice to you to notify the telephone company, as well as any other company that publishes telephone directories (“telephone companies”), to transfer the telephone numbers to us or such other person or entity as we designate. You hereby grant to us an irrevocable power of attorney and appoint us as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including, but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and the telephone companies may accept this assignment and our instructions as conclusive evidence of our rights in the telephone numbers and our authority to direct the amendment, termination or transfer of the telephone numbers, as if they had originally been issued to us. In addition, Franchisee agrees to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by us regarding the telephone numbers.

YOU:

(entity name)

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT E
TO
FRANCHISE AGREEMENT

ABRA® CONSOLIDATED SUPPLY PROGRAM AMENDMENT TO
FRANCHISE AGREEMENT

Exhibit E

**ABRA® CONSOLIDATED SUPPLY PROGRAM AMENDMENT TO
FRANCHISE AGREEMENT**

THIS CONSOLIDATED SUPPLY PROGRAM AMENDMENT (the “Amendment”) is made and entered into ~~this ___ day of _____, 20__~~ on _____, by and between ABRA FRANCHISOR SPV LLC (“Franchisor”) and _____ (“Franchisee”).

BACKGROUND

A. Franchisor and Franchisee are parties to an ABRA Franchisor SPV LLC Franchise Agreement (the “Franchise Agreement”), whereby Franchisee is granted the right to operate an Abra® Repair Center (the “Repair Center”) at an authorized location stated in the Franchise Agreement.

B. From time to time, Franchisor negotiates and enters into supply agreements for the purchase of various supplies, products and services needed for use in the operation of an Abra® Repair Center (“Supplier Agreements”) with various third-party suppliers (“Suppliers”), for items such as, but not limited to, paint, paint supplies, rental cars, non-OEM replacement parts, collision repair information systems, uniforms, and office supplies. Under certain of the respective Supplier Agreements, the applicable Suppliers agree to extend discounted prices and/or other concession (“Supplier Programs” or “Programs”) to Franchisor’s company-owned (including affiliate-owned) and franchised Abra® repair centers (“Abra® Repair Centers”), provided that the participating Abra® Repair Centers comply with any terms and conditions pertaining to such Programs.

C. Recognizing the value of participation in the Programs and the potential increased leverage available to Franchisor in negotiating Supplier Agreements with the various Suppliers as a result of an increased number of Abra® Repair Center participating in the Programs, Franchisee desires to authorize Franchisor to negotiate and enter into Supplier Agreements and to bind Franchisee to the terms and conditions of Supplier Programs, subject to Franchisee’s opt-out rights, as described herein.

D. Accordingly, Franchisee has requested, and Franchisor has consented to, an amendment of the Franchise Agreement, on the terms and conditions set forth below.

AGREEMENTS

In consideration of the mutual covenants and considerations set forth herein, Franchisor and Franchisee agree as follows:

1. Grant of Authority. Franchisee hereby grants Franchisor the right, power and authority to negotiate with Suppliers and, subject to Franchisor’s sole judgment, to enter into Supplier Agreements on behalf of the Abra® network of franchisees and company-owned Abra® Repair Centers, including Franchisee’s Repair Center. Franchisee acknowledges and agrees that upon Franchisor’s signing of a Supplier Agreement, Franchisee will be immediately bound to the pricing, payment and delivery terms, and other rules, conditions and guidelines of the Programs established in such Supplier Agreements, as they are communicated to Franchisee by Franchisor. Within thirty (30) days of signing a new Supplier Agreement for a new Program or Programs, Franchisor will provide Franchisee with a summary of the material terms and conditions applicable to Franchisee, with respect to each new Program. Franchisee shall not be entitled to review Supplier Agreements directly. Franchisee shall submit to any credit check or similar evaluation required by Franchisor or the Supplier under any Program, and Franchisee acknowledges that its ability to participate in Programs may be limited based on credit and other eligibility requirements. Franchisor shall have the sole right, power and authority to negotiate the terms of Supplier Agreements and administer Programs and Franchisee acknowledges that any individual Programs may not, by its terms, be available to all Abra

franchisees or to Franchisee in particular, due to factors such as, but not limited to, delivery location, purchase volume, and other eligibility factors.

2. Opt-Out Rights. Upon receiving written notice of a new Program and its pricing and features, Franchisee has the right at any time, upon thirty (30) days' advance written notice to Franchisor (or such longer notice period as Franchisor may set forth in the Program summary described in Paragraph 1, above), to opt out of that Program. Upon expiration of the notice period: (a) Franchisee will no longer be eligible to participate in that Program; and (b) Franchisee will remain liable for satisfying any and all obligations of Franchisee under the particular Supplier Agreement that accrued prior to expiration of the thirty (30)-day notice period.

3. Compliance with Guidelines and Management of Programs. Franchisee agrees to adhere to all rules and guidelines communicated by Franchisor regarding Programs generally or regarding any Program in particular. Franchisee acknowledges that participation in Programs pursuant to this Agreement may require that Franchisee take, or refrain from taking, certain actions in order to remain in compliance with Programs and this Agreement, such as, but not limited to, honoring exclusive supplier arrangements, adhering to per-order minimums, meeting obligations for timely payment, and complying with other Program-specific requirements. In addition, and without limiting the foregoing, Franchisee agrees that Franchisor shall have the sole right and privilege (at Franchisor's option) to: (i) manage any and all disputes with Suppliers and/or customers in connection with Programs; (ii) to communicate with Suppliers and Suppliers' representatives regarding all matters, including, but not limited to, Programs, Program qualifications, terms and conditions of sale, Supplier guidelines, Franchisee opt-outs and opt-ins of Programs, and Repair Center openings and closings; and (iii) establish and administer centralized ordering, billing, payment, and collections systems and procedures in connection with Programs. Franchisee agrees to use any required purchase order form or ordering method prescribed by Franchisor for Programs, and to execute any agreements directly with Suppliers as may be required under Programs. Franchisee acknowledges and agrees that any rights, benefits or other advantages extended to Franchisee under any Program are conditioned upon Franchisee's compliance with the rules, conditions and guidelines for such Program.

4. Limitations on Liability. With respect to Franchisee's Repair Center, Franchisee is solely liable for complying with all terms and conditions of each Program in which Franchisee participates and Franchisee is solely liable for Franchisee's payment obligations to Supplier or Franchisor, as applicable, with respect to all products and services purchased by Supplier. Franchisor disclaims any and all liability arising directly or indirectly from Franchisee's relationship with or purchases made from Suppliers in connection with Programs. Nothing in this Paragraph 4 shall be construed as a limitation on Franchisee's indemnification obligations under Section 10 of the Franchise Agreement.

5. Termination Rights. Either party has the right to terminate this Amendment upon thirty (30) days' advance written notice to the other party; provided that if Franchisee elects to terminate this Amendment, at Franchisor's option: (a) Franchisee will no longer be eligible to participate in any Programs available to Franchisee under a Supplier Agreement signed by Franchisor pursuant to this Amendment; and (b) Franchisee will remain liable for satisfying any and all obligations of Franchisee, under any Supplier Programs, which accrued prior to termination of this Amendment.

6. Construction. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Amendment as of the day and year first above written.

“FRANCHISOR”

“FRANCHISEE”

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

FRANCHISEE’S OWNERS

EXHIBIT F
TO
FRANCHISE AGREEMENT
ACKNOWLEDGMENT ADDENDUM

Exhibit F

THIS DOCUMENT SHALL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA OR MARYLAND, DO NOT SIGN THIS DOCUMENT.

ACKNOWLEDGMENT ADDENDUM

As you know, Franchisee (“you”) and Franchisor (“we” or “us”) are entering into a Franchise Agreement for the operation of an Abra® Repair Center franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.*

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days before signing the Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

3. Did you receive, at least 7 calendar days before the date on which the Franchise Agreement was signed, a copy of the Franchise Agreement that was substantially the same as the Franchise Agreement you signed, except for fill-in-the-blank provisions or negotiated changes initiated by you? **Check one:** () Yes () No. **If no, please comment:** _____

4. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? **Check one:** () Yes () No. **If no, please comment:** _____

5. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? **Check one:** () Yes () No. **If yes, please comment:** _____

6. Did any employee or other person speaking on behalf of ABRA Franchisor SPV LLC make any oral, written or visual claim, statement, promise or representation to you regarding actual, average, or projected sales, revenues, expenses, earnings, income or profit levels at any Abra® Repair Center location or business, or the likelihood of success of your Abra® Repair Center, that is not included in the Disclosure Document or that is contrary to, or different from, the information included in the Disclosure Document? **Check one:** () Yes () No. **If yes, please state in detail the oral, written**

or visual representation: _____

7. Do you understand that that the franchise granted is for the right to operate a business at the Authorized Location only and, except as expressly provided in Section 1 of the Franchise Agreement (or, if applicable, in the Multiple Repair Center Development Agreement) includes no territorial protection, and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, near your protected area?

Check one: () Yes () No. **If no, please comment:** _____

8. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the franchised business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding? **Check one:** () Yes () No. **If no, please comment:** _____

9. Do you understand that the success or failure of your store will depend in large part upon your skills and experience, your business acumen, the hours you work, your location, the local market for products under the “Abra” trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition, lease terms and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your store may change? **Check one:** () Yes () No. **If no, please comment:** _____

You understand that your answers are important to us and that we will rely on them. By signing this addendum, you are representing that you have considered each question carefully and responded truthfully to the above questions. If more space is needed for any answer, continue on a separate sheet and attach.

Note: If the franchisee is a corporation, partnership, limited liability company or other entity, each of its personal guarantors must execute this acknowledgment.

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

EXHIBIT G
TO
FRANCHISE AGREEMENT
FRANCHISOR DILIGENCE ITEMS

Exhibit G

FRANCHISOR DILIGENCE ITEMS

Franchisee expressly acknowledges that the Franchisor Evaluation Period shall not begin until Franchisee provides Franchisor all of the following materials:

1. An exact duplicate of the actual signed letter of intent between Franchisee and the third-party purchaser that includes:
 - a. The assets being purchased;
 - b. The purchase price; and
 - c. All other material terms (including, but not limited to, a detailed listing of any hold back amounts).
2. Profit and loss statements for the current fiscal year, and the two (2) fiscal years preceding the current fiscal year.
3. Franchisee's tax returns for the two (2) years preceding the current year.
4. A roster of all employees identifying the names, pay rates and job titles.
5. A list of key management employees with names and titles.
6. A list of all real estate details, including:
 - a. Square footage;
 - b. Whether the property is rented or owned;
 - c. Copies of any leases; and
 - d. Landlord contact information.
7. Annual payroll details for the current fiscal year, and the two (2) fiscal years preceding the current fiscal year.
8. Copies of shop certifications.
9. Detailed equipment list.
10. Copies of any key vendor contracts (i.e., paint contracts).

EXHIBIT H
TO
FRANCHISE AGREEMENT
SERVICE LEVEL AGREEMENT

Exhibit H

[COMPLETE ALL FIELDS BEFORE SIGNING]

ABRA FRANCHISOR SPV LLC

SERVICE LEVEL AGREEMENT

SERVICE LEVEL AGREEMENT

This SERVICE LEVEL AGREEMENT (this “Agreement”) is entered into as of DATE _____ (the “Effective Date”) by and between ABRA FRANCHISOR SPV LLC, a Delaware limited liability company with a principal place of business located at 440 S. Church Street, Suite 700, Charlotte, NC 28202 (“Franchisor”), and FRANCHISEE (“Franchisee”).

WHEREAS, Franchisee operates one or more auto body repair and refinishing centers at the location(s) set forth on Exhibit A hereto (each a “Repair Shop” and, collectively, the “Repair Shops”) pursuant to one or more franchise agreements by and between Franchisor (or an affiliate thereof) and Franchisee (each a “Franchise Agreement” and, collectively, the “Franchise Agreements”);

WHEREAS, Franchisor, Driven Brands Inc., a Delaware corporation (“DBI”), on behalf of Franchisor, or an affiliate of either DBI and Franchisor has entered into the master service and other similar franchisor-managed or performance-based agreements, including any statements of work thereunder, listed on Exhibit B hereto (each a “Master Service Agreement” and, collectively, the “Master Service Agreements”) with various insurance carrier customers (each such customer a “Carrier” and, collectively, the “Carriers”) pursuant to which a Repair Shop will participate in a Carrier’s repair program (each a “Program” and, collectively, the “Programs”); and

WHEREAS, Franchisor and Franchisee desire to enter into this Agreement to set forth the terms and conditions on which Franchisee may participate in the Programs.

NOW, THEREFORE, in consideration of the mutual covenants contained in this agreement and intending to be legally bound, Franchisee and Franchisor agree as follows:

1.0 AMENDMENT AND RESTATEMENT

The Parties acknowledge and agree that all existing Service Level Agreements between the Parties (and any similar agreements between the Parties that govern or relate to Franchisee’s participation in one or more Programs) entered into prior to the Effective Date are hereby amended and restated by mutual agreement of the Parties and replaced in their entirety by this Agreement. Notwithstanding anything to the contrary in this Section 1.0, any Direct Repair Program Amendment to Franchise Agreement (“DRP Amendment”) entered into by and between Franchisor and Franchisee remains in full force and effect. In the event of a conflict between the DRP Amendment and this Agreement, the terms and conditions in the DRP Amendment shall control.

2.0 TERM AND TERMINATION

2.1 The term of this Agreement shall commence on the Effective Date and continue until the date on which all of the Master Services Agreements either expire or are terminated as permitted thereunder (the “Term”), unless otherwise terminated in accordance with the terms of this Agreement.

2.2 This Agreement shall terminate automatically with no further action by the Parties if all of the Master Service Agreements are expired or are terminated for any reason.

2.3 Notwithstanding anything in this Agreement to the contrary, if Franchisee neglects or fails to perform any of its obligations under this Agreement and such failure continues for a period of thirty (30) days after written notice to Franchisee, Franchisor shall have the right either to terminate this Agreement entirely or to remove Franchisee from one or more Programs by amending Exhibit B hereto, in each case in its sole discretion.

2.4 Franchisor may immediately suspend or terminate this Agreement, without offering Franchisee any right to cure the default, upon the occurrence of any of the following (each an “Event of Default”):

- (a) Franchisee commits fraud of any kind, including, but not limited to, charging a customer or policyholder of a Carrier or a Carrier itself for any work not performed or charging for new parts but installing used parts;
- (b) A cessation of business by Franchisee;
- (c) Franchisee’s failure to comply with either the Carrier Requirements (as defined below) or the Franchisor Requirements (as defined below), including any attachments hereto;
- (d) A lapse or revocation of any license, permit, or certificate necessary for Franchisee to provide the services hereunder;
- (e) The filing of any petition for bankruptcy, reorganization, insolvency, liquidation, suspension of payments, or commencement of any similar proceeding by or against Franchisee; or
- (f) Default under and/or termination of any one of the Franchise Agreements.

2.5 Franchisor shall have the right to immediately terminate this Agreement without notice and in its sole discretion if a Transfer (as defined below) occurs without Franchisee obtaining Franchisor’s prior written consent. All of the following events shall be deemed a “Transfer” for purposes of this Agreement:

- (a) sale of all or substantially all of the assets associated with a Repair Shop, or of Franchisee in general;
- (b) merger, consolidation, or any other business combination of Franchisee with another person or entity; or
- (c) any investment of any kind in Franchisee by a competitor of Franchisor or one of Franchisor’s affiliates.

2.6 If Franchisor has a commercially reasonable basis to believe that a Franchise Agreement or this Agreement will be terminated due to either an Event of Default or a Transfer, then notwithstanding any confidentiality or other requirements applicable to the relationship between Franchisor and Franchisee, Franchisee expressly authorizes and agrees that Franchisor may inform one or more Carriers of such pending termination or transfer.

3.0 MASTER SERVICE AGREEMENTS

Franchisee acknowledges and agrees that Franchisor, DBI, or an affiliate of Franchisor and DBI has entered into the Master Service Agreements set forth on Exhibit B. Franchisee further acknowledges and agrees that, in consideration for its access to and participation in the Programs, Franchisor may amend, restate, supplement, and otherwise modify Exhibit B from time to time in Franchisor’s sole discretion by providing written notice to Franchisee; provided, that Franchisor timely provides any copies of applicable Carrier Requirements.

4.0 LICENSES

Franchisee shall secure, maintain, and hold the required permits, licenses, and certifications to be compliant with all local, state, and federal laws and regulations. At Franchisor’s request, Franchisee shall provide proof of this compliance. Compliance with the requirements of this section is a requirement for participation under this Agreement, including any attachments to this Agreement.

5.0 COMPLIANCE AND PARTICIPATION

5.1 In performing services for customers or policyholders of the Carriers and/or the Carriers themselves, Franchisee agrees to participate in all of the Programs and provide the services described in the Master Service Agreements as if Franchisee were the “provider,” “supplier,” “vendor,” or such similar designated party thereunder. Franchisee hereby makes all of the representations and warranties, agrees to all of the affirmative and negative covenants, and generally agrees to comply with and be bound by the all of the terms and conditions and obligations set forth in the Master Service Agreements (including, for the avoidance of doubt, all schedules, exhibits, and other attachments thereto) that apply to such service providers thereunder (collectively, the “Carrier Requirements”). The Carrier Requirements include, but are not limited to, terms and conditions in the Master Service Agreements related to fees and expenses, discounts, estimates, rental cars, shop management, valet programs, confidentiality, subcontracting, indemnification, insurance coverage, privacy and data security, inspections, quality control, business continuity and disaster recovery, background checks, anti-fraud training, intellectual property, gifts and gratuities, inducements, environmental responsibility, governance, codes of conduct, and any service-level objectives and key performance indicators. Franchisor shall provide a summary of the Carrier Requirements to Franchisee as necessary to facilitate Franchisee’s compliance therewith, but due to confidentiality and other obligations Franchisor shall not be obligated to provide a copy of a Master Service Agreement to Franchisee.

5.2 In consideration for its access to and participation in the Programs, Franchisee agrees that it will use, participate, and otherwise comply with, as applicable, all of Franchisor’s minimum requirements for participation in the Programs as set forth on Exhibit C (collectively, the “Franchisor Requirements”). Franchisee acknowledges and agrees that Franchisor may amend, restate, supplement, and otherwise modify Exhibit C from time to time in Franchisor’s sole discretion by providing written notice to Franchisee, which notice shall include copies of any agreed-upon terms and conditions with vendors that Franchisee is required to use.

5.3 Franchisee acknowledges and agrees that during the term of this Agreement Franchisor in its sole discretion will conduct a continuous periodic review of Franchisee’s participation in the Programs and the estimates provided by Franchisee thereunder (“Central Review”). Pursuant to Central Review, Franchisor will from time to time in its sole discretion review the estimates provided by Franchisee for (i) best practices, (ii) compliance with applicable industry standards, (iii) quality control, and (iv) certain other metrics determined by Franchisor from time to time. Franchisee expressly agrees to participate and cooperate fully in the Central Review process as implemented by Franchisor hereunder.

6.0 PENALTY ASSESSMENT

6.1 Franchisee hereby expressly agrees to comply with any penalty assessments contained in the Master Service Agreements. Franchisee acknowledges and agrees that, if any Repair Shop fails, and/or applicable participating repair shops collectively fail, to meet certain key performance indicators applicable to one (1) or more Master Service Agreements during the measurement period(s) set forth in such Master Service Agreement(s), Franchisee may be assessed a penalty or be required to provide a bottom-line discount on the chargeable price of repair assignments, the amount of which may be higher depending on the performance of the Repair Shop(s) and other factors as determined by Franchisor. Any discount or penalty assessed pursuant to this paragraph shall be paid or provided to the customer and/or Carrier and is not retained by Franchisor.

6.2 In the event that Franchisor or a Carrier has identified that repair quality is of concern with respect to any Repair Shop or that Franchisee is in material default under any Carrier Requirements, then

Franchisor may, upon written notice to Franchisee, require Franchisee to engage an approved third party vendor to assist in oversight of quality assurance at Franchisee's sole expense.

7.0 WARRANTY

Each Franchisee shall provide and agree to honor a limited lifetime nationwide warranty of its and other "Abra" franchisees' workmanship for as long as the original customer or policyholder owns the vehicle (wear and tear excepted). A copy of this warranty will be provided to the vehicle owner by Franchisee.

8.0 RECORDS

Each Franchisee will maintain all records, including support documentation, in one file for each vehicle repaired and agrees to make such records available for inspection, and/or re-inspection to each Carrier during normal business hours as required by Franchisor, or for the minimum time period required under the applicable Master Service Agreement.

9.0 FRANCHISEE REPRESENTATIONS ON SERVICE AND QUALITY

9.1 In providing services to customers and policyholders of the Carriers and to the Carriers themselves, Franchisee will perform all such services in accordance with all applicable manufacturer guidelines and specifications and in accordance with any applicable regulatory safety standards and guidelines.

9.2 Franchisee shall provide services to customers and policyholders of the Carriers and to the Carriers themselves in a convenient manner to such customers, policyholders, and Carriers during the Term.

9.3 To facilitate receipt of assignments from each Carrier as well as to assist in developing appraisals and estimates, Franchisee shall secure a license to use the estimating and referral software currently designated by each such Carrier.

9.4 Franchisee will maintain an e-mail address to facilitate communications between Franchisee and each Carrier.

9.5 Franchisee will allow re-inspections of all estimates, documents, and repair work at any time before, during, and after the repair process, including any re-inspection required pursuant by Franchisor pursuant to Central Review.

10.0 INSURANCE

During the Term, Franchisee will, at its sole cost and expense, maintain insurance against claims which may arise from or in connection with the performance of any of the services hereunder at the Repair Shops and in the minimum coverage amounts set forth in the Master Service Agreements.

11.0 INDEMNIFICATION

Franchisee shall defend, indemnify and hold harmless Franchisor and its affiliates and their respective officers, directors, employees, agents, contractors, successors, and assigns from and against any and all damages, losses, fines, penalties, costs, and other amounts (including reasonable attorney's fees and expenses) (collectively, "Losses") arising from or in connection with any actual or threatened claims, demands, investigations, and causes of actions by third parties (each a "Claim") to the extent such Claim is based on or arises from or relates to (i) bodily injury (including death) or damage to or loss of any tangible

property caused by the willful misconduct and/or negligent acts or omissions of Franchisee, its affiliated and subsidiary companies, and their respective officers, directors, employees, agents, contractors, subcontractors, successors and assigns, (ii) any breach of or default under any provision of this Agreement; (iii) the use of any product or service being licensed by or provided to any Carrier or to Franchisor under this Agreement that infringes on any patent, copyright, license, or other proprietary right of any third party; or (iv) any other negligent or intentional acts or omissions of Franchisee.

12.0 USE OF CARRIER NAMES

Franchisee shall not use the name of any Carrier or any of their member companies in any advertising, publicity release, or other communication without the express written consent of such Carrier, or such member company, respectively. Franchisee shall identify the appropriate Carrier or member company name in all of its communications with such Carrier's customers, policyholders, and claimants.

13.0 CONFIDENTIALITY, PRIVACY, AND DATA SECURITY

Franchisee acknowledges and agrees that "Confidential Information" (as such term or any similar term is defined in any Master Service Agreement) includes, but is not limited to, financial information, strategic business plans, policies and/or marketing information, claims, sales, underwriting strategy, decision-making processes, third-party intellectual property, and pricing and/or profit information, in each case as disclosed to Franchisee pursuant to or in connection with Franchisee's participation in any Program. Franchisee agrees to implement and maintain measures to comply with any applicable federal, state, or local law or regulation governing the provision, receipt, maintenance, use, storage, or disclosure of personal information about any customer, policyholder, or claimant of a Carrier.

14.0 DISPUTE RESOLUTION

In consideration for its access to and participation in the Programs, Franchisee agrees that Franchisor may, in its commercially reasonable discretion, resolve any claim or dispute with a Carrier for relationship management purposes, and Franchisee hereby authorizes Franchisor to settle any such claims or disputes on Franchisee's behalf and bill Franchisee for the actual cost of such settlement.

15.0 NOTICES

In the event that any party is required to provide notification to any other party, notice shall be in writing and will be delivered in person or by delivery service or mailed by certified mail, return receipt requested, or delivered by confirmed e-mail, to the respective parties at the following addresses unless and until a different address or e-mail address has been designated by written notice to the other party:

If to Franchisor:

Contact Name: Insurance Relations Department
Address: Abra Franchisor SPV LLC
440 South Church Street Suite 700
Charlotte, NC 28202

Email : _____

If to the Franchisee:

Owner Name: _____
Franchisee Name: _____
Manager Name: _____
Address: _____
City/State: _____
Zip: _____
Email: _____

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

ABRA FRANCHISOR SPV LLC

FRANCHISEE

By _____
(Signature)

By _____
(Signature)

Name _____
(Printed Name)

Name _____
(Printed Name)

Title _____

Title _____

Date _____

Date _____

EXHIBIT A
REPAIR SHOPS

EXHIBIT B

MASTER SERVICE AGREEMENTS

EXHIBIT C

FRANCHISOR REQUIREMENTS

1. Acknowledgement of the location handling typical mechanical operations (i.e., suspension, restraint system, frame replacement, etc.) in house. Subletting work for these typical operations would be offered at “book time x approved labor rate.”
2. CCC suite including, but not limited to Update Plus, Calendar, Engage, Repair Methods, Photo Estimating
3. Central Review participation for applicable partnerships
4. Call Center participation for applicable partnerships
5. I-CAR Gold Class certification
6. I-CAR Welding Qualified (or AWS equivalent): Welding certificates must be held by working technicians completing welding repairs. Any welding repairs must be performed by I-CAR certified welders.
7. All tooling and equipment required to perform OEM repair procedures including, but not limited to three dimensional measuring, frame machine and fixtures, squeeze type resistance spot welder (STRSW), pulse mig welder, scanning device(s)
8. ABRA Operations Manual compliance
9. Maintain professional working relationship with all insurance representatives
10. Participation with a scanning & diagnostics provider that is approved by Franchisor (including but not limited to AsTech or OPUS IVS)

EXHIBIT I
TO
FRANCHISE AGREEMENT
SECURITY AGREEMENT

Exhibit I

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into as of _____, ~~20~~ (this "Agreement"), by and among ABRA Franchisor SPV LLC, a Delaware limited liability company (the "Secured Party"), and _____, a(n) _____, whose principal business address is _____ ("Debtor").

A. Debtor will develop and operate an "ABRA®" auto body repair and refinishing shop (the "Repair Center") pursuant to that certain Franchise Agreement dated as of the date hereof (the "Franchise Agreement"), by and between Secured Party and Debtor.

B. To secure payment of the fees and any and all other amounts owed to Secured Party and/or its affiliates under the Franchise Agreement and any and all other agreements between Secured Party (or any of its affiliates) and Debtor (or any of its owners or affiliates), Debtor wishes to grant to Secured Party a continuing security interest in the Collateral (as defined below).

ACCORDINGLY, for good and valuable consideration, the adequacy, sufficiency, and actual receipt of which are hereby mutually acknowledged by the parties, the parties hereby agree as follows:

1. Security Interest. In order to secure (i) complete and timely payment of Debtor's financial obligations arising under or in respect of the Franchise Agreement, this Agreement and any and all other agreements between Secured Party (or any of its affiliates) and Debtor (or any of its owners or affiliates), including, but not limited to, any extensions, modifications, substitutions, increases or renewals thereof, (ii) complete and timely payment of all amounts advanced or incurred by Secured Party to preserve, protect, defend, and enforce its rights under this Agreement, the Franchise Agreement, and/or with respect to the Collateral, and (iii) complete and timely payment of all fees, costs and expenses incurred by Secured Party in connection therewith (collectively, the "Obligations"), Debtor hereby pledges, grants, and assigns to Secured Party a continuing, general, valid, and unavoidable security interest in and lien on, all of Debtor's right, title, and interest in and to all of the following property, wherever located, however held, whether now owned or hereafter acquired or arising (collectively, the "Collateral"):

- (a) all accounts;
- (b) all certificated securities;
- (c) all chattel paper;
- (d) all computer hardware and software and all rights with respect thereto, including, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;
- (e) all contract rights;
- (f) all deposit accounts;
- (g) all documents;
- (h) all electronic chattel paper;

- (i) all equipment;
- (j) all financial assets;
- (k) all fixtures;
- (l) all general intangibles, including payment intangibles and software;
- (m) all goods (including, without limitation, all equipment, furniture, fixtures and inventory), and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
- (n) all instruments;
- (o) all intellectual property;
- (p) all inventory;
- (q) all investment property;
- (r) all money (of every jurisdiction whatsoever);
- (s) all letter-of-credit rights;
- (t) all payment intangibles;
- (u) all security entitlements;
- (v) all supporting obligations;
- (w) all uncertificated securities;
- (x) (I) all commercial tort claims; (II) the right to payment of, for, or on account of all commercial tort claims; and
- (y) to the extent not included in the foregoing, all other personal property of any kind or description wherever located or however held;

together with all books, records, writings, data bases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing, provided that to the extent that the provisions of any lease or license of computer hardware and software or intellectual property expressly prohibit (and such prohibition is enforceable under applicable law) any assignment thereof, and the grant of a security interest therein, Secured Party will not enforce its security interest in any of Debtor's rights under such lease or license (other than in respect of the proceeds thereof) for so long as such prohibition continues, it being understood that upon request of Secured Party, Debtor will in good faith use reasonable efforts to obtain consent for the creation of a security interest in favor of Secured Party (and to Secured Party's enforcement of such security interest) in such rights under such lease or license. For purposes of this Agreement, the terms used in this Section 1 shall have the meanings ascribed to them in Article 9 of the Uniform Commercial Code.

2. Representations; Warranties. Debtor represents and warrants to Secured Party as follows: Debtor has good and valid title to the Collateral, free from any right or claim of any security interest, lien, claim or encumbrance (collectively, a “Lien”), except for purchase money security interests incurred in the ordinary course of business and the permitted Liens listed in Schedule A. Debtor has full corporate power and authority to enter into, execute, and deliver this Agreement and to perform its obligations under this Agreement, and to incur and perform the Obligations, all of which have been duly authorized by all necessary corporate action. This Agreement constitutes the valid and legally binding obligation of Debtor, enforceable against it in accordance with its terms. Bankruptcy proceedings have not been commenced by or against Debtor under any federal bankruptcy law or other federal or state law.

3. Insurance. Debtor shall at all times bear the entire risk of any loss, theft, damage to, or destruction of, any of the Collateral from any cause whatsoever. Debtor shall keep the Collateral insured against loss or damage by fire and extended coverage perils, theft, burglary, and against all such other risks, casualties, and contingencies as Secured Party may reasonably require. Such insurance shall be payable to Secured Party as loss payee under a standard loss payee clause.

4. Notices. Debtor shall provide Secured Party at least thirty (30) days’ written notice prior to: (i) any change in Debtor’s name; (ii) any change in the jurisdiction of incorporation or organization of Debtor; or (iii) any of the Collateral being lost, stolen, missing, destroyed, materially damaged, or worn out.

5. Authorization and Agreement to Perfect Liens. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements, including a UCC financing statement, and amendments thereto or continuations thereof that: (i) describe the Collateral; and/or (ii) provide any other information required by Article 9 of the Uniform Commercial Code of the state where the Repair Center is located or such other jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment. Debtor agrees to furnish such information to Secured Party promptly upon Secured Party’s request. Debtor further irrevocably authorizes Secured Party to take any and other measures deemed necessary or proper by Secured Party, in Secured Party’s sole and absolute discretion, in order to perfect Secured Party’s liens, claims, interests, and encumbrances in, to, or on the Collateral or any part of the Collateral, further hereby appointing Secured Party as Debtor’s attorney-in-fact for such purposes with full power to execute, record, and/or file any and all documents on behalf of Debtor for such purposes.

6. Events of Default. Each of the following shall constitute an event of default (“Event of Default”) under this Agreement:

6.1 Failure by Debtor to completely and timely pay or perform any Obligation when due and to correct such failure in accordance with the terms and conditions of the Franchise Agreement;

6.2 Failure by Debtor to duly perform or observe any other term, covenant or agreement contained in this Agreement, which failure shall have continued unremedied for a period of thirty (30) days after written notice thereof from Secured Party to Debtor;

6.3 Any representation or warranty made by Debtor in this Agreement, any financial statement, or any statement or representation made in any other report or other document delivered in connection with this Agreement or the Franchise Agreement proves to have been incorrect or misleading in any material respect when made;

6.4 Debtor makes or sends notice of an intended bulk sale of any of the Collateral;

6.5 Debtor is insolvent within the meaning of any applicable state or federal law, makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;

6.6 Debtor, or any other affiliate of Debtor, shall challenge or contest, in any action, suit or proceeding, the validity or enforceability of this Agreement, or any related documents, the legality or the enforceability of any of the Obligations or the perfection or priority of any Lien granted to Secured Party; or

6.7 There shall be any material adverse change in the financial condition of Debtor or any other event shall occur that, as determined by Secured Party, materially impairs the ability of Debtor to pay the Obligations.

7. Remedies Upon Event of Default. Upon the occurrence of any Event of Default, the Obligations shall become immediately due and payable upon declaration to that effect delivered by Secured Party to Debtor; provided, however, that upon the happening of any event specified in Section 6.5 herein, the Obligations shall be immediately due and payable without declaration or other notice to Debtor. Upon the occurrence of and during the continuance of an Event of Default under this Agreement, Secured Party, in addition to all other rights, options, and remedies granted to Secured Party under this Agreement, (i) shall have all rights, options and remedies available to it under the Uniform Commercial Code, as adopted from time to time under the internal laws of the state where the Repair Center is located, as well as any other rights, options and remedies at law or in equity; and (ii) shall have the right to seek the appointment of a receiver over Debtor, Debtor's business, and/or the Collateral, with respect to which such appointment Debtor hereby irrevocably and unconditionally consents. Debtor agrees that a notice received by it at least five (5) days before the time of any intended public sale, or the time after which any private sale or other disposition of the Collateral or any portion thereof is to be made, shall be deemed to be reasonable notice of such sale or other disposition.

8. Nature of Remedies. All rights and remedies granted Secured Party under this Agreement and under any other related documents, or otherwise available at law or in equity, shall be deemed concurrent and cumulative.

9. General.

9.1 Amendment. This Agreement can be waived, amended, terminated or discharged, and the security interest and Liens of Secured Party can be released, only explicitly in a writing signed by Secured Party, and, in the case of amendment, in a writing signed by Debtor and Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given.

9.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns (except that Debtor may not assign its obligations under or rights in this Agreement without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole discretion) and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party's acceptance of this Agreement.

9.3 Jurisdiction and Venue. Debtor agrees all actions arising under this Agreement must be commenced exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Secured Party maintains its principal business address at the time that the action is brought. Debtor irrevocably submits to the jurisdiction of such courts and waives any objection it might have to either jurisdiction or venue. Notwithstanding the foregoing, Debtor agrees that Secured Party may enforce

this Agreement and any orders and awards in the federal or state courts of the state in which Debtor is domiciled.

9.4 Governing Law. Except to the extent governed by the Uniform Commercial Code, as adopted from time to time under the internal laws of the state where the Repair Center is located, this Agreement will be governed by the laws of the State of North Carolina, without regard to its conflict of laws rules. This Agreement shall be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

9.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but which counterparts together shall constitute but one and the same instrument.

9.6 Notice. All notices to be provided hereunder will be in writing and will be made by personal service or sent by prepaid first class United States mail to the respective parties at the following addresses or such other address as may be designated by written notice to the other party.

If to Secured Party: ABRA Franchisor SPV LLC
440 South Church Street
Suite 700
Charlotte, North Carolina 28202
Attn: _____

If to Debtor: _____

Notices delivered by a recognized delivery service that requires a written receipt will be an acceptable manner of personal service.

9.7 Waiver of Jury Trial. DEBTOR HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, OR ANY RELATED DOCUMENTS.

<Remainder of Page Blank. Signatures on Following Page>

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

This is a legal document which grants specific rights to and imposes certain obligations upon Secured Party and Debtor. Consult legal counsel to be sure that you understand your rights and duties. Please insert the name and address of your attorney: _____

_____.

“SECURED PARTY”

“DEBTOR”

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

By: _____

Its: _____

Schedule A
Permitted Liens

EXHIBIT J
TO
FRANCHISE AGREEMENT

TOTAL LOSS PROCESSING PROGRAM ADDENDUM

Exhibit J

ABRA FRANCHISOR SPV LLC
TOTAL LOSS PROCESSING PROGRAM ADDENDUM TO FRANCHISE AGREEMENT

(Contract Number: _____)

This ADDENDUM (this “Addendum”) is entered into on _____ (the “Addendum Effective Date”) by and between ABRA FRANCHISOR SPV LLC, a Delaware limited liability company (“Franchisor”), and _____, a _____ (“Franchisee” and together with Franchisor, the “Parties” and, each, a “Party”). Capitalized terms used but not defined herein will have the meanings ascribed to such terms in the Franchise Agreement (defined below).

BACKGROUND

Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the “Franchise Agreement”), pursuant to which Franchisor granted Franchisee the right to operate Abra® Repair Center No. _____ located at _____ (the “Repair Center”).

Franchisor has an optional centralized program, pursuant to which Franchisor will complete the total loss estimate for applicable total loss claims submitted by participating Abra® Repair Center franchisees (the “Total Loss Processing Program”).

Franchisee desires to participate in the Total Loss Processing Program in connection with its operation of the Repair Center, and Franchisor has approved Franchisee to participate in the Total Loss Processing Program in connection with the operation of the Repair Center on the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual covenants and considerations set forth herein, the Parties agree to amend the Franchise Agreement as follows:

1. **TOTAL LOSS PROCESSING PROGRAM**

A. Franchisor hereby agrees that Franchisee may participate in the Total Loss Processing Program in connection with Franchisee’s operation of the Repair Center. To request that Franchisor provide an estimate under the Total Loss Processing Program for a particular claim, Franchisee must submit the request (an “Estimate Request”) by (i) creating a claim in the Repair Center’s CCCOne Innovate Management System (“CCC”), and (ii) sending an email to Franchisor’s central review team at john.burns@drivenbrands.com, which includes the applicable claim number and requests the estimate. If Franchisor accepts the Estimate Request and determines such claim is a total loss, Franchisor will (a) write the estimate for the claim into CCC, and (b) send the estimate for the claim to the applicable insurance carrier ((a) and (b), together, a “Total Loss Response”). If Franchisor accepts the Estimate Request but determines that such claim is not a total loss, Franchisor will provide applicable information to Franchisee for Franchisee to complete the estimate (a “Non-Total Loss Response”).

B. With respect to each Total Loss Response and each Non-Total Loss Response, Franchisee will pay Franchisor a Total Loss Processing Fee in the amount of \$_____. Franchisor may increase the amount of the Total Loss Processing Fee at any time during the term of the Franchise Agreement by providing Franchisee thirty (30) days’ prior written notice. Franchisor will invoice Franchisee for the Total Loss Processing Fees on a periodic (as determined by Franchisor) basis. Unless otherwise stated in

the applicable invoice, payment of Total Loss Processing Fees will be made in the same manner and with the same frequency as payment of the Continuing Fee (*i.e.*, on or before the Payment Day).

C. Franchisor may, at will and without penalty, upon notice to Franchisee (i) determine not to accept one or more Estimate Requests, and/or (ii) immediately terminate Franchisee's participation in the Total Loss Processing Program and this Addendum by providing written notice to Franchisee.

D. Franchisee may, at any time, elect to cease participating in the Total Loss Processing Program and terminate this Addendum by providing Franchisor thirty (30) days' prior written notice.

2. MISCELLANEOUS

This Addendum will be deemed a supplement to, and form part of, the Franchise Agreement. This Addendum will be binding upon and inure to the benefit of the executors, administrators, heirs, beneficiaries, assigns and successors in interest of each of the Parties. This Addendum may not be modified except by a written agreement signed by the Parties. This Addendum embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to the subject matter hereof. To the extent the terms of the Franchise Agreement and this Addendum conflict, the terms of this Addendum will control. This Addendum may be executed in one or more counterparts (which may be delivered electronically), each counterpart to be considered an original portion of this Addendum.

[Signature Page Follows]

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Addendum as of the Addendum Effective Date.

“FRANCHISOR”

“FRANCHISEE”

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

By: _____

Its: _____

EXHIBIT K
TO
FRANCHISE AGREEMENT
CALL CENTER PROGRAM ADDENDUM

Exhibit K

ABRA FRANCHISOR SPV LLC
CALL CENTER PROGRAM ADDENDUM TO FRANCHISE AGREEMENT

(Contract Number: _____)

This ADDENDUM (this “Addendum”) is entered into on _____ (the “Addendum Effective Date”) by and between ABRA FRANCHISOR SPV LLC, a Delaware limited liability company (“Franchisor”), and _____, a _____ (“Franchisee” and together with Franchisor, the “Parties” and, each, a “Party”). Capitalized terms used but not defined herein will have the meanings ascribed to such terms in the Franchise Agreement (defined below).

BACKGROUND

Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the “Franchise Agreement”), pursuant to which Franchisor granted Franchisee the right to operate Abra® Repair Center No. _____ located at _____ (the “Repair Center”).

Franchisor has an optional program (the “Call Center Program”), pursuant to which Franchisor will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as determined by Franchisor in its sole discretion) participating Abra® Repair Center (the “Applicable Center”).

Franchisee desires to participate in the Call Center Program in connection with its operation of the Repair Center, and Franchisor has approved Franchisee to participate in the Call Center Program in connection with its operation of the Repair Center on the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual covenants and considerations set forth herein, the Parties agree to amend the Franchise Agreement as follows:

1. CALL CENTER PROGRAM

A. Term. The initial term of this Addendum (the “Initial Call Center Term”) expires on the twelve (12)-month anniversary of the Addendum Effective Date, unless this Addendum and/or the Franchise Agreement is/are earlier terminated by its/their respective terms. Upon the expiration of the Initial Call Center Term, this Addendum will automatically renew for successive twelve (12)-month renewal terms (each, a “Renewal Call Center Term”), unless (1) this Addendum and/or the Franchise Agreement has/have been terminated by its/their respective terms, or (2) Franchisee provides Franchisor written notice at least sixty (60) days prior to the expiration of the then-current term of this Addendum of Franchisee’s decision not to renew this Addendum. In this Addendum, the Initial Call Center Term and any and all Renewal Call Center Terms will be collectively referred to as the “Call Center Term.”

B. Call Center Services. During the Call Center Term, Franchisor will, in its sole discretion and only at the times and with the frequencies as Franchisor deems appropriate, (1) direct calls that Franchisor has received relating to potential claims and repair service estimates to Franchisee if Franchisee operates the Applicable Center, (2) contact potential customers of Franchisee who have made a claim reported in the Repair Business’s CCCOne Innovate Management System (“CCC”) to assist in scheduling estimates and repairs, and (3) contact applicable customers of the Repair Center to confirm scheduling with respect to non-drivable vehicles as reported in CCC.

C. Call Center Fee. Franchisee will pay Franchisor a Call Center Fee equal to ~~§[-] percent of Gross Sales~~ _____] per month (or, if Franchisee owns and operates two (2) or more Abra® Repair Centers, \$[_____] per Abra® Repair Center per month) during any period in which Franchisee participates in the Call Center Program. Franchisor may increase the amount of the Call Center Fee at any time during the Call Center Term by providing Franchisee thirty (30) days' prior written notice. Franchisor will invoice Franchisee for the Call Center Fees on a periodic (as determined by Franchisor) basis. Unless otherwise stated in the applicable invoice, payment of the Call Center Fees will be made in the same manner and with the same frequency as payment of the Continuing Fee (*i.e.*, on or before the Payment Day).

D. Trial Period. Notwithstanding anything to the contrary in this Addendum, Franchisor will waive the Call Center Fee for any period prior to the first day of [Month] [Year] (the "Cutoff Date").

E. Termination by Franchisee. Franchisee may terminate this Addendum and Franchisee's participation in the Call Center Program by providing written notice to Franchisor: (1) within seven (7) days of Franchisor's providing Franchisee written notice of an increase in the Call Center Fee pursuant to Section 1.C., with such termination to be deemed effective thirty (30) days after Franchisor's notice of the increase in the Call Center Fee to Franchisee; or (2) prior to the Cutoff Date, with such termination to be deemed effective on the Cutoff Date.

F. Termination by Franchisor. Franchisor may, at will and without penalty, terminate this Addendum and Franchisee's participation in the Call Center Program: (1) without cause by providing Franchisee seven (7) days' prior written notice, or (2) immediately by providing Franchisee written notice, with no opportunity to cure, if Franchisee is then in default under the Franchise Agreement.

2. MISCELLANEOUS

This Addendum will be deemed a supplement to, and form part of, the Franchise Agreement. This Addendum will be binding upon and inure to the benefit of the executors, administrators, heirs, beneficiaries, assigns and successors in interest of each of the Parties. This Addendum may not be modified except by a written agreement signed by the Parties. This Addendum embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to the subject matter hereof. To the extent the terms of the Franchise Agreement and this Addendum conflict, the terms of this Addendum will control. This Addendum may be executed in one or more counterparts (which may be delivered electronically), each counterpart to be considered an original portion of this Addendum.

[Signature Page Follows]

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Addendum as of the Addendum Effective Date.

“FRANCHISOR”

“FRANCHISEE”

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

By: _____

Its: _____

EXHIBIT L
TO
FRANCHISE AGREEMENT

FRANCHISEE OWNERSHIP INFORMATION
(if applicable)

Exhibit L

1. **Franchisee's Entity Type** (e.g., corporation, limited liability company, general or limited partnership): _____

2. **Franchisee's State/Commonwealth of Formation/Organization/Incorporation:** _____

3. **Franchisee's Date of Formation/Organization/Incorporation:** _____

4. **Franchisee's ownership structure is as follows:**

Owner	Ownership Interest
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____

5. **Franchisee's officers and principal executives are as follows:**

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

EXHIBIT F

Multiple Repair Center Development Agreement

ABRA FRANCHISOR SPV LLC
MULTIPLE REPAIR CENTER DEVELOPMENT AGREEMENT

THIS MULTIPLE REPAIR CENTER DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of ~~the _____ day of _____,~~ 20____, by and between ABRA FRANCHISOR SPV LLC, a Delaware limited liability company ("Franchisor"), and _____ ("Franchisee").

BACKGROUND

Franchisor and Franchisee are, on this day, entering into an Abra® Franchise Agreement (the "Initial Franchise Agreement"), whereby Franchisee will be granted the right to operate an Abra® auto body and glass repair and refinishing shop (an "Abra® Repair Center") at _____, _____. Franchisee desires to obtain the right to develop Abra® Repair Centers within certain defined areas in the _____ metropolitan area pursuant to Franchisor's standard Franchise Agreement. Franchisor is willing to grant such rights under the provisions stated below.

AGREEMENTS

Franchisor and Franchisee agree as follows:

1. Development Rights; Reservation of Rights. Subject to the provisions stated below, Franchisor grants to Franchisee (and Franchisee accepts and agrees to exercise) the right to establish and operate for its own account, but not to subfranchise, sublicense or resell, _____ (__) additional Abra® Repair Centers (the "Repair Centers"), each pursuant to an individual Abra® Franchise Agreement ("Franchise Agreement") in the form then-currently used by Franchisor at the time of issuance, as amended by Section 2 of this Agreement. Franchisee's rights to establish and operate Repair Centers under this Agreement will be limited to the area(s) described on Exhibit A attached hereto (the "Exclusive Development Territory"). So long as Franchisee is in compliance with the terms of this Agreement and the Initial Franchise Agreement, and in compliance with the terms of the individual Franchise Agreement for each Repair Center developed hereunder, Franchisor will not establish for its own account or franchise others (other than Franchisee, under this Agreement) to operate an Abra® Repair Center within the Exclusive Development Territory. The limited Exclusive Development Territory granted under this Agreement is the only territorial protection granted to Franchisee and does not in any way expressly or implicitly grant any other area, market, territorial, or development rights to Franchisee or restrict Franchisor or its affiliates in any way in the manner in which Franchisor and its affiliates may conduct or operate their respective businesses. Franchisor and its affiliates have the right to issue competing franchises or to directly or indirectly develop and operate competing company-owned businesses under trademarks and service marks other than Franchisor's Abra® trademarks and service marks at any locations, as determined by Franchisor or any of its affiliates, inside or outside Franchisee's Exclusive Development Territory. Further, Franchisor and its affiliates have the right both within and outside of the Exclusive Development Territory to distribute products or services through alternative channels of distribution (including the Internet or any other existing or future form of electronic commerce) under Franchisor's Abra® trademarks and service marks, or under any other trademarks, service marks, trade names and commercial symbols.

2. Fees.

A. Development Fee. For the rights described in Section 1 above, Franchisee will pay Franchisor a nonrefundable development fee of _____ Dollars (\$_____) (the "Development Fee"). This Development Fee will be

payable to Franchisor upon Franchisee's execution of this Agreement. The Development Fee is in addition to the initial franchise fees payable by Franchisee to Franchisor pursuant to each additional Franchise Agreement executed by and between Franchisor and Franchisee. One-_____ (1/_____) of the Development Fee, however, will be used to offset the initial franchise fee for each additional Repair Center Franchisee develops within the Exclusive Development Territory under this Agreement.

B. Initial Fees. Franchisee will pay Franchisor an initial fee of Twenty-Five Thousand Dollars (\$25,000) (the "Initial Fee") for each Repair Center (in addition to the Repair Center being developed pursuant to the Initial Franchise Agreement) to be developed pursuant to this Agreement. Five Thousand Dollars (\$5,000) will be credited against the Initial Fee for each Repair Center upon Franchisee's payment of the Development Fee, leaving a balance due of Twenty Thousand Dollars (\$20,000) for each Repair Center. Ten Thousand Dollars (\$10,000) of the Initial Fee will be payable at the time Franchisee executes a Site Selection Agreement for each Repair Center. The remaining balance of Ten Thousand Dollars (\$10,000) will be payable upon Franchisee's execution of the Franchise Agreement for each Repair Center.

C. Continuing Fees; Advertising Fees. For each Franchise Agreement to be executed hereunder, Franchisee will be obligated to pay Franchisor continuing fees and advertising fees at the same percentage rate as provided in the Initial Franchise Agreement.

3. Conditions to Development of Additional Repair Centers. Franchisor will be obligated to enter into a Site Selection Agreement or Franchise Agreement for the development of a Repair Center under this Agreement only if, at the time Franchisee intends to enter into a Site Selection Agreement or Franchise Agreement for such Repair Center: (1) all amounts due and owing by Franchisee to Franchisor (or Franchisor's affiliates) under or relating to the Initial Franchise Agreement or any other agreement(s) between Franchisee and Franchisor (and/or Franchisor's affiliates) are paid in full and Franchisee is otherwise in good standing under such agreements; and (2) Franchisee is not in default for any reason stated in Section 7 below for which Franchisee has received written notice.

4. Development Procedure. This Agreement is not a franchise agreement. Each Repair Center to be developed pursuant to this Agreement will be governed by the terms of the actual Franchise Agreement and, if applicable, any Site Selection Agreement that Franchisor and Franchisee execute for such Repair Center. Franchisee will not develop any Repair Center at any site until Franchisor has evaluated and approved the site in writing and until there is a signed Site Selection Agreement (if applicable) and Franchise Agreement between the parties. Further, Franchisee will not develop any Repair Center within that portion of Franchisee's Exclusive Development Territory that is less than two (2) miles from the exclusive development territory of any neighboring Abra® franchisee. Subject only to Franchisor's evaluation of a proposed site (which evaluation is not a guaranty that the proposed site will be successful), Franchisee is solely responsible for locating and securing acceptable sites. If Franchisee fails to provide Franchisor with an executed Site Selection Agreement prior to Franchisee's execution of a lease (unless waived in writing by Franchisor) or an executed Franchise Agreement prior to the time that construction or leasehold improvements are commenced on the premises for a Repair Center, Franchisee will be in default under this Agreement, and Franchisor may terminate this Agreement pursuant to Section 7 below.

5. Minimum Development Schedule.

A. Franchisee's rights under this Agreement are conditioned upon its active development of the Exclusive Development Territory. In addition to opening and

continuously maintaining the Repair Center to be granted under the Initial Franchise Agreement, Franchisee agrees to open for business and thereafter maintain in operation within the Exclusive Development Territory not less than the following number of Repair Centers (including the Repair Center developed under the Initial Franchise Agreement) within the time frame stated below.

B. The development schedule described above will be satisfied only if the required number of Repair Centers are open for business by the date stated.

C. Franchisee may develop additional Repair Centers within the Exclusive Development Territory; provided: (i) Franchisee is in good standing under this Agreement and the individual Franchise Agreement for each Repair Center developed hereunder; (ii) the proposed Repair Center will not be located within that portion of the Exclusive Development Territory that is less than two (2) miles from the exclusive development territory of any neighboring Abra® franchisee; and (iii) only if Franchisee and Franchisor execute Franchisor's then-current form of standard Franchise Agreement for each additional Repair Center.

6. Term. Unless sooner terminated under Section 7 below, the term of this Agreement shall run until _____.

7. Default and Termination.

A. Franchisee may terminate this Agreement at any time with or without cause by delivering written notice thereof to Franchisor. Franchisee will be in default, and Franchisor may, at its option, terminate this Agreement as provided herein, if: (1) Franchisee fails to meet the minimum development schedule stated herein, (2) Franchisee violates any other material provision of this Agreement, (3) Franchisee violates any material provision of the Initial Franchise Agreement or any Franchise Agreement or Site Selection Agreement issued hereunder, (4) Franchisee is declared bankrupt or becomes insolvent, (5) Franchisee is convicted of violating any law, ordinance or regulation relating to Franchisee's operation of any Repair Center referenced herein or developed hereunder, or (6) Franchisee attempts to subfranchise all or part of its rights under this Agreement.

B. Except as described below, Franchisee will have thirty (30) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written notice of default within which to remedy any default hereunder, and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the thirty

(30)-day period (or such longer period as applicable law may require). Except as otherwise required by applicable law, Franchisor may terminate this Agreement immediately upon delivery of written notice to Franchisee, with no opportunity to cure, if the termination results from any of the following: (1) Franchisee repeatedly fails to comply with one or more material requirements of this Agreement; (2) the nature of Franchisee's breach makes it not curable; or (3) any default under items (4), (5) or (6) in Section 7(A) above.

C. During the period from the date Franchisor sends a notice of default until all violations and defaults specified therein are cured by Franchisee or this Agreement is terminated, Franchisor will not be obligated to enter into any Franchise Agreement or Site Selection Agreement with Franchisee or otherwise perform any obligations pursuant to this Agreement. Upon termination or expiration of this Agreement, all rights licensed herein will automatically revert to Franchisor, and Franchisee's exclusive right to develop Repair Centers within the Exclusive Development Territory will cease. Termination or expiration of this Agreement will not affect Franchisee's rights under any individual Franchise Agreement in effect at that time.

8. Transfers. Franchise Agreements may be transferred only pursuant to their respective terms. Franchisee represents and warrants to Franchisor that it intends to develop, manage, and operate all of the Repair Centers to be developed hereunder for its own benefit and not for the purpose of or with a view towards resale or redistribution of the franchises to be issued hereunder. This Agreement cannot be pledged, transferred or sold in whole or in part by Franchisee without Franchisor's prior written consent, which consent will not be unreasonably withheld. Franchisor may impose conditions to any proposed transfer or assignment, including the following:

A. Franchisee is in complete compliance with the terms of this Agreement and all other agreements between the parties;

B. The proposed transferee has been approved by Franchisor as meeting Franchisor's then-current standards for new franchisees;

C. The proposed transferee does not own (directly or indirectly), operate, franchise, develop, manage or control any business that is in any way competitive with or similar to the "Abra" business;

D. The proposed transferee has completed Franchisor's training program;

E. Franchisee assigns to the proposed transferee its interest in the individual Franchise Agreements for all Repair Centers located in the Territory; and

F. Franchisee pays a transfer fee of Five Thousand Dollars (\$5,000).

This Agreement may be assigned and transferred by Franchisor without restriction and will benefit Franchisor's successors and assigns. Any such assignment or transfer will require the assignee to fulfill Franchisor's obligations under this Agreement.

9. Enforcement. This Agreement, and any dispute arising hereunder, will be governed by those provisions found in the Initial Franchise Agreement respecting enforcement, governing law and injunctive relief.

10. Notices. All written notices, reports and payments permitted or required under this Agreement will be deemed delivered at the time of delivery by express courier or messenger service, one (1) business day after sending by e-mail transmission and three (3) business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at: (a) if to Franchisor, Abra Franchisor SPV LLC, 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 (email address: _____); and (b) if to Franchisee, Franchisee at the address specified in Exhibit B. Either party may change its notice address by giving the other party written notice of the change. Any required notice, payment or report that Franchisor does not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent.

11. Business Entity Franchisee. If Franchisee is, at any time, a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity (collectively, an "Entity"), Franchisee agrees and represents that Exhibit B completely and accurately describes all of Franchisee's direct and indirect owners and their ownership interests in Franchisee, Franchisee's officers and principal executives, and Franchisee's Entity information. Franchisee and its direct and indirect owners agree to sign and deliver to Franchisor promptly a revised Exhibit B to reflect any changes in the ownership and other Entity information that Exhibit B now includes. In addition, upon Franchisor's request, Franchisee agrees to provide Franchisor with copies of Franchisee's governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Franchisee's formation.

12. Miscellaneous. This Agreement constitutes the entire Agreement of the parties relative to its subject and cannot be waived, altered or rescinded in whole or in part except by an express writing by the parties. The provisions of this Agreement are severable and the invalidity or unenforceability of any of them will not affect the remainder of this Agreement.

IN WITNESS WHEREOF, Franchisor and Franchisee have executed this Agreement as of the date first written above.

FRANCHISOR:

FRANCHISEE:

ABRA FRANCHISOR SPV LLC

By: _____
Its: _____

By: _____
Its: _____

and

By: _____
Its: _____

EXHIBIT A
TO
MULTIPLE REPAIR CENTER DEVELOPMENT AGREEMENT
DESCRIPTION OF EXCLUSIVE DEVELOPMENT TERRITORY

EXHIBIT B
TO
MULTIPLE REPAIR CENTER DEVELOPMENT AGREEMENT
FRANCHISEE NOTICE AND OWNERSHIP INFORMATION
(as applicable)

1. Franchisee's Notice Information (street address and email address): _____

2. Franchisee's Entity Type (e.g., corporation, limited liability company, general or limited partnership): _____

3. Franchisee's State/Commonwealth of Formation/Organization/Incorporation: _____

4. Franchisee's Date of Formation/Organization/Incorporation: _____

5. Franchisee's ownership structure is as follows:

Owner	Ownership Interest in Franchisee
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____
Name: _____ Address: _____	% of Total Shares/Units: _____

6. Franchisee's officers and principal executives are as follows:

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

EXHIBIT G

Electronic Transfer of Funds Authorization

DRAFT AUTHORIZATION

Attention: Bookkeeping Department

Franchisee: _____

Authorized Location: _____

Date: _____

The undersigned hereby authorizes ABRA Franchisor SPV LLC, or any of its affiliates, to initiate ACH debit entries against the account of the undersigned with you in payment of amounts which become payable for goods and services (including Continuing Fees, Marketing Fees, Central Review Fees, Total Loss Processing Fees (if applicable), and Call Center Fees (if applicable)) by the undersigned to any of the above.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by any or all of the corporations referred to above.

This authorization shall be binding and remain in full force and effect until 90 days' prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

*** We also need a VOIDED Check ***

Account Name

Street Address

City State Zip Code

Telephone Number

By _____

Its _____

Date _____

Bank Name

Branch

Street Address

City State Zip Code

Bank Telephone Number

Bank's Account Number

Customer's Account Number

EXHIBIT H

State Administrators and Agents for Service of Process

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

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

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

CALIFORNIA

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

Los Angeles

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

Sacramento

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

San Diego

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

San Francisco

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

HAWAII

(for service of process)

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

(for other matters)

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

ILLINOIS

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

INDIANA

(for service of process)

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

(state agency)

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

MARYLAND

(for service of process)

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

(state agency)

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

MICHIGAN

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

MINNESOTA

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

NEW YORK

(for service of process)

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

(Administrator)

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

NORTH DAKOTA

(for service of process)

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

(state agency)

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

OREGON

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

RHODE ISLAND

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

SOUTH DAKOTA

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

VIRGINIA

(for service of process)

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

(for other matters)

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

WASHINGTON

(for service of process)

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

(for other matters)

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

WISCONSIN

(for service of process)

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

(state administrator)

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

EXHIBIT I

State-Specific Addenda and Abra® Franchise Agreement Riders

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
ABRA FRANCHISOR SPV LLC**

The following are additional disclosures for the Franchise Disclosure Document of **ABRA FRANCHISOR SPV LLC** required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

MINNESOTA

1. The following Risk Factor is added to the State Cover Page entitled “Special Risks to Consider About *This* Franchise”:

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

2. The following sentence is added at the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Trademarks, we will protect your rights to use the Trademarks and will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Trademarks, in accordance with and to the extent required by Minn. Stat. Sec. 80C.12 Subd. 1(g).

3. The following paragraphs are added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days’ notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation, or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NORTH DAKOTA

1. The following is added to the end of the “Summary” sections of Item 17(c) of the Franchise Disclosure Document, entitled “Requirements for you to renew or extend,” and Item 17(m), entitled “Conditions for Abra’s approval of transfer”:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The following is added to the end of the “Summary” section of Item 17(r) of the Franchise Disclosure Document, entitled “Non-competition covenants after the franchise is terminated or expires”:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

3. The “Summary” section of Item 17(u) of the Franchise Disclosure Document, entitled “Dispute resolution by arbitration or mediation,” is deleted and replaced with the following:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

4. The following is added to the end of the “Summary” section of Item 17(v) of the Franchise Disclosure Document, entitled “Choice of forum”:

; however, to the extent required by applicable law, you may bring an action in North Dakota.

5. The following is added to the end of the “Summary” section of Item 17(w) of the Franchise Disclosure Document, entitled “Choice of law”:

Except as otherwise required by North Dakota law, North Carolina law applies.

**ASSURANCE OF DISCONTINUANCE
STATE OF WASHINGTON**

To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees and/or our employees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE ABRA FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
STATE OF MINNESOTA**

THIS RIDER is made by and between ABRA FRANCHISOR SPV LLC, a Delaware limited liability company whose principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“Franchisor”), and _____, a(n) _____ (“Franchisee”).

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Abra® Franchise Agreement dated _____, ~~20~~_____ (the “Franchise Agreement”). This Rider is being signed because (a) the Abra® Repair Center that Franchisee will operate under the Franchise Agreement will be located in Minnesota, and/or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following language is added to the end of Section 3(F) of the Franchise Agreement:

Provided Franchisee has complied with all provisions of this Agreement applicable to the Marks, Franchisor will protect Franchisee’s right to use the Marks and will indemnify Franchisee from any loss, costs or expenses arising out of any claims, suits or demands regarding Franchisee’s use of the Marks in accordance with and to the extent required by Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **RELEASES.** The following language is added to the end of Section 12(C)(4) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law with respect to claims arising under Minn. Rule 2860.4400D.

4. **TERMINATION BY FRANCHISOR.** The following language is added at the end of Section 13(C) of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that Franchisee be given ninety (90) days’ notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days’ notice of non-renewal of this Agreement.

5. **GOVERNING LAW.** The following language is added at the end of Section 18(D) of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of Franchisee’s rights under Minnesota Statutes Chapter 80C or Franchisee’s right to any procedure, forum, or remedies that the laws of the jurisdiction provide.

6. **CONSENT TO JURISDICTION.** The following language is added at the end of Section 17(D) of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be

conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of Franchisee’s rights under Minnesota Statutes Chapter 80C or Franchisee’s rights to any procedure, forum, or remedies that the laws of the jurisdiction provide.

7. **WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES AND JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Sections 17(B) and (C) of the Franchise Agreement are deleted in their entirety.

8. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 17(E) of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

IN WITNESS WHEREOF, the parties hereto have caused this Rider to be executed as of the date of the Franchise Agreement.

“FRANCHISOR”

“FRANCHISEE”

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

By: _____

Its: _____

**RIDER TO THE ABRA FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
STATE OF NORTH DAKOTA**

THIS RIDER is made by and between ABRA FRANCHISOR SPV LLC, a Delaware limited liability company whose principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“Franchisor”), and _____, a(n) _____ (“Franchisee”).

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Abra® Franchise Agreement dated _____, ~~20~~_____ (the “Franchise Agreement”). This Rider is being signed because (a) Franchisee is a resident of North Dakota and the Abra® Repair Center that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota, and/or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Section 12(C)(4) of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** The following is added as a new Section 16(D) of the Franchise Agreement:

D. North Dakota Franchise Law. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **GOVERNING LAW.** The first sentence of Section 18(D) of the Franchise Agreement is deleted and replaced with the following:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.), and the Federal Arbitration Act (9 U.S.C. Section 1 et seq.), and except as otherwise required by North Dakota law, this Agreement and the franchise relationship will be governed by the laws of the State of North Carolina, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship of a franchisor and its franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 18(D).

5. **CONSENT TO JURISDICTION.** The following is added to the end of Section 17(D) of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

6. **ARBITRATION.** The third sentence of Section 17(A) of the Franchise Agreement is deleted and replaced with the following:

The arbitration shall take place in Charlotte, North Carolina, or at such other place as may be mutually agreeable to the parties, and the proceedings shall be heard by one or more arbitrators as set forth in the AAA Rules; however, to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration proceedings shall be held at a mutually agreeable site in North Dakota.

7. **WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES AND JURY TRIAL.** If and then only to the extent required by the North Dakota Franchise Investment Law, Sections 17(B) and (C) of the Franchise Agreement are deleted in their entirety.

8. **LIMITATIONS ON LEGAL CLAIMS.** The following is added to the end of Section 17(E) of the Franchise Agreement:

The statute of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties hereto have caused this Rider to be executed as of the date of the Franchise Agreement.

“FRANCHISOR”

“FRANCHISEE”

ABRA FRANCHISOR SPV LLC

By: _____

By: _____

Its: _____

Its: _____

and

By: _____

Its: _____

EXHIBIT J

Form of General Release

ABRA FRANCHISOR SPV LLC

GRANT OF FRANCHISOR CONSENT AND RELEASE BY FRANCHISEE

ABRA FRANCHISOR SPV LLC (“Franchisor”) and the undersigned franchisee, _____ *[insert name of franchisee entity]* (“Franchisee”), currently are parties to a Franchise Agreement dated _____ (the “Franchise Agreement”) for the operation of an Abra® Repair Center at _____. Franchisee has asked Franchisor to _____ *[insert relevant detail]*. Franchisor currently has no obligation under the Franchise Agreement or otherwise to _____ *[repeat relevant detail]*, or Franchisor has the right under the Franchise Agreement to condition its approval on Franchisee’s and its owners signing a release of claims. Franchisor is willing to _____ *[repeat relevant detail]* if Franchisee and its owners give Franchisor the release and covenant not to sue provided below in this document. Franchisee and its owners are willing to give Franchisor the release and covenant not to sue provided below in consideration for Franchisor’s willingness to _____ *[repeat relevant detail]*.

Consistent with the previous introduction, Franchisee, on behalf of itself and its successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge Franchisor and its past and present, direct or indirect, parent and other affiliated entities, and its and their respective current and former officers, directors, members, managers, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the “Abra Parties”) from any and all claims, damages, demands, debts, causes of action, suits, duties, liabilities, costs, and expenses of any nature and kind, whether presently known or unknown, vested or contingent, suspected or unsuspected (all such matters, collectively, “Claims”), that Franchisee and any other Releasing Party now has, ever had, or, but for this document, hereafter would or could have against any Abra Party (1) arising out of or related in any way to the Abra Parties’ performance of or failure to perform their obligations under the Franchise Agreement before the date of Franchisee’s signature below, (2) arising out of or related in any way to Franchisor’s offer and grant to Franchisee of its Abra® Repair Center franchise, or (3) otherwise arising out of or related in any way to Franchisee and the other Releasing Parties’ relationship, from the beginning of time to the date of Franchisee’s signature below, with any of the Abra Parties.

The released Claims include, but are not limited to, any Claim alleging violation of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules, or regulations. Franchisee and the other Releasing Parties acknowledge that Franchisee and they may after the date of the signatures below discover facts different from, or in addition to, those facts currently known to Franchisee and them, or which Franchisee and they now believe to be true, with respect to the Claims released by this document. Franchisee and the other Releasing Parties nevertheless agree that the release set forth in this document has been negotiated and agreed on despite such acknowledgment and despite any federal or state statute or common law principle which may provide that a general release does not extend to claims which are not known to exist at the time of execution.

Franchisee, on behalf of itself and the other Releasing Parties, further covenants not to sue any Abra Party on any Claim released by this paragraph and represents that Franchisee has not assigned any Claim released by this paragraph to any individual or entity that is not bound by this paragraph.

Franchisor also is entitled to a release and covenant not to sue from Franchisee’s owners. By his, her, or their separate signatures below, Franchisee’s owners likewise grant to Franchisor the release and covenant not to sue provided above.

“FRANCHISOR”

ABRA FRANCHISOR SPV LLC

By: _____

Its: _____

“FRANCHISEE”

By: _____

Its: _____

and

FRANCHISEE’S OWNERS

EXHIBIT K

Guarantee of Performance

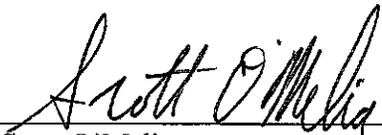
GUARANTEE OF PERFORMANCE

For value received, **DRIVEN SYSTEMS LLC**, a Delaware limited liability company located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the “Guarantor”), absolutely and unconditionally guarantees to assume the duties and obligations of **ABRA FRANCHISOR SPV LLC**, located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Cumming, Georgia on the 3rd day of June 2025.

GUARANTOR:

DRIVEN SYSTEMS LLC

By: 

Name: Scott O'Melia

Title: Executive Vice President and Secretary

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	May 31 June 13, 2024 2025 (Exempt)
Minnesota	August 5, 2024 Pending
North Dakota	June 28, 2024 Pending
South Dakota	June 14, 2024 Pending
Wisconsin	June 14, 2024 Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT L

Receipts

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ABRA Franchisor SPV LLC (“Abra”) offers you a franchise, Abra must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Abra or its affiliate in connection with the proposed franchise sale.

If Abra 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, D.C. 20580 and those state agencies listed in Exhibit H.

The franchise seller involved in offering and selling the franchise to you is/are ~~Carol Smith, Ted Rippey,~~ Jeanette Frazier, Alesha Rodgers-Chisholm, Alexis Mercanti, and _____, 440 South Church Street, Suite 700 Charlotte, North Carolina 28202, (704) 377-8855.

Issuance Date: ~~May 31~~ June 13, 2024 ~~2025~~

We authorize the respective state agencies identified on Exhibit H to receive service of process for us in the particular state.

I have received an ABRA Franchisor SPV LLC disclosure document dated ~~May 31~~ June 13, 2024 ~~2025~~, that included the following Exhibits:

- | | |
|---|--|
| A. List of Abra® Repair Centers | H. List of State Administrators/Agents for Service of Process |
| B. List of Former Franchisees | I. State-Specific Addenda and Abra® Franchise Agreement Riders |
| C. Table of Contents of Operations Playbook | J. Form of General Release |
| D. Financial Statements | K. Guarantee of Performance |
| E. Abra® Franchise Agreement | L. Receipts |
| F. Multiple Repair Center Development Agreement | |
| G. Electronic Transfer of Funds Authorization | |

Date: _____

Date: _____

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Address: _____

Address: _____

City: _____ State _____

City: _____ State _____

Phone (____) _____ Zip _____

Phone (____) _____ Zip _____

Copy for Franchisee

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ABRA Franchisor SPV LLC (“Abra”) offers you a franchise, Abra must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Abra or its affiliate in connection with the proposed franchise sale.

If Abra 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, D.C. 20580 and those state agencies listed in Exhibit H.

The franchise seller involved in offering and selling the franchise to you is/are ~~Carol Smith, Ted Rippey,~~ Jeanette Frazier, Alesha Rodgers-Chisholm, Alexis Mercanti, and _____, 440 South Church Street, Suite 700 Charlotte, North Carolina 28202, (704) 377-8855.

Issuance Date: ~~May 31~~June 13, 2024~~2025~~

We authorize the respective state agencies identified on Exhibit H to receive service of process for us in the particular state.

I have received an ABRA Franchisor SPV LLC disclosure document dated ~~May 31~~June 13, 2024~~2025~~, that included the following Exhibits:

- | | |
|---|--|
| A. List of Abra® Repair Centers | H. List of State Administrators/Agents for Service of Process |
| B. List of Former Franchisees | I. State-Specific Addenda and Abra® Franchise Agreement Riders |
| C. Table of Contents of Operations Playbook | J. Form of General Release |
| D. Financial Statements | K. Guarantee of Performance |
| E. Abra® Franchise Agreement | L. Receipts |
| F. Multiple Repair Center Development Agreement | |
| G. Electronic Transfer of Funds Authorization | |

Date: _____

Date: _____

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Address: _____

Address: _____

City: _____ State: _____

City: _____ State: _____

Phone (____) _____ Zip _____

Phone (____) _____ Zip _____

Copy for ABRA Franchisor SPV LLC

Please mail a hard copy of this receipt to the address listed on the front page of this disclosure document or send to Damien Reyna at ~~damien.reyna@drivenbrands.com~~damien.reyna@drivenbrands.com.