

**FRANCHISE DISCLOSURE DOCUMENT**  
**PRECISION FRANCHISING LLC**  
**A Virginia Limited Liability Company**  
**748 Miller Drive, S.E.**  
**Leesburg, Virginia 20175**  
**703-777-9095**  
**www.precisiontune.com**



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

The total investment necessary to begin operation of a Precision Tune Auto Care center is from \$134,000 to \$310,300. This includes \$2,000 to \$25,000 that must be paid to the franchisor or affiliate.

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

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

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

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

Issuance Date: March 31, 2023

### How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

## **Some States Require Registration**

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

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

### **Special Risks to Consider About *This* Franchise**

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

1. **Out-of-State Dispute Resolution.** The franchise agreement permits you to sue the franchisor only in Virginia. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to sue us in Virginia than in your home state. State franchise registration and relationship laws may affect the enforceability of choice of venue provisions (see state specific disclosure addendum and state amendments to the franchise agreement, if applicable).

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

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## ITEM 1

### THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

#### General

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

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

We do business as Precision Franchising LLC and Precision Tune Auto Care. Our principal business address is 748 Miller Drive, S.E., Leesburg, VA 20175.

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

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

**Parents, Predecessors, and Affiliates**

We had no predecessors during the preceding 10 years.

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

<b>Company</b>	<b>Principal Business Address</b>
Precision Tune Auto Care, Inc. ("PTAC")	748 Miller Drive, S.E. Leesburg, Virginia 20175
WE JAC Corporation	748 Miller Drive, S.E. Leesburg, Virginia 20175
Precision Auto Care, Inc. ("PACI")	748 Miller Drive, S.E. Leesburg, Virginia 20175
The Pep Boys – Manny, Moe & Jack Holding Corp ("Pep Boys")	One Presidential Blvd, Suite 400 Bala Cynwyd, PA 19004
Icahn Automotive Group LLC ("IAG")	One Presidential Blvd, Suite 400 Bala Cynwyd, PA 19004
IEP Energy Holding LLC	16690 Collins Avenue, PH-1 Sunny Isles Beach, FL 33160
American Entertainment Properties Corp.	16690 Collins Avenue, PH-1 Sunny Isles Beach, FL 33160
Icahn Enterprises L.P. (Note 1)	16690 Collins Avenue, PH-1 Sunny Isles Beach, FL 33160

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

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

Company	Principal Business Address
Precision Printing, Inc. (“PPI”)	748 Miller Drive, S.E. Leesburg, Virginia 20175
PTAC Operating Centers, LLC (“PTAC/OC”)	748 Miller Drive, S.E. Leesburg, Virginia 20175
Pep Boys	One Presidential Blvd, Suite 400 Bala Cynwyd, PA 19004
IEH Auto Parts Holding LLC (“Auto Plus”)	112 Townpark Drive, Suite 300 Kennesaw, GA 30144
PTAC Marketing Fund, Inc.	748 Miller Drive, S.E. Leesburg, Virginia 20175

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

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

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

PTAC is a Virginia corporation that was formed on October 28, 1988 as Precision Tune, Inc. of Virginia. On March 3, 1989, the company changed its name to Precision Tune, Inc. (“PTI”).



On September 10, 1996, PTI changed its name to Precision Tune Auto Care, Inc. PTAC owned and operated the System from 1988 until October 26, 2001. We are a wholly-owned subsidiary of PTAC.

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

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

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

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

Under the terms of a management agreement, we provide administrative services to PTAC Marketing Fund, Inc. (“PMF”), a Virginia not-for-profit corporation, which manages the national Precision Tune Auto Care marketing fund and supplies marketing and marketing materials and advice to Precision Tune Auto Care centers as described in Item 11. PMF’s principal place of business is 748 Miller Drive, S.E., Leesburg, Virginia 20175. It changed its name from P.T.A.F., Inc. on July 16, 2003.

Auto Plus and its subsidiaries engage in the distribution and sale of automotive parts and accessories to end-user’s do-it-yourself customers, wholesale distributors, and professional auto mechanics. Auto Plus was formed in January 2015 and now operates certain of the assets acquired by an affiliate of Icahn Enterprises L.P. in June 2015 from Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc. Uni-Select Inc. entered the U.S. automotive aftermarket parts industry in 1998. Beck/Arnley supported the U.S. automotive parts distribution business of Uni-Select Inc. Auto Plus has never offered franchises in any line of business.

Once of our affiliates currently offers franchises. This affiliate AAMCO Transmissions, LLC (“AAMCO”) whose principal address currently offers franchises. AAMCO’s principal business address is 410 Horsham Road, Suite 105, Horsham, Pennsylvania 19044. Since 1963, AAMCO has itself or through related entities developed, operated and sold franchises for transmission repair and general automotive repair centers (“AAMCO Centers”). As of December 31, 2022, there were 554 AAMCO Centers operating in the United States and 6 total AAMCO Centers operating in Canada, all but 13 of which were franchised. AAMCO has not offered franchises in any other line of business. AAMCO’s affiliates currently operate 13 corporate owned AAMCO Centers and expect to open and operate additional locations in the future.

Our affiliate Cottman Transmission Systems, LLC (“Cottman”), offers limited trademark licenses under the Cottman® name and related marks for transmission repair and total automotive care service centers (“Cottman Centers”). Cottman or its predecessors operated Cottman Centers on an intermittent basis between 1962 and 2013, but no longer does. Cottman previously offered,

sold and supported franchises for Cottman Centers from 1967 through January 15, 2018, but no longer does. Pursuant to a global agreement in December 2017 with all then-current operators of Cottman Centers, Cottman ceased offering, servicing, or otherwise supporting franchises as of January 15, 2018, and all existing Cottman Center operators simultaneously converted to operations as trademark licensees under new trademark licenses with Cottman that replaced their terminated franchise agreements. Except for Cottman Centers, Cottman has never operated or offered franchises in any other line of business.

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

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

### **Competition**

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

### **Applicable Regulations**

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

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## ITEM 2

### BUSINESS EXPERIENCE

#### **Director, Member, Scott Collette**

Mr. Collette has been Director of Precision Franchising since March 2023. He has also been the CEO of The Pep Boys- Manny, Moe & Jack since February 2023. From October 2007 to February 2023, Mr. Collette was COO of Menard, Inc., Eau Claire, WI.

#### **Director, Senior Vice President, Senior Counsel and Assistant Secretary, Matt Flannery**

Mr. Flannery has been our Director, Senior Vice President, Senior Counsel and Assistant Secretary since July 2017. Mr. Flannery also serves as Chief Legal Officer & Secretary for IAG since November 2019. Mr. Flannery previously served as Chief Legal and Administrative Officer & Secretary of IAG from January 2021 and was Senior Vice President, General Counsel and Secretary of IAG from July 2015 until January 2021. He is located in Kennesaw, Georgia. Mr. Flannery was also Senior Counsel of The Goodyear Tire & Rubber Company in Akron, Ohio from January 2011 to June 2015.

#### **Director, Michael Pomeroy**

Mr. Pomeroy has been Director of Precision Franchising since December 2022. He has been CFO of The Pep Boys – Manny, Moe & Jack, Philadelphia, PA since December 2022 and was CFO of Hollander Sleep, Boca Raton, FL from October 2020 to October 2022. Mr. Pomeroy was CFO of RGIS, Detroit, MI from October 2018 to October 2020 and CFO of Origami Owl, Chandler, AZ from October 2017 to October 2018.

#### **CEO, President, Chief Financial Officer and Treasurer, Robert Falconi**

Mr. Falconi has been our CEO and President since July 2017 and on April 14, 2020, Mr. Falconi assumed the role of Chief Financial Officer and Treasurer. Prior to that, he served as our President and a director from January 2005 to July 2017. He has also been the CEO of our affiliate Precision Auto Care, Inc., since July 2017. Prior to that, he was President and Chief Executive Officer of Precision Auto Care Inc. from May 2006 to July 2017. He assumed the position of President of PTAC Marketing Fund, Inc. in February 2014 and continues to serve in that role.

#### **General Counsel and Secretary, Frederick Simmons**

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

**Senior Vice President, Operations, John Weigand**

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

**Vice President Training and R&D, Joel Burrows**

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

**Vice President of Franchise Development, Lee Oppenheim**

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

**Area Developers**

In some regions of the country, we have contracted with a third party (the “Area Developer”) to sell franchises, develop Precision Tune Auto Care centers, and to provide support services contemplated by the Franchise Agreement. Information regarding Area Developers and the regions of the country in which they operate is set forth in Part 1 of Exhibit I.

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### ITEM 3

#### LITIGATION

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

#### **Franchisor Enforcement Actions Commenced during the Past Fiscal Year (January 1, 2022 to December 31, 2022) to collect royalties and other amounts.**

1. Precision Franchising LLC, and PTAC Operating Centers, Inc. v. WL Investing Landscape Design & Installation Inc. and William Krammer, Jr  
Eastern District Court, Fourth Circuit Virginia, 1:2022cv00646, filed June 6, 2022
2. Precision Franchising LLC v. One Way Auto Service LLC et al  
Eastern District Court, Fourth Circuit Virginia, 1:2022cv01299, filed November 16, 2022

#### **Concluded Actions**

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

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

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

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

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

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

### **Area Developers**

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

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

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

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

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

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

In the Matter of the Agreed Case Between the People of the State of California and AAMCO Transmissions, Inc. No. 479197, superior Court of the State of California for the

County of San Diego. A final judgment pursuant to the statement of the agreed case was entered on December 14, 1981, concerning advertising procedures in the State of California.

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

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

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

#### **ITEM 4**

#### **BANKRUPTCY**

In January of 2023, our affiliate, IEH Auto Parts Holding LLC, the direct parent of Auto Plus, and its subsidiaries, filed voluntary petitions (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) seeking relief under Chapter 11 of Title 11 of the United States Code. In the course of the Chapter 11 cases, Auto Plus has commenced a process to sell substantially all of its assets pursuant to Section 363 of the Bankruptcy Code, subject to approval by the Bankruptcy Court

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

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

**ITEM 5**  
**INITIAL FEES**

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

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

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

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

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

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



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

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

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

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**ITEM 6**  
**OTHER FEES**

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

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

<b>Fee <sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
			your franchised business. (See Item 9.)
<b>Site Evaluation</b>	First site evaluation free; for all others, reimbursement of our expenses (\$500 minimum)	On receipt of invoice	Payable only if you request that we evaluate more than 1 site for you.
<b>Securities Offering</b>	\$5,000	On receipt of invoice	Payable only if you engage in a public or private offering of securities.
<b>Future Lost Profits <sup>(10)</sup></b>	Number of weeks remaining under the Franchise Agreement multiplied by the greater of: \$300 or 7.5% of average Gross Sales for the preceding 26 weeks of reported gross sales	On termination	Payable only if you terminate the Franchise Agreement wrongfully, or if we terminate the Franchise Agreement due to your material, uncured breach(es) (subject to state law). Future lost profits will be discounted by 20% to determine its present value.
<b>POS Hardware and Software <sup>(11)</sup></b>	Depends upon vendor and products purchased	Depends upon vendor and products purchased	We have approved 2 different POS Software Systems. (See Item 11.)
<b>Sublease Mark-Up</b>	Depends upon lease terms	Due monthly	If you purchase a Center we own that includes a sublease, you must pay us the monthly rent due to the landlord under our lease, plus an agreed mark-up to cover our administrative costs.

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

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

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

**Note 3:** If you qualify for our VetFran Program, the operating fees during the first 52 weeks of operation will be 3.75% of Gross Sales. See Item 10 for further details of our VetFran Program. In addition, whether you qualify for VetFran or not, fees may be reduced if you meet the requirements of special incentive programs in force from time to time. These incentive programs may vary from area to area (see Part 2 of Exhibit I for area-specific details). Under the current incentive program, “Partners in Profit,” in effect as of the date of this disclosure document, operating fees are reduced from 6.75% to 6% depending on increases in reported gross sales over the previous year. If reported gross sales increase by 110% over the previous year, operating fees are reduced to 6.75%; if reported gross sales increase by 120% over the previous year, operating fees are reduced to 6.5%; if reported gross sales increase by 130% over the previous year, operating fees are reduced to 6.0%.

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

**Commented [A2]:** Susan, Please ask Robert to look at this to be sure we captured his intent.

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

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

**Note 6:** On-site and local-area training fees currently are \$500 per day per trainer, and are payable only if you request that we provide on-site training or training near your Center. You must

also pay all reasonable travel expenses of trainers traveling outside the Leesburg, Virginia area. These fees are subject to change, but not so as to unreasonably increase your obligations.

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

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

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

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

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

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

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# ITEM 7

## ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT

Expenditure	Estimated Amount or Estimated Low-High Range	When Payable	Method of Payment	Whether Refundable	To Whom Paid
<b>Initial Franchise Fee</b> <sup>(1)</sup>	\$2,000-\$25,000	When we sign your Franchise Agreement	Lump sum	Under certain circumstances (See Item 5)	Us
<b>Land/Building</b> <sup>(2),(3)</sup>					
Construction/Site Acquisition <sup>(4)</sup>	\$ 5,000 - \$7,000	Before opening	Lump sum or monthly	No	Suppliers or Landlord
Deposits, including rent and utilities	\$ 6,000 - \$10,000	Before Opening	As incurred	Yes	Lessor, suppliers, state and others
Interior & exterior signs <sup>(5)</sup>	\$ 5,300 \$ 15,000	Before Opening	Lump sum	No	Suppliers
<b>Equipment, Fixtures, Furniture and Technical Manuals</b> <sup>(6),(7),(8),(9)</sup>	\$59,500 - \$125,000	Before Opening	As Incurred	No	Suppliers (including us)
<b>Installation of Signs and Compressors</b> <sup>(10)</sup>	\$ 10,000 - \$ 25,000	Before opening	Lump sum	No	Suppliers
<b>Initial Inventory</b> <sup>(11)</sup>	\$5,000-\$15,000	Before opening	Lump sum	No	Suppliers (including us)
<b>Insurance</b> (Workman's Compensation Insurance and other prepaid insurance costs)	\$ 2,000 - \$ 6,6 00	Monthly	Lump sum	No	Insurance Company
<b>Initial Training</b> <sup>(12)</sup>	\$ 0 - \$2,500	As incurred	As incurred	No	Suppliers
<b>New Center Marketing</b> <sup>(13)</sup>	\$ 10,000	As incurred	Lump sum	No	Marketing vendors

<b>Expenditure</b>	<b>Estimated Amount or Estimated Low-High Range</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>Whether Refundable</b>	<b>To Whom Paid</b>
<b>Miscellaneous</b> <sup>(14)</sup>	\$1,000 - \$10,000	As incurred	As incurred	No	Suppliers
<b>Computer Software Support</b> <sup>(15)</sup>	\$0 - \$ 600	Before opening	As agreed	As agreed	Supplier or us
<b>Computer Hardware</b> <sup>(15)</sup>	Purchase – \$2,500 - \$3800	Before opening	As agreed	No	Suppliers
	Lease -- \$200 - \$7800	Monthly	As agreed	No	Suppliers
<b>Computer Software</b> <sup>(15)</sup>	\$ 500 - \$2,000	Before opening	As agreed	No	Supplier or us
<b>Additional Funds</b> <sup>(16)</sup> 3 months	\$25,000 - \$45,000	As incurred	As incurred	No	Vendors, suppliers, employees & others
<b>ESTIMATED INITIAL INVESTMENT</b>	<b>\$134,000-\$310,300</b>				

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

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

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



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

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

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

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

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

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

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

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

**Note 9:** “Other equipment” includes a compressor (about \$6,500), air conditioning recharge/recycling equipment (about \$7,000), radiator flush/fill equipment (about \$1,500) or radiator recycler (about \$4,500), wheel balancer (about \$7,900) and starting/charging systems equipment (about \$4,000). “Other equipment” does not include oil and lube equipment and inventory, which you may obtain directly from an oil company. Depending on local emission control and environmental regulations, you may need other specialty equipment if you offer certain services (e.g., BAR 90 emission inspection equipment).

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

**Note 11:** Under the Franchise Agreement, you must purchase all inventory required for the operation of the Center solely from suppliers approved by us periodically. The suppliers may include us or our affiliates. The estimated \$5,000 to \$7,500 inventory cost covers the entire menu of required services.

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

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

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

**Note 15:** We estimate the cost of the software to be \$500 to \$2,000 and the cost of the hardware to be \$2,500 to \$3,800 if you buy the hardware. If you lease the hardware, we estimate that the monthly lease payments will be \$200 to \$700. See Item 11.

**Note 16:** We recommend that you have a minimum of \$25,000 to \$40,000 in additional funds. These figures are based on current costs or reasonable estimates and are, unless indicated otherwise, for an initial period of three months from the time the Center opens for business.

All estimates set forth in the chart are based upon our experience and the experience of our affiliates and predecessors operating Centers and selling franchises over the past 43 years. Since these figures are estimates, we make no representations that your costs will not exceed the estimated range when starting a Precision Tune Auto Care business. These expenses will vary according to region, time of year, and local and other conditions, such as: your management skill and experience; local economic conditions; the prevailing wage rate; competition; and the sales level you reach

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

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

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## ITEM 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

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

1. **Equipment.** You must purchase equipment necessary to provide required services, including, engine analyzers, exhaust analyzer, battery/starting/charging equipment, air compressor, scanners, fuel injection, air conditioning, lift, brake lathe and accessories, cooling system flush-fill and/or recycling unit.
2. **Inventory and Supplies.** You must purchase inventory and supplies necessary to provide required services, including, an inventory of automobile parts and supplies necessary to perform engine performance, maintenance, lubrication, oil changes, brake, and repair services.
3. **Fixtures, Furniture, and Office Equipment.** You must purchase required fixtures, furniture, and office equipment, including, desks, chairs, filing cabinets, fax machine, and computer hardware and software.
4. **Interior and Exterior Signage.** You must purchase required interior and exterior signage, including, depending upon local zoning ordinances, an illuminated fascia sign, a non-illuminated fascia sign, an illuminated awning, and/or an interior menu board.
5. **Point-of-Sale Computer System.** You must purchase point-of-sale and other computer systems, including software and hardware. You must also purchase the software system meeting our specifications. See Item 11 for further details.
6. **Site Selection.** You are responsible for selection of your site, but it is subject to our approval.
7. **Insurance Coverage.** To ensure adequate insurance coverage, your insurance policies must meet the specifications in Section XIV of the Franchise Agreement and in our Manuals.
8. **Sublease.** If you purchase a Center we own that includes a sublease, you must pay us the monthly rent due to the landlord under our lease, plus an agreed mark-up to cover our administrative costs. The form of the sublease will vary depending upon the terms of the lease

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

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

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

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

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

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

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

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

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

We may require you to purchase certain goods or services from these companies or their affiliates or from companies that are our affiliates (such as Pep Boys and IEH Auto Parts LLC d/b/a Auto Plus).

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

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

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

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

On August 28, 2012, we entered into an arrangement with Pronto, whose principal place of business is 204 N. Dooley, Suite 300, Grapevine, TX 76051. Under this arrangement, our participating franchisees receive preferred prices on qualifying purchases from Pronto. We receive quarterly incentive fees of 5% on those qualifying purchases. The fee is provided to us for certain administrative services performed throughout the terms of the arrangement which either party can terminate at any time.

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

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

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

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

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

In our fiscal year ending December 31, 2022, we received \$530,892 in revenues from franchisees' purchases of equipment, inventory, and supplies under our arrangements with the suppliers disclosed in this Item 8, which was 5.9% of our total annual revenues of \$9,008,489 during the fiscal year. We do not derive any revenue from site selection services.

While franchisees must use "commercially reasonable" efforts to purchase equipment, inventory, and supplies from our affiliates, franchisees are not required at this time to make any purchase from our affiliates. During the period beginning January 1, 2022 and ending December 31, 2022, our affiliates received \$414,076 in revenues from franchisees' purchases of equipment, inventory and supplies.

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

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

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

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## ITEM 9

### FRANCHISEE'S OBLIGATIONS

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

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

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

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## **ITEM 10**

### **FINANCING**

#### **SBA FRANCHISE REGISTRY PROGRAM**

We have been approved for participation in the Small Business Administration (“SBA”) Franchise Registry, and the review time for your loan application may be shortened. Loan approval is conditioned upon your credit worthiness. When you apply for the loan, please present the document(s) located in Exhibit J to your loan officer. We do not guarantee that a bank will approve your loan application.

#### **VETFRAN**

If you are a U. S. veteran, and qualify for our Veterans Transition Franchise Initiative (“VETFRAN”) program, you will pay an initial franchise fee of \$10,000 on signing the Franchise Agreement. In addition, you will pay an operating fee of 3.75% of your gross weekly sales (minimum of \$150/week) for the first 52 weeks after you open your Center. The VETFRAN program is available to all active-duty personnel eligible to receive an honorable discharge and all U. S. veterans (Army, Navy, Air Force, Coast Guard or Marine Corps) who have received an honorable discharge. To qualify, you must sign your Franchise Agreement before March 31, 2024, and you must open your Center by March 31, 2024. Our VETFRAN Program applies only to new Centers in certain geographical areas of the U.S. and does not apply to re-franchising of Centers that were in our system at any time during the 3 years prior to the date of your Franchise Agreement. We may discontinue our participation in this program at any time.

#### **DEVELOPMENT FINANCE PROGRAM**

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

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

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

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

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## ITEM 11

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

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

#### **Our Obligations Before Opening**

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

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

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

#### **Our Obligations During Operation**

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

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

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

## **Marketing and Promotion**

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

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

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

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

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

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

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

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

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

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

During PMF's fiscal year ended November 30, 2022, marketing expenditures made by the National Fund were allocated to the following items: marketing programs 62% including agency fees and other miscellaneous expenses) program management 25% (including field services and operations expenses); and administrative expenses 13% (including legal and accounting expenses). Marketing funds are not used to sell franchises. Total expenditures made by PMF during its most recent fiscal year were approximately 71% of the funds collected by PMF during that year. At times, we may subsidize PMF's operating budget. Our subsidies are wholly voluntary, and we may or may not at our sole discretion, continue to subsidize PMF's marketing programs in the future.

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

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

### **Computer Hardware and Software**

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

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

#### **(1) Hardware**

8GB RAM  
500GB + Hard drive space; SSD recommended over HDD  
Modem / Router / Wireless access point  
External USB backup hard drive device, 16 GB or higher



DVD/CDRW Drive (optional)  
Standard PC compatible keyboard & mouse  
Ethernet / Wireless card for internet connectivity  
1600 x 900 capable video adaptor

**(2) Monitor**

17" Standard Super VGA Monitor (HDMI recommended)

**(3) Printers**

Windows 10 compatible network, usb or wireless Printer, (Recommend dual tray  
- HP Laserjet m402n connected to router via Ethernet cable)

**(4) Software**

Operating system Windows 10 or higher (Windows 11 preferred)  
**We strongly recommend against using Softwrench on a Mac w/Parallels or  
any other Virtualized Windows Environment**

Point-of-Sale software, as designated in the Manuals (see below)  
Microsoft Office 2016 or higher (Dashboard compatibility)  
Anti-Virus Software (Recommended)  
Anti-Spyware Software (Recommended)  
Windows firewall security protection (or equivalent)

**(5) Other Items**

APC Back Ups 400 Uninterruptible Power Supply surge protection/power strip  
Broadband Connection 15mb upload & 100 mb download or higher,  
Linksys WRT 54G or equivalent (Recommended Linksys AC 1600)

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

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

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

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

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

### **P&P Manual**

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

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

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

### **Site Selection**

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

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

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

### **Opening of Franchised Business**

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

### **Training**

We provide training to you as follows:

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

- (4) We may require any of your principals or managers who become actively involved in the management of your Center to successfully complete any training programs we require. Your technicians and other employees must successfully complete all training programs, refresher courses, and technical or business seminars as you determine are necessary. You are responsible for providing technical training (directly or through approved suppliers) to your technical, non-management personnel. As of the date of this disclosure document, we do not require attendance and completion of any training programs other than those disclosed in this disclosure document.
- (5) Within 1 year after you open your Center, you must attain and maintain full technical certification of your Center. You or your principal or manager must successfully complete courses on the following 5 subjects to attain full technical certification: Engine Performance (Level 1), Automotive Electronics (Level 2), Emissions and On Board Diagnostics (Level 3), Brake Service and Air Condition Service and Repair (these 2 classes are not level classes as they can be taken at any time and in any order). Each Level consists of 40 hours each of classroom and hands-on training. We also offer optional training on brakes, air-conditioning, and preventative maintenance. We conduct these technical training programs at our national training center, currently in Leesburg, Virginia, at least once a year, depending on demand. Technical training is also available at field locations that we designate, on a periodic basis.
- (6) Although there is no fee to attend any training program in Leesburg, Virginia, you must pay for your or your employees' transportation, lodging and meal expenses, wages and employee benefits, and materials fees, including the cost of the applicable training manuals while in training programs.
- (7) If there is an Area Developer in the area where your Center is located, it may provide training or instruction, either personally or through its managers, either at your Center or at some other place within the area. In connection with any training provided by the Area Developer, you must pay for you or your employees' transportation, lodging and meal expenses, wages and employee benefits, and materials fees, including the cost of the applicable training manuals.

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

**TRAINING PROGRAM**

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

Instructors are John Wiegand, Joel Burrows and Myra Koshan. The instructors’ years of experience in the field are 21-39 years. The instructors’ years of experience with the franchisor

are 6 years to 36 years. In addition, we may designate an independent person or firm to conduct initial manager/retail sales or engine performance (Level 1) training.

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

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

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## ITEM 12

### TERRITORY

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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**ITEM 13**  
**TRADEMARKS**

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

**Registrations**

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

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

**Renewals and Affidavits**

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

**Determinations**

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

**Protection of Rights**

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

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

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

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

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

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

**Superior Rights**

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

**Infringing Uses**

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

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## ITEM 14

### PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

#### **Patents**

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

#### **Copyrights**

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

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

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

#### **Confidential Information**

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

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

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

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

### **Confidential Manuals**

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

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

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## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

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

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

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

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

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## **ITEM 16**

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

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

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

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

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## ITEM 17

### RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

#### THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement or Related Agreement	Summary
(a) Length of the franchise term	Section 3.1	10 years from date we sign the Franchise Agreement.
(b) Renewal or extension of the term	Section 3.1	Consecutive and successive terms of 5 years each.
(c) Requirements for you to renew or extend	Sections 3.1.1 and 3.1.2	Renewal is automatic unless either party notifies the other in writing at least 90 days in advance of the end of the current term of its intention not to renew; \$2,000 renewal fee; provide a copy of the lease or its extension and the then current agreement and contingent assignment of lease; in our discretion, enter into a new franchise agreement. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
(d) Termination by you	(a) Section A.3.a of site development addendum; (b) Section 15.4	(a) You may choose to cancel the Franchise Agreement within 6 months after we sign it if you cannot find an approved site and you are not in default of any agreement with us. (b) You may terminate the Franchise Agreement through legal process if we breach a material requirement and fail to cure within 30 days after your written notice of the default, given within 1 year of the default.
(e) Termination by us without cause	None	Not Applicable
(f) Termination by us with cause	Section XV	With cause (automatic termination) with cause and notice; with cause, notice and 10 days to cure; with cause, notice and 30 days to cure (subject to state law).
(g) "Cause" defined- defaults which can be cured	Sections 15.2 and 15.3	Curable defaults include: (1) Failure to pay any fees or report your gross sales to us within 10 days of receipt of written notice; and (2) within

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

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

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

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

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

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

## ITEM 18

### PUBLIC FIGURES

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

## ITEM 19

### FINANCIAL PERFORMANCE REPRESENTATIONS

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

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

The gross sales are a compilation of the results of individual Precision Tune Auto Care Centers operated by our franchisees and should not be considered as the actual or probable gross weekly sales that you will achieve at your Center. Actual results vary from Center to Center, and we cannot estimate the results of your Center or any particular franchisee. Your experience is likely to differ.

Actual sales and earnings of the center are affected by many factors, including your own efforts, ability and control of the Center, as well as other factors over which you do not have any control.

We do not represent that any Center you establish will be profitable.

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

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

**SUMMARY**  
**FDD AVERAGE SALES BY BAY**  
**52 WEEKS ENDED JANUARY 1, 2023**

	Number of Shops that reported 52 Weeks	Average Sales for calendar year ended January 1, 2023	Total Stores	Percentage (of Centers Surveyed)
<u>Number of Bays</u>	<u>Ended 01/01/2023</u>	<u>for shops that reported 52 Weeks</u>	<u>Above Average</u>	<u>Above Average</u>
3 Bays	7	537,807		
4 Bays	31	695,750		
5 Bays	11	684,584		
6 Bays	89	758,961		
7 Bays	5	949,899		
8 Bays	33	934,889		
+8 Bays	11	1,339,042		
<b>Total Shops/Average Sales</b>	187	806,103	76	40.64%

*\*Note: Only domestic centers that reported 52 weeks ended 01/01/2023 were included.*

**SUMMARY**  
**FDD AVERAGE SALES**  
**52 WEEKS ENDED**  
**JANUARY 1st, 2023**

**Stratified Results\***

	<b><u>Total</u></b>	<b>Stratified by Sales Ranking</b>			
		<b><u>Quartile 1</u></b>	<b><u>Quartile 2</u></b>	<b><u>Quartile 3</u></b>	<b><u>Quartile 4</u></b>
# of centers in survey	187	47	47	47	46
Total annual sales	150,741,171	61,732,182	39,397,804	30,127,300	19,483,884
Average sales per center	806,103	1,313,451	838,251	641,006	423,563
Total Stores Above Avg	76	18	24	24	27
Percentage (of Centers surveyed) Above Avg.	40.6%	38.3%	51.1%	51.1%	58.7%
Total Stores Below Avg	111	29	23	23	19
Median	727,499	1,186,860	849,794	645,698	452,200
Average number of bays	6.1	7.0	6.0	5.9	5.6
Survey centers/ Total active centers (187)	93.97%	25.13%	25.13%	25.13%	24.60%

*\*Note: Only domestic centers that reported 52 weeks ending 01/01/2023 were included.*

**Footnotes:**

1. The above tables reflect gross sales as reported by 187 Precision Tune Auto Care centers located in the United States which reported their weekly sales figures to us for all 52 weeks ended January 1, 2023. These 187 centers in the survey represent 93.9% of the 187 Precision Tune Auto Care centers open and in operation in the United States on January 1, 2023. Centers in the survey were comprised of franchised centers.
2. The franchise agreement defines “gross sales” to be the amount of sales of all products and services sold in or from a Center, whether for charge or credit, without deduction for uncollected amounts. Gross sales do not include excise, sales or use taxes levied on sales. We assume that franchisees used this definition when providing gross sales information to us.
3. The data is not audited.
4. Although we believe the data to be reliable, we have not independently verified its accuracy.
5. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.
6. Data from some of the centers used to compile the above tables are owned and operated by our area developers under franchise agreements with us.
7. Due to rounding, the numbers may not add up.
8. We do not provide expense information because the data may vary significantly from one location to another. Examples of expenses that vary materially from location to location include salaries and owner’s draw, rent, marketing, refunds and allowances, and interest expenses.
9. The tables shown above do not reflect expenses or debt service costs. If you finance the initial franchise fee, development and construction costs, costs to purchase furniture, fixtures and equipment, or costs to acquire the Center, you will incur costs to pay back the money you borrow.
10. The Center may face competition from other auto repair centers, including dealerships, independents and other franchised chains.
11. You may not have comparable automotive experience to that of the existing franchisees and their employees reflected in the tables shown above. While we will provide certain assistance to you (see Item 11), you and your staff will be primarily responsible for the daily operations of your Center in accordance with the terms of your franchise agreement.
12. The quality and effectiveness of your managerial skills will affect, positively or negatively, the sales results of the Center. Decisions made with respect to location, implementation of marketing programs, personnel, cost controls and other factors may impact the results of your Center.
13. Factors including those bearing upon business cycles and performance of the national and world economy may affect the results of the Center.

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



Other than the preceding financial performance representation, Precision Franchising LLC does not make any financial performance representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Robert R. Falconi, CEO, Precision Franchising LLC, 748 Miller Drive, SE, Leesburg, VA 20175 (703) 777-9095, the Federal Trade Commission, and the appropriate state regulatory agencies.

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## ITEM 20

### OUTLETS AND FRANCHISEE INFORMATION

The information in the tables below reflects the twelve-months ending December 30, 2022. So, for example, the “year” 2022 in the tables below corresponds with the twelve-month period commencing January 1, 2022 and ending December 31, 2022. These twelve-month periods coincide with our fiscal year.

Table No. 1

#### Systemwide Outlet Summary For Years 2020 to 2022

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	2020	203	192	-11
	2021	192	196	+4
	2022	196	199	+3
Company-Owned	2020	54	50	-4
	2021	50	37	-13
	2022	37	31	-6
Total	2020	257	242	-15
	2021	242	240	-2
	2022	233	230	-3

Table No. 2

#### Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2020	1
	2021	0
	2022	0
Georgia	2020	3
	2021	3
	2022	0
Maryland	2020	1
	2021	2
	2022	0

<b>Minnesota</b>	2020	1
	2021	0
	2022	0
<b>Missouri</b>	2020	1
	2021	0
	2022	0
<b>Virginia</b>	2020	0
	2021	0
	2022	0
<b>Washington</b>	2019	1
	2020	1
	2021	0
<b>Total</b>	2020	7
	2021	5
	2022	0

**Table No. 3**

**Status of Franchised Outlets  
For Years 2020 to 2022**

COLUMN 1 STATE	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termin- ations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operatio ns – Other Reasons	Column 9 Outlets at End of the Year <sup>1</sup>
<b>Alabama</b>	2012	12	0	0	0	0	0	12
	2021	12	0	0	0	0	1	12
	2022	12	0	0	0	0	0	12
<b>Arkansas</b>	2020	2	0	0	0	1	0	1
	2021	1	0	0	0	0	0	2
	2022	1	0	0	0	2	0	2
<b>California</b>	2020	6	0	0	0	0	1	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
<b>Florida</b>	2020	13	0	0	0	0	1	10
	2021	10	1	0	0	0	1	11
	2022	11	0	0	0	0	0	11
<b>Kansas</b>	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
<b>Georgia</b>	2020	35	0	0	0	0	0	35
	2021	35	1	0	0	0	0	36
	2022	36	0	0	0	0	0	36
<b>Louisiana</b>	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
<b>Maryland</b>	2020	12	2	0	0	0	0	14
	2021	14	2	0	0	0	0	16
	2022	16	0	0	0	0	0	16
<b>Michigan</b>	2020	1	0	0	0	0	0	1
	2021	1	2	0	0	0	1	2
	2022	2	0	0	0	0	0	2
<b>Minnesota</b>	2020	10	0	0	0	1	0	9
	2021	9	1	0	0	0	0	10
	2022	10	0	0	0	1	1	8
<b>Mississippi</b>	2020	2	0	0	0	0	0	2

COLUMN 1 STATE	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termin- ations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operatio ns – Other Reasons	Column 9 Outlets at End of the Year <sup>1</sup>
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Missouri	20120	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
North Carolina	2020	34	1	0	0	0	0	35
	2021	35	0	0	0	0	0	35
	2022	35	0	0	0	0	0	35
Oklahoma	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
Pennsylvania	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
South Carolina	2020	22	0	0	0	0	0	22
	2021	22	0	0	0	0	3	19
	2022	19	0	0	0	0	0	19
Tennessee	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	1	0	0	5
Texas	2020	17	1	0	0	0	0	18
	2021	18	0	0	0	0	0	18
	2022	19	1	0	0	0	0	19
Utah	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Virginia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	1	0	1
Washington	2020	5	0	0	0	0	1	4
	2021	4	0	0	0	0	1	4
	2022	4	1	0	0	0	0	5
Total	2020	203	0	0	6	0	2	192
	2021	192	7	1	0	0	5	196
	2022	196	6	0	0	1	2	199

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

**Table No. 4**

**Status of Company-Owned Outlets  
For Years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Arizona	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Arkansas	2019	3	0	0	0	0	3
	2020	3	0	0	0	1	2
	2021	1	0	0	0	0	1
Florida	2020	1	0	0	0	0	1
	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
Kansas	2020	1	0	0	0	1	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Maryland	2020	10	0	0	0	2	8
	2021	8	0	0	0	2	6
	2022	6	0	0	1	3	3
Michigan	2020	3	0	0	0	0	3
	2021	3	0	0	1	0	3
	2022	3	0	0	0	2	1
Minnesota	2020	6	0	0	0	1	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	1	4
Missouri	2020	2	0	0	0	0	2
	2021	2	0	0	0	1	1
	2022	1	0	0	0	0	1
Nevada	2020	0	0	0	0	1	0
	2021	0	0	0	0		0
	2022	0	0	0	0	0	0
Ohio	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Pennsylvania	2022	4	0	0	0	0	4
	2020	1	0	0	0	0	1
	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
Tennessee	2020	5	0	0	0	1	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
Texas	2020	2	0	0	0	1	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
Virginia	2020	9	0	0	0	0	9
	2021	9	1		0	0	10
	2022	10	0	1	0	2	9
Washington	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
Total	2022	4	0	0	0	1	3
	2020	54	0	0	2	2	50
	2021	50	1	0	0	13	37
	2022	37	0	1	1	5	31

**Table No. 5**

**Projected Openings as of December 31, 2022**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
Alabama		1	
Georgia		1	
Oklahoma		1	
Maryland			1
Texas	1	2	
Utah		1	0
Total	1	6	1

Exhibit D lists the names of all current franchises and the addresses and telephone numbers of their outlet as of December 31, 2022.

Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year (fiscal year ended December 31, 2022) or who has not communicated with us within 10 weeks of the issuance date of this offering circular. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with current or former franchisees. Each confidentiality agreement was entered into as part of a settlement of a dispute between us and the current or former franchisee. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Precision Tune Auto Care, Inc. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

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

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

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**ITEM 21**  
**FINANCIAL STATEMENTS**

Exhibit H includes the following:

1. Our consolidated financial statements (balance sheets as of December 31, 2022 and 2021, and statements of operations, statement of member's equity, and statements of cash flow for the year ended December 31, 2022 and report of independent certified public accounts.
2. Our consolidated financial statements (balance sheets as of December 31, 2021 and 2020, and statements of operations, statement of member's equity, and statements of cash flow for the year ended December 31, 2021 and report of independent certified public accounts.

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**ITEM 22**  
**CONTRACTS**

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

Schedule 1.1	Location and Opening Date
Schedule 1.2	Assigned Area
Schedule 1.3	Site Development Addendum
Schedule 3.1.1	Agreement and Contingent Assignment of Lease
Schedule 6.4	Guaranty Agreement
Attachment 1	PTAC Marketing Fund, Inc. Agreement
Attachment 2	VETFRAN Financing Documents (optional) (Addendum/Promissory Note)
Attachment 3	Confidentiality Agreement
Attachment 4	Promissory Note (If Required)
Attachment 5	State Amendment to Franchise Agreement (If Required)
Attachment 6	SoftWrench™ License and Support Agreement (optional)
Attachment 7	Electronic Funds Transfer Authorization
Attachment 8	Small Business Administration Addendum
Attachment 10	Consent Agreement

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**ITEM 23**

**RECEIPTS**

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

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