FRANCHISE DISCLOSURE DOCUMENT

CARSTAR Franchisor SPV LLC
a Delaware limited liability company
440 South Church Street, Suite 700
Charlotte, North Carolina 28202
www.carstar.com
www.carstarfranchise.com
(704) 377-8855
devdept@carstar.com

The franchise offered is to operate an automobile collision repair facility identified by distinctive trademarks and service marks, including the name CARSTAR®, utilizing a system of regional marketing, preferred vendor relationships, and business and financial analysis, and providing services to the insurance industry, commercial accounts, and individual automobile owners.

The total investment necessary to begin operation of a conversion CARSTAR® facility franchise is $23,500 to $165,300. This includes $10,000 to $20,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a new (ground-up) CARSTAR® facility franchise is $298,200 to $804,300. This includes $10,000 to $20,000 that must be paid to the franchisor or affiliate. If you enter into an Area Development Agreement, you will pay us a development fee equal to 100% of the initial franchise fee for each CARSTAR® facility required to be developed under the Area Development Agreement. The total investment necessary to begin operation if you acquire development rights (for a minimum of 10 CARSTAR® facilities) is $100,000. This includes $100,000 that must be paid to the franchisor or affiliate.

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

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

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

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

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

Issuance Date of this Franchise Disclosure Document: May 24, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and area development agreement require you to resolve disputes with the franchisor by litigation only in North Carolina. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in North Carolina than in your own state.

2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

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

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EXHIBITS

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES APPEAR IN EXHIBIT P.

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

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

We are a Delaware limited liability company organized on October 7, 2015. Our principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. We do business under our corporate name and the name "CARSTAR" and under no other name. If we have an agent in your state for service of process, we disclose that agent in Exhibit A.

We and our predecessors first offered franchises to existing automobile collision repair facilities as conversion franchises in August 1989 and began offering franchises for new automobile repair facilities in October 1995. CARSTAR has never offered franchises in any other line of business and is not, and has never, engaged in any other business.

Predecessors, Parents and Certain Affiliates

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

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

Driven Brands also is the indirect parent company of CARSTAR Franchise Systems, Inc., a Kansas corporation ("CSI"). CSI was the franchisor of CARSTAR franchises before the closing of the Secured Financing Transaction (defined below). CSI's principal business address is 4200 W. 115th Street, Leawood, Kansas 66211. Until 2017, CSI operated through a subsidiary one CARSTAR Facility in Stilwell, Kansas.

Our affiliate, Spire Supply, LLC ("Spire Supply"), a Delaware limited liability company, may sell certain goods and services to our franchisees for use in operating their CARSTAR Facilities. Spire Supply shares our principal business address. Spire Supply has not offered

franchises in any lines of business or operated any business of the type being offered under this disclosure document.

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

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

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

Driven Affiliates

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

and FUSA share our principal business address. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 30, 2023, there were 702 franchised Meineke centers, 22 franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 30, 2023, there were 377 franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December 30, 2023, there were 22 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services, including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 30, 2023, there were nine Econo Lube N' Tune franchises and 12 Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 30, 2023, there were 194 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 30, 2023, owned and operated one 1-800-Radiator warehouse in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering

franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 30, 2023, there were 325 franchised Take 5 outlets and 644 affiliate-owned Take 5 outlets operating in the United States.

Abra franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Abra and its predecessor have offered Abra franchises since 1987. As of December 30, 2023, there were 57 franchised Abra repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 30, 2023, there were 203 franchised Fix Auto repair shops operating in the United States, nine of which are operated by FUSA's affiliate under a franchise agreement with FUSA.

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

As of December 30, 2023, there were: (i) 15 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 18 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 313 franchised CARSTAR Facilities and one company-owned CARSTAR Facility in Canada; (v) 30 franchised Take 5 outlets and seven company-owned Take 5 outlets in Canada; (vi) 57 franchised UniglassPlus businesses, 27 franchised UniglassPlus/Ziebart businesses, and five franchised Uniglass Express businesses in Canada, and two company-owned UniglassPlus businesses and one company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, 57 franchised VitroPlus/Ziebart businesses, and four franchised Vitro Express businesses in Canada, and three company-owned VitroPlus businesses and no company-owned VitroPlus/Ziebart businesses in Canada; (viii) 32 franchised Docteur du Pare Brise businesses and no company-owned Docteur du Pare Brise businesses in Canada; (ix) 12 franchised Go! Glass & Accessories businesses and no franchised Go! Glass businesses in Canada, and eight company-owned Go! Glass & Accessories businesses

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

In December 2021, Driven Brands acquired Auto Glass Now's ("AGN") repair locations. As of December 30, 2023, there were more than 220 repair locations operating under the AUTOGLASSNOW® name in the United States ("AGN Repair Locations"). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations may offer products and services to Driven Brands' affiliates and their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

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

Other Affiliates with Franchise Programs

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

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

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

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

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee®

franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2023, there were 952 franchised and 22 affiliate-owned Cinnabon bakeries in the United States and 952 franchised Cinnabon bakeries outside the United States. In addition, as of December 31, 2023, there were 185 franchised Seattle's Best Coffee units outside the United States.

Jamba franchises Jamba® stores, which feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2023, there were approximately 733 franchised Jamba stores in the United States and 57 franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants, which offer a line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2023, there were 506 franchised McAlister's restaurants and 33 affiliate-owned restaurants operating in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants, which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2023, there were 606 franchised and six affiliate-owned Moe's Southwest Grill restaurants operating in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants, which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2023, there were 295 franchised Schlotzsky's restaurants and 22 affiliate-owned restaurants operating in the United States.

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

("Inspire International"), DB Canadian Franchising ULC ("DB Canada"), DDBR International LLC ("DB China"), DD Brasil Franchising Ltda. ("DB Brasil"), DB Mexican Franchising LLC ("DB Mexico"), and BR UK Franchising LLC ("BR UK"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system, which feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts, including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December 31, 2023, there were 3,413 Arby's restaurants operating in the United States (2,316 franchised and 1,097 company-owned) and 200 franchised Arby's restaurants operating internationally.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under the Buffalo Wild Wings® name ("Buffalo Wild Wings Sports Bars") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("BWW-GO Restaurants"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December 31, 2023, there were 1,185 Buffalo Wild Wings Sports Bars operating in the United States (533 franchised and 652 company-owned) and 65 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of December 31, 2023, there were 79 BWW-GO Restaurants operating in the United States (31 franchised and 48 company-owned).

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

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

Dunkin' is a franchisor of Dunkin'® restaurants, which offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of December 31, 2023, there were 9,580 Dunkin' restaurants operating in the United States (9,548 franchised and 32 company-owned). Of those 9,580 restaurants, 8,295 were single-branded Dunkin' restaurants, two were franchised Dunkin' restaurants operating at multi-brand locations, and 1,283 were franchised Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 31, 2023, there were 4,210 single-branded franchised Dunkin' restaurants operating internationally.

Baskin-Robbins is a franchisor of Baskin-Robbins® restaurants, which offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 31, 2023, there were 2,261 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,261 restaurants, 977 were single-branded Baskin-Robbins restaurants, one was a Baskin-Robbins restaurant operating at a multi-brand location, and 1,283 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 31, 2023, there were 5,383 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

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

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

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

CKE Inc. ("CKE"), through two indirect wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.® and Hardee's ® trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee's restaurants offer Red Burrito® Mexican food products through a dual concept restaurant. A small number of Carl's Jr. restaurants offer Green Burrito® Mexican food products through a dual concept restaurant. CKE's principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067. In December 2013, CKE became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961. As of January 29, 2024, there were 204 company-operated Hardee's restaurants and 1,406 franchised Hardee's restaurants, including 136 franchised Hardee's/Red Burrito dual concept restaurants, operating in the United States. Additionally, there were 458 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984. As of January 29, 2024, there were 49 company-operated Carl's Jr. restaurants and 1,019 franchised Carl's Jr. restaurants, including 243 franchised Carl's Jr./Green Burrito dual concept restaurants, operating in the United States. In addition, there were 661 franchised Carl's Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

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

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

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

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

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

NBC Franchisor LLC ("NBC") franchises gourmet bakeries that offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 4560 Belt Line Road, Suite 350, Addison, Texas 75001. As of December 31, 2023, there were 562 Nothing Bundt Cakes franchises and 16 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Center Licensing, LLC ("Mathnasium") franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium began offering franchises in late 2003. Mathnasium became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2023, there were 968 franchised and 4 affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2023, there were 89 franchised Mathnasium centers in Canada. Mathnasium International Franchising, LLC has offered franchises outside the United States and Canada since May 2015. As of December 31, 2023, there were 79 franchised Mathnasium centers outside the United States and Canada. Mathnasium, Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle,

Suite 400, Los Angeles, California 90056, and none of them has ever offered franchises in any other line of business.

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

i9 franchises businesses that operate, market, sell and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 became an Affiliated Program through an acquisition in September 2021. i9 has a principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2023, there were 245 i9 Sports franchises in the United States.

Streamline Brands offers franchises under the SafeSplash Swim School® brand and operates under the SwimLabs® and Swimtastic® brands, all of which provide "learn to swim" programs for children and adults, birthday parties, summer camps, and other swimming-related activities. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand from August 2015 through March 2023 and under the SwimLabs brand from February 2017 through April 2023. Streamline Brands became an Affiliated Program through an acquisition in June 2022 and has a principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As of December 31, 2023, there were 128 franchised and company-owned SafeSplash Swim School outlets (including 12 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, 11 franchised Swimtastic swim schools, and one dual-branded Swimtastic and SwimLabs swim school operating in the United States.

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

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

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

Secured Financing Transaction

As part of a secured financing transaction which closed in May 2016 (the "Secured Financing Transaction"), we became the franchisor of all existing and future CARSTAR franchise

and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of CARSTAR Facilities in the U.S. were also transferred to us.

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

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

The Franchise Offered

CARSTAR offers franchises for the operation of full-service automobile collision repair facilities identified by certain trademarks, service marks, logos and other commercial symbols, including the name and mark "CARSTAR®" (the "Licensed Marks"), which may be either a conversion of an existing automobile repair facility that you currently own or a new automobile repair facility that you purchase. In this disclosure document, we call these facilities "CARSTAR Facilities," and we call the CARSTAR Facility that you operate under the Franchise Agreement the "Facility." You must operate your Facility under the Franchise Agreement (Exhibit D). If you purchase a new automobile repair facility that you will develop as a CARSTAR Facility, you also will sign the New Development Addendum to the Franchise Agreement (the "New Development Addendum") (Exhibit E). CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers.

CARSTAR has entered into agreements with certain insurance companies ("Corporately Managed Insurance Programs" or "CMIPs") under the terms of which CMIP partners may provide preferred access to participation in their direct repair programs ("DRPs") or performance-based agreements ("PBAs"). In order to participate in these CMIPs, you will enter into our then-current form of Service Level Agreement (the "Service Level Agreement"), which includes our minimum requirements and CMIP partner requirements for participation in these programs. Our current form of Service Level Agreement is attached as Exhibit E to the Franchise Agreement. If the Facility is your first CARSTAR Facility and/or you are not a party to an effective CARSTAR service level agreement as of the date on which you sign the Franchise Agreement, you will sign the Service Level Agreement together with the Franchise Agreement.

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

CARSTAR has another optional centralized program, under the terms of which CARSTAR will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as CARSTAR determines) participating CARSTAR Facility (the "Call Center Program"). If you desire to participate in the Call Center Program, CARSTAR must first approve you. If CARSTAR approves you to participate in the Call Center Program, you will sign an addendum to the Franchise Agreement, which states the terms and conditions of the Call Center Program (the "Call Center Program Addendum"), the current form of which is attached as Exhibit H to the Franchise Agreement, and any other documents that CARSTAR may reasonably require in connection with your participation in the Call Center Program. (You will sign the Call Center Program Addendum (and any other required documents) either simultaneously with your execution of the Franchise Agreement or during the term of the Franchise Agreement, depending on when you elect (as applicable), and CARSTAR approves you, to participate in the Call Center Program.) Under the terms of the Call Center Program Addendum, you will pay CARSTAR a fee (the "Call Center Fee") during any period in which you participate in the Call Center Program, as further detailed in Item 6.

If you own and operate a Dealership at the location at which you also will operate the Facility, you will sign a Dealership Addendum to the Franchise Agreement (the "Dealership Addendum") (Exhibit M) to reflect your simultaneous operation of the Dealership and the Facility. As used in this disclosure document, a "Dealership" is a business that sells new or used vehicles at retail and may also provide maintenance services for vehicles. You may own and operate the Dealership independently or under the terms of an agreement with an automaker (or its subsidiary) ("Automaker").

CARSTAR Facilities use our distinctive signage, uniform standards, specifications and procedures, advertising, marketing, and promotion programs, purchasing assistance, exclusive business and claims management solutions software, our exclusive provider of customer satisfaction index surveys, preferred vendor relationships, business financial and operational

analysis, national warranty program, and training, all of which we may change and continue to develop at our discretion (the "System").

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

Market and Competition

Each CARSTAR Facility provides the repair of automobiles and light trucks that have been damaged in collisions or need to be repainted. The target market is the general public, insurance companies and agencies, and fleet accounts. The collision repair business is well developed, and you will compete with numerous other businesses, including automobile dealerships, independent and franchised collision repair facilities, repair centers, and painting centers.

Industry-Specific Regulations

The collision repair industry is regulated by federal, state and local environmental laws on the use and disposal of certain hazardous waste. You must obtain a federal Environmental Protection Agency waste generation license. Local or state agencies may also require that: (1) you obtain an air compressor operation permit, (2) your paint booth and paint storage area meet local and state fire codes, (3) you use low VOC emission products, and (4) you have other permits and licenses. If you are not currently operating or acquiring an existing collision repair facility, you should be aware that your proposed location for the Facility may also be subject to zoning restrictions. You are responsible for any costs in obtaining zoning approval or permits. You should investigate these requirements to assure your proposed location for the Facility is in compliance with all requirements. Failure to comply could limit or prohibit your participation in certain CARSTAR programs.

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ITEM 2

BUSINESS EXPERIENCE

Manager, Chief Executive Officer and President of CARSTAR; Director, Chief Executive Officer and President of CSI; Director, Chief Executive Officer and President of Driven Brands: Jonathan Fitzpatrick

Mr. Fitzpatrick has been a Manager, Chief Executive Officer and President of CARSTAR since May 2016. He has been a Director, Chief Executive Officer and President of CSI since November 2015. Mr. Fitzpatrick was appointed to the office of Chief Executive Officer and President and to serve on the Board of Directors of Driven Brands and the Board of Managers of various Driven Brands' affiliates in July 2012.

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

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

Interim Chief Financial Officer of CARSTAR, CSI and Driven Brands and Senior Vice President, FP&A, Treasury, and Investor Relations of Driven Brands: Joel Arnao

Mr. Arnao has been Interim Chief Financial Officer of CARSTAR, CSI and Driven Brands since May 2024 and Senior Vice President, FP&A, Treasury, and Investor Relations of Driven Brands since July 2023. In addition, Mr. Arnao has served as Interim Chief Financial Officer of various Driven Brands affiliates since May 2024. From November 2020 to June 2023, Mr. Arnao was Vice President of Finance of Rite Aid Corporation in Charlotte, North Carolina. From June 2020 to October 2020, Mr. Arnao was a Senior Advisor of Navhio Consulting in Charlotte, North Carolina. From December 2018 to May 2020, Mr. Arnao was Chief Financial Officer and Vice President of Finance for Merchants Distributors, LLC in Hickory, North Carolina.

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

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

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

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

Brand President, Collision for Driven Brands: Sabrina Thring

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

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

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

Chief Operating Officer, Collision for Driven Brands: Damien Reyna

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

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

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

Senior Vice President, Operations for CARSTAR: Scott Paul

Mr. Paul has been Senior Vice President, Operations for CARSTAR since May 2024. Mr. Paul also has been Senior Vice President, Operations for Abra since May 2024. From January 2022 to April 2024, Mr. Paul was Vice President, Operations for CARSTAR. From February 2020

to December 2021, Mr. Paul was Director, Operations for CARSTAR. From July 2019 to January 2020, Mr. Paul was a commercial broker for Reliable Risk Management in Scottsdale, Arizona. From January 2019 to June 2019, Mr. Paul was Vice President, Insurance Sales for CARSTAR.

ITEM 3

LITIGATION

Franchisor-Initiated Actions

We filed the following two actions against related former franchisees and their guarantors for failing to pay amounts owed to us under their franchise agreements, which actions have been settled:

CARSTAR Franchisor SPV LLC v. Smart Brands Inc. and Mark Wasmuth, Case No. 23-CVS-16956, in the General Court of Justice, Superior Court Division in and for Mecklenburg County, filed September 21, 2023.

CARSTAR Franchisor SPV LLC v. Carsmart Collision Repair, LLC and Linda Wasmuth, Case No. 23-CVS-16957, in the General Court of Justice, Superior Court Division in and for Mecklenburg County, filed September 21, 2023.

We filed the following action against a former franchisee (and others) in connection with an unauthorized transfer of its CARSTAR Facility and for failing to pay amounts owed to us in connection with the operation of the CARSTAR Facility, which action has been settled:

CARSTAR Franchisor SPV LLC v. Jerry Rhyne's Collision-Albemarle, Inc., G.H. Rhyne, Inc. and Gerald H. Rhyne, Case No. 23-CVS-7573, in the General Court of Justice, Superior Court Division in and for Mecklenburg County, filed April 28, 2023.

Pending Franchisor Officer Action

Genesee County Employees' Retirement System v. Driven Brands Holdings Inc., Jonathan G. Fitzpatrick, and Tiffany L. Mason, Case No. 3:23-cv-00895-MOC-DCK, in the United State District Court for the Western District of North Carolina (Charlotte Division), filed December 22, 2023. Plaintiff Genesee County Employees' Retirement System ("Plaintiff") filed a securities class action against Driven Brands Holdings, Driven Brands Holdings' President and Chief Executive Officer (and the Manager, Chief Executive Officer, and President of CARSTAR and Director, Chief Executive Officer, and President of CSI), Jonathan G. Fitzpatrick, and Driven Brands Holdings' former Chief Financial Officer (and the former Executive Vice President and Chief Financial Officer of CARSTAR and CSI), Tiffany L. Mason (collectively, "Defendants"). Plaintiff alleges that Defendants failed to disclose material adverse information or made misrepresentations regarding Driven Brands Holdings' business and operations following the acquisitions of the International Car Wash Group and AGN. Plaintiff claims that Defendants violated Section 10(b) the Securities Exchange Act of 1934 and Rule 10b-5 promulgated under the Act and that Defendants Mr. Fitzpatrick and Ms. Mason violated Section 20(a) of the Act. Plaintiff

seeks unspecified compensatory damages, costs and expenses, and an award of equitable relief, as the court considers appropriate.

Concluded Franchisor Action

Simple Yes Corp dba Carstar Guardian Auto Body v. CARSTAR Franchisor SPV LLC, Case No. JS21-00225N, in the Justice Court of Dallas County, Texas, Precinct 3, Place 2, and CARSTAR Franchisor SPV LLC v. Simple Yes Corp dba Carstar Guardian Auto Body and Oded Gabbay, Case No. 3:21-cv-01723-M, in the United States District Court for the Northern District of Texas. On June 14, 2021, a former franchisee filed the small claims action above against us, alleging wrongful termination of its franchise agreement and seeking damages. On July 23, 2021, we filed the federal action above against the former franchisee and the guarantor of its obligations under the franchise agreement (collectively, the "Gabbay Parties"), alleging trademark infringement, unfair competition, and breach of contract and seeking injunctive relief and damages. The former franchisee dismissed its small claims action against us and, on December 1, 2021, the Gabbay Parties asserted a number of affirmative defenses against us, including breach of the duty of good faith and fair dealing, unclean hands, and breach of contract. On February 9, 2022, the Gabbay Parties and CARSTAR, without admitting any wrongdoing, entered into a settlement and release agreement, under the terms of which: (a) we agreed to (1) pay the Gabbay Parties $10,000 to de-identify the applicable CARSTAR Facility, and (2) waive the post-term non-competition covenant in the franchise agreement; (b) the Gabbay Parties agreed to (1) de-identify the applicable CARSTAR Facility, (2) comply with the specified post-term obligations in the franchise agreement, and (3) execute a joint motion for the dismissal of the federal action; (c) we and the Gabbay Parties each released the other from specified claims; and (d) we and the Gabbay Parties each agreed to bear our/their own expenses in connection with the dispute. On February 10, 2022, the court granted the parties' motion for dismissal of the federal action with prejudice.

Pending Driven Affiliate Action

5002090 Ontario Inc. and Asif Ali v. Take 5 Canada SPV LP, Bruno Piva, Noah Pollack, and Jonathan Fitzpatrick, Court File No. CV-22-00692201-0000, in the Superior Court of Justice of the Province of Ontario. On December 23, 2022, 5002090 Ontario Inc. and its director, Asif Ali (collectively, "Ali"), the former franchisee of a Take 5 Oil Change® centre in Ontario, Canada (previously operated as a Pro Oil Change® centre until its conversion), filed a Statement of Claim against the current franchisor of Take 5 Oil Change® centres in Canada, Take 5 Canada, Take 5 Canada's Director, Chief Executive Officer, and President (and CARSTAR's Manager, Chief Executive Officer, and President), Mr. Fitzpatrick, Take 5 Canada's franchise broker, Mr. Piva, and a former Take 5 Canada (and CARSTAR) executive, Mr. Pollack, alleging breach of the disclosure and fair dealing provisions of the *Arthur Wishart Act (Franchise Disclosure), 2000* and, alternatively, negligent misrepresentation, as well as breach of good faith. Ali alleges that, when he purchased the Take 5 Oil Change® centre from a then-Pro Oil Change® centre franchisee, he believed that, on the basis of the franchise disclosures that he received from Take 5 Canada and an alleged verbal agreement with a Take 5 Canada representative, he was receiving a full 10-year term to operate the Take 5 Oil Change® centre. According to the Statement of Claim, Ali entered into a loan agreement in connection with his purchase of the Take 5 Oil Change® centre, the terms of which included "a minimum timeframe of 7 years." Ali alleges, however, that his franchise

agreement was terminated after less than 2 years based on his failure to provide the required notice to renew. Ali contends that he does not have copies of any assignment agreement with the prior franchisee, any sublease with Take 5 Canada for the Take 5 Oil Change® centre premises, or other Take 5 Oil Change® centre-related agreements referenced in Take 5 Canada's notice of termination. Ali alleges that he sold the Take 5 Oil Change® centre assets when Take 5 Canada threatened legal action if he failed to vacate the Take 5 Oil Change® centre premises. Ali claims that his lender subsequently commenced legal action against him for defaulting on the Take 5 Oil Change® centre-related loan and, as part of a settlement, he was required to pay the lender certain amounts. Ali seeks damages (including punitive damages) of at least CAN$368,000, interest, declarations that Take 5 Canada's franchise disclosures were invalid and void and that the above-referenced assignment agreement (if it exists) is void, and costs of the action. Take 5 Canada delivered a Statement of Defence in April 2023. To Take 5 Canada's knowledge, none of the individual defendants have been served with the Statement of Claim, and it is unclear if Ali intends to continue pursuing this litigation. Take 5 Canada and the other defendants are defending this action.

Driven Affiliate Subject to Currently Effective Injunctive Order

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

Disclosures Regarding Affiliated Programs

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

The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby's Restaurant Group, Inc. ("ARG"), entered into a settlement agreement with the

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

The People of the State of California v. Dunkin' Brands, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed March 19, 2019). On March 14, 2019, our affiliate, Dunkin Brands, Inc. ("DBI"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision that prevents Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin' franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General (the "NYAG") filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals' credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin' gift card. The NYAG further alleged that DBI failed to adequately

notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG's allegations, DBI and the NYAG entered into a consent agreement to resolve the State's complaint. Under consent order, DBI agreed to pay $650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

Other than as described above, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Agreement

You must pay us an initial franchise fee in the amount of $10,000 in a lump sum when you sign the Franchise Agreement. The initial franchise fee is non-refundable and fully earned by us when you sign the Franchise Agreement. During the fiscal year ended December 30, 2023, franchisees paid or committed to pay an initial franchise fee between $0 and $10,000.

In addition to the initial franchise fee, if you are converting your existing automobile repair facility to a CARSTAR Facility or are a new franchisee signing the Franchise Agreement and New Development Addendum for a new CARSTAR Facility, when you sign the Franchise Agreement, you must pay us a non-refundable integration fee (the "Integration Fee") in the amount of $10,000 in a lump sum in connection with our CARSTAR EDGE Integration Program ("EDGE Integration"). If you are an existing CARSTAR franchisee and you commit to develop an additional CARSTAR Facility (under the Development Agreement or otherwise), however, you will not be required to pay us the Integration Fee for that CARSTAR Facility. The Integration Fee is fully earned by us when you sign the Franchise Agreement. In order to be eligible to participate in our programs that are offered as part of our System, such as insurance, procurement, and marketing, you must complete EDGE Integration within the time period after the effective date of the Franchise Agreement that we specify (the "EDGE Integration Period"). EDGE Integration is described in greater detail in Item 11.

Development Agreement

If you sign a Development Agreement, you must pay us a non-refundable development fee, which will be equal to 100% of the initial franchise fee of $10,000 for each CARSTAR Facility

required to be developed under the Development Agreement (the "Development Fee"). For each CARSTAR Facility developed under the Development Agreement, we will credit the applicable portion of the Development Fee against the applicable initial franchise fee on the date on which the initial franchise fee is payable under the applicable franchise agreement. The Development Fee is not otherwise credited against any fees payable to us.

Incentive Programs

We may periodically implement incentive programs to encourage franchise system growth. Under the incentive programs, we may, among other things, waive all or a portion of the initial franchise fee and/or the Integration Fee, as applicable, or modify the payment timing of those fees. We may modify or discontinue any incentive program we implement at any time.

ITEM 6

OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Monthly Franchise Fee	Monthly Base Franchise Fee (greater of $1,000 or 1.5% of Gross Sales) plus Monthly Growth Franchise Fee (4% of Gross Sales) (See Note 1)	Payable on the day of each month that we periodically specify (the "Payment Day"), currently, the 15th day of each month, based on previous month's Gross Sales	We may modify the Payment Day and corresponding reporting period at any time. In certain markets and under certain circumstances, we may negotiate the percentage of the Monthly Franchise Fee. See Note 2.
Insurance and Marketing Fund Fee	Greater of $500 or 1% of monthly Gross Sales This fee increases to 1.5% of monthly Gross Sales if you (i) are not in compliance with IMF guidelines (the "IMF Guidelines"), (ii) fail to maintain our image program, or (iii) fail to timely submit monthly fee reports, until you comply with each of these requirements	Payable on the Payment Day, currently, the 15th day of each month, based on previous month's Gross Sales	We may periodically increase or decrease the Insurance and Marketing Fund Fee and/or the maximum Insurance and Marketing Fund Fee on 90 days' prior written notice to you; however, we will not increase either fee by more than 1% of Gross Sales in any 12-month period. See Note 2.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Non-reporting Fee	$750 per month	Within 3 business days of receipt of written notification that the report is past due	Due if you do not file all required reports.
Training Fee	$299 per year	Payable on the 15th day of January of each year	Payable for access to web-based training (Collision University, the intranet and learning platform). This fee is subject to change upon 30 days' prior written notice. This fee is prorated for new franchisees and will be due on the 15th day of the fourth month after the Franchise Agreement's effective date. Includes annual license fees and content development.
CCC One Innovate Management and Estimation System Fees	$1,545 per month, plus tax	Payable with Monthly Franchise Fee on the Payment Day, currently the 15th day of each month	Payable if you choose to use CCC One Innovate with CARSTAR Solution® (defined in Item 8). CCC One Innovate includes both the estimating and management system software. We collect these fees on behalf of our third-party provider, CCC International Services, Inc. ("CCC"). These fees may fluctuate as CCC's pricing changes and the insurers' demands change. There is a one-time $1,800 charge for implementation and CCC's 2-day on-site training with CCC One Innovate for new installations (discounted to $495 for implementation only). CCC One Innovate fees may be due and payable starting 90 days prior to the Facility's opening date.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
CCC One Perform Estimation System Fees	$1,295 per month	Payable with Monthly Franchise Fee on the Payment Day, currently the 15th day of each month	Payable if you choose to use CCC One Perform and Mitchell Repair Center ("MRC") management system with CARSTAR Solution®. This option includes estimating, advisor, estimatic indicators, frame specifications, tire database, recall information and PDR database. We collect this fee for CCC. CCC One Perform fees may be due and payable starting 90 days prior to the Facility's opening date.
Central Review Fee	Currently, 0.5% of all Gross Sales generated by CMIPs, except that we may increase the amount of the Central Review Fee, up to 2% of applicable Gross Sales, upon 30 days' prior written notice to you	Payable with Monthly Franchise Fee on the Payment Day, currently, the 15th day of each month	The Central Review Fee is applied towards the costs of the central review program, including the cost of managing and administering DRPs, and negotiating and administering contracts, with auto insurance companies and other third parties, and may be applied to additional insurance programs that mandate our central review oversight. See also Note 3.
Ongoing Training	Currently, we do not charge a training fee for any ongoing training that we may provide (except for access to web-based training, as described above), but we reserve the right to do so in the future.	Before attending training	This fee (if applicable) will vary depending upon the scope and location of the training. You must also pay for travel, lodging and wages for your employees who attend the supplemental training classes. We describe ongoing training requirements in Item 11.
Renewal Processing Fee	$1,000	Upon renewal of the Franchise Agreement	

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Resale Assistance Program Fee	$6,000	At the closing of the sale of your Facility or when the transferee first takes possession of the Facility, whichever occurs first	Payable if (i) we introduce a potential buyer to you; (ii) the potential buyer has inquired about a CARSTAR Facility franchise and is in our Franchise Development Lead Management System; or (iii) the buyer is an applicant for a CARSTAR Facility franchise or a franchisee under an existing franchise agreement.
Audit	Cost of audit, including the charges of any independent accountant and/or third-party vendor and attorneys' fees, and per diem fees and costs of our employees, related travel and lodging and other out-of-pocket costs, plus interest	On demand	Payable if the audit is made necessary by your failure to provide reports, supporting records, or other information, as required under the Franchise Agreement, or the audit discloses an understatement in any report of 2% or more.
Interest	1.5% per month (or the maximum rate permitted by law)	On demand	Payable for any payment not received by CARSTAR when due.
Annual Business Conference	$845	Upon registration and before the conference	See Note 4.
Optional Marketing Programs	Varies per program	On demand	If you participate in optional marketing programs, there are separate fees for those programs. Currently, for $65 a month (monthly fee subject to change), your Facility phone lines can be answered by a live person after hours every day of the year through the After Hours Program.
CARSTAR.com E-mail Address Fee	$10 per month per additional e-mail address (after your first e-mail address)	Payable with Monthly Franchise Fee on the Payment Day, currently, the 15th day of each month	We will provide you with one CARSTAR-branded e-mail address at no cost. See Note 5.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Paint Surcharge	$3,000 for each month that you use a supplier other than a Preferred Supplier (defined in Item 8) for your requirements of paint for the Facility	As incurred	The Paint Surcharge reasonably represents our estimate of the damages to us and the System arising from your decision not to purchase paint from a Preferred Supplier.
Holdover Signage Fee	$3,500 per month	As incurred	Payable, at our option, if you fail to immediately initiate and complete the de-identification of your Facility within 30 days of the effective date of termination or expiration of your Franchise Agreement.
Total Loss Processing Fee	Our then-current fee for each total loss estimate request that you submit to us, and we accept (regardless of whether we determine that the claim is a total loss), subject to increase upon 30 days' prior written notice to you (Currently, $50 per total loss estimate request submitted by you and accepted by us; we may increase this fee and charge up to $100 per total loss estimate request submitted by you and accepted by us)	Unless otherwise stated in the applicable invoice, payable with Monthly Franchise Fee on the Payment Day, currently, the 15th day of each month	Payable only if you choose to participate in our Total Loss Processing Program.
Call Center Fee	Our then-current fee, equal to a percentage of Gross Sales during any period in which you participate in the Call Center Program, subject to increase upon 30 days' prior written notice to you (Currently, 0.25% of Gross Sales; we may increase this fee and charge up to 0.5% of Gross Sales.)	Unless otherwise stated in the applicable invoice, payable with Monthly Franchise Fee on the Payment Day, currently, the 15th day of each month	Payable only if you choose to participate in our Call Center Program.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
New or Additional Fees	To be determined	To be determined	We will provide you with at least 90 days' notice before implementing any new or additional fee. These fees will be used to offset the costs of additional services that we determine to be in the best interests of the entire CARSTAR franchise system.

Notes:

Note 1. Monthly Franchise Fee. Your Monthly Franchise Fee is equal to the Monthly Base Franchise Fee plus the Monthly Growth Franchise Fee. The "Monthly Base Franchise Fee" is the greater of $1,000 or 1.5% of the Monthly Base Volume. "The Monthly Growth Franchise Fee" is 4% of the amount, if any, by which the monthly Gross Sales of the Facility exceeds the Monthly Base Volume for the preceding calendar month.

"Monthly Base Volume" means the amount equal to the Annual Base Volume divided by 12.

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

For example, if the Annual Base Volume of the Facility were $2,400,000, then the Monthly Base Volume for the term of the Franchise Agreement would be equal to $200,000 (e.g., Annual Base Volume divided by 12). If, in a given calendar month during the term, the Facility's total monthly Gross Sales were equal to $245,000, then the Monthly Franchise Fee would be equal to $4,800, comprised of (i) a Monthly Base Franchise Fee in the amount of $3,000 (i.e., 1.5% of the Monthly Base Volume) plus (ii) a Monthly Growth Franchise Fee in an amount equal to $1,800 (i.e., 4% of the amount by which the monthly Growth Sales exceeds the Monthly Base Volume, which is $45,000).

"Gross Sales" means all money and other consideration of every kind and nature you or your Facility receive, including consideration for labor, parts, mechanical services related to collision repair, refinishing and all sublet billings and for all other products and services sold or performed by or for you or the Facility in, on, or from the site, or through or by means of the business conducted under the Franchise Agreement, whether for cash or credit, including the

proceeds of any insurance claims. Gross Sales do not include: (1) sales or service taxes collected from customers and paid to the appropriate taxing authority; (2) tow charges; or (3) rental car sales. If you sign a Dealership Addendum, Gross Sales will also exclude revenue from the sale of new or used vehicles and revenue generated from performing required warranty services in connection with the operation of the Dealership, and with respect to your servicing of the Dealership's fleet of vehicles, no money will be allocated to Gross Sales.

Note 2. Incentive Programs. We may periodically implement incentive programs to encourage franchise system growth. Under the incentive programs, we may, among other things, waive or reduce the Monthly Franchise Fee and/or the Insurance and Marketing Fund Fee payable by a franchisee for a limited period of time. We may modify or discontinue any incentive program we implement at any time.

Note 3. Central Review Fee. As stated in Item 1, in order to participate in the CMIPs, you will enter into a Service Level Agreement with us, which includes our minimum requirements for participation in the CMIPs, including payment of the Central Review Fee and CMIP partner requirements.

Note 4. Annual Business Conference. You must pay the registration fee for you and each of your representatives attending CARSTAR's annual business conference; however, you must pay the registration fee for one person each year throughout the Franchise Agreement's term even if you do not have a representative attending. If you do not have a representative attending, you are not eligible for any discounts in registration fees afforded to attendees for early registration (if applicable).

If, however, you own and operate more than one CARSTAR Facility: (a) you may send one representative to the conference to represent all of the CARSTAR Facilities that you own and operate; (b) if you send at least one representative to the conference, you will pay us the registration fee for each of your attendees; and (c) if you fail to send a representative to the conference, you will pay us the registration fee for each of your CARSTAR Facilities.

We will notify you of the date by which you must register in order to avoid paying a late registration fee of $75. You are also responsible for your and your representatives' travel and lodging costs to attend. Registration fees for more than one attendee may be refundable in certain circumstances.

Note 5. CARSTAR.com E-mail Addresses. You are assigned an e-mail address at our CARSTAR.com domain. To maintain uniformity of the naming convention, you may not modify/change the account CARSTAR provides. This is the only e-mail address CARSTAR will use to communicate with you. You have the ability to sync/access your e-mail using a smart phone or other device. You may obtain additional e-mail addresses for $10 each per month, and you have limited flexibility on the address name.

Note 6. Security Agreement. To secure payment of the fees and amounts owed to CARSTAR and/or any of its affiliates under the Franchise Agreement and all other related agreements, you must sign the security agreement attached as Exhibit F to the Franchise Agreement (the "Security Agreement"). Under the Security Agreement, you will grant CARSTAR a continuing security interest in all current and future assets of your Facility, and all books and

records relating to and all proceeds from all of the assets of the Facility. This security interest will secure all payment obligations to CARSTAR and/or any of its affiliates.

Except as otherwise stated above, all fees are uniformly imposed on all franchisees and are collected and payable to CARSTAR and are non-refundable.

ITEM 7

ESTIMATED INITIAL INVESTMENT

Franchise Agreement

YOUR ESTIMATED INITIAL INVESTMENT

CONVERSION CARSTAR FACILITY

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee	$10,000	Lump sum	When you sign the Franchise Agreement	CARSTAR
Integration Fee (1)	$10,000	Lump sum	When you sign the Franchise Agreement	CARSTAR
Facility (2)	$0	Not applicable	Not applicable	Not applicable
Furniture, Fixtures, Equipment (3)	$0 to $15,000	As arranged	As incurred	Supplier(s)
Computer Hardware/Software (4)	$0 to $27,000	As arranged	As incurred	Supplier(s) or CARSTAR (in some instances)
Training (5)	$0 to $3,300	As arranged	As incurred	Vendors, Airline, Restaurants, Hotels
Initial Inventory (6)	$500 to $5,000	As arranged	As incurred	Supplier(s)
Signage (7)	$3,000 to $20,000	As arranged	As incurred	Supplier(s)
Additional Funds – 3 Months (8)	$0 to $75,000	As arranged	As incurred	Supplier(s)
TOTAL ESTIMATED INITIAL INVESTMENT (9)	$23,500 to $165,300			

Notes:

Note 1. Integration Fee. As described in Item 5, the Integration Fee is $10,000. If you are an existing CARSTAR franchisee and you commit to develop an additional CARSTAR Facility (under the Development Agreement or otherwise), however, you will not be required to pay us the Integration Fee for that CARSTAR Facility.

Note 2. Facility. Because you operate an existing auto body repair shop, you will incur no additional, initial expenses for purchase or lease of the Facility, leasehold improvements or related expenses.

Note 3. Furniture, Fixtures and Equipment. As an existing auto body repair shop, we expect that you will have some of the furniture, fixtures, tools, a booth, a frame machine, compressors and other equipment necessary to operate the Facility. The low estimate assumes that your existing furniture, fixtures and equipment meet our current standards and that you will not require any improvements, repairs or replacements to these items. The high estimate assumes you may have some of these items but will need to purchase or lease a significant number of items to meet CARSTAR standards. The actual amounts you pay to suppliers will vary depending upon the arrangements that you make with suppliers.

Note 4. Computer Hardware/Software. We describe the required computer hardware/software in Item 11. The low estimate assumes you have computer hardware that is able to run the required CARSTAR Solution® compatible software. The high estimate assumes your current hardware is not capable of running the required software or that you do not have a computer system already in place. The actual amounts you pay to suppliers will vary depending upon the arrangements that you make with suppliers. Your actual expense will also vary depending on the number of workstations and users needed to properly operate the Facility.

Note 5. Training. The training estimate for attendance at orientation assumes one person (you or your general manager, if you are an entity) will attend CARSTAR's initial orientation training program offered in Charlotte, North Carolina or another location CARSTAR designates and that your costs may include travel, lodging and meals (there is no charge for materials or tuition).

Note 6. Initial Inventory. The inventory required for the Facility consists of supplies related to collision repair, including tape, paint, cleaning supplies and paper supply items bearing the Licensed Marks (for example, estimate sheets, invoices, promotional literature, brochures, warranties, letterhead and business cards). Many of the required forms are included in the software CARSTAR provides to you at no charge.

Note 7. Signage. You must purchase and install the CARSTAR minimum interior and exterior image program within 10 weeks after you sign the Franchise Agreement (if you sign the Dealership Addendum, six months after the Franchise Agreement's effective date). The cost of the CARSTAR branding varies depending on space available for installation.

Note 8. Additional Funds. This estimates the funds needed to cover your operating expenses for the first three months of operation. These funds could be offset by revenue earned during that period. This is only an estimate, and you might need additional working capital during the first three months you operate your Facility and for a longer time period after that. Additional fund requirements for the first three months will vary greatly depending upon the size of the Facility, number of employees, location, your insurance requirements, the amount you spend on local advertising, and other factors relating specifically to your Facility, including whether or not you currently have an accounting system. CARSTAR cannot guarantee that this amount will be sufficient.

Note 9. Estimated Initial Investment. CARSTAR has relied on its and its predecessor's over 34 years of experience in franchising CARSTAR Facilities to compile these estimates. You should review these estimates carefully with a business advisor before acquiring a franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area. Except as otherwise stated above, all amounts are non-refundable when paid.

YOUR ESTIMATED INITIAL INVESTMENT

NEW CARSTAR FACILITY

Column 1 **Type of expenditure**	**Column 2** **Amount**	**Column 3** **Method of payment**	**Column 4** **When due**	**Column 5** **To whom payment is to be made**
Initial Franchise Fee	$10,000	Lump sum	When you sign the Franchise Agreement	CARSTAR
Integration Fee (1)	$10,000	Lump sum	When you sign the Franchise Agreement	CARSTAR
Facility (2)	$50,000 to $200,000	As arranged	As incurred	Lessor/Owner
Furniture, Fixtures, Equipment (3)	$200,000 to $400,000	As arranged	As incurred	Supplier(s)
Computer Hardware/Software (4)	$9,000 to $27,000	As arranged	As incurred	Supplier(s) or CARSTAR (in some instances)
Training (5)	$0 to $3,300	As arranged	As incurred	Vendors, Airline, Restaurants, Hotels
Initial Inventory (6)	$5,000 to $50,000	As arranged	As incurred	Supplier(s)

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Signage (7)	$4,200 to $20,000	As arranged	As incurred	Supplier(s)
Additional Funds – 3 months (8)	$10,000 to $84,000	As arranged	As incurred	Supplier(s)
TOTAL ESTIMATED INITIAL INVESTMENT (9)	$298,200 to $804,300			

Notes:

Note 1. Integration Fee. As described in Item 5, the Integration Fee is $10,000. If you are an existing CARSTAR franchisee and you commit to develop an additional CARSTAR Facility (under the Development Agreement or otherwise), however, you will not be required to pay us the Integration Fee for that CARSTAR Facility.

Note 2. Facility. The typical CARSTAR Facility has 10,000 to 15,000 square feet of production space, 20,000 to 30,000 square feet of yard space, and 2,000 to 5,000 square feet of front office space. Typical locations are in heavily populated, high traffic areas. The low estimate assumes that you will lease the Facility and that relatively little leasehold improvements will be necessary. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and varies from market to market. Your landlord likely will require you to pay a security deposit equal to one month's rent or more. Your lease negotiations with your landlord and the size and market area of the Facility's location ultimately will dictate when your rental payments will begin. The high estimate assumes that you will purchase the Facility, with a 20% down payment and a Facility purchase price of $1,000,000. If the Facility purchase price exceeds $1,000,000, your costs will be greater. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying.

Note 3. Furniture, Fixtures and Equipment. You will need to purchase the furniture, fixtures, tools, a paint booth, a frame machine, compressors and other equipment necessary for the operation of the Facility. The actual amounts expended will vary depending on the size of your Facility.

Note 4. Computer Hardware/Software. You must have acceptable computer hardware capable of running CARSTAR Solution® compatible software. The estimate assumes that you will need to purchase hardware that is capable of running the software. The actual amounts you pay to suppliers will vary depending upon the arrangements that you make with suppliers. Your actual expense will also vary depending on the number of workstations and users needed to properly operate the Facility.

Note 5. Training. The training estimate for attendance at orientation assumes one person (you or your general manager, if you are an entity) will attend CARSTAR's initial orientation training program offered in Charlotte, North Carolina or another location CARSTAR designates and that your costs may include travel, lodging and meals (there is no charge for materials or tuition).

Note 6. Initial Inventory. The inventory required for the Facility consists of supplies related to collision repair, including tape, paint, cleaning supplies and paper supply items using the Licensed Marks (for example, estimate sheets, invoices, promotional literature, brochures, warranties, letterhead and business cards). These costs will vary based on the size of the Facility.

Note 7. Signage. You must purchase and install the CARSTAR minimum interior and exterior image program within 10 weeks after you sign the Franchise Agreement (if you sign the Dealership Addendum, 6 months after the Franchise Agreement's effective date). The cost of the CARSTAR branding varies depending on space available for installation.

Note 8. Additional Funds. This estimates the funds needed to cover your operating expenses for the first 3 months of operation. These funds could be offset by revenue earned during that period. This is only an estimate, and you might need additional working capital during the first 3 months you operate your Facility and for a longer time period after that. Additional fund requirements for the first 3 months will vary greatly depending upon the size of the Facility, number of employees, location, your insurance requirements, the amount you spend on local advertising, and other factors relating specifically to your Facility, including whether or not you currently have an accounting system. CARSTAR cannot guarantee that this amount will be sufficient.

Note 9. Estimated Initial Investment. CARSTAR has relied on its and its predecessor's over 34 years of experience in franchising CARSTAR Facilities to compile these estimates. You should review these estimates carefully with a business advisor before acquiring a franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area. Except as otherwise stated above, all amounts are non-refundable when paid.

Development Agreement

Except for the non-refundable Development Fee, there is no initial investment required to begin operating under the Development Agreement. As stated in Item 1, you must commit to developing a minimum of 10 CARSTAR Facilities under the Development Agreement, in which case the Development Fee would be $100,000.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchise Agreement

CARSTAR and its predecessors have established, and reserve the right to continue to establish and change, specifications for equipment, services, training and other matters for each CARSTAR Facility. These specifications include minimum standards for performance, quality, design, appearance and other factors and are (or will be) specified in the Operations Playbook (defined in Item 14), which CARSTAR may revise or supplement periodically. You may satisfy these specifications by acquiring the items from suppliers CARSTAR approves as meeting the specifications (in the Operations Playbook or otherwise in writing), which suppliers may include CARSTAR and/or its affiliates. CARSTAR currently requires that any equipment, products, services and/or supplies used in operating the Facility be purchased exclusively from CARSTAR or its affiliates, and/or other designated or approved suppliers. CARSTAR also may require that that equipment and/or those products, services and/or supplies be purchased through any manner or method CARSTAR designates, including through e-stores or other similar platforms, such as the DrivenAdvantage Platform. As stated in Item 1, Driven Product Sourcing operates the DrivenAdvantage Platform, through which you may purchase certain products for use in operating your Facility. Through the DrivenAdvantage Platform, Driven Product Sourcing provides you the opportunity to benefit from Driven Product Sourcing's purchasing power, expertise, and supplier network. For any products for which we designate Driven Product Sourcing as the designated supplier or an approved supplier, you will generally be required to purchase those products through the DrivenAdvantage Platform.

You must purchase or lease software that we require and career wear for your employees from either a designated supplier or an approved supplier. We have designated specific software requirements for a CARSTAR Facility's business management system and accounting systems. Currently, we require that CARSTAR Facilities purchase and use one of two different options of management system software: (1) MRC with CCC One Perform (Mitchell Management System and CCC Estimating), or (2) CCC One Innovate (CCC Management System and Estimating). You also must install and use CCC's Update Promise, Engage, Contact Center, Indicators, and Repair Methods (the "CARSTAR Solution®"), along with other software and products if your Facility participates in PBAs, such as Central Review. The CARSTAR Solution® is embedded in Mitchell's MRC product and the CCC One Innovate product. CARSTAR provides a list of designated and approved suppliers to you. Except for CARSTAR Solution®, there currently are no products or services for the Facility that you must buy or lease from us or one of our affiliates or for which we or one of our affiliates is an approved supplier or the only approved supplier, but we currently restrict the suppliers with whom you deal.

CARSTAR has negotiated pricing discounts with many of the approved suppliers. You may realize savings from these discounts. Any potential savings will vary depending on the pricing level at which you were purchasing before taking advantage of programs with CARSTAR approved suppliers. To participate in revenue/cost savings programs with approved and designated

suppliers, or to participate in certain cooperative marketing programs with designated suppliers, you must purchase those specific products and services from those suppliers. Similarly, in order for you to participate in certain referral programs with insurance companies, fleet accounts and other concerns, including CARSTAR, its affiliates or licensees, you must comply with the requirements of these referral programs, including processing fees and the use of specified products, equipment or services (i.e., paint, parts and customer satisfaction tracking, and computer estimating software) obtained from specified suppliers, which may include CARSTAR, its affiliates or licensees. As stated in Item 1, in order to participate in CMIPs, you will sign our then-current form of Service Level Agreement, which includes our minimum requirements and CMIP partner requirements for participation in these programs.

Mitchell International, Inc. ("Mitchell") is currently a CARSTAR preferred provider of business management systems which combines CCC One Perform product and MRC with CARSTAR Solution®. Mitchell provides this management system software to CARSTAR franchisees at discounted prices. CCC One Perform is a package of estimating systems and audit tools, including Estimating, Advisor, Estimatic Indicators, Frame Specifications, Tire Database, Recall Information and PDR Database. Estimatic Indicators provide measurements benchmarking performance at the local and national levels.

CCC is currently a CARSTAR approved provider of business management systems which combines CCC One Innovate product (which includes the estimate system) with CARSTAR Solution®. CCC provides this management system software to CARSTAR franchisees at discounted prices.

You currently must buy paint used in the paint booth at your Facility only from approved suppliers. We designate certain approved suppliers of paint to the System as "Preferred Suppliers." You may choose to use, or not use, a Preferred Supplier. If you use a supplier other than a Preferred Supplier for your requirements of paint for the Facility, we may assess a non-refundable Paint Surcharge for each month you use a supplier other than a Preferred Supplier.

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

During 2023, we did not derive any revenues or other material consideration from franchisees' direct purchases or leases. In the fiscal year ended December 30, 2023, our affiliates derived revenue from the sale of items or provision of services to franchisees, including rebates and commissions received from approved vendors and suppliers of products or services, in the amount of approximately $29,305,880.

We estimate that the cost of required products and services from approved suppliers is less than 10% of your initial investment to establish your Facility and less than 10% of the ongoing operating costs of your Facility.

You must always obtain and maintain in full force during the Franchise Agreement's term insurance for the Facility at your expense. The policies must be written by a carrier or carriers rated A VIII or higher by A.M. Best Company, Inc., name us as an additional insured (except in connection with worker's compensation and property coverage), and include minimum coverage according to the standards and specifications we periodically establish in the Operations Playbook or as we otherwise require in writing. Currently, the minimum coverage must include the following: (1) property insurance, including fire, lightning, theft, vandalism, malicious mischief and extended coverage insurance with 100% replacement value of the Facility and its inventory, fixtures and equipment; (2) commercial general liability insurance, with minimum limits of $2,000,000 per occurrence combined single limit coverage and in the aggregate, including broad-form commercial general liability endorsement, garage-keepers liability, product liability, completed operations, and independent contractor's coverage; (3) commercial automobile liability coverage in the amount of $2,000,000 per accident for both owned and non-owned vehicles; and (4) worker's compensation and employer's liability insurance, as well as such other insurance as may be required by applicable law or regulation. The preceding limits may be met in combination of primary and excess coverage. Within 90 days after you sign the Franchise Agreement, you must provide us with a copy of the Certificate of Insurance in compliance with these requirements. All required insurance policies must expressly provide that not less than 30 days' prior written notice will be provided to us in the event of a material alteration to or cancellation or termination of any of these policies. In addition to the preceding minimum coverage requirements, under the Service Level Agreement, you must, at your sole expense, obtain and maintain the insurance policies and in the amounts stated in the CMIPs in which you participate for claims that may arise from or in connection with your performance of services at your Facility under the Service Level Agreement.

There are currently no purchasing or distribution cooperatives, and other than discounts, we do not provide material benefits to you based on your purchase of particular products or services or use of suppliers. Because they are affiliates, certain officers of ours naturally own an interest in Spire Supply, Driven Product Sourcing, Driven Brands Shared Services and any other affiliated entity doing business with you. None of our officers currently own an interest in any non-affiliated, third-party suppliers that comprise the existing supply base for the CARSTAR franchise system.

Development Agreement

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

you propose to operate a CARSTAR Facility so that we can assess that site, which is subject to our written acceptance.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	1.B. of Franchise Agreement; 3 of New Development Addendum; 4 of Development Agreement	11
b. Pre-opening purchases/leases	6.A. of Franchise Agreement	11
c. Site development and other pre-opening requirements	1.B., 5 and 6 of Franchise Agreement	7, 8 and 11
d. Initial and ongoing training	7.B. and 7.E. of Franchise Agreement	11
e. Opening	6 of Franchise Agreement	11
f. Fees	3 of Franchise Agreement; 1.B. of Total Loss Processing Program Addendum; 1.C. of Call Center Program Addendum; 5.1, 6.0 and 10.0 of Service Level Agreement; 6 of Development Agreement	5, 6 and 7
g. Compliance with standards and policies/operating manual	5, 6, 7, 8, 9, 10 and 11 of Franchise Agreement; 5.0 and 9.0 of Service Level Agreement	11
h. Trademarks and proprietary information	8 and 10 of Franchise Agreement; 13 of Service Level Agreement	13 and 14
i. Restrictions on products/services offered	1.D. and 6 of Franchise Agreement	8 and 16
j. Warranty and customer service requirements	6.J. and 16.G.(1) of Franchise Agreement; 7.0 of Service Level Agreement	11
k. Territorial development and sales quotas	Sections 2 and 3 and Exhibit A of Development Agreement	12
l. Ongoing product/service purchases	5, 6.I., 6.J. and 6.K. of Franchise Agreement	8
m. Maintenance, appearance and remodeling requirements	5, 6.C., 6.D., 6.E., 6.F. and 14.B.(9) of Franchise Agreement	11
n. Insurance	13 of Franchise Agreement; 11.0 of Service Level Agreement; 3 of Security Agreement	6

Obligation	Section in agreement	Disclosure document item
o. Advertising	12 of Franchise Agreement	6 and 11
p. Indemnification	19.C. of Franchise Agreement; 6 of Dealership Addendum; 12 of Service Level Agreement; 19 of Development Agreement	13
q. Owner's participation/management/ staffing	6.E. and 6.L. of Franchise Agreement; 7 of Development Agreement	11 and 15
r. Records/reports	3, 6 and 11 of Franchise Agreement; 8.0 of Service Level Agreement	11
s. Inspections and audits	6.F., 7.F. and 11.D. of Franchise Agreement	6 and 11
t. Transfer	14 and Exhibit D of Franchise Agreement; 2.5 of Service Level Agreement; 13 and 14 of Development Agreement	17
u. Renewal	2 of Franchise Agreement	17
v. Post-termination obligations	16 of Franchise Agreement	17
w. Non-competition covenants	10 and 16.I. of Franchise Agreement; 11 of Development Agreement	17
x. Dispute resolution	23.G. and 23.L. of Franchise Agreement; 15 of Service Level Agreement; 9.3 of Security Agreement; 21 of Development Agreement	17

ITEM 10

FINANCING

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

ITEM 11

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

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

As noted in Item 1, we have entered into a management agreement with Driven Brands for the provision of support and services to CARSTAR franchisees. Driven Brands may delegate certain of these responsibilities to CSI, Driven Brands Shared Services or other affiliates.

However, we remain responsible for all of the support and services required under the Franchise Agreement and the Development Agreement.

Pre-Opening Assistance

Before you begin operating the Facility, we or another representative we authorize will:

1. Site Selection. We will approve or disapprove the site you select for your Facility. If you are purchasing a new automobile collision repair facility at which to establish a CARSTAR Facility, you must propose a location for the Facility within 270 days after the Franchise Agreement's effective date. Your proposed location must conform to our site selection guidelines and requirements. You must submit all information about the proposed location that we request, including a complete site analysis report. We have no obligation to consider a proposed location until we receive all requested information. You may not sign any lease or purchase agreement for, or commit to any other binding obligation to purchase, occupy or improve, any proposed location until we have approved the location. In approving or disapproving any proposed location, we will consider the factors we consider relevant, including general location, neighborhood and the distance to any other CARSTAR Facility. We will have no liability whatsoever to you or anyone else for disapproving a proposed location. Our approval of the location merely signifies that we authorize you to operate a CARSTAR Facility at the location. If we and you are unable to mutually agree on a location for the Facility within 270 days after the Franchise Agreement's effective date, we may terminate the Franchise Agreement (New Development Addendum, Section 2.A.).

2. Lease Approval. If you are purchasing a new automobile collision repair facility at which to establish a CARSTAR Facility, we have the right to approve the terms of any lease, sublease or purchase contract for the Facility's location. You must deliver a copy of the lease, sublease or purchase contract to us for approval before you sign the lease, sublease or purchase contract. Any lease or sublease must be in a form and substance we approve and: (a) provide for notice of your default under the lease or sublease and an opportunity for us to cure the default; (b) require the lessor or sublessor to disclose to us, at our request, sales and other information you provided to the sublessor or lessor; (c) give us the right upon termination or expiration of the Franchise Agreement to assume the lease or sublease or to enter into a further sublease for a period of not less than 12 months and not more than 18 months (the "Interim Sublease"), without the lessor's or sublessor's consent; (d) give us the right to enter the Facility's premises to make any modifications to the Facility to protect our rights to the Licensed Marks; (e) provide that the lessor and/or sublessor relinquish to us any lien or other ownership interest in and to any tangible property that embodies any of the Licensed Marks when the Franchise Agreement terminates or expires; (f) give us the right to assign the lease or sublease to a successor CARSTAR franchisee; and (g) include an acknowledgment by the lessor and/or sublessor that we have no liability or obligation whatsoever under the lease or sublease until and unless we assume the lease or sublease on termination or expiration of the Franchise Agreement or enter into the Interim Sublease.

We do not, by virtue of approving the lease, sublease or purchase contact, assume any liability or responsibility to you or to any third parties. You must deliver a copy of the fully signed lease, sublease or purchase contract to us within 5 days after you sign the lease, sublease or purchase contract. If for any reason you fail to lease or purchase the Facility's premises within 1 year after the Franchise Agreement's effective date, the Franchise Agreement will terminate without notice. (However, if we determine that you are actively looking to lease or purchase the premises to be used in the operation of the Facility, we may extend the deadline to secure the premises if you submit a written request along with any other information we require.) (New Development Addendum, Section 3.A.)

If your Facility is a conversion CARSTAR Facility, and during the Franchise Agreement's term you enter into a new lease, sublease, or purchase agreement for the Facility's location, you also must provide us for our review and approval a copy of the proposed lease, sublease or purchase contract for the Facility's location (Franchise Agreement, Section 1.B.).

3. EDGE Integration. If your Facility is a conversion CARSTAR Facility, your Facility will immediately begin operating as a CARSTAR Facility upon the Franchise Agreement's effective date, and you should complete EDGE Integration, CARSTAR's onboarding and coaching by representatives from the franchise services, operations, training, marketing, technology, and procurement departments ("EDGE Integration Team") (Franchise Agreement, Section 7.A.) within the EDGE Integration Period (Franchise Agreement, Section 5).

CARSTAR will provide you with an EDGE Integration outline for remote and on-site coaching from the EDGE Integration Team. If your Facility is a new CARSTAR Facility, you may wish to complete EDGE Integration simultaneously with the construction of the Facility in order to begin operating as a CARSTAR Facility when you are ready to open for business.

As stated in Items 5 and 7, in connection with EDGE Integration, you must pay us an Integration Fee in the amount of $10,000; however, if you are an existing CARSTAR franchisee and you commit to develop an additional CARSTAR Facility (under the Development Agreement or otherwise), you will not be required to pay us the Integration Fee for that Facility (Franchise Agreement, Section 3.B.).

The typical length of time between the time you sign your Franchise Agreement and completion of EDGE Integration for the Facility is approximately 11 weeks, but the precise timing depends on the time it takes you to locate an approved site and sign an approved lease (if applicable); the EDGE Integration schedule; obtaining financing and insurance; and installation of the required business management system.

CARSTAR provides the following assistance, services and other items before completion of EDGE Integration for the Facility:

A. The orientation/training program (Franchise Agreement, Section 7.B.) offered one to two times each year in Charlotte, North Carolina or another

location CARSTAR designates which you or your general manager (if you are an entity) must attend and successfully complete;

B. A $1,000 credit to use with CARSTAR's designated and approved vendor for your interior and exterior imaging branding kits, $500 of which you must use for interior branding and the remaining $500 of which you must use for exterior branding (Franchise Agreement, Sections 5.A.(2) and 6.C.);

C. Within 30 days after the Franchise Agreement's effective date, provide your designated training administrator access to Collision University (Franchise Agreement, Sections 5.A. and 9);

D. Reviewing a copy of your insurance certificate submitted in compliance with Section 13.C. of the Franchise Agreement;

E. Training in using your CARSTAR fictitious name in your telephone greeting (Franchise Agreement, Section 5.A.);

F. Training in submitting required monthly financial reports (Franchise Agreement, Section 5.A.);

G. Ensuring your compliance with EDGE Integration requirements and completion of other work and improvements required to bring the Facility to acceptable standards (Franchise Agreement, Section 5.A.); and

H. Implementing the CARSTAR Solution® (Franchise Agreement, Section 9).

CARSTAR may decide to conduct an on-site inspection of the Facility, in which event the Facility will not be considered completed until CARSTAR has completed the inspection and approved the Facility (Franchise Agreement, Section 6.F.). You must complete all work required according to CARSTAR's standards and specifications to complete EDGE Integration before you can participate in certain CARSTAR programs (Franchise Agreement, Section 5.A.).

Except as stated above, neither CARSTAR nor any affiliate is obligated to provide any other supervision, assistance, or services before you complete EDGE Integration for your Facility.

4. If you sign a Development Agreement, for each CARSTAR Facility developed under the Development Agreement, we will review and approve in writing or reject a completed site application for each proposed site and examine and approve or reject the lease for the proposed site (Development Agreement, Section 4).

Ongoing Assistance

During your operation of your Facility, we or another representative we authorize will:

1. Provide continuing consultation and advisory assistance and serve as an informational resource to you in the management and operation of the Facility, as CARSTAR considers appropriate (Franchise Agreement, Section 7.C.);

2. Provide, subject to qualifications, EDGE Performance Group (EPG) Meetings for the purpose of allowing franchisees to review operations, procedures, management practices and cost efficiencies (Franchise Agreement, Section 7.D.);

3. Establish training requirements and a list of pre-approved courses, programs and other educational resources (Franchise Agreement, Section 7.E.);

4. Conduct periodic inspections of the Facility, as CARSTAR considers appropriate (Franchise Agreement, Section 7.F.);

5. Maintain a CARSTAR website for the purpose of marketing the System and provide assistance to you in the development of an approved webpage for the Facility within the CARSTAR.com domain. You may not create and maintain your own website(s) for the Facility. We will create and maintain the webpage for the Facility to ensure it is consistent with our standards. We reserve all rights to online listings. You must cooperate in our attempts to gain access to and control of directory listings for the purposes of maintaining a competitive search engine ranking, through consistent representation of the business name and information. We must approve all content posted on local sites (Franchise Agreement, Section 7.G.);

6. Administer the Limited Lifetime Nationwide Warranty program and maintain a telephone number available to the Facility for use by your customers in connection with customer referrals, questions, comments and complaints (Franchise Agreement, Section 7.H.);

7. Assist with submitting applications on behalf of a pre-certified CARSTAR Facility for participation in CMIPs' DRPs or PBAs (Franchise Agreement, Section 6.N.);

8. At your request, provide assistance in the development and implementation of an annual local marketing plan (Franchise Agreement, Section 12.A.); and

9. If you sign the Development Agreement, during the term of the Development Agreement, grant you franchises for CARSTAR Facilities if we approve your completed site applications in writing. For each CARSTAR Facility, you must sign our then-current form of franchise agreement and related documents (the terms of which may differ substantially from those in the Franchise Agreement attached to this disclosure document, except for the amount of the initial franchise fee (which will be $10,000 for each applicable CARSTAR Facility, as detailed in Item 5)) (Development Agreement, Sections 4 and 5). (The Development Schedule will dictate the respective deadlines by

which you (or your approved affiliate) must sign a purchase agreement, lease, or sublease for the premises for, sign the franchise agreement for, and open each CARSTAR Facility.)

Marketing and Promotion

Insurance and Marketing Fund

CARSTAR has established an insurance and marketing fund, currently known as the "IMF," for advertising and marketing the CARSTAR System (Franchise Agreement, Section 12.B.). You must pay CARSTAR, on a monthly basis, a non-refundable Insurance and Marketing Fund Fee. The Insurance and Marketing Fund Fee is currently the greater of $500 or 1% of your Facility's monthly Gross Sales. If you (1) are not in compliance with the IMF Guidelines, (2) fail to maintain CARSTAR's interior and exterior image program, or (3) fail to timely submit monthly fee reports, we will provide you a notice of non-compliance, and you must pay a maximum Insurance and Marketing Fund Fee of 1.5% of your Facility's monthly Gross Sales until you comply with the requirements. We may increase or decrease the Insurance and Marketing Fund Fee and/or the maximum Insurance and Marketing Fund Fee on 90 days' prior written notice to you; however, we will not increase either the Insurance and Marketing Fund Fee or maximum Insurance and Marketing Fund Fee by more than 1% of Gross Sales in any 12-month period. Any CARSTAR Facilities owned by us or our affiliates will contribute to the IMF on the same basis as franchisees.

CARSTAR administers the IMF and directs all programs of the IMF, with sole discretion over the concepts, materials, and media used in these programs and their placement and allocation. The IMF is intended to maximize general public recognition, acceptance and use of the System. CARSTAR is not obligated to make expenditures for you which are equivalent or proportionate to your contribution, to conduct any advertising within your market area or to ensure that you or any other particular franchisee benefit directly or pro-rata from expenditures by the IMF.

The IMF, all contributions to it, and any earnings on it, are used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, insurance liaisons and program implementers, and any other activities which CARSTAR believes will enhance the image of the System, including the costs of preparing and conducting media advertising campaigns; website development; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist in the above; purchasing promotional items; and providing promotional and other marketing materials and services to the businesses operating under the System. We may receive discounts or commissions from the placement of advertising; the average discount or commission, according to industry standards, is approximately 15% of the media buy. These amounts may be used, in whole or in part, to support the IMF's marketing initiatives, and to cover the cost of administering and creating the advertising programs for the IMF.

The IMF is not our asset and is not a trust. We have a contractual obligation to hold the funds for the benefit of contributors and to use the funds for their permitted purposes. We have no fiduciary obligation to you for administering the IMF. All sums you and other franchisees pay to the IMF are accounted for separately from CARSTAR's other funds and are not used to defray

any of CARSTAR's expenses, except for reasonable costs and overhead CARSTAR incurs in activities reasonably related to the direction and implementation of the IMF and advertising programs for franchisees and the System, including costs of personnel, reasonable travel expenses as they relate to the insurance relations or national advertising efforts, or for creating and implementing advertising, promotional, and marketing programs. The IMF is included in CARSTAR's annual audited financial statements. CARSTAR will provide you, upon written request, a written summary of receipts and disbursements of the IMF.

During 2023, 30% of the IMF was spent on national advertising, marketing and insurance relationships, including production of advertisements and other promotional materials, public relations and other expenses, including insurance marketing, taxes and other events, 58% of the IMF was spent on employee compensation, transportation, meals, and lodging expenses associated with marketing efforts, and 12% of the IMF was spent on general and administrative expenses.

Local Advertising

In addition to the contributions to the IMF, you must spend for local advertising and promotion of the Facility (excluding discounts, coupon redemptions and the cost of products or services given without charge) not less than 2% of the Gross Sales of the Facility each month. You must use the Licensed Marks in all advertising, marketing and promotional materials, and submit all materials to us for approval before you use them. Your submission of the advertising to us for our approval will not affect your discretion over the prices at which you offer and sell your products or services (Franchise Agreement, Section 12.C.).

Business Groups

If, and so long as, your Facility is located within a market area we designate as a business group ("Business Group"), you must be a member of a Business Group, abide by the CARSTAR Business Group Manual, and pay the non-refundable Business Group fee, if any, as established by the Business Group, to the Business Group (Franchise Agreement, Section 12.D.). A copy of the standard CARSTAR By-Laws for the Business Groups is attached to this disclosure document as Exhibit F. The members of the group and their elected officers are responsible for administration of the Business Group. The Business Group will have the discretion to determine the amount and frequency of financial contributions to the Business Group and will be responsible for the Business Group's operations; however, any financial contributions required of franchisees will be calculated on a percentage basis (percentage of Gross Sales), with the percentage not to exceed 2% of Gross Sales. If you are opening a new CARSTAR Facility or sign a Franchise Agreement for an additional CARSTAR Facility, the monthly Business Group Fee for the first 6 months of operation is waived. (The 6-month waiver of contributions will not apply if you are signing the Franchise Agreement in connection with the renewal of your franchise rights.) We will credit your contributions to the Business Group against your obligation to spend 2% of Gross Sales on local advertising. The Business Group is responsible for preparing monthly written financial statements and making those statements available to all franchisees in that Business Group. CARSTAR has the power to form, dissolve or merge Business Groups in its sole discretion.

Advertising conducted by the IMF and the Business Groups may be disseminated in print, radio, digital or television. Advertising for the IMF is prepared by CARSTAR and a regional or national advertising agency. The advertising agency may be changed by CARSTAR, in which event the franchisees will be notified of the new advertising agency at that time. Advertising for Business Groups is prepared by CARSTAR and corporately approved agencies. In any fiscal year, an amount greater or less than the aggregate contributions to the IMF in that year may be spent. For both the IMF and the Business Groups, funds not spent in the current fiscal year are carried forward and spent in the next fiscal year. Any deficits incurred in any fiscal year will be reimbursed first from contributions during the following fiscal year (Franchise Agreement, Section 12.B.). Neither the IMF nor the Business Groups use any funds for advertising that are principally a solicitation for the sale of franchises.

You may develop advertising materials for your own use, at your own cost; however, CARSTAR must approve the advertising materials in writing before you use them. CARSTAR may use and adapt for the System, for use by all franchisees, any marketing material you develop without payment or compensation to you (Franchise Agreement, Section 12.A.). There currently are no franchisee advertising councils that advise us on advertising and marketing policies and programs.

Computer Hardware and Software

Mitchell is currently a CARSTAR preferred provider of business management systems. CCC is currently a CARSTAR approved provider of business management systems. Both Mitchell and CCC are providers of the CARSTAR Solution® embedded in Mitchell's MRC product and the CCC One Innovate product which permits CARSTAR's access and transmission of data that is critical to the analysis of your business operation and assists CARSTAR in its consultations with you, as well as allows CARSTAR to leverage the results of all CARSTAR Facilities. You must sign either a Mitchell End User License Agreement for a 60-month term or a CCC Automotive Services Master License Agreement for a term that is aligned with CARSTAR's master agreement with CCC. You must install the CARSTAR Solution® software during EDGE Integration and use it throughout the Franchise Agreement's term. (See Exhibit K for Mitchell's End User License Agreement and Exhibit L for CCC's Automotive Services Master License Agreement.)

The CARSTAR Solution® is provided to you at a significant discount from retail prices. There is a $3,450 charge for set-up of the CARSTAR Solution® and the 3-day on-site training provided by Mitchell related to the CARSTAR Solution® used with CCC One Perform. There is a one-time $1,800 charge for implementation of the CARSTAR Solution® and CCC's 2-day on-site training with CCC One Innovate for new installations (discounted to $495 for implementation only). You must select one of the 2 approved options, CCC One Perform with MRC or CCC One Innovate, of purchasing management and estimation systems. CARSTAR has negotiated with Mitchell to obtain discounted monthly fees for the CARSTAR Solution® used with CCC One Perform. The discounted price for CCC One Perform used with Mitchell's MRC product, which includes all products except CCC One Innovate, is $1,295 per month for unlimited users. CARSTAR also has negotiated with CCC to obtain discounted monthly fees for the CARSTAR

Solution® used with CCC One Innovate. The discounted price for CCC One Innovate is $1,545 per month, plus tax, for unlimited users.

You also must purchase and use the current version of either QuickBooks or other accounting package that we approve and is supported by the key software vendors in connection with the operation of the Facility. Additional required software includes, to the extent not included in your management system software, the following: CCC Update Promise, Microsoft® Windows, and CCC Perform Estimating software (along with high bandwidth business class Internet service (cable/DSL/T1/etc.)). Some insurance companies may also require additional estimating software to be eligible to participate in their DRPs or PBAs to ensure the highest level of productivity. You are responsible for the cost of acquiring this additional software if you wish to participate in these programs.

Industry standards are constantly changing, which affects the price of the software and hardware to run the software solutions. Due to the rapidly changing technology, if you have any concerns regarding what hardware specifications are needed to support the software systems, you should contact the CARSTAR corporate office to verify this information before you acquire any software or hardware. You may purchase the hardware and most software from any supplier so long as it meets our specifications. CARSTAR may assist by offering our favorable purchasing relationships with major hardware vendors.

You may be required to upgrade or update your computer system and software. The cost of the upgrade will vary depending on the suppliers from which you purchase the hardware and software but generally will be in a range of $2,000 to $10,000, depending on the number of workstations you have in your Facility and the configuration you choose. There is no limitation on the frequency and cost of this obligation. The number of workstations needed for your Facility will vary depending on the size of your staff and the size of your Facility.

We will have unlimited, independent access to all information and data generated and stored in the Facility's business management system (including Customer Data (defined in Item 14)). We and our affiliates may use this information and data, together with any records and reports that you are required to provide to us under the Franchise Agreement, for any purpose and in any form as we and they periodically determine, including to conduct marketing and cross-promotional campaigns and to compile on an aggregated basis statistical and performance information relating to our (or our affiliates') services and products, CARSTAR Facilities, and/or other automotive businesses franchised and owned by us and our affiliates.

Training

Within 30 days after your Franchise Agreement's effective date, CARSTAR will provide your designated training administrator access to Collision University. The training administrator is most often your Facility's owner; however, another individual may be given proxy rights to manage your learning platform. Your Facility's Collision University site is managed by your training administrator who will be responsible for adding/deleting "users" and monitoring training

completion by your staff according to the CARSTAR EDGE Operations Platform. CARSTAR's Education & Training Team will provide technical support and guidance.

You or your general manager (if you are an entity) must attend the initial orientation training program provided by CARSTAR. This training is offered one to two times a year in Charlotte, North Carolina, or another location CARSTAR designates. The training program includes discussions on operation standards, CARSTAR Facility image, purchasing procedures, vendor training, productivity reporting, communications with CARSTAR and other matters (Franchise Agreement, Section 7.B.). CARSTAR provides literature and materials (Franchise Agreement, Section 7.A.). CARSTAR does not charge a fee for this program, but you must pay all traveling and lodging expenses for you or your general manager attending the program. Attendance at this initial orientation training program is a mandatory requirement for you to complete EDGE Integration (Franchise Agreement, Section 5.A.(8)). The classroom portion of the initial orientation training program is approximately 2.5 days in length, and the on-the-job portion of the initial orientation training program is approximately one day in length. Typically, there will be a lag between the classroom portion and the on-the-job portion of the initial orientation training program. Our primary instruction is through lecture, hands-on training, and instructional materials prepared specifically for our training program.

The initial orientation training program consists of the following:

TRAINING PROGRAM

Column 1 **Subject**	**Column 2** **Hours of Classroom Training**	**Column 3** **Hours of On-The-Job Training**	**Column 4** **Location**
Day 1: Training with each CARSTAR Department (Insurance Analytics, Marketing & Branding, Finance, Development/Growth, Procurement)	8	0	Charlotte, North Carolina or another location we designate
Day 2: EDGE Operations Platform Overview and Preferred Vendor Training	8	0	Charlotte, North Carolina or another location we designate
Day 3: Kickoff and Onboarding Session	0	1-2	Currently, via video conferencing, but, typically, your Facility
Day 3: Employee Orientation	0	1-2	Currently, via video conferencing, but, typically, your Facility
Day 3: DRP Readiness Evaluation and Discussion	0	1-2	Currently, via video conferencing, but, typically, your Facility
Total	16	3-6	

Lesa Laird, Vice President of Franchise Services, Collision for Driven Brands, oversees our training program. Ms. Laird has been Vice President of Franchise Services, Collision for Driven Brands since January 2021 and has 14 years of training and supervisory experience with us and our affiliate in the auto collision repair industry.

You and your Facility employees are required to successfully complete Collision University online courses listed in the "EDGE Integration – Store Visit Guide" within the EDGE Integration Period (Franchise Agreement, Section 5.A.). You must pay a $299 training fee on January 15th each year in part for the technology/license fees and in part for the development of the content (development of courses and customized forms and templates). There are investments in the content development software that allow CARSTAR Facilities to manage their own users, offer online training to all their employees and manage training reports. The license allows for an unlimited number of users.

Also, depending on your experience and knowledge, we may require you and/or your personnel to participate in additional training (Franchise Agreement, Section 7.E.). We consider many factors in determining whether to require you to attend additional training, including: (a) the length of time since you completed the initial orientation training program; (b) the existence of new procedures, processes or technology in the System; and (c) your performance. Additional training may also be necessary in order to meet requirements established by an insurance company in order to participate in particular programs. You must pay any applicable fees and costs for the training (although, currently, we do not charge a fee for any ongoing training that we may provide, except for access to web-based training, as described above) and any travel and lodging costs. Any tuition fee charged by CARSTAR or its affiliates for training programs will be comparable to fees charged by third parties for similar programs. If we require additional training, we will provide 60 days written notice of the training that must be completed.

After you sign the Franchise Agreement, CARSTAR provides you access to one electronic copy of its Operations Playbook through Collision University. The Operations Playbook contains approximately 144 pages, and its Table of Contents is attached at Exhibit J.

ITEM 12

TERRITORY

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

Franchise Agreement

You may operate a franchised CARSTAR Facility only at the location specified in the Franchise Agreement. Subject to your compliance with the Franchise Agreement and any other agreement we or our affiliates may have with you, and except as stated below, during the Franchise Agreement's term we will not establish another CARSTAR Facility within a one-mile radius of your Facility (the "Protected Area"). CARSTAR reserves the right to impose certain marketing,

sales or promotional restrictions in regard to certain larger corporate customers, including insurance companies, fleet accounts and rental car companies. These restrictions will be based on the need to have a focused and coordinated marketing effort with larger prospective clients on behalf of many CARSTAR Facilities, and the ability of any individual CARSTAR Facility or Business Group to adequately service and cooperate with any insurance, fleet, or other established programs.

You are not permitted to relocate the Facility unless CARSTAR approves the new location. If, as a result of the governmental exercise of the power of eminent domain, or a fire or other casualty, not of your fault, you must cease doing business at the Facility, lose the right to possession of the Facility, or otherwise forfeit the right to operate the Facility at the approved location, CARSTAR will not unreasonably withhold its approval to relocate or reconstruct the Facility. In any other event, CARSTAR may withhold its approval for relocation of the Facility for any or no reason.

You have no right to acquire additional franchises under any option, right of first refusal, or other right (unless you sign a Development Agreement (as described below)). There are no restrictions on your soliciting and accepting orders from customers located outside your Protected Area. You must honor valid customer claims presented under any Limited Lifetime Nationwide Warranty issued by other franchisees or our affiliate and perform the warranty work without charge to the customer after receiving written authorization. You may not use other channels of distribution, such as the Internet, to make sales or advertise the Facility.

CARSTAR (on behalf of itself and its affiliates) reserves the right, in its sole discretion and without granting any rights to you, to:

1. Establish and operate, and grant other persons the right to establish and operate, CARSTAR Facilities at locations and on terms we consider appropriate outside the Protected Area;

2. Offer services and products authorized for CARSTAR Facilities under the Licensed Marks or under other trademarks, service marks and commercial symbols through dissimilar channels of distribution and under the terms we consider appropriate within and outside the Protected Area, including by electronic means such as the Internet and on websites we develop;

3. Advertise the System on the Internet, and to operate, maintain and modify or discontinue the use of a website using the Licensed Marks;

4. Establish and operate, and license others to establish and operate, businesses under other systems, using other proprietary marks, which offer or sell other products and/or services, either within or outside the Protected Area, including businesses that compete with you and the Facility;

5. Acquire and/or operate competing franchise systems with outlets within the Protected Area;

6. Establish new programs with insurance companies that provide preferred status to franchisees operating within the System, conditioned upon compliance with certain requirements established by CARSTAR, and may result in changing, modifying or terminating your existing contractual relationships with those companies; and

7. Sell the System to a competing business or acquire competing franchise systems.

We are not required to pay you if we exercise any of the rights specified above inside the Protected Area.

Development Agreement

If you wish to enter into a Development Agreement, you must commit to developing 10 or more CARSTAR Facilities within the Development Area. We and you will identify the Development Area in the Development Agreement before signing it. Sizes and boundaries for Development Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of CARSTAR Facilities that you agree to develop, demographics, and site availability. There is no minimum size for Development Areas. We will describe the Development Area using county boundaries. We and you will determine the Development Schedule specifying the number of CARSTAR Facilities that you must develop to keep your development rights and, for each applicable CARSTAR Facility, the dates by which you must sign the purchase agreement, lease, or sublease, sign the then-current franchise agreement, and open the CARSTAR Facility. We and you then will complete the Development Schedule in the Development Agreement before signing it. Your acquisition from another franchisee or us of an existing CARSTAR Facility located in the Development Area, or a CARSTAR Facility located in the Development Area that has been closed for fewer than 12 months, will not be considered a new CARSTAR Facility and, consequently, will not count toward your development obligations under the Development Schedule.

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

the Development Agreement terminates or expires, we and our affiliates may license others to establish and/or operate CARSTAR Facilities in the Development Area. If the Development Agreement terminates, however, you may complete and open a CARSTAR Facility for which a franchise agreement has been fully signed and delivered to you prior to termination.

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

Other Businesses

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

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ITEM 13

TRADEMARKS

You may use certain Licensed Marks in operating the Facility. CSI registered the following principal Licensed Marks on the Principal Register of the United States Patent and Trademark Office (the "USPTO"). As noted in Item 1, we became the owner of these Licensed Marks in May 2016.

Licensed Mark	Registration Date	Registration Number
CARSTAR	October 30, 1990	1,620,391
	December 14, 2004	2,910,275
Relax, We'll Take It From Here.®	April 7, 2009	3,601,338
	August 19, 2014	4,587,468

All required affidavits and renewals have been filed. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding or material litigation involving the Licensed Marks. There are no agreements currently in effect which significantly limit the right of CARSTAR to use or license the use of the Licensed Marks which are in any manner material to you. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Licensed Marks in any state.

You may use the Licensed Marks only in the manner authorized and permitted by CARSTAR and only in the operation of the Facility. We require you to include "CARSTAR" in your fictitious name as the first word. You may not use the name of any state or, if applicable, the name of Automaker, in your fictitious name used in connection with the operation of the Facility. You may not use the Licensed Marks as part of your corporate or other legal name or as a domain name on the Internet.

CARSTAR is the lawful and sole owner of the domain names "CARSTAR.com" and "CARSTARfranchise.com." You may not register any of the Licensed Marks owned by

CARSTAR or any abbreviation, acronym or variation of the Licensed Marks, or any other confusingly similar name, as Internet domain names, including generic and country code top level domain names. Except as we may authorize in writing, you may not: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the Internet; or (iii) create or register any Internet domain name in connection with your CARSTAR franchise.

You may not use the Licensed Marks to enter into any agreement or incur any indebtedness on our behalf. You must sign any documents we or our counsel consider necessary to protect the Licensed Marks or to maintain their continued validity and enforceability. You may not contest, directly or indirectly, the validity of the ownership of the Licensed Marks or domain name, and the use of the Licensed Marks or domain name will not give you any ownership or other interest in or to the Licensed Marks or domain name. You must disclaim any interest in or to the Licensed Marks or domain name, except the non-exclusive license granted to you in the Franchise Agreement. You may not register or attempt to register any of the Licensed Marks under the laws of any state or country during the Franchise Agreement's term or at any time subsequent to its termination.

We will take all steps reasonably necessary to preserve and protect the ownership and validity of the Licensed Marks (except to the extent we have determined to modify or discontinue use of any Licensed Mark). We are not obligated, however, to protect you against any claim of infringement or of unfair competition with respect to any Licensed Mark. Nonetheless, it may be in our best interests to do so and, if we undertake any action, you must provide any assistance in the litigation as our counsel may request. If litigation involving a Licensed Mark is instituted or threatened against you, you must promptly notify us and cooperate fully in defending or settling the litigation.

If it becomes advisable at any time for us to modify, discontinue using and/or use one or more additional or substitute Licensed Marks, you are obligated to do so within a reasonable time after receiving notice. The Franchise Agreement does not provide for compensation to you for any costs of changing from or to any Licensed Mark.

You may not take any action with regard to any possible infringement or misuse of any Licensed Mark, unless we authorize you to do so. You must promptly notify CARSTAR of any possible infringement or misuse of any Licensed Mark or any other of CARSTAR's trademarks, including use on the Internet. We will take the action we think appropriate. We are not required to defend you against a claim against you from your use of our Licensed Marks or other trademarks. You must cooperate with CARSTAR in the defense or prosecution of any litigation involving the Licensed Marks. We will reimburse you for your costs in taking any action we request.

You must modify or discontinue use of a Licensed Mark if we advise you to do so. We are not required to reimburse you for your expenses in modifying or discontinuing your use of the Licensed Marks.

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

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered or patent applications pending that are material to the franchise, although we and our affiliates claim copyrights in the training materials, advertising, and other documents used in connection with the offer, sale and operation of CARSTAR franchises. Any material provided to you for use with the Facility and which bears the copyright notice may be reproduced and used only if you receive CARSTAR's prior written approval and the copyright notice is included on each and every copy.

There currently are no effective adverse determinations of the USPTO, the United States Copyright Office, or any court regarding our copyrighted materials. There are no agreements currently in effect that significantly limit the rights of CARSTAR to use or license the use of any copyrights in any manner material to you. We do not actually know of any infringing uses of our copyrights that could materially affect your use of our copyrighted materials in any state.

Although you are not obligated to do so, you should notify CARSTAR of any possible infringement, misuse, or other rights or claims of or to the copyrights. CARSTAR is not obligated to take any action if it becomes aware of any infringement or misuse or to participate in your defense or indemnify you against infringement or other claims respecting your use of the copyrights.

If it becomes advisable at any time for us to modify, discontinue using and/or use one or more additional or substitute copyrighted materials, you are obligated to do so within a reasonable time after receiving notice. The Franchise Agreement does not provide for compensation to you for any costs of changing any copyrighted material.

You will receive one electronic copy of our then-current operational manual on loan from CARSTAR for the term of the Franchise Agreement, which may consist of one or more handbooks or manuals available on Collision University (collectively, the "Operations Playbook"). You must at all times treat the Operations Playbook, and other materials created for use in the franchise operation, including any supplements and revisions, as confidential and must use all reasonable efforts to maintain the information as secret and confidential. The Operations Playbook and other materials will remain the sole property of CARSTAR at all times. CARSTAR may periodically revise the contents of the Operations Playbook, and you must comply with each new or changed standard. You must ensure that your copies of the Operations Playbook and other materials are kept current and up to date. If there is any dispute concerning the contents of any prescribed manual, the terms of the master copy of the prescribed manual that CARSTAR maintains will control.

We will disclose certain Confidential Information to you, including in providing the initial orientation training program, the Operations Playbook and in guidance provided to you during the Franchise Agreement's term. "Confidential Information" includes the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of a CARSTAR Facility, including all data and other information

generated by, or used or developed in, operating a CARSTAR Facility, including Customer Data. You must: (1) not use the Confidential Information in any other business or capacity; (2) maintain the absolute confidentiality of the Confidential Information during and after the Franchise Agreement's term; (3) not make unauthorized copies of any portion of the Confidential Information; and (4) adopt and implement all reasonable procedures we prescribe to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosures to employees of the Facility. You may disclose Confidential Information only to those of your employees who must have access to it in order to operate the Facility under the System.

If you conceive or develop any improvements or additions to the System or any documents or information related to the System or any new trade names, trademarks, copyrights, patents, inventions, or service marks or other commercial symbols or promotional ideas related to the System or any new or useful inventions whether or not patentable or any copyrightable material related to the System (collectively, the "Improvements"), you must disclose the Improvements to us and obtain our written approval prior to using the Improvements. You must assign any rights related to the Improvements to us, including the right to grant sublicenses to any Improvement and the right to patent, register the copyrights, and register the trademarks. We may apply for intellectual property protection for the Improvements, and the Improvements will be our property. In return, we will authorize you to use any Improvements that may be developed by other CARSTAR franchisees and CARSTAR Facilities which are authorized generally for use by other CARSTAR franchisees or CARSTAR Facilities. You must do all things necessary to perfect title in the Improvements in CARSTAR.

We have the right to use and authorize other CARSTAR Facilities to use all ideas, concepts, methods and techniques relating to the development and/or operation of a CARSTAR Facility that you and/or your employees conceive or develop during the term of the Franchise Agreement.

You must comply with our System standards, our other directions, prevailing industry standards (including payment card industry data security standards), and all applicable laws and regulations regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Data on your business management system or in your possession or control. You also must employ reasonable means to safeguard the confidentiality and security of Customer Data. "Customer Data" means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to the Facility's customers and prospective customers. If there is a suspected or actual breach of security or unauthorized access involving your Customer Data (a "Data Security Incident"), you must notify us immediately after becoming aware of it and specify the extent to which Customer Data was compromised or disclosed. You must comply with our instructions in responding to any Data Security Incident. We and our designated affiliates have the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at your expense.

During and after the Franchise Agreement's term, we and our affiliates may make all disclosures and use the Customer Data in our and their business activities and in any manner that we or they consider necessary or appropriate. You must secure from your vendors, customers,

prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Data to us and our affiliates and for us and our affiliates to use that Customer Data in the manner that the Franchise Agreement contemplates.

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

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times retain and exercise management control over the Facility and its business. Your general manager (who may be you) or other managerial personnel must devote full time, energy, and best efforts to the management and operation of the Facility. The general manager or other managerial personnel need not have an equity interest in your business but must be a qualified individual who, before or within 6 months after assuming the management position, attends and successfully completes CARSTAR's initial orientation training program. CARSTAR must at all times be informed of the identity of the general manager or other managerial personnel and any marketing representative(s) for your Facility.

The general manager or other managerial personnel and marketing representatives must sign a Non-Disclosure Agreement (Exhibit C of the Franchise Agreement).

If you are an entity, your owners (direct and indirect) must personally guarantee timely and full payment and performance of all of your duties and obligations contained in the Franchise Agreement. This "Personal Guaranty and Assumption of Obligations" is attached to the Franchise Agreement following the signature page. Your owners' spouses are not required to personally guarantee your performance under the Franchise Agreement.

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

If you are an entity, each individual owner (direct and indirect) must sign a personal guaranty of your obligations under the Development Agreement. This "Guaranty and Assumption of Obligations" is attached to the Development Agreement as Exhibit C. Your owners' spouses are not required to personally guarantee your performance under the Development Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Facility may offer for sale only materials, supplies, equipment, products and services that display the Licensed Marks which we have approved for use or sale and which are produced

or provided by certain approved suppliers. You may not offer or sell at or from the Facility any products or services that we have not authorized. We periodically may change required and/or authorized products and services. There are no limits in the Franchise Agreement on our right to do so. We may require both your participation in certain marketing, sales or promotional restrictions in regard to certain larger corporate customers, including insurance companies, fleet accounts and rental car companies. You may operate your Facility only at the locations and/or in the areas we authorize.

You must provide the uniform Limited Lifetime Nationwide Warranty and may provide a Lifetime Warranty in compliance with the guidelines and procedures for each program (Franchise Agreement, Section 6.J.; Service Level Agreement, Section 7.0).

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	2 of Franchise Agreement; 2.1 of Service Level Agreement; 2 of Development Agreement	Franchise Agreement: 5 years. Service Level Agreement: The term expires, unless earlier terminated, on the date on which all of the master service agreements between us and/or our affiliates and our various insurance carrier customers expire or are terminated. Development Agreement: The Development Agreement expires on the earlier of the final opening deadline specified in the Development Schedule, or the date on which the last CARSTAR Facility required to be developed under the Development Agreement opens for business.
b. Renewal or extension of term	2 of Franchise Agreement	Franchise Agreement: If you are not in default under the Franchise Agreement and comply with the renewal provisions of the Franchise Agreement, you may renew the franchise for an additional term of 5 years. Development Agreement: There is no renewal or extension right under the Development Agreement.

Provision	Section in franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	2 of Franchise Agreement; 2.A. of Dealership Addendum	You must provide us with notice of your intent to renew at least 180 days before the expiration of the Franchise Agreement. You must have substantially complied with the Franchise Agreement and satisfied all monetary obligations and met our training and qualification requirements for new franchisees to be eligible for renewal. Any renewal will be subject to the execution of our then-current franchise agreement and, if applicable, our then-current form of dealership addendum, and a general release (if state law allows). We charge a $1,000 renewal processing fee. "Renewal" means signing our then-current franchise agreement, which may contain terms and conditions that are materially different from your Franchise Agreement. If you have not notified us you are not renewing but continue operating the Facility beyond the date your Franchise Agreement otherwise would have expired, you will continue to pay us the Monthly Franchise Fee, Insurance and Marketing Fund Fee, Central Review Fee, Total Loss Processing Fee (if applicable), and Call Center Fee (if applicable) during the "Extension Period," which will be no longer than 6 months. If you have not signed a renewal franchise agreement by the time the Extension Period expires, your Franchise Agreement will terminate.
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	15.A. and 15.B. of Franchise Agreement; 2.A of New Development Addendum; 2.3 to 2.6 of Service Level Agreement; Section 7 of Security Agreement; 8.B. of Development Agreement	We may terminate the Franchise Agreement, the Service Level Agreement, or the Development Agreement if you or your owners commit one of several violations specified in the applicable Agreement. If we and you cannot agree on a location for your Facility within 270 days after the date of your Franchise Agreement and the New Development Addendum, we can terminate the Franchise Agreement.

Provision	Section in franchise or other agreement	Summary
		If you default under the Security Agreement, we have all rights, options and remedies available to us under the Uniform Commercial Code (as adopted under applicable state law), as well as any other rights, options and remedies available at law or in equity, and have the right to seek the appointment of a receiver over you, your business, and/or its assets.
g. "Cause" defined-curable defaults	15.B. of Franchise Agreement; 2.3 of Service Level Agreement; 6 of Security Agreement; 8.B. and 9 of Development Agreement	Franchise Agreement: You have 30 days to cure for violation of any law or failure to meet standards of the System. You have 14 days to cure for failure to pay money when due or submit financial reports. Service Level Agreement: If you fail to perform any obligation under the Service Level Agreement, other than those mentioned in (h.) below, and fail to cure the default within 10 days after written notice from us, we will have the right to terminate the Service Level Agreement or remove you from one or more insurance programs, as determined by us in our sole discretion. Security Agreement: We have the right to terminate the Security Agreement if you fail to perform or observe the terms of the Security Agreement and do not cure the default within 30 days after written notice from us. Development Agreement: You have 30 days to cure defaults not listed in (h.) below. Without waiving our option to terminate the Development Agreement, upon your failure to meet your development obligations under the Development Schedule, in lieu of termination, we may, (1) reduce the number of CARSTAR Facilities stated in the Development Schedule; (2) withhold evaluation or approval of site proposal packages for new CARSTAR Facilities; (3) extend the Development Schedule; and/or (4) terminate any limited exclusive rights in the Development Area that you may have under the Development

Provision	Section in franchise or other agreement	Summary
		Agreement, without removing your obligation to maintain the Development Schedule.
h. "Cause" defined-non-curable defaults	15.A. of Franchise Agreement; 2.4 and 2.5 of Service Level Agreement; 6 of Security Agreement; 8.B. of Development Agreement	Franchise Agreement: Non-curable defaults include failure to complete conversion, cessation of business, threat or danger to public safety, conviction of felony, unapproved transfer, misuse of Licensed Marks, breach of confidentiality, failure to transfer upon death or mental incompetence, insolvency and repeated defaults even if cured. Service Level Agreement: Non-curable defaults include committing fraud of any kind; ceasing business; failure to comply with the carrier requirements or our requirements; lapse or revocation of any required license, permit, or certificate; bankruptcy or similar proceeding; default under and/or termination of any of your franchise agreements; and unauthorized transfer. With respect to the preceding non-curable defaults, except for an unauthorized transfer, in lieu of termination, we may suspend the Service Level Agreement. Security Agreement: Non-curable defaults include failure to completely and timely meet your payment obligations under the Franchise Agreement, materially incorrect or misleading representations in Security Agreement, financial statement or other document, notice of bulk sale of your Facility's assets, bankruptcy-related events, challenge validity or enforceability of Security Agreement or the perfection or priority of lien granted to us, and material adverse change in your financial condition or ability to make payments under the Franchise Agreement. Development Agreement: Non-curable defaults include failure to sign purchase agreement, lease, or sublease for any CARSTAR Facility by applicable secure deadline; failure to develop and open any CARSTAR Facility by applicable opening deadline; failure to have open and operating at

Provision	Section in franchise or other agreement	Summary
		least the cumulative number of new CARSTAR Facilities in the Development Area then required by the Development Schedule; termination of any franchise agreement between you (or any of your affiliates) and us by us; insolvency; bankruptcy-related events; conviction of or pleading no contest to a felony, a crime involving moral turpitude, or any other crime or offense that is likely to affect adversely the reputation and goodwill associated with the CARSTAR franchise system and the Licensed Marks; abandonment or failure to actively operate; violation of laws or regulations; unauthorized transfer; and violation of non-compete or confidentiality restrictions.
i. Franchisee's obligations on termination/non-renewal	16 of Franchise Agreement; 8.C. of Development Agreement	Franchise Agreement: Obligations include complete de-identification, payment of all amounts owed (including liquidated damages and a warranty "hold back" of 2% of the Facility's annual Gross Sales for a period not to exceed 24 months), cancellation of fictitious name, return of Operations Playbook. Development Agreement: Cease using Confidential Information and return confidential materials to us.
j. Assignment of contract by franchisor	14.J. of Franchise Agreement; 12 of Development Agreement	No restriction on our right to transfer.
k. "Transfer" by franchisee – defined	14.A. of Franchise Agreement; 2.5 of Service Level Agreement; 13 of Development Agreement	Franchise Agreement: Includes transfer of any interest in the franchise, the assets of the Facility, the business conducted at the Facility, or you. Service Level Agreement: Sale of all or substantially all of the assets of the Facility or your assets; merger or any other business combination of you and another person or entity; or any investment in you by a competitor of ours or one of our affiliates.

Provision	Section in franchise or other agreement	Summary
		Development Agreement: Includes transfer of any interest in the Development Agreement or transfer of any ownership in you.
l. Franchisor approval of transfer by franchisee	14.A. of Franchise Agreement; Section 2.5 of Service Level Agreement; 13 of Development Agreement	Franchise Agreement and Development Agreement: We have the right to approve all transfers but, under the Franchise Agreement, we will not unreasonably withhold approval. We will not consent to a transfer to a transferee if the transferee (or any of the transferee's direct or indirect owners or affiliates) operates, has an ownership interest in, or performs services for a Competitive Business (defined in (q.) below). If you terminate or attempt to terminate the Franchise Agreement to engage in a transfer that violates the preceding sentence, we will be entitled to injunctive relief prohibiting the transfer, which transfer will be void. Service Level Agreement: You must obtain our prior written consent for transfers.
m. Conditions for franchisor approval of transfer	14.A. and 14.B. of Franchise Agreement; 13 and 14 of Development Agreement	Franchise Agreement: Includes providing any prospective party to a transfer a copy of the Franchise Agreement, payment of monies owed, non-default, sign release, transferee qualification, execution of new franchise agreement, training arranged, and neither transferee nor any of its owners or affiliates operates, has an ownership interest in, or performs services for a Competitive Business. The transfer must occur through the use of an escrow or closing attorney, and the escrow or closing instructions will provide for payment of all fees to CARSTAR and a "hold back" of 2% of your annual Gross Sales for a period not to exceed 24 months to provide for correction of defects in your workmanship or for payment to the transferee of warrantied work you performed. There is no transfer fee. Development Agreement: You may only transfer the Development Agreement with a transfer of all CARSTAR Facilities that you (and, if applicable, your affiliates) own and operate.

Provision	Section in franchise or other agreement	Summary
		We will consent to the assignment of the Development Agreement to an entity that you form for convenience of ownership if the entity is newly formed; the entity has and will have no other business other than the development and operation of CARSTAR Facilities; you and the entity satisfy our then-current transfer conditions; you hold all equity interests in the entity or, if you are owned by multiple individuals, each owner's proportionate equity interest in the entity is the same as his/her equity interest in you pre-transfer; and you and the entity comply with the developer entity requirements in the Development Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	14.F. and Exhibit D of Franchise Agreement	During the Franchise Agreement's term and for the 6-month period following expiration or termination of the Franchise Agreement, we may match any third-party offer for the Facility assets, equity interest in you or interest in the franchise (as applicable). We may accept the offer within 90 days of our receipt of all required items if you receive the third-party offer during the term of the Franchise Agreement or during the 6-month period following expiration or termination of the Franchise Agreement and the proposed purchaser and its affiliates are not engaged in a Competitive Business or within 180 days of our receipt of all required information if you receive the third-party offer during the 6-month period following expiration or termination of the Franchise Agreement and the proposed purchaser and its affiliates are engaged in a Competitive Business. We may assign our right of first refusal.
o. Franchisor's option to purchase franchisee's business	14.E. and Exhibit D of Franchise Agreement	If you initiate or attempt to initiate a transfer to a Competitive Business (including an independent operator) during the Franchise Agreement's term, we will have the right for 90 days following our receipt of all required information to inform you that we intend to purchase the assets of the Facility at fair market value, excluding any goodwill, and obtain an assignment of the Facility lease or

Provision	Section in franchise or other agreement	Summary
		purchase on substantially the same terms and conditions as your proposed transfer. If the parties are unable to agree on the fair market value of the assets, the purchase price will be determined by an independent appraiser we select. If you or a related individual or entity own the Facility premises, we will have the option to enter into a lease with you for the premises. We may assign our purchase option.
p. Death or disability of franchisee	14.G. of Franchise Agreement	Franchise must be assigned to approved buyer or other party within 6 months.
q. Non-competition covenants during the term of the Franchise	10 of Franchise Agreement; 11.A. of Development Agreement	You are prohibited from owning or operating any Competitive Business or any business, enterprise, or activity competitive with a CARSTAR Facility. You may not divert or attempt to divert any business or customer of the Facility or Facilities to any competitor. A "Competitive Business" is any other automobile collision repair facility, or body shop, or paint shop; however, the following will not be considered Competitive Businesses or otherwise competitive with a CARSTAR Facility: (1) a CARSTAR Facility operated under a franchise agreement with us; or (2) another automotive business franchised by Driven Brands Holdings or its subsidiaries.
r. Non-competition covenants after the franchise is terminated or expires	16.I. of Franchise Agreement; 11.B. of Development Agreement	For 1 year after the applicable Agreement terminates or expires, no joining a chain or network of automobile collision repair facilities with more than 3 locations in North America (a "Competing MSO Network"). You may operate (or resume operation of, if you converted an existing automobile repair facility to a CARSTAR Facility) an independently owned and operated (non-branded) collision repair facility at the location immediately following expiration of the term of the applicable Agreement. A chain or network of automotive businesses franchised by Driven Brands Holdings or its

Provision	Section in franchise or other agreement	Summary
		subsidiaries will not be considered a Competing MSO Network.
s. Modification of the Agreement	22 of Franchise Agreement; Section 3.0 of Service Level Agreement; 9.1 of Security Agreement; 16 of Development Agreement	Franchise Agreement and Development Agreement: No modification unless in writing and signed by both parties. Service Level Agreement: We may modify, by providing you written notice, the list of our master service agreements with carriers and our requirements for participation in the insurance programs. Security Agreement: The Security Agreement can be waived, amended, terminated or discharged, and CARSTAR's security interest and liens can be released, only explicitly in a writing signed by CARSTAR, and, in the case of amendment, in a writing signed by you and CARSTAR.
t. Integration/Merger clause	22 of Franchise Agreement; 17 of Development Agreement	Only the applicable Agreement's terms are binding (subject to state law). Any representations or promises outside of the disclosure document and the applicable Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	23.L. of Franchise Agreement; 9.3 of Security Agreement; 21.I. of Development Agreement	Litigation in the District Court for Mecklenburg County, North Carolina, or, if it has or can acquire jurisdiction, in United States District Court for the Western District of North Carolina, sitting in Charlotte, North Carolina (subject to state law).
w. Choice of law	23.G. of Franchise Agreement; 9.4 of Security Agreement; 21.D. of Development Agreement	North Carolina law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

As noted in Item 1, Driven Brands is the parent company of CARSTAR, as well as several other automotive brands. Driven Brands is able to provide a number of benefits to the franchise brands it owns, namely buying power, national account business development, IT and business intelligence insights via big data, training and other operational efficiencies. For CARSTAR and its franchisees, the improved paint and materials costs and increase in insurance referral business are quantifiable. The financial performance representations in this Item 19 detail these benefits and how the association with Driven Brands has helped our franchisees.

A. Gross Sales and Key Performance Indicators

Part A of this financial performance representation reflects the historical average and historical median annual Gross Sales and certain key performance indicators ("KPIs") for certain franchised CARSTAR Facilities from January 1, 2023 through December 30, 2023 (the "2023 Fiscal Year"). The purpose of this financial performance representation is to illustrate to conversion franchisees and other prospects knowledgeable in the automotive repair business how CARSTAR and its relationship with Driven Brands has enabled operational efficiencies and sales growth for the whole CARSTAR franchise network.

Of the 455 total franchised CARSTAR Facilities open and operating as of the end of the 2023 Fiscal Year, we included the Gross Sales and KPI results of 394 CARSTAR Facilities and excluded the results of (i) 41 CARSTAR Facilities that opened during the 2023 Fiscal Year, and (ii) 20 CARSTAR Facilities that did not submit Gross Sales information for 1 or more months during the 2023 Fiscal Year. We also excluded the 32 CARSTAR Facilities that closed during the 2023 Fiscal Year (none of which operated for less than 12 months).

We separated the 394 CARSTAR Facilities included in Part A of this financial performance representation into the top performing 50% and bottom performing 50% based on average Gross Sales, with the top performing 50% reflecting the results of those CARSTAR Facilities with the highest average Gross Sales for the 2023 Fiscal Year, and the bottom performing 50% reflecting the results of those CARSTAR Facilities with the lowest average Gross Sales for the 2023 Fiscal Year. The 394 CARSTAR Facilities use the prototypical business format and operating procedures for a CARSTAR Facility that form the basis of the franchise opportunity that we offer in this disclosure document. These CARSTAR Facilities operate in metropolitan and suburban

locations within greater metropolitan areas of U.S. cities. These CARSTAR Facilities had operated for an average of 9 years as of the end of the 2023 Fiscal Year.

Gross Sales and KPIs	Bottom 50%	Top 50%	Median for all CARSTAR Facilities	Average for all CARSTAR Facilities	# Met/Exceeded Average	% Met/Exceeded Average
CARSTAR Facility Count	197	197	394	394		
Gross Sales	$1,669,798	$4,400,046	$2,553,366	$3,034,922	148	38%
PBAs	3.1	4.0	4.0	3.6	213	54%
DRPs	8.1	12.6	9.0	10.4	172	44%

Gross Sales	Bottom 50%	Top 50%
Lowest Gross Sales	$309,556	$2,557,484
Highest Gross Sales	$2,549,248	$17,238,039
Median Gross Sales	$1,705,212	$3,838,153
# Met/Exceeded Average	104	78
% Met/Exceeded Average	53%	40%

Footnotes to this Financial Performance Representation:

1. "PBAs" is the number of performance-based agreements, which are a type of DRPs that includes additional performance metrics in the contract with the insurer, requiring participating CARSTAR Facilities to achieve KPIs for the carrier's customers and to maintain standard levels of support.

2. "DRPs" is the number of direct repair programs, which are CARSTAR-managed insurance programs with third-party auto insurers in which CARSTAR Facilities can choose to participate.

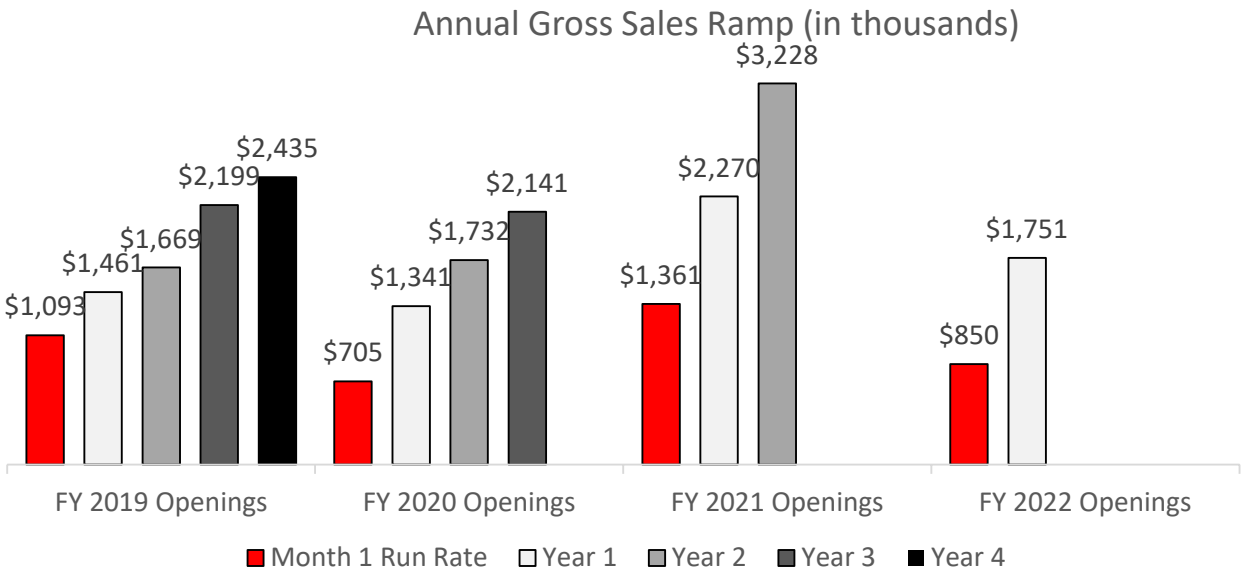
3. "Gross Sales" means all money and other consideration of every kind and nature the franchisee or its CARSTAR Facility receives, including consideration for labor, parts, mechanical services related to collision repair, refinishing and all sublet billings and for all other products and services sold or performed by or for the franchisee or the CARSTAR Facility in, on, or from the site, or through or by means of the business conducted under the Franchise Agreement, whether for cash or credit, including the proceeds of any insurance claims. Gross Sales do not include: (a) sales or service taxes collected from customers and paid to the appropriate taxing authority; (b) tow charges; and (c) rental car sales.

B. Gross Sales Ramp

Part B of this financial performance representation reflects the historical average and historical median Gross Sales ramps for 185 CARSTAR Facilities operated by franchisees that converted their existing repair businesses to CARSTAR Facilities within the CARSTAR franchise network during the four-year period from December 30, 2018 through December 31, 2022. There were 214 total new CARSTAR Facilities that joined the CARSTAR franchise network during this period. We have excluded 29 CARSTAR Facilities from this financial performance representation, (i) seven of which closed after operating as a CARSTAR Facility for less than 12

months, (ii) 10 of which did not have a full 12 months of Gross Sales information for their first year of operation by December 30, 2023 as a result of their opening dates, timing of their Month 1 Run Rates, and other negotiated changes to their franchise agreements, and (iii) 12 of which did not submit Gross Sales information for one or more months during this period and through the end of the 2023 Fiscal Year. We did not include the results of any CARSTAR Facilities that opened during the 2023 Fiscal Year because they had not operated for one full year by December 30, 2023.

We separated the Gross Sales ramp results of the 185 CARSTAR Facilities included in Part B of this financial performance representation by the fiscal year in which they converted and opened for business as a CARSTAR Facility within the CARSTAR franchise network. In the charts below: (a) "FY 2019 Openings" include the Gross Sales ramp for the first four years of operation for those CARSTAR Facilities that opened between December 30, 2018 through December 28, 2019 (the "2019 Fiscal Year"); (b) "FY 2020 Openings" include the Gross Sales ramp for the first three years of operation for those CARSTAR Facilities that opened between December 29, 2019 through December 26, 2020 (the "2020 Fiscal Year"); (c) "FY 2021 Openings" include the Gross Sales ramp for the first two years of operation for those CARSTAR Facilities that opened between December 27, 2020 through December 25, 2021 (the "2021 Fiscal Year"); and (d) "FY 2022 Openings" include the Gross Sales ramp for the first year of operation for those CARSTAR Facilities that opened between December 26, 2021 through December 31, 2022 (the "2022 Fiscal Year").



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FY 2019 Openings	Month 1 Run Rate	Year 1	Year 2	Year 3	Year 4
CARSTAR Facility Count	62	62	60	55	41
Average Gross Sales	$1,093,492	$1,461,049	$1,668,656	$2,198,993	$2,435,457
Highest Gross Sales	$4,321,586	$4,833,638	$6,093,963	$7,365,631	$6,427,043
Lowest Gross Sales	$33,312	$262,213	$504,612	$412,500	$388,197
Median Gross Sales	$928,500	$1,251,449	$1,330,708	$1,614,748	$2,047,701
# Met or Exceeded Avg	18	24	21	19	17
% Met or Exceeded Avg	29.0%	38.7%	35.0%	34.5%	41.5%

FY 2020 Openings	Month 1 Run Rate	Year 1	Year 2	Year 3
CARSTAR Facility Count	30	30	26	22
Average Gross Sales	$705,061	$1,341,244	$1,731,678	$2,140,794
Highest Gross Sales	$3,112,346	$5,727,177	$3,075,870	$5,046,483
Lowest Gross Sales	$16,525	$440,404	$736,140	$1,265,199
Median Gross Sales	$539,822	$1,072,785	$1,519,530	$1,839,827
# Met or Exceeded Avg	11	10	10	8
% Met or Exceeded Avg	36.7%	33.3%	38.5%	36.4%

FY 2021 Openings	Month 1 Run Rate	Year 1	Year 2
CARSTAR Facility Count	57	57	41
Average Gross Sales	$1,361,093	$2,269,519	$3,227,711
Highest Gross Sales	$9,038,089	$10,585,619	$13,494,658
Lowest Gross Sales	$66,123	$220,063	$393,481
Median Gross Sales	$865,248	$1,712,632	$2,111,027
# Met or Exceeded Avg	19	20	15
% Met or Exceeded Avg	33.3%	35.1%	36.6%

FY 2022 Openings	Month 1 Run Rate	Year 1
CARSTAR Facility Count	36	36
Average Gross Sales	$850,485	$1,751,118
Highest Gross Sales	$2,449,801	$6,377,836
Lowest Gross Sales	$75,144	$295,709
Median Gross Sales	$705,965	$1,558,531
# Met or Exceeded Avg	15	14
% Met or Exceeded Avg	41.7%	38.9%

Footnotes to this Financial Performance Representation:

1. We have excluded the calendar month that each CARSTAR Facility opened, since the number of days in that first month ranged from one day only to 30 days. The beginning and ending dates of "Year 1," "Year 2," "Year 3," and "Year 4" in this financial performance representation differ for each CARSTAR Facility because each CARSTAR Facility opened for business on a different date.

2. "Month 1 Run Rate" is the product of the average first full month of Gross Sales reported by the CARSTAR Facilities in this analysis multiplied by 12 to arrive at a baseline estimate for the average annual Gross Sales each CARSTAR Facility starts with when it joins the CARSTAR franchise network.

3. There were 24 CARSTAR Facilities that opened during this period, were open and operating for at least 1 full year, and closed on or before December 30, 2023, which Facilities submitted all their monthly Gross Sales information to us prior to their respective closing dates.

    (a) Of these 24 CARSTAR Facilities, 19 opened during the 2019 Fiscal Year. All 19 CARSTAR Facilities were open for at least one full year, and we included their first year of operation Gross Sales results in "Year 1" in the "FY 2019 Openings" chart. Two of the 19 CARSTAR Facilities operated for at least one full year but

less than two full years and, as a result, their Gross Sales results for their second year of operation are not included in "Year 2" in the "FY 2019 Openings" chart. In addition, five of the 19 CARSTAR Facilities operated for at least two full years but less than three full years and, as a result, their Gross Sales results are not included in "Year 3" in the "FY 2019 Openings" chart. Three of the 19 CARSTAR Facilities operated for at least three full years but less than four full years and, as a result, their Gross Sales results are not included in "Year 4" in the "FY 2019 Openings" chart. The remaining nine CARSTAR Facilities operated for at least four full years, and we included their Gross Sales results for their first, second, third, and fourth year of operation in "Year 1," "Year 2," "Year 3," and "Year 4" in the "FY 2019 Openings" chart.

(b) Of these 24 CARSTAR Facilities, four opened during the 2020 Fiscal Year. All four CARSTAR Facilities were open for at least one full year, and we included their first year of operation Gross Sales results in "Year 1" in the "FY 2020 Openings" chart. None of the 4 CARSTAR Facilities operated for at least two full years and, as a result, their Gross Sales results are not included in "Year 2" in the "FY 2020 Openings" chart.

(c) Of these 24 CARSTAR Facilities, one opened during the 2021 Fiscal Year. This CARSTAR Facility operated for at least two full years, and we included its Gross Sales results for its first and second year of operation in, respectively, "Year 1" and "Year 2" in the "FY 2021 Openings" chart.

(d) Of these 24 CARSTAR Facilities, none opened during the 2022 Fiscal Year.

4. In the "FY 2019 Openings" chart, there were 11 CARSTAR Facilities that opened at the end of the 2019 Fiscal Year. As a result of their opening dates, timing of their Month 1 Run Rates, and other negotiated changes to their franchise agreements, these CARSTAR Facilities did not have a full 12 months of Gross Sales information for their fourth year of operation by December 30, 2023. Therefore, the Gross Sales results of these 11 CARSTAR Facilities for their fourth year of operation are not included in "Year 4" in the "FY 2019 Openings" chart above.

5. In the "FY 2020 Openings" chart, there were 4 CARSTAR Facilities that opened at the end of the 2020 Fiscal Year. As a result of their opening dates, timing of their Month 1 Run Rates, and other negotiated changes to their franchise agreements, these CARSTAR Facilities did not have a full 12 months of Gross Sales information for their third year of operation by December 30, 2023. Therefore, the Gross Sales results of these 4 CARSTAR Facilities for their third year of operation are not included in "Year 3" in the "FY 2020 Openings" chart above.

6. In the "FY 2021 Openings" chart, there were 16 CARSTAR Facilities that opened at the end of the 2021 Fiscal Year. As a result of their opening dates, timing of their Month 1 Run Rates, and other negotiated changes to their franchise agreements, these CARSTAR Facilities did not have a full 12 months of Gross Sales information for their second year of operation by December 30, 2023. Therefore, the Gross Sales results of these 16 CARSTAR Facilities for their second year of operation are not included in "Year 2" in the "FY 2021 Openings" chart above.

* * *

Our management prepared this financial performance representation based on Gross Sales information reported by our franchisees. This financial performance representation was prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form. Written substantiation of the data used in preparing the tables above will be made available to you on reasonable request.

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

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

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

All figures in the following tables are as of our fiscal year ends of December 30, 2023, December 31, 2022, and December 25, 2021.

Table No. 1

Systemwide Outlet Summary
For years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	395	419	+24
	2022	419	446	+27
	2023	446	455	+9
Company-Owned	2021	0	10	+10
	2022	10	0	-10
	2023	0	0	0
Total Outlets	2021	395	429	+34
	2022	429	446	+17
	2023	446	455	+9

Table No. 2

Transfer of Outlets from Franchisees to New Owners (Other Than the Franchisor)
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2021	0
	2022	1
	2023	1
Colorado	2021	0
	2022	1
	2023	0
Florida	2021	1
	2022	0
	2023	0
Illinois	2021	1
	2022	1
	2023	1
Kansas	2021	0
	2022	2
	2023	0
New York	2021	1
	2022	2
	2023	0
Nevada	2021	0
	2022	1
	2023	0
Minnesota	2021	0
	2022	0
	2023	1
Ohio	2021	1
	2022	0
	2023	0
Pennsylvania	2021	0
	2022	1
	2023	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Virginia	2021	1
	2022	0
	2023	0
Texas	2021	1
	2022	0
	2023	3
Washington	2021	0
	2022	17
	2023	2
Total	2021	6
	2022	26
	2023	8

Table No. 3

Status of Franchised Outlets
For years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	1	0	0	0	0	15
Arkansas	2021	3	2	0	0	0	0	5
	2022	5	3	1	0	0	0	7
	2023	7	0	0	0	0	0	7
California	2021	57	7	1	0	0	0	63
	2022	63	9	1	0	0	0	71
	2023	71	10	8	0	0	0	73

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of Year
Colorado	2021	11	0	0	0	0	0	11
	2022	11	1	3	0	0	0	9
	2023	9	0	0	0	0	0	9
Connecticut	2021	7	0	0	0	0	0	7
	2022	7	0	2	0	0	0	5
	2023	5	0	0	0	0	0	5
Delaware	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	17	1	6	0	0	0	12
	2022	12	3	0	0	0	0	15
	2023	15	0	2	0	0	0	13
Georgia	2021	8	2	1	0	0	0	9
	2022	9	1	0	0	0	0	10
	2023	10	1	1	0	0	0	10
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	28	0	1	0	0	0	27
	2022	27	2	0	0	0	0	29
	2023	29	1	2	0	0	0	28
Indiana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Iowa	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Kansas	2021	12	0	0	0	0	0	12
	2022	12	1	0	0	0	0	13
	2023	13	0	1	0	0	0	12
Kentucky	2021	3	0	1	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of Year
Louisiana	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maryland	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	1	1	0	0	0	4
Massachusetts	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Michigan	2021	11	0	2	0	0	0	9
	2022	9	0	2	0	0	0	7
	2023	7	0	0	0	0	0	7
Minnesota	2021	8	1	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	20	3	0	0	0	0	23
	2022	23	1	1	0	0	0	23
	2023	23	1	3	0	0	0	21
Montana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Nebraska	2021	5	5	0	0	0	0	10
	2022	10	0	1	0	0	0	9
	2023	9	0	0	0	0	0	9
Nevada	2021	3	0	0	0	0	0	3
	2022	3	0	2	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	7	1	0	0	0	0	8
	2022	8	4	1	0	0	0	11
	2023	11	2	0	0	0	0	13

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of Year
New York	2021	29	5	1	0	0	0	33
	2022	33	2	2	0	0	0	33
	2023	33	3	1	0	0	0	35
North Carolina	2021	11	4	0	0	0	0	15
	2022	15	1	0	0	0	0	16
	2023	16	1	4	1	0	0	12
Ohio	2021	27	2	9	0	0	0	20
	2022	20	1	2	0	0	0	19
	2023	19	0	2	0	0	0	17
Oklahoma	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oregon	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	4	0	0	0	0	6
Pennsylvania	2021	18	3	1	0	0	0	20
	2022	20	2	6	0	0	0	16
	2023	16	1	1	0	0	0	16
South Carolina	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	1	0	0	0	3
South Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Texas	2021	17	7	1	0	0	0	23
	2022	23	11	2	0	0	0	32
	2023	32	7	0	1	0	0	38
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of Year
Virginia	2021	6	10	0	0	0	0	16
	2022	16	1	1	0	0	0	16
	2023	16	1	0	0	0	0	17
Washington	2021	32	1	1	0	10	0	22
	2022	22	11	1	0	0	0	32
	2023	32	1	1	0	0	0	32
West Virginia	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021	13	0	1	0	0	0	12
	2022	12	1	4	0	0	0	9
	2023	9	2	2	0	0	0	9
Totals	2021	395	60	26	0	10	0	419
	2022	419	59	29	3	0	0	446
	2023	446	41	30	2	0	0	455

Table No. 4

Status of Company-Owned Outlets
For years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
Washington	2021	0	0	10	0	0	10
	2022	10	0	0	0	10	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	10	0	0	10
	2022	10	0	0	0	10	0
	2023	0	0	0	0	0	0

Table No. 5

Projected Openings as of December 30, 2023

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 Next Fiscal Year
Arizona	1	1	0
Arkansas	2	2	0
California	10	3	0
Colorado	1	1	0
Florida	1	0	0
Georgia	3	1	0
Idaho	1	0	0
Illinois	5	2	0
Iowa	2	0	0
Kansas	3	0	0
Kentucky	2	0	0
Michigan	1	0	0
Minnesota	2	1	0
Missouri	3	1	0
Nebraska	2	0	0
Nevada	1	0	0
New Jersey	5	1	0
New York	2	0	0
North Carolina	2	2	0
Ohio	1	0	0
Oklahoma	4	1	0
Pennsylvania	1	1	0
South Carolina	1	1	0
Texas	12	4	0
Virginia	3	1	0
Wisconsin	2	0	0
Totals	73	23	0

The names of all current franchisees as of December 30, 2023 and the addresses and telephone numbers of their CARSTAR Facilities are listed in Exhibit G. The names and last known addresses and telephone numbers of every franchisee who had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the

franchise agreement or the area development agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the disclosure document issuance date are listed in Exhibit H. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees during the last three years have signed provisions restricting their ability to speak openly about their experience with the CARSTAR franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

CARSTAR has an advisory board composed of franchisees who meet periodically with CARSTAR representatives regarding System issues (the "Advisory Board"). Participants are invited to serve in an advisory capacity. Current franchisee members of the Advisory Board include the following individuals who represent various geographic regions: Jon Rowcroft (Massachusetts, New York, Rhode Island, Connecticut, Vermont, New Hampshire, and Maine), Mike Coia (West Virginia, Virginia, Delaware, Maryland, Washington D.C., New Jersey, and Pennsylvania), James White (Tennessee, Alabama, Georgia, Florida, North Carolina, and South Carolina), Cameron Eisenhardt (Kentucky, Ohio, Indiana, and Michigan), Chase Marchese (Missouri, Arkansas, Louisiana, and Mississippi), Luigi Scola (Minnesota, Iowa, Wisconsin, and Illinois), Gary Boesel (Arizona, Colorado, New Mexico, Wyoming, Utah, and Nevada), Wendy Murray (Montana, Oregon, Idaho, and Washington), Larry King (Oklahoma, Texas, North Dakota, South Dakota, Nebraska, Iowa, and Kansas), and Jason Wong (California); and Steve Sikes who represents MSOs. The Advisory Board's contact information is: CARSTAR Advisory Board, c/o Damien Reyna, 440 South Church Street, Suite 700, Charlotte, North Carolina 28202; Mr. Reyna may also be reached at damien.reyna@drivenbrands.com or 1-800-CARSTAR.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit B are the audited consolidated financial statements of Driven Systems, our parent company, and its subsidiaries for the years ended December 30, 2023 and December 31, 2022 and for the years ended December 31, 2022, December 25, 2021, and December 26, 2020; and Driven Systems' unaudited balance sheet as of March 30, 2024, and its unaudited statements of income and cash flows for the three-month period ended March 30, 2024. Driven Systems guarantees the performance of CARSTAR. A copy of the guarantee of Driven Systems is included in Exhibit O.

As reflected in Item 1, Driven Brands will be providing required support and services to franchisees under a management agreement with us. Attached as Exhibit B are the audited consolidated financial statements of Driven Brands and its subsidiaries for the years ended December 30, 2023 and December 31, 2022 and for the years ended December 31, 2022, December 25, 2021, and December 26, 2020; and Driven Brands' unaudited balance sheet as of March 30, 2024, and its unaudited statements of income and cash flows for the three-month period ended March 30, 2024. These financial statements are being provided for disclosure purposes

only. Driven Brands is not a party to the Franchise Agreement or Development Agreement we sign with franchisees, nor does it guarantee our obligations under the Franchise Agreement or Development Agreement we sign with franchisees.

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

ITEM 22

CONTRACTS

The following contracts/documents are exhibits:

1. Area Development Agreement (Exhibit C)
2. Franchise Agreement (Exhibit D), which includes the CARSTAR Franchisee Location Image Program Agreement as Exhibit A to the Franchise Agreement
3. New Development Addendum to the Franchise Agreement (Exhibit E)
4. Business Group Bylaws (Exhibit F)
5. Mitchell End User License Agreement Repair Center (Exhibit K)
6. CCC Automotive Services Master License Agreement (Exhibit L)
7. Dealership Addendum to the Franchise Agreement (Exhibit M)
8. Form of General Release (Exhibit N)
9. State Riders to the Franchise Agreement (Exhibit P)

ITEM 23

RECEIPTS

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

EXHIBIT A

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS

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

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

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

CALIFORNIA

Website: www.dfpi.ca.gov
Email: ask.DFPI@dfpi.ca.gov

Commissioner of Department of Financial Protection & Innovation
Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego

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

San Francisco

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

HAWAII

(for service of process)

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

(for other matters)

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

ILLINOIS

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

INDIANA

(for service of process)

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

(state agency)

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

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

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

MINNESOTA

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

NEW YORK

(for service of process)

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

(Administrator)

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

NORTH DAKOTA

(for service of process)

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

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

RHODE ISLAND

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

SOUTH DAKOTA

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

VIRGINIA

(for service of process)

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

(for other matters)

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

WASHINGTON

(for service of process)

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

(for other matters)

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

WISCONSIN

(for service of process)

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

(state administrator)

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

EXHIBIT B

FINANCIAL STATEMENTS

DRIVEN SYSTEMS LLC

Consolidated Financial Statements and Report of Independent Auditors

Driven Systems LLC and Subsidiaries

For the years ended
December 30, 2023 and December 31, 2022 and
for the years ended December 31, 2022,
December 25, 2021, and December 26, 2020

Table of contents

Report of Independent Auditors

To the Management and Board of Directors of Driven Systems LLC

Opinion

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

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

Basis for Opinion

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

Other Matter

The consolidated financial statements of the Company as of December 25, 2021 and December 26, 2020 and for the years then ended were audited by other auditors whose report, dated May 23, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

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

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

pwc

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

PricewaterhouseCoopers LLP

Charlotte, North Carolina
April 26, 2024

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands)	December 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 1,000	$ 1,000
Accounts and notes receivable, net	4,817	7,028
Total current assets	5,817	8,028
Notes receivable, net	736	454
Intangible assets, net	482,680	488,626
Goodwill	19,390	19,390
Total assets	$ 508,623	$ 516,498
Liabilities and members' equity		
Current liabilities:		
Deferred franchise revenue	$ 27,762	$ 25,682
Total liabilities	27,762	25,682
Members' equity	480,861	490,816
Total members' equity	480,861	490,816
Total liabilities and members' equity	$ 508,623	$ 516,498

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

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended	
(in thousands)	**December 30, 2023**	**December 31, 2022**
Revenue:		
Franchise fee revenue	$ 245,135	$ 211,935
Other revenue	44,581	49,382
Total revenue	289,716	261,317
Costs and expenses:		
Operating expenses	84,039	75,834
Loss on sale of business	1,620	
Amortization	8,989	8,925
Total costs and expenses	94,648	84,759
Net income	$ 195,068	$ 176,558

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

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

in thousands		
Balance as of December 25, 2021	$	509,206
Net income		176,558
Deemed distribution to Parent		(194,948)
Balance as of December 31, 2022	$	490,816
Net income		195,068
Maaco contribution		4,838
Deemed distribution to Parent		(209,861)
Balance as of December 30, 2023	$	480,861

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

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended	
(in thousands)	**December 30, 2023**	**December 31, 2022**
Net income	$ 195,068	$ 176,558
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	8,356	8,925
Loss on sale of business	1,620	3,144
Other	808	—
Changes in assets and liabilities:		
Accounts and notes receivable, net	1,930	2,352
Deferred franchise revenue	2,080	3,969
Cash provided by operating activities	209,862	194,948
Cash flows from financing activities:		
Deemed distribution to parent	(209,862)	(194,948)
Cash used in financing activities	(209,862)	(194,948)
Net change in cash	—	—
Cash, beginning of period	1,000	1,000
Cash, end of period	$ 1,000	$ 1,000

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

Note 1—Description of Business

Description of Business

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

As of December 30, 2023, the Parent and its subsidiaries comprised the worldwide operations of Meineke Car Care Centers ("Meineke"), Maaco Collision Repair and Auto Painting ("Maaco"), Merlin's 200,000 Miles shops ("Merlin's"), Pro Oil Change ("Pro Oil"), Take 5 Oil Change ("Take 5"), Econo-Lube N' Tune ("Econo Lube"), 1-800-Radiator & A/C ("Radiator"), Spire Supply, CARSTAR auto body repair experts ("CARSTAR"), Fix Auto USA ("FUSA") and ABRA Auto Body Repair of America ("ABRA"), (collectively, the "Driven Franchise Brands"). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. Driven Brands, Inc. is also comprised of Automotive Training Institute ("ATI"), Clairus Group ("Clairus"), and Auto Glass Now ("AGN"), which are not contributed to the Securitization Entities. ATI provides automotive business training services to assist shop owners with efficiencies and profitability, and Clairus and AGN are providers of on-demand auto glass, calibration services, and auto appearance services. As of December 30, 2023, the Securitization Entities and its subsidiaries encompassed 3,880 units worldwide, with 83% located within the United States and the remainder located in Canada. Approximately 77% of the units were franchised. These financial statements only represent the securitization entities within the United States.

Meineke, Merlin's, Pro Oil, and Econo Lube each provide automotive repair and maintenance services through retail locations. Maaco, CARSTAR, FUSA and ABRA provide auto body repairs and painting services through retail locations. Radiator provides certain automotive parts to automotive repair stores, automotive parts stores, body shops and service stations. Take 5 is an operator of oil change centers, offering rapid oil changes and light maintenance services within the United States and Canada.

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

On April 24, 2018, the Parent contributed to Take 5 Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, and 1-800 Radiator Franchisor SPV LLC through Driven Holdco, Driven Funding, and the Company, substantially all of its U.S. and Canadian intellectual property, trademarks/tradenames, franchise agreements, development agreements, and all rights to develop and expand the franchise brands (collectively, the "Take 5, CARSTAR and Radiator Securitization IPs") along with 1-800 Radiator franchisee note receivables (collectively the "Radiator

Managed Assets"). Take 5 Franchisor SPV LLC was established on April 24, 2018 and the Parent contributed intangible assets at a value of $31 million. The Parent, certain non-securitization subsidiaries, Take 5 Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, and 1-800 Radiator Franchisor SPV LLC entered into the 2018 Amended and Restated Master License Agreement whereby Take 5 Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, and 1-800 Radiator Franchisor SPV granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Take 5, CARSTAR and Radiator Securitization IPs in connection with an (i) an exclusive license to use and sublicense the Take 5, CARSTAR and Radiator Securitization IPs in connection with other products and services for a royalty varying by brand and licensed use.

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

On July 6, 2020, the Parent contributed to FUSA Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, and all rights to develop and expand the Fix Auto franchise brand (collectively, the "FUSA Securitization IP") at a value of approximately $34 million, which included $19 million of goodwill. The Parent, certain non-securitization subsidiaries, and FUSA Franchisor SPV LLC entered into the 2020 Mondofix License Assignment Agreement whereby FUSA Franchisor SPV LLC was granted an exclusive license to use and sublicense the FUSA Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

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

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

Note 2—Summary of Significant Accounting Policies

Fiscal Year

The Company operates and reports financial information on a 52 or 53-week year with the fiscal year ending on the last Saturday in December and fiscal quarters ending on the 13th Saturday of each quarter (or 14th Saturday when applicable with respect to the fourth fiscal quarter). Our fiscal year ending December 30, 2023 consisted of 52 weeks, and our fiscal year ending December 31, 2022 reflected the results of operations for 53 weeks.

Basis of Presentation

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

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

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. These investments are carried at cost, which approximates fair value. The Company maintains cash balances in non-interest bearing transaction accounts with various financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250 thousand. Although the Company maintains balances that exceed the federally insured limit, we have not experienced any losses related to this balance, and the Company believes credit risk to be minimal.

Accounts and Notes Receivable

The Company's accounts receivable consists principally of amounts due related to product sales, supply sales, and franchise fees. These receivables are generally due within 30 days of the period in which the corresponding sales occur and are classified as accounts and notes receivable, net on the consolidated balance sheets. Accounts receivable are reported at their estimated net realizable value.

Notes receivable are primarily from franchisees and relate to financing arrangements for certain past due balances. The notes are typically collateralized by the assets of the franchisee shop with interest, depending on the level of credit risk and payment terms. Interest income recognized on these notes is included in revenue on the accompanying consolidated statements of operations. The Company places notes receivable on a non-accrual status based on management's determination if it is probable that the principal balance is not expected to be repaid per the contractual terms. When the Company places a note on non-accrual status, interest or fee income ceases to be recognized. Notes receivable are reported at their estimated net realizable value.

Goodwill and Intangible Assets

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. Intangible assets resulting from an acquisition are accounted for using the purchase method of accounting and are estimated by management based on the fair value of the assets acquired. The Company's identifiable intangible assets are comprised of trademarks. Identifiable intangible assets with finite lives (franchise agreements and license agreements) are amortized over the period of estimated benefit using the straight-line method.

Goodwill and intangible assets considered to have an indefinite life (trade names) are not subject to amortization. The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite. Goodwill and indefinite-lived intangible assets are assessed

annually for impairment as of the first day of the fiscal fourth quarter, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit or the fair value of an indefinite-lived intangible asset below its carrying value.

Management tests goodwill for impairment on the first day of the fourth quarter every year or more frequently if events or changes in circumstances indicate the asset might be impaired. We have completed our annual test of goodwill and indefinite-lived intangibles for impairment and have determined there was no impairment.

Allowance for Uncollectible Receivables

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

The Company is not party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

Revenue Recognition

In accordance with the Management Agreement, 2016 Amended and Restated Master License Agreement, 2018 Amended and Restated Master License Agreement and License Agreements, and the 2019 Amended and Restated Master License Agreement and License Agreements, revenue is recognized for amounts received or due to the Company for the use of the Company's intellectual property. Franchise revenue is comprised of royalties generated from franchisee fees as well as the Parent's company owned stores. Franchise fee royalty revenue is based on the fee agreements defined in the subsidiaries' franchise agreements. Royalties generated from the Parent's company owned stores are based on the fee agreements defined in the Management Agreement, Amended and Restated Master License Agreement, and any applicable sub-license agreements. Product distribution margin revenue is based on paint and supply products delivered to franchisees. Initial franchise fees are recognized on a straight-line basis over the life of the franchise agreement as the performance obligation is satisfied.

Income Taxes

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

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

Note 3 - Accounts and Notes Receivable, net

Accounts and notes receivable, net consisted of the following:

(in thousands)	December 30, 2023	December 31, 2022
Accounts receivable	$ 7,673	$ 12,835
Notes receivable	927	645
Accounts and notes receivables, gross	8,600	13,480
Less:		
Allowance for doubtful accounts	(3,047)	(5,998)
Accounts and notes receivables, net	$ 5,553	$ 7,482
Accounts and notes receivable long-term	$ 736	$ 454
Accounts and notes receivable current	4,817	7,028
Accounts and notes receivables, net	$ 5,553	$ 7,482

Note 4 - Intangible Assets

Intangible assets consisted of the following:

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

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

The year ended December 30, 2023 indefinite-lived trademarks gross carrying value includes an adjustment for items that originated in prior years. Refer to Note 2 for additional information.

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

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

(in thousands)		
2024	$	8,859
2025		8,859
2026		8,859
2027		8,091
2028		7,759
Thereafter		100,315
Total amortization	$	142,742

Note 5 - Related Party Transactions

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

In exchange for providing management services, the Parent is entitled to receive certain management fees on a weekly basis. The Company's management fees to the Parent were $40 million and $36 million for the years ended December 30, 2023 and December 31, 2022 respectively. These fees are included in operating expenses on the consolidated statements of operations.

Driven Brands Funding, LLC (the "Issuer") holds approximately $2 billion in debt in the form of six Senior Notes maturing in April 2048, April 2049, October 2049, January 2051, October 2051, and October 2052. The Senior Notes are secured by substantially all assets of the Issuer and guaranteed by Driven Holdco and subsidiaries of the Issuer. The interest expense allocated to the Company was $44 million and $40 million, and for the years ended December 30, 2023 and December 31, 2022, respectively. These amounts are included in operating expenses on the consolidated statements of operations.

Note 6 - Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through April 26, 2024, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands)	December 31, 2022	December 25, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,000	$ 1,000
Accounts and notes receivable, net	7,028	9,743
Total current assets	8,028	10,743
Notes receivable, net	454	91
Intangible assets, net	488,626	500,695
Goodwill	19,390	19,390
Total assets	$ 516,498	$ 530,919
Liabilities and members' equity		
Current liabilities:		
Deferred franchise revenue	$ 25,682	$ 21,713
Total liabilities	25,682	21,713
Members' equity	490,816	509,206
Total members' equity	490,816	509,206
Total liabilities and members' equity	$ 516,498	$ 530,919

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

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)	For the years ended December 31, 2022	December 25, 2021	December 26, 2020
Revenue:			
Franchise fee revenue	$ 211,935	$ 173,404	$ 134,239
Other revenue	49,382	35,360	23,276
Total revenue	261,317	208,764	157,515
Costs and expenses:			
Operating expenses	75,834	66,909	62,024
Amortization	8,925	8,925	9,206
Total costs and expenses	84,759	75,834	71,230
Net income	$ 176,558	$ 132,930	$ 86,285

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

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

in thousands	
Balance as of December 28, 2019	502,723
Net income	86,285
FUSA contribution	34,317
Deemed distribution to Parent	(99,761)
Balance as of December 26, 2020	$ 523,564
Net income	132,930
Deemed distribution to Parent	(147,288)
Balance as of December 25, 2021	$ 509,206
Net income	176,558
Deemed distribution to Parent	(194,948)
Balance as of December 31, 2022	$ 490,816

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

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	For the years ended December 31, 2022	December 25, 2021	December 26, 2020
Net income	$ 176,558	$ 132,930	$ 86,285
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	8,925	8,925	9,206
Other, net	3,144	—	1,800
Changes in assets and liabilities:			
Accounts and notes receivable, net	2,352	(775)	(1,244)
Deferred franchise revenue	3,969	6,208	3,714
Cash provided by operating activities	194,948	147,288	99,761
Cash flows from financing activities:			
Deemed distribution to parent	(194,948)	(147,288)	(99,761)
Cash used in financing activities	(194,948)	(147,288)	(99,761)
Net change in cash	—	—	—
Cash, beginning of period	1,000	1,000	1,000
Cash, end of period	$ 1,000	$ 1,000	$ 1,000
			1,000
Supplemental cash flow disclosures - non-cash items:			
FUSA contribution	$ —	$ —	$ 34,317

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

Note 1—Description of Business

Description of Business

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

As of December 31, 2022, the Parent and its subsidiaries comprised the worldwide operations of Meineke Car Care Centers ("Meineke"), Maaco Collision Repair and Auto Painting ("Maaco"), Merlin's 200,000 Miles shops ("Merlin's"), Pro Oil Change ("Pro Oil"), Take 5 Oil Change ("Take 5"), Econo-Lube N' Tune ("Econo Lube"), 1-800-Radiator & A/C ("Radiator"), Spire Supply, Drive N Style, CARSTAR auto body repair experts ("CARSTAR"), Fix Auto USA ("FUSA") and ABRA Auto Body Repair of America ("ABRA"), (collectively, the "Driven Franchise Brands"). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. Driven Brands, Inc. is also comprised of Automotive Training Institute ("ATI"), Clairus Group ("Clairus"), and Auto Glass Now ("AGN"), which are not contributed to the Securitization Entities. ATI provides automotive business training services to assist shop owners with efficiencies and profitability, and Clairus and AGN are providers of on-demand auto glass, calibration services, and auto appearance services. As of December 31, 2022, the Parent and its subsidiaries encompassed 3,694 units worldwide, with 82% located within the United States and the remainder located in Canada. Approximately 78% of the units were franchised. These financial statements only represent the securitization entities within the United States.

Meineke, Merlin's, Pro Oil, and Econo Lube each provide automotive repair and maintenance services through retail locations. Maaco, CARSTAR, FUSA and ABRA provide auto body repairs and painting services through retail locations. Drive N Style provides automotive appearance services to customers through mobile vans. Radiator provides certain automotive parts to automotive repair stores, automotive parts stores, body shops and service stations. Take 5 is an operator of oil change centers, offering rapid oil changes and light maintenance services within the United States and Canada.

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

On April 24, 2018, the Parent contributed to Take 5 Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, and 1-800 Radiator Franchisor SPV LLC through Driven Holdco, Driven Funding, and the Company, substantially all of its U.S. and Canadian intellectual property, trademarks/tradenames, franchise agreements, development agreements, and all rights to develop and expand the franchise brands (collectively, the "Take 5, CARSTAR and Radiator Securitization IPs") along with 1-800 Radiator franchisee note receivables (collectively the "Radiator

Managed Assets"). Take 5 Franchisor SPV LLC was established on April 24, 2018 and the Parent contributed intangible assets at a value of $31 million. The Parent, certain non-securitization subsidiaries, Take 5 Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, and 1-800 Radiator Franchisor SPV LLC entered into the 2018 Amended and Restated Master License Agreement whereby Take 5 Franchisor SPV LLC, CARSTAR Franchisor SPV LLC, and 1-800 Radiator Franchisor SPV granted to Parent (i) a non-exclusive license to use and sublicense to Non-Securitization Entities the Take 5, CARSTAR and Radiator Securitization IPs in connection with an (i) an exclusive license to use and sublicense the Take 5, CARSTAR and Radiator Securitization IPs in connection with other products and services for a royalty varying by brand and licensed use.

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

On July 6, 2020, the Parent contributed to FUSA Franchisor SPV LLC, through the Company and Driven Brands Funding, LLC, substantially all of its U.S. intellectual property, trademarks/tradenames, franchise agreements, and all rights to develop and expand the Fix Auto franchise brand (collectively, the "FUSA Securitization IP") at a value of approximately $34 million, which included $19 million of goodwill. The Parent, certain non-securitization subsidiaries, and FUSA Franchisor SPV LLC entered into the 2020 Mondofix License Assignment Agreement whereby FUSA Franchisor SPV LLC was granted an exclusive license to use and sublicense the FUSA Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

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

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

Note 2—Summary of Significant Accounting Policies

Fiscal Year

The Company operates and reports financial information on a 52 or 53 week year with the fiscal year ending on the last Saturday in December. Our fiscal year ended December 31, 2022 consisted of 53 weeks, and our fiscal years ended December 25, 2021 and December 26, 2020 reflected the results of operations for 52 weeks.

Basis of Presentation

The consolidated financial statements include the accounts of the Securitization Entities. Intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in

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

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. These investments are carried at cost, which approximates fair value. The Company maintains cash balances in non-interest bearing transaction accounts with various financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250 thousand. Although the Company maintains balances that exceed the federally insured limit, we have not experienced any losses related to this balance, and the Company believes credit risk to be minimal.

Accounts and Notes Receivable

The Company's accounts receivable consists principally of amounts due related to product sales, supply sales, and franchise fees. These receivables are generally due within 30 days of the period in which the corresponding sales occur and are classified as Accounts and notes receivable, net on the consolidated balance sheets. Accounts receivable are reported at their estimated net realizable value.

Notes receivable are primarily from franchisees and relate to financing arrangements for certain past due balances. The notes are typically collateralized by the assets of the franchisee shop with interest rates up to 12%, depending on the level of credit risk and payment terms. Interest income recognized on these notes is included in revenue on the accompanying consolidated statements of operations. The Company places notes receivable on a non-accrual status based on management's determination if it is probable that the principal balance is not expected to be repaid per the contractual terms. When the Company places a note on non-accrual status, interest or fee income ceases to be recognized. Notes receivable are reported at their estimated net realizable value.

Goodwill and Intangible Assets

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. Intangible assets resulting from an acquisition are accounted for using the purchase method of accounting and are estimated by management based on the fair value of the assets acquired. The Company's identifiable intangible assets are comprised primarily of trademarks, franchise agreements, license agreement and software. Identifiable intangible assets with finite lives (franchise agreements, license agreements and software) are amortized over the period of estimated benefit using the straight-line method.

Goodwill and intangible assets considered to have an indefinite life (trade names) are not subject to amortization. The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite. Goodwill and indefinite-lived intangible assets are assessed annually for impairment as of the first day of the fiscal fourth quarter, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit or the fair value of an indefinite-lived intangible asset below its carrying value.

We have completed our annual test of goodwill and indefinite-lived intangibles for impairment and have determined there was no impairment.

Allowance for Uncollectible Receivables

The Company adopted ASU 2016-13, *Financial Instruments - Credit Losses*, on December 26, 2020, which was retroactively applied as of the first day of fiscal year 2020. This accounting standard requires companies to

measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against receivable balances based on current and historical information. The Company adopted this guidance using the modified retrospective adoption method on December 26, 2020, which was retroactively applied as of the first day of fiscal year 2020. Upon adoption of the this guidance, the Company recognized an increase to its allowance for credit losses of $2 million and a corresponding adjustment to retained earnings, net of tax.

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

The Company is not party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

Revenue Recognition

In accordance with the Management Agreement, 2016 Amended and Restated Master License Agreement, 2018 Amended and Restated Master License Agreement and License Agreements, and the 2019 Amended and Restated Master License Agreement and License Agreements, revenue is recognized for amounts received or due to the Company for the use of the Company's intellectual property. Franchise revenue is comprised of royalties generated from franchisee fees as well as the Parent's company owned stores. Franchise fee royalty revenue is based on the fee agreements defined in the subsidiaries' franchise agreements. Royalties generated from the Parent's company owned stores are based on the fee agreements defined in the Management Agreement, Amended and Restated Master License Agreement, and any applicable sub-license agreements. Canadian royalty revenue is based on agreed upon fees defined in the Pro Oil Canadian Franchisor License Agreement, Meineke Canadian Franchisor License Agreement, 1-800 Radiator Canadian Franchisor License Agreement, and Maaco Canadian Franchisor License Agreement. Product distribution margin revenue is based on paint and supply products delivered to franchisees. Initial franchise fees are recognized on a straight-line basis over the life of the franchise agreement as the performance obligation is satisfied.

Income Taxes

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

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

Recently Issued Accounting Standards

We reviewed all other recently issued accounting pronouncements and concluded they were either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

Note 3 - Accounts and Notes Receivable, net

Accounts and notes receivable, net consisted of the following:

(in thousands)	December 31, 2022	December 25, 2021
Accounts receivable	$ 12,835	$ 13,498
Notes receivable	645	631
Accounts and notes receivables, gross	13,480	14,129
Less:		
Allowance for doubtful accounts	(5,998)	(4,295)
Accounts and notes receivables, net	$ 7,482	$ 9,834
Accounts and notes receivable long-term	$ 454	$ 91
Accounts and notes receivable current	7,028	9,743
Accounts and notes receivables, net	$ 7,482	$ 9,834

Note 4 - Intangible Assets

Intangible assets consisted of the following:

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

(in thousands)	December 25, 2021		
	Gross carrying value	Accumulated amortization	Net Carrying Value
Definite-lived intangible assets			
Franchise Agreements	$ 198,874	$ 44,347	$ 154,527
License Agreements	10,517	2,695	7,822
	209,391	47,042	162,349
Indefinite-lived intangible assets			
Trademarks	338,346	—	338,346
Total intangible assets	$ 547,737	$ 47,042	$ 500,695

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset. Intangible asset amortization expense was $9 million for the years ended December 31, 2022, December 25, 2021, and December 26, 2020.

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

(in thousands)		
2023	$	8,925
2024		8,925
2025		8,925
2026		8,925
2027		8,192
Thereafter		109,534
Total amortization	$	153,426

Note 5 - Related Party Transactions

Cash collections from revenue and cash disbursements for management fees, interest expense and other operating expenses are made at Driven Holdco. Because the revenue and expenses related to these cash flows are recorded on the consolidated financial statements of the Company, the Company has recorded deemed distributions to Driven Holdco of $195 million, $147 million, and $100 million for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively.

In exchange for providing management services, the Parent is entitled to receive certain management fees on a weekly basis. The Company's management fees to the Parent were $36 million, $32 million, and $26 million for each of the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively. These fees are included in operating expenses on the consolidated statements of operations.

Driven Brands Funding, LLC (the "Issuer") holds approximately $2.1 billion in debt in the form of six Senior Notes maturing in April 2048, April 2049, October 2049, January 2051, October 2051, and October 2052. The Senior Notes are secured by substantially all assets of the Issuer and guaranteed by Driven Holdco and subsidiaries of the Issuer. The interest expense allocated to the Company was $40 million, $35 million, and $36 million for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively. These amounts are included in operating expenses on the consolidated statements of operations.

Note 6 - Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 2, 2023, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

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

Consolidated Financial Statements
(Unaudited)

Driven Systems LLC and Subsidiaries

For the three months ended
March 30, 2024 and April 1, 2023

DRIVEN SYSTEMS LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in thousands)	March 30, 2024	December 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 1,000	$ 1,000
Accounts and notes receivable, net	7,896	4,817
Total current assets	8,896	5,817
Notes receivable, net	721	736
Intangible assets, net	480,460	482,680
Goodwill	19,390	19,390
Total assets	$ 509,467	$ 508,623
Liabilities and members' equity		
Current liabilities:		
Deferred franchise revenue	$ 28,867	$ 27,762
Total liabilities	28,867	27,762
Members' equity	480,600	480,681
Total members' equity	480,600	480,681
Total liabilities and members' equity	$ 509,467	$ 508,443

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

	Three months ended	
(in thousands)	**March 30, 2024**	**April 1, 2023**
Revenue:		
Franchise fee revenue	$ 53,105	$ 50,871
Other revenue	6,878	12,942
Total revenue	59,983	63,813
Costs and expenses:		
Operating expenses	16,848	19,650
Amortization	2,220	2,247
Total costs and expenses	19,068	21,897
Net income	$ 40,915	$ 41,916

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

in thousands

Balance as of December 31, 2022	$	490,816
Net income		41,916
Deemed distribution to Parent		(42,480)
Balance as of April 1, 2023	$	490,252
Balance as of December 30, 2023	$	480,861
Net income		40,915
Deemed distribution to Parent		(41,176)
Balance as of March 30, 2024	$	480,600

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

	Three months ended	
(in thousands)	**March 30, 2024**	**April 1, 2023**
Net income	$ 40,915	$ 41,916
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	2,220	2,247
Changes in assets and liabilities:		
Accounts and notes receivable, net	(3,064)	(2,347)
Deferred franchise revenue	1,105	664
Cash provided by operating activities	41,176	42,480
Cash flows from financing activities:		
Distributions to parent	(41,176)	(42,480)
Cash used in financing activities	(41,176)	(42,480)
Net change in cash	—	—
Cash, beginning of period	1,000	1,000
Cash, end of period	$ 1,000	$ 1,000

DRIVEN BRANDS, INC.

Consolidated Financial Statements and Report of Independent Auditor

Driven Brands, Inc. and Subsidiaries

For the years ended
December 30, 2023 and December 31, 2022 and
for the years ended December 31, 2022,
December 25, 2021, and December 26, 2020

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Report of Independent Auditors

To the Management and Board of Directors of Driven Brands, Inc.

Opinion

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

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

Basis for Opinion

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

Other Matter

The consolidated financial statements of the Company as of December 25, 2021 and December 26, 2020 and for the years then ended were audited by other auditors whose report, dated April 29, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

PricewaterhouseCoopers LLP

Charlotte, North Carolina
April 26, 2024

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands)	December 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 150,581	$ 158,799
Restricted cash	657	657
Accounts and notes receivable, net	146,295	167,249
Inventory	63,612	54,696
Prepaid and other assets	25,031	26,878
Related party receivable	328,953	258,476
Income tax receivable	3,680	1,698
Advertising fund assets, restricted	45,627	36,421
Total current assets	764,436	704,874
Related party receivable	128,144	128,144
Property and equipment, net	361,330	303,893
Operating lease right-of-use assets	397,211	335,760
Deferred commissions	6,312	7,121
Intangibles, net	703,573	727,646
Goodwill	1,238,504	1,225,457
Deferred tax asset	2,576	1,827
Other assets	55,248	28,414
Total assets	$ 3,657,334	$ 3,463,136
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 51,280	$ 41,348
Income taxes payable	42,446	4,834
Accrued expenses and other liabilities	146,104	184,561
Current portion of long-term debt	26,426	27,605
Advertising fund liabilities	23,392	36,726
Total current liabilities	289,648	295,074
Long-term debt, net	2,177,283	2,213,218
Operating lease liabilities	371,404	313,644
Deferred tax liabilities	141,909	139,568
Deferred revenue	30,507	29,310
Accrued expenses and other long-term liabilities	3,749	5,947
Total liabilities	3,014,500	2,996,761
Shareholders' equity:		
Class A common stock, $.01 par value, authorized 60,000,000 voting shares; 56,560,217 shares issued and outstanding at December 30, 2023 and December 31, 2022	565	565
Class B common stock, $.01 par value, authorized 12,461,152 non-voting shares; 0 shares issued and outstanding at December 30, 2023 and December 31, 2022	—	—
Additional paid-in-capital	291,426	274,922
Retained earnings	364,781	209,246
Accumulated other comprehensive loss	(14,321)	(18,728)
Total shareholders' equity attributable to Driven Brands Holdings Inc.	642,451	466,005
Non-controlling interests	383	370
Total shareholders' equity	642,834	466,375
Total liabilities and shareholders' equity	$ 3,657,334	$ 3,463,136

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

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Fiscal year ended December 30, 2023	Fiscal year ended December 31, 2022
Revenue:		
Franchise royalties and fees	$ 190,367	$ 171,734
Company-operated store sales	1,130,996	933,906
Advertising contributions	98,850	87,750
Supply and other revenue	286,072	247,084
Total revenue	1,706,285	1,440,474
Operating expenses:		
Company-operated store expenses	697,317	553,650
Advertising expenses	97,290	87,986
Supply and other expenses	154,586	140,107
Selling, general and administrative expenses	357,192	325,462
Acquisition costs	7,589	9,657
Store opening costs	4,885	2,809
Depreciation and amortization	75,933	55,892
Asset impairment charges	4,542	107
Total operating expenses	1,399,334	1,175,670
Operating income	306,951	264,804
Other (income) expense, net		
Interest expense, net	108,002	88,124
Loss (gain) on foreign currency transactions, net	(1,997)	5,511
Total other expenses, net	106,005	93,635
Income before taxes	200,946	171,169
Income tax expense	45,411	17,538
Net income	155,535	153,631
Net income attributable to Driven Brands, Inc.	$ 155,535	$ 153,631

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

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal year ended	
(in thousands)	**December 30, 2023**	**December 31, 2022**
Net income	$ 155,535	$ 153,631
Other comprehensive gain (loss):		
Foreign currency translation adjustment	1,062	(15,275)
Gain/(Loss) on swap, net	3,345	(1,866)
Other comprehensive gain (loss), net	4,407	(17,141)
Total comprehensive income	159,942	136,490
Comprehensive gain (loss) attributable to non-controlling interests	13	$ (36)
Comprehensive income attributable to Driven Brands, Inc.	$ 159,929	$ 136,526

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

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

in thousands	Common stock, Class A and B	Additional paid-in-capital	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance as of December 25, 2021	$ 565	$ 247,505	$ 55,615	$ (1,623)	$ 406	$ 302,468
Net income	—	—	153,631	—	—	153,631
Other comprehensive (loss)	—	—	—	(17,105)	(36)	(17,141)
Equity-based compensation expense	—	20,583	—	—	—	20,583
Contributions	—	6,834	—	—	—	6,834
At-Pac divestiture	—	—	—	—		—
Balance as of December 31, 2022	$ 565	$ 274,922	$ 209,246	$ (18,728)	$ 370	$ 466,375
Net income	—	—	155,535	—	—	155,535
Other comprehensive income	—	—	—	4,407	13	4,420
Equity-based compensation expense	—	15,300	—	—	—	15,300
Contributions	—	1,204	—	—	—	1,204
Balance as of December 30, 2023	$ 565	$ 291,426	$ 364,781	$ (14,321)	$ 383	$ 642,834

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

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 30, 2023	Year Ended December 31, 2022
Net income	$ 155,535	$ 153,631
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	75,933	55,892
Equity-based compensation expense	15,300	20,583
Loss (gain) on foreign denominated transactions	(4,581)	10,287
Loss (gain) on foreign currency derivative	2,584	(4,776)
Gain on sale of fixed assets	(3,787)	(13,918)
Bad debt expense	1,838	5,746
Asset impairment costs	4,542	107
Amortization of deferred financing costs and bond discounts	8,558	7,058
Provision for deferred income taxes	373	2,467
Other, net	16,723	1,104
Changes in assets and liabilities:		
Accounts and notes receivable, net	6,064	(49,043)
Inventory	(9,515)	(16,836)
Prepaid and other assets	3,014	(9,333)
Related party receivable	(69,840)	126,011
Advertising fund assets and liabilities, restricted	(16,861)	13,495
Other assets	(41,677)	(22,907)
Deferred commissions	418	3,407
Deferred revenue	1,937	1,925
Accounts payable	10,402	(31,122)
Accrued expenses and other liabilities	(27,272)	(51,271)
Income tax receivable	35,497	352
Cash provided by operating activities	165,185	202,859
Cash flows from investing activities:		
Capital expenditures	(158,225)	(103,239)
Cash used in business acquisitions, net of cash acquired	(36,727)	(405,011)
Proceeds from sale-leaseback transactions	39,168	16,107
Proceeds from sale or disposal of businesses and fixed assets	8,234	19,918
Cash used in investing activities	(147,550)	(472,225)
Cash flows from financing activities:		
Payment of debt issuance cost	—	(7,172)
Proceeds from the issuance of long-term debt	—	365,000
Repayment of long-term debt	(22,971)	(20,159)
Repayment of principal portion of finance lease liability	(3,844)	(2,561)
Contribution from (distribution to) parent	(3,118)	6,834
Stock option exercises	—	340
Other, net	227	(19)

Cash provided by financing activities		(29,706)		342,263
Effect of exchange rate changes on cash		9,519		(2,489)
Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted		(2,552)		70,408
Cash and cash equivalents, beginning of period		158,799		82,676
Cash included in advertising fund assets, restricted, beginning of period		32,871		38,586
Restricted cash, beginning of period		657		657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period		192,327		121,919
Cash and cash equivalents, end of period		150,581		158,799
Cash included in advertising fund assets, restricted, end of period		38,537		32,871
Restricted cash, end of period		657		657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period	$	189,775	$	192,327
Supplemental cash flow disclosures - non-cash items:				
Capital expenditures included in accrued expenses and other liabilities	$	2,127	$	4,942
Deferred consideration included in accrued expenses and other liabilities		2,630	$	27,303
Supplemental cash flow disclosures - cash paid for:				
Interest	$	108,119	$	88,655
Income taxes		—	$	13,202

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

Note 1—Description of Business

Description of Business

Driven Brands, Inc. and Subsidiaries (collectively,"the Company") comprises the worldwide operations of Meineke Car Care Centers ("Meineke"), Maaco Collision Repair and Auto Painting ("Maaco"), Fix Auto USA ("FUSA"), Merlin's 200,000 Miles shops ("Merlin's"), Uniban ("Go Glass"), Econo-Lube N' Tune ("Econo"), 1-800-Radiator & A/C ("Radiator"), Spire Supply, Drive N Style, Take 5 Oil Change ("Take 5"), CARSTAR auto body repair experts ("CARSTAR"), ABRA Auto Body Repair of America ("ABRA"), and Clairus Group ("Clairus") (collectively, the "Driven Franchise Brands"). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. The Company is also comprised of Automotive Training Institute ("ATI"), which provides business-to-business automotive training services, and Auto Glass Now ("AGN"), which is comprised of our U.S. Glass business. As of December 30, 2023, the Driven Franchise Brands and AGN encompass 3,880 units worldwide, with 83% located within the United States and the remainder located primarily in Canada. Approximately 77% of the units are franchised. The Company is a direct, wholly-owned subsidiary of Driven Holdings, LLC, which is a direct wholly-owned subsidiary of Driven Brands Holdings Inc. (the "Ultimate Parent"). The assets and liabilities of Drive N Style Franchisor SPV, LLC were sold on July 17, 2023.

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

Note 2—Summary of Significant Accounting Policies

Fiscal Year

The Company operates and reports financial information on a 52 or 53-week year with the fiscal year ending on the last Saturday in December. Our fiscal year ending December 30, 2023 reflects the results of operations for the 52-week and December 31, 2022 reflects the results of operations for the 53-week year ended .

Basis of Presentation

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

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. These investments are carried at cost, which approximates fair value. The Company continually monitors its positions with, and the credit quality of, the financial institutions in which it maintains its deposits. As of December 30, 2023 and December 31, 2022, the Company maintained balances in various cash accounts in excess of federally insured limits.

Restricted Cash

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

Accounts and Notes Receivable

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

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

Allowance for Credit Losses

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

Inventory

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

Property and Equipment, net

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

Estimated useful lives are as follows:

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

Cloud computing arrangements

The Company capitalizes qualified cloud computing implementation costs associated with the application development stage and subsequently amortize these costs over the term of the hosting arrangement and stated renewal period, if it is reasonably certain we will renew. Capitalized costs are included in other assets on the consolidated balance sheet. During the year ended December 30, 2023, we recorded cloud computing amortization of $2 million. As of December 31, 2022 no cloud computing arrangements were in service.

Leases

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

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

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

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

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

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

Impairment of Long-Lived Assets

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

Goodwill and Intangible Assets

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

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

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

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

The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite. On October 1, 2023, the first day of the fourth quarter, the Company performed its annual impairment assessment of goodwill and indefinite-lived intangibles and has determined there was no impairment in the years ended December 30, 2023 and December 31, 2022.

Definite Lived Intangible Assets

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

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

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

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

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

Assets Held for Sale

Assets currently available for sale and expected to be sold within one year are classified as assets held for sale. There were no assets designated as held for sale as of December 30, 2023 or December 31, 2022.

Derivative instruments

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

Revenue Recognition

Franchise royalties and fees

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

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

Company-operated store sales

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

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

Advertising contributions

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

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

Supply and other revenue

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

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

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

Contract Balances

The Company generally records a contract liability when cash is provided for a contract with a customer before the Company has completed its contractual performance obligation. This includes cash payments for initial

franchise fees as well as upfront payments on store owner consulting and education contracts. Franchise fees and shop owner consulting contract payments are recognized over the life of the agreement, which range from five to 20 and three to four year terms, respectively.

Company-Operated Store Expenses

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

Store Opening Costs

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

Equity-based Compensation

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

Fair Value of Financial Instruments

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity as the ability to access at the measurement date,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or

Level 3: Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

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

(in thousands)	Level 1	Significant other observable inputs (Level 2)	Total
Derivative assets, recorded in other assets	—	285	285
Derivative liabilities, recorded in accrued expenses and other liabilities	—	233	233

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

(in thousands)	Level 1	Significant other observable inputs (Level 2)	Total
Mutual fund investments held in rabbi trust	$ 758	$ —	$ 758
Derivative liabilities, recorded in accrued expenses and other liabilities	—	2,148	2,148
Derivative liabilities, recorded in long-term accrued expenses and other liabilities	—	165	165

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

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

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

	December 30, 2023		December 31, 2022	
(in thousands)	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Long-term debt	$ 2,231,959	$ 2,067,579	$ 2,277,675	$ 1,998,250

Income Taxes

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

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

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized on the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with tax authorities. The Company records any interest and penalties associated as additional income tax expense in the consolidated statements of income.

Deferred Financing Costs

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

Insurance Reserves

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

Foreign Currency Translation

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

Recently Issued Accounting Standards

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In response to the concerns about structural risks of interbank offered rates and, particularly, the risk of cessation of LIBOR, regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. The ASU provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. This guidance is effective immediately and the amendments may be applied prospectively through December 31, 2024. The Company is evaluating the impact of adopting this new accounting guidance and does not believe it will have a material impact on the Company's consolidated financial statements.

Note 3—Accounts and Notes Receivable, net

Accounts and notes receivable, net consisted of the following:

(in thousands)	December 30, 2023	December 31, 2022
Accounts receivable	$ 157,653	$ 185,569
Notes receivable	3,816	4,335
Total gross receivables	161,469	189,904
Less allowance for doubtful accounts	(11,604)	(19,504)
Less current portion of accounts and notes receivable	(146,295)	(167,249)
Notes receivable, long term	$ 3,570	$ 3,151

The changes in the allowance for accounts and notes receivable for the year ended December 30, 2023 and December 31, 2022 were as follows:

(in thousands)		
Balance as of December 25, 2021	$	18,421
Bad debt expense		5,745
Write-off of uncollectible receivables		(4,662)
Balance at December 31, 2022	$	19,504
Bad debt expense, net of recoveries		1,837
Write-off of uncollectible receivables		(9,737)
Balance at December 30, 2023	$	11,604

Note 4—Business Combinations

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

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

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

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

2023 Maintenance Business unit

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

2023 Paint, Collision & Glass Business unit

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

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

2022 Acquisitions

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

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

2022 Paint, Collision & Glass Business unit

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

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

2022 Maintenance Business unit

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

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

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

Purchase accounting allocations are complete for all 2022 acquisitions as of December 30, 2023.

Deferred Consideration and Transaction Costs

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

The Company incurred less than $1 million and $3 million of transaction costs during the years ended December 30, 2023 and December 31, 2022 respectively.

Note 5 —Property and Equipment

Property and equipment at December 30, 2023 and December 31, 2022 consisted of the following:

(in thousands)	December 30, 2023	December 31, 2022
Buildings	$ 35,468	$ 20,967
Land	16,633	2,864
Furniture and fixtures	32,449	23,464
Computer equipment and software	75,788	35,607
Shop equipment	34,921	30,053
Leasehold improvements	239,533	201,416
Finance lease right-of-use assets	16,567	36,246
Vehicles	8,448	7,527
Construction in progress	54,416	59,669
Total property and equipment	514,223	417,813
Less: accumulated depreciation	(152,893)	(113,920)
Total property and equipment, net	$ 361,330	$ 303,893

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

Note 6 —Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the years ended December 30, 2023 and December 31, 2022 are as follows:

(in thousands)	Total
Balance at December 25, 2021	$ 938,137
Acquisitions	298,873
Sale of business unit	(3,495)
Purchase price adjustments	(34)
Foreign exchange	(8,024)
Balance at December 31, 2022	1,225,457
Acquisitions	9,659
Sale of business unit	(587)
Purchase price adjustments	2,324
Foreign exchange	1,651
Balance at December 30, 2023	$ 1,238,504

Intangible assets for the years ended December 30, 2023 and December 31, 2022 are as follows:

(in thousands)	Balance at December 30, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-Lived Amortizable			
Franchise agreements	$ 221,996	$ (69,643)	$ 152,353
License agreements	11,998	(5,949)	6,049
Membership agreements	11,600	(6,173)	5,427
Customer relationships	129,730	(25,627)	104,103
Developed technology	25,923	(22,046)	3,877
Trademarks & other	14,244	(13,968)	276
Total definite lived amortizable	415,491	(143,406)	272,085
Indefinite-Lived			
Trademarks	431,488	—	431,488
Total	$ 846,979	$ (143,406)	$ 703,573

	Balance at December 31, 2022		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-Lived Amortizable			
Franchise agreements	$ 222,617	$ (59,466)	$ 163,151
License agreements	11,968	(4,354)	7,614
Membership agreements	11,600	(5,480)	6,120
Customer relationships	128,127	(16,369)	111,758
Developed technology	25,717	(19,788)	5,929
Trademarks & other	12,571	(11,336)	1,235
Total definite-lived amortizable	412,600	(116,793)	295,807
Indefinite-Lived			
Trademarks	431,839	—	431,839
Total	$ 844,439	$ (116,793)	$ 727,646

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

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

(in thousands)	
2024	$ 24,042
2025	22,535
2026	22,056
2027	20,079
2028	18,942
Thereafter	164,431
Total amortization	$ 272,085

Note 7— Revenue from Contracts with Customers

The Company records contract assets for the incremental costs of obtaining a contract with a customer if it expects the benefit of those costs to be longer than one year and if such costs are material. Commission expenses, a primary cost associated with the sale of franchise licenses, are amortized to selling, general and administrative expenses in the consolidated statements of income ratably over the life of the associated franchise agreement.

Capitalized costs to obtain a contract as of December 30, 2023 and December 31, 2022 were $6 million and $7 million, respectively, and were presented within deferred commissions on the consolidated balance sheets. The Company recognized an immaterial amount of costs during the years ended December 30, 2023 and December 31, 2022, respectively, that were recorded as a contract asset at the beginning of the year.

Contract liabilities consist primarily of deferred franchise fees and deferred development fees. The Company has contract liabilities of $31 million and $29 million as of December 30, 2023 and December 31, 2022, respectively, which are presented within deferred revenue on the consolidated balance sheets. The Company recognized $4 million in revenue relating to contract liabilities during the year ended December 30, 2023 and December 31, 2022, respectively.

Note 8—Long-term Debt

Our long-term debt obligations consist of the following:

(in thousands)	December 30, 2023	December 31, 2022
Series 2018-1 Securitization Senior Notes, Class A-2	$ 259,188	$ 261,938
Series 2019-1 Securitization Senior Notes, Class A-2	285,000	288,000
Series 2019-2 Securitization Senior Notes, Class A-2	263,313	266,063
Series 2020-1 Securitization Senior Notes, Class A-2	168,875	170,625
Series 2020-2 Securitization Senior Notes, Class A-2	436,500	441,000
Series 2021-1 Securitization Senior Notes, Class A-2	439,875	444,375
Series 2022-1 Securitization Senior Notes, Class A-2	360,438	364,088
Other debt [1]	18,770	41,586
Total debt	2,231,959	2,277,675
Less: debt issuance costs	(28,250)	(36,852)
Less: current portion of long-term debt	(26,426)	(27,605)
Total long-term debt, net	$ 2,177,283	$ 2,213,218

(1) Amount primarily consists of finance lease obligations. See Note 9.

2018-1 Securitization Senior Notes

In April 2018, Driven Brands Funding, LLC (the "Issuer") issued $275 million Series 2018-1 Securitization Senior Secured Notes (the "2018-1 Senior Notes") bearing a fixed interest rate of 4.739% per annum. The 2018-1 Senior Notes have a final legal maturity date in April 2048 and an anticipated repayment date in April 2025. The 2018-1 Senior Notes are secured by substantially all assets of the Issuer and are are guaranteed by Driven Brands Funding, LLC and Driven Brands Canada Funding Corporation (together, the "Co-Issuers") of the Senior Notes, Funding Holdco, Franchisor Holdco, SPV Product Sales Holder, Radiator Product Sales Holder, the other U.S. SPV Franchising Entities, Take 5 Properties, FUSA Properties and any Future Securitization Entities organized in the United States or any State thereof (collectively, the "Securitization Entities"). The Company capitalized $7 million of debt issuance costs related to the 2018-1 Senior Notes.

2019-1 Securitization Senior Notes

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

2019-2 Securitization Senior Notes

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

Series 2019-3 Variable Funding Securitization Senior Notes

In December 2019, the Issuer issued Series 2019-3 Variable Funding Senior Notes (the "2019 VFN") in the revolving amount of $115 million. The 2019 VFN have a final legal maturity date in January 2050. The commitment under the 2019 VFN was set to expire in July 2022, with the option of three one-year extensions. In July 2023, the Company exercised the second of three one-year extension options.. The 2019 VFN are secured by substantially all assets of the Issuer and are guaranteed by the Securitization Entities. The Issuer may elect interest at the Base Rate plus an applicable margin or London Interbank Offered Rate ("LIBOR") plus an applicable margin (the LIBOR rate as the applicable interest rate). The Company capitalized $1 million of debt issuance costs related to the 2019-3 VFN. No amounts were outstanding under the 2019 VFN as of December 31, 2022 and December 25, 2021. As of December 31, 2022, there were $24.5 million of outstanding letters of credit that reduced the borrowing availability under the 2019 VFN.

2020-2 Securitization Senior Notes

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

2021-1 Securitization Senior Notes

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

2022-1 Securitization Senior Notes

In October 2022, the Co-Issuers issued $365 million of 2022-1 Securitization Senior Notes (the "2022-1 Senior Notes"), bearing a fixed interest rate of 7.393% per annum. The 2022-1 Senior Notes have a final legal maturity date in October 2052, and an anticipated repayment date in October 2027. The 2022-1 Senior Notes are secured by substantially all assets of the Co-issuers and are guaranteed by the Securitization Entities. The proceeds from the issuance of the 2022-1 Senior Notes were used for general corporate purposes, including the repayment of the

Revolving Credit Facility creating capacity to invest in continued growth. In conjunction with the issuance of the 2022-1 Senior Notes, the Co-Issuers also issued Series 2022-1 Class A-1 Notes in the amount of $135 million, which can be accessed at the Issuer's option if certain conditions are met. The Company capitalized $7 million of debt issuance costs related to the 2022-1 Senior Notes.

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

(in thousands)		
2024	$	26,426
2025		279,691
2026		554,003
2027		524,325
2028		841,945
Thereafter		5,569
Total future repayments	$	2,231,959

Covenants of the Notes

Substantially all of the assets of the Company, including most of the domestic and certain of the foreign revenue-generating assets, which principally consist of franchise-related agreements, certain company-operated stores, certain product distribution agreements, intellectual property and license agreements for the use of intellectual property, are owned by subsidiaries of the Issuer of the Securitization entities, and are pledged to secure the Notes and indebtedness under the Credit Agreement (together the "Indebtedness"). The restrictions placed on the Issuer and its subsidiaries require that interest and principal (if any) on the Notes be paid prior to any residual distributions to the Company, and amounts are segregated weekly to ensure appropriate funds are reserved to pay the quarterly interest and principal (if any) amounts due. The amount of weekly cash flow that exceeds all expenses and obligations of the Issuer and its subsidiaries (including required reserve amounts) is generally remitted to the Company in the form of a dividend.

The Notes are subject to certain quantitative covenants related to debt service coverage and leverage ratios. In addition, the agreements related to the Notes also contain various affirmative and negative operating and financial reporting covenants which are customary for such debt instruments. These covenants, among other things, limit the ability of the Issuer and its subsidiaries to sell assets; engage in mergers, acquisitions, and other business combinations; declare dividends or redeem or repurchase capital stock; incur, assume, or permit to exist additional indebtedness or guarantees; make loans and investments; incur liens; and enter into transactions with affiliates. In the event that certain covenants are not met, the Notes may become fully due and payable on an accelerated schedule. In addition, the Issuer may voluntarily prepay, in part or in full, any series of Class A-2 Notes at any time, subject to certain make-whole obligations.

As of December 30, 2023, the Issuers was in compliance with all covenants under the agreements discussed above.

Driven Brands, Inc. has no material separate cash flows or assets or liabilities as of December 30, 2023. All business operations are conducted through its operating subsidiaries and it has no material independent operations. Driven Brands, Inc. has no other material commitments or guarantees. As a result of the restrictions described above, certain of the subsidiaries' net assets are effectively restricted in their ability to be transferred to Driven Brands, Inc. as of December 30, 2023.

Note 9— Leases

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

vehicle leases generally have terms ranging from one to five years. The Company's portfolio of leases does not contain any material residual value guarantees or restrictive covenants.

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

(in thousands)	Balance Sheet Location	December 30, 2023	December 31, 2022
Right-of-use assets			
Finance leases	Property and equipment, net	$ 16,534	$ 36,213
Operating leases	Operating lease right-of-use assets	397,211	335,760
Total right-of-use assets		$ 413,745	$ 371,973
Current lease liabilities			
Finance leases	Current portion of long-term debt	$ 3,387	$ 3,317
Operating leases	Accrued expenses and other liabilities	44,603	33,689
Total current lease liabilities		$ 47,990	$ 37,006
Long-term lease liabilities			
Finance leases	Long-term debt	$ 13,775	$ 35,390
Operating leases	Operating lease liabilities	371,404	313,644
Total long-term lease liabilities		$ 385,179	$ 349,034

The lease cost for operating and finance leases recognized in the consolidated statement of income were as follows:

(in thousands)	December 30, 2023	December 31, 2022
Finance lease expense:		
Amortization of right-of-use assets	$ 1,446	$ 2,928
Interest on lease liabilities	845	1,715
Operating lease expense	67,403	59,550
Short-term lease expense	145	430
Variable lease expense	1,615	1,522
Total lease expense, net	$ 71,454	$ 66,145

The Company also subleases certain facilities to franchisees and recognized $5 million and $5 million and in sublease revenue during the years ended December 30, 2023 and December 31, 2022, respectively, as a component of supply and other revenue on the consolidated statements of income.

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

For the year ended December 31, 2022, the Company sold 11 maintenance properties in various locations throughout the U. S. for a total of $16 million, resulting in a net gain of $3 million. Concurrently with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased

back the properties. These lease agreements have terms ranging from 15 to 20 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately $12 million and $12 million, respectively, related to these lease arrangements.

	December 30, 2023	December 31, 2022
Weighted average remaining lease terms (years)		
Operating	10.10	15.58
Financing	10.50	12.04
Weighted average remaining lease terms (years)		
Operating	5.91 %	5.27 %
Financing	4.42 %	5.02 %

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

(in thousands)	December 30, 2023	December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 60,991	$ 56,678
Operating cash flows used in finance leases	845	1,715
Financing cash flows used in finance leases	993	1,641
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 103,193	$ 59,772
Finance leases	—	10,906

As of December 30, 2023, future minimum lease payments under noncancellable leases were as follows:

(in thousands)	Finance	Operating	Income from subleases
2024	$ 3,585	$ 72,650	$ 5,499
2025	3,269	68,296	4,822
2026	2,933	62,051	4,392
2027	2,329	55,153	3,988
2028	1,661	47,459	2,823
Thereafter	4,644	264,781	5,485
Total undiscounted cash flows	18,421	570,390	$ 27,009
Less: Present value discount	1,259	154,383	
Less: Current lease liabilities	3,387	44,603	
Long-term lease liabilities	$ 13,775	$ 371,404	

Note 10—Income Taxes

The components of our income tax expense were as follows:

	Year Ended	
(in thousands)	**December 30, 2023**	**December 31, 2022**
Current:		
Federal	$ 38,916	$ 7,568
State	6,706	5,158
Foreign	(680)	600
Deferred:		
Federal	(10,273)	12,984
State	11,502	(13,067)
Foreign	(760)	4,295
Total income tax expense	$ 45,411	$ 17,538

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

(in thousands)	**December 30, 2023**	**December 31, 2022**
Deferred tax asset		
Accrued liabilities	$ 1,572	$ 6,159
Accounts receivable allowance	3,289	5,046
Net operating loss carryforwards	2,960	9,054
Lease liabilities	101,835	82,669
Interest expense limitation	27,249	8,537
Deferred revenue	7,283	6,693
Other deferrred assets	5,632	5,091
Total deferred tax asset	149,820	123,249
Less valuation allowance	(1,112)	(1,216)
Net deferred tax asset	148,708	122,033
Deferred tax liabilities		
Goodwill and intangible assets	166,614	156,429
Right of use lease assets	97,577	80,156
Fixed asset basis differences	21,150	17,317
Unrealized foreign exchange differences	(371)	(920)
Other deferred liabilities	3,071	6,793
Total deferred liabilities	288,041	259,775
Net deferred liabilities	$ 139,333	$ 137,742

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

As of December 30, 2023, Driven Brands had a liability for uncertain tax positions of approximately $373 thousand. During 2023, the Company reduced the liability for uncertain tax positions by over $1 million. The Company has elected to treat interest and penalties associated with uncertain tax position as tax expense. The Company does not estimate any change to the position in the next 12 months. Based on management analysis, the

Company does not believe any historical unrecognized tax benefits significantly changed during the years ended December 30, 2023 or December 31, 2022. The Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year.

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

As of December 30, 2023, the Company has no pre-tax federal operating loss carry forwards. State tax effected net operating loss carryforwards are $3 million. As of December 30, 2023, the Company has no net operating loss carryforwards in Canada. As of December 30, 2023, the Company had $502 million of goodwill that was deductible for tax purposes.

The Company has designated the undistributed earnings of its foreign operations as indefinitely reinvested and as a result the Company does not provide for deferred income taxes on the unremitted earnings of these subsidiaries. As of December 30, 2023, the determination of the amount of such unrecognized deferred tax liability is not practicable.

Note 11—Related-Party Transactions

The Company has an Related party receivable of $457 million at December 30, 2023 with the Driven Holdings LCC, its parent company, of which $329 million and $128 million is classified as current and noncurrent, respectively, on the Consolidated Balance Sheet. The Company had an Related party receivable of $387 million at December 31, 2022 with the Driven Holdings LCC, its parent company, of which $258 million and $128 million is classified as current and noncurrent, respectively on the Consolidated Balance Sheet. The funds advanced were obtained from the issuance of Series 2021-1 Securitization Senior Notes and existing cash.

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

Note 12—Employee Benefit Plans

The Company has a 401(k) plan that covers eligible employees as defined by the plan agreement. Employer contributions to the plan were $4 million, $2 million 2023 and 2022, respectively.

The Company has a rabbi trust to fund the obligations of its non-qualified deferred compensation plan for its executive level employees, which became effective as of January 1, 2018. The rabbi trust comprises various mutual fund investments selected by plan participants. The Company records the mutual fund investment assets at fair value with any subsequent changes in fair value recorded in the consolidated statements of income. As such, offsetting changes in the asset values and defined contribution plan obligations would be recorded in earnings in the same period. The trust asset balance and the deferred compensation plan liability balance were $1 million as of December 31, 2022. During the year ended December 30, 2023, the company liquidated the rabbi trust assets. As of December 30, 2023, the deferred compensation plan liability balance was $2 million. The trust assets and liabilities are recorded within prepaid and other assets and accrued expenses and other liabilities, respectively, within the consolidated balance sheets.

Note 13—Equity Agreements and Incentive Equity Plan

On April 17, 2015, Driven Investor LLC established the Driven Investor LLC Incentive Equity Plan (the "Equity Plan"). The Equity Plan, among other things, established the ownership of certain membership units in Driven Investor LLC and defined the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Equity Plan calls for certain restrictions regarding transfers of units, corporate governance and board of director representation. In April 2015, Driven Investor LLC established certain profits interest units as part of the award agreements (the "Award Agreements") granted pursuant to the Equity Plan. The Award Agreements provide for grants of certain profits interest units to employees, directors or consultants of Driven Investor LLC and Subsidiaries. For both the Profits Interest Time Units and Profits Interest Performance Units, if the grantee's continuous service terminated for any reason, the grantee forfeits all right, title, and interest in and to any unvested units as of the date of such termination, unless the grantee's continuous service period is terminated by the Company without cause within the six-month period prior to the date of consummation of the change in control. In addition, the grantee forfeits all right, title, and interest in and to any vested units if the grantee was terminated for cause, breaches any post-termination covenants, or fail to execute any general release required to be executed. The Profits Interest Performance Units were also subject to certain performance criteria which may cause the units not to vest.

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

Profits Interest Units

Prior to IPO, the Ultimate Parent's equity awards included Profits Interest Units as noted above. There were two forms of Profits Interest - Time Units and Performance Units. Time Units generally vested in five installments of 20% on each of the first five anniversaries of the grant date or vesting date, provided that the employee remained in continuous service on each vesting date. All outstanding Time Units were to vest immediately prior to the effective date of a consummated sale transaction. The Time Units were exchanged for time-based restricted stock awards in connection with the IPO. In addition, the Ultimate Parent granted time-based and performance-based options in connection with the IPO to most employees with Profit Interests (each an "IPO Option"). The exchange of Profits Interest - Time Units for time based time-based restricted stock awards did not require modification accounting.

The Performance Units were to vest immediately prior to the effective date of a consummated sale transaction or qualified public offering, including the IPO (a "Liquidity Event"). The percentage of vesting was based on achieving certain performance criteria. No vesting occurred as a result of the IPO as the minimum performance criteria threshold was not achieved. In connection with the IPO, the Performance Units were exchanged for performance-based restricted stock awards. The vesting conditions of the performance-based restricted stock awards were modified to vest subject to an additional performance condition. Employees who received IPO Options have the same vesting conditions for the performance-based portion of the IPO Options as the performance-based restricted stock awards.

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

There was approximately $31 million of unrecognized compensation expense related to the time-based restricted stock awards at December 30, 2023, which is expected to be recognized over a weighted-average vesting period of 1.3 years.

There was approximately $3 million of unrecognized compensation expense related to the performance-based restricted stock awards at December 30, 2023. For the years ended December 30, 2023 and December 31, 2022 , no

compensation cost was recognized for the performance-based restricted stock awards given the performance criteria was not met or probable. Certain former employees continued to hold performance-based awards after the IPO.

There were no stock grants, forfeitures or repurchases for the period from December 26, 2020 through January 14, 2021. The existing Profits Interest - Time and Performance units were converted into new time and performance awards on January 14, 2021.

	Unvested Time Awards	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Awards	Weighted Average Grant Date Fair Value, per unit
Outstanding as of January 14, 2021	610,477	$ 12.65	4,178,246	$ 15.79
Forfeited/Cancelled	(17,304)	21.27	(84,737)	13.55
Vested	(164,868)	10.04	—	—
Outstanding as of December 25, 2021	428,305	$ 13.31	4,093,509	$ 15.84
Forfeited/Cancelled	(30,869)	10.34	(77,760)	15.34
Vested	(107,767)	12.95	—	—
Outstanding as of December 31, 2022	289,669	$ 13.76	4,015,749	$ 15.84
Modifications	2,963,829	11.15	(2,963,829)	15.94
Forfeited/Cancelled	(53,865)	12.74	(251,895)	12.86
Vested	(96,542)	12.97	—	—
Outstanding as of December 30, 2023	3,103,091	$ 11.31	800,025	$ 16.22

Restricted Stock Units and Performance Stock Units

The Ultimate Parent established other new awards in connection with and subsequent to the IPO, including restricted stock units ("RSUs") and performance stock units ("PSUs"). Awards are eligible to vest provided that the employee remains in continuous service on each vesting date. The RSUs vest ratably in three installments on each of the first three anniversaries of the grant date. The PSUs vest after a three-year performance period. The number of PSUs that vest is contingent on the Ultimate Parent achieving certain performance goals, one being a performance condition and the other being a market condition. The number of PSU shares that vest may range from 0% to 200% of the original grant, based upon the level of performance. The awards are considered probable of meeting vesting requirements, and therefore, the Company has started recognizing expense. For both RSUs and PSUs, if the grantee's continuous service terminates for any reason, the grantee shall forfeit all right, title, and interest in any unvested units as of the termination date.

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

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

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

There was approximately $13 million of total unrecognized compensation cost related to the unvested RSUs at December 30, 2023, which is expected to be recognized over a weighted-average vesting period of 2.1 years. In addition, there was approximately $4 million of total unrecognized compensation cost related to the unvested PSUs, which are expected to be recognized over a weighted-average vesting period of 1.9 years.

The following are the Ultimate Parent's restricted stock units and performance stock units granted in conjunction with or after the IPO:

	Unvested Time Units	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Units	Weighted Average Grant Date Fair Value, per unit
Outstanding as of January 14, 2021 (pre-IPO)	—	$ —	—	$ —
Granted post-IPO	81,160	23.11	144,735	24.52
Forfeited/Cancelled	(18,735)	22.18	(37,439)	24.36
Outstanding as of December 25, 2021	62,425	23.38	107,296	24.58
Granted	300,067	27.96	488,488	32.39
Forfeited/Cancelled	(20,424)	26.18	(46,024)	29.22
Vested	(20,465)	23.41	—	—
Outstanding as of December 31, 2022	321,603	$ 27.49	549,760	$ 31.13
Granted	716,904	20.29	647,359	30.54
Forfeited/Cancelled	(126,822)	27.87	(283,131)	31.06
Performance achievement	—	—	13,808	24.69
Vested	(105,149)	27.31	(82,848)	24.69
Outstanding as of December 30, 2023	806,536	21.07	844,948	31.24

Stock Options

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

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

The following are the Ultimate Parent's stock options granted in conjunction with or after the IPO:

	Time Based Stock Options Outstanding	Weighted Average Exercise Price	Performance Based Stock Options Outstanding	Weighted Average Exercise Price
Outstanding as of December 25, 2021	3,685,560	26.63	3,469,480	22.00
Forfeited/Cancelled	(68,510)	19.50	(190,544)	22.00
Exercised	(23,721)	21.70	—	—
Outstanding as of December 31, 2022	3,593,329	$ 26.79	3,278,936	$ 22.00
Modified	2,438,643	4.15	(2,438,643)	—
Forfeited/Cancelled	(448,028)	16.01	(553,038)	7.14
Exercised	(270,376)	22.00	—	—
Outstanding as of December 30, 2023	5,313,568	$ 17.64	287,255	$ 7.53
Exercisable as of December 30, 2023	634,594	$ 21.91	—	$ —

There was approximately $20 million of total unrecognized compensation cost related to the unvested stock options at December 30, 2023, which is expected to be recognized over a weighted-average vesting period of 2.0 years.

There was less than $1 million of unrecognized compensation expense related to the performance-based stock options at December 30, 2023. For the years ended December 30, 2023, December 31, 2022 and December 25, 2021, no compensation cost was recognized for the performance-based stock options given the performance criteria was not met or probable. Certain former employees continued to hold performance-based options after the IPO.

The fair value of all time based units granted was estimated using a Black-Scholes option pricing model using the following weighted-average assumptions for each of fiscal 2023 and 2021:

	For the Year Ended	
	December 30, 2023	December 25, 2021
Annual dividend yield	—%	—%
Weighted-average expected life (years)	6.5	7.0
Risk-free interest rate	4.82%	1.3%
Expected volatility	49.8%	40.1%

The expected term of the incentive units is based on evaluations of historical and expected future employee behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based on the historical volatility of guideline public entities that are similar to the Ultimate Parent, as the Ultimate Parent does not have sufficient historical transactions of its own shares to calculate expected volatility. As of December 30, 2023 , the Ultimate Parent does not intend to pay dividends or distributions in the future.

Employee Stock Purchase Plan

On January 6, 2021, the Ultimate Parent's Board of Directors approved the Employee Stock Purchase Plan (the "ESPP") and effective January 14, 2021, the Ultimate Parent's shareholders adopted and approved the ESPP. On March 22, 2021, the Ultimate Parent's Board of Directors approved the International Employee Stock Purchase Plan (the "International ESPP"). The ESPP and International ESPP provide employees of certain designated subsidiaries of the Ultimate Parent with an opportunity to purchase the Ultimate Parent's common stock at a discount, subject to certain limitations set forth in the ESPP and International ESSP. The ESPP and International ESSP plans authorized the issuance of 1,790,569 shares of the Ultimate Parent's common stock. Total contributions to the ESPP were $1 million for the year ended December 30, 2023, 82,546 shares of common stock were purchased under the ESPP as of December 30, 2023. 111,924 of the shares of common stock were purchased on December 28, 2021 related to employee contributions during the year ended December 25, 2021.

The Company recognized equity-based compensation expense of $15 million and $21 million in 2023 and 2022 respectively.

Note 14 - Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through April 26, 2024, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands)	December 31, 2022	December 25, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 158,799	$ 82,676
Restricted cash	657	657
Accounts and notes receivable, net	167,249	105,838
Inventory	54,696	34,092
Prepaid and other assets	26,878	17,644
Related parties receivable	258,476	384,432
Income tax receivable	1,698	1,539
Assets held for sale	—	3,275
Advertising fund assets, restricted	36,421	45,360
Total current assets	704,874	675,513
Related parties receivable	128,144	128,144
Property and equipment, net	303,893	222,870
Operating lease right-of-use assets	335,760	312,470
Deferred commissions	7,121	10,567
Intangibles, net	727,646	645,816
Goodwill	1,225,457	938,137
Deferred tax asset	1,827	—
Other assets	28,414	2,184
Total assets	$ 3,463,136	$ 2,935,701
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 41,348	$ 67,897
Income taxes payable	4,834	5,109
Accrued expenses and other liabilities	184,561	190,016
Current portion of long-term debt	27,605	21,527
Advertising fund liabilities	36,726	26,441
Total current liabilities	295,074	310,990
Long-term debt, net	2,213,218	1,860,144
Operating lease liabilities	313,644	295,897
Deferred tax liabilities	139,568	136,007
Deferred revenue	29,310	27,456
Accrued expenses and other long-term liabilities	5,947	2,739
Total liabilities	2,996,761	2,633,233
Shareholders' equity:		
Class A common stock, $.01 par value, authorized 60,000,000 voting shares; 56,560,217 shares issued and outstanding at December 31, 2022 and December 25, 2021	565	565
Class B common stock, $.01 par value, authorized 12,461,152 non-voting shares; 0 shares issued and outstanding at December 31, 2022 and December 25, 2021	—	—
Additional paid-in-capital	274,922	247,505
Retained earnings	209,246	55,615
Accumulated other comprehensive loss	(18,728)	(1,623)
Total shareholders' equity attributable to Driven Brands Holdings Inc.	466,005	302,062
Non-controlling interests	370	406
Total shareholders' equity	466,375	302,468
Total liabilities and shareholders' equity	$ 3,463,136	$ 2,935,701

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

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Fiscal year ended December 31, 2022	December 25, 2021	December 26, 2020
Revenue:			
Franchise royalties and fees	$ 171,734	$ 144,413	$ 117,126
Company-operated store sales	933,906	566,528	409,298
Advertising contributions	87,750	75,599	59,672
Supply and other revenue	247,084	193,305	168,425
Total revenue	1,440,474	979,845	754,521
Operating expenses:			
Company-operated store expenses	553,650	336,280	256,370
Advertising expenses	87,986	74,765	61,989
Supply and other expenses	140,107	108,121	92,016
Selling, general and administrative expenses	325,462	244,761	195,648
Acquisition costs	9,657	57,659	12,884
Store opening costs	2,809	2,331	2,799
Depreciation and amortization	55,892	43,571	36,012
Asset impairment charges	107	582	8,142
Total operating expenses	1,175,670	868,070	665,860
Operating income	264,804	111,775	88,661
Other (income) expense, net			
Interest expense, net	88,124	71,748	72,398
Loss on debt extinguishment	—	54	5,490
Loss (gain) on foreign currency transactions, net	5,511	(1,472)	(8,625)
Total other expenses, net	93,635	70,330	69,263
Income before taxes	171,169	41,445	19,398
Income tax expense	17,538	26,242	13,405
Net income	153,631	15,203	5,993
Net loss attributable to non-controlling interests	—	(19)	(62)
Net income attributable to Driven Brands, Inc.	$ 153,631	$ 15,222	$ 6,055

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

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)	Fiscal year ended December 31, 2022	December 25, 2021	December 26, 2020
Net income	$ 153,631	$ 15,203	$ 5,993
Other comprehensive loss:			
Foreign currency translation adjustment	(15,275)	(2,537)	(2,069)
Unrealized gain cash flow hedge, net of tax	(1,866)	(672)	—
Other comprehensive loss, net	(17,141)	(3,209)	(2,069)
Total comprehensive income	136,490	11,994	3,924
Comprehensive loss attributable to non-controlling interests	(36)	$ (10)	$ (38)
Comprehensive income attributable to Driven Brands, Inc.	$ 136,526	$ 12,004	$ 3,962

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

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

in thousands	Common stock, Class A and B	Additional paid-in-capital	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance as of December 28, 2019	$ 565	$ 242,240	$ 40,147	$ 3,626	$ 1,464	$ 288,042
Cumulative effect of ASU 2016-02 adoption	$ —	$ —	$ (4,012)	$ —	$ —	$ (4,012)
Cumulative effect of ASU 2016-13 adoption	$ —	$ —	$ (1,797)	$ —	$ —	$ (1,797)
Balance as of December 29, 2019	$ 565	$ 242,240	$ 34,338	$ 3,626	$ 1,464	$ 282,233
Net income (loss)	—	—	6,055	—	(62)	5,993
Other comprehensive loss	—	—	—	(2,031)	(38)	(2,069)
Equity-based compensation expense	—	1,323	—	—	—	1,323
Contributions	—	2,609	—	—	—	2,609
Balance as of December 26, 2020	$ 565	$ 246,172	$ 40,393	$ 1,595	$ 1,364	$ 290,089
Net income (loss)	—	—	15,222	—	(19)	15,203
Other comprehensive income (loss)	—	—	—	(3,218)	9	(3,209)
Equity-based compensation expense	—	4,301	—	—	—	4,301
Distributions	—	(2,968)	—	—	—	(2,968)
Net distributions	—	—	—	—		—
At-Pac divestiture	—	—	—	—	(948)	(948)
Balance as of December 25, 2021	$ 565	$ 247,505	$ 55,615	$ (1,623)	$ 406	$ 302,468
Net income	—	—	153,631	—	—	153,631
Other comprehensive (loss)	—	—	—	(17,105)	(36)	(17,141)
Equity-based compensation expense	—	20,583	—	—	—	20,583
Contributions	—	6,834	—	—	—	6,834
Balance as of December 31, 2022	$ 565	$ 274,922	$ 209,246	$ (18,728)	$ 370	$ 466,375

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

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2022	December 25, 2021	December 26, 2020
Net income	$ 153,631	$ 15,203	$ 5,993
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	55,892	43,571	36,012
Equity-based compensation expense	20,583	4,301	1,323
Loss (gain) on foreign denominated transactions	10,287	(1,108)	(8,625)
Gain on foreign currency derivative	(4,776)	(364)	—
Gain (loss) on sale of fixed assets	(13,918)	707	630
Bad debt expense	5,746	1,763	7,002
Asset impairment costs	107	582	8,142
Amortization of deferred financing costs and bond discounts	7,058	6,155	5,557
Amortization of interest rate hedge	—	—	—
Provision for deferred income taxes	2,467	15,294	6,952
Loss on extinguishment of debt	—	54	5,490
Other, net	1,104	(1,382)	203
Changes in assets and liabilities:			
Accounts and notes receivable, net	(49,043)	(28,325)	(9,910)
Inventory	(16,836)	(6,585)	(2,220)
Prepaid and other assets	(9,333)	16,964	(18,139)
Related parties receivable	126,011	(512,576)	—
Advertising fund assets and liabilities, restricted	13,495	8,554	(369)
Other assets	(22,907)	1,486	—
Deferred commissions	3,407	(1,899)	(1,927)
Deferred revenue	1,925	6,678	6,278
Accounts payable	(31,122)	17,127	(1,943)
Accrued expenses and other liabilities	(51,271)	81,521	26,801
Income tax receivable	352	3,452	3,817
Cash provided by (used in) operating activities	202,859	(328,827)	71,067
Cash flows from investing activities:			
Capital expenditures	(103,239)	(55,650)	(42,879)
Cash used in business acquisitions, net of cash acquired	(405,011)	(77,450)	(31,006)
Proceeds from sale-leaseback transactions	16,107	6,117	—
Proceeds from disposition of business	19,918	1,529	—
Cash used in investing activities	(472,225)	(125,454)	(73,885)
Cash flows from financing activities:			
Payment of contingent consideration related to acquisitions	—	—	(2,783)
Payment of debt issuance cost	(7,172)	(8,508)	(22,932)
Proceeds from the issuance of long-term debt	365,000	450,000	625,000
Repayment of long-term debt	(20,159)	(17,489)	(445,417)
Repayment of variable funding securitization senior notes	—	—	(386,800)
Proceeds from variable funding securitization senior notes	—	—	327,301
Repayment of principal portion of finance lease liability	(2,561)	(1,164)	(343)
Contribution from (distribution to) parent	6,834	(2,968)	—

Stock option exercises	340	—	—
Proceeds from failed sale-leaseback transactions	—	538	2,201
Proceeds from issuance of equity shares	—	—	2,609
Other, net	(14)	152	—
Cash provided by financing activities	342,268	420,561	98,836
Effect of exchange rate changes on cash	(2,489)	174	1,421
Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted	70,413	(33,546)	97,439
Cash and cash equivalents, beginning of period	82,676	129,208	34,935
Cash included in advertising fund assets, restricted, beginning of period	38,586	19,369	23,091
Restricted cash, beginning of period	657	6,888	—
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period	121,919	155,465	58,026
Cash and cash equivalents, end of period	158,804	82,676	129,208
Cash included in advertising fund assets, restricted, end of period	32,871	38,586	19,369
Restricted cash, end of period	657	657	6,888
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period	$ 192,332	$ 121,919	$ 155,465

Supplemental cash flow disclosures - non-cash items:			
Capital expenditures included in accrued expenses and other liabilities	$ 4,942	$ 3,430	$ 3,839
Deferred consideration included in accrued expenses and other liabilities	27,303	415	—
Contingent consideration	—	56,000	4,309
Supplemental cash flow disclosures - cash paid for:			
Interest	$ 88,655	$ 71,308	$ 68,119
Income taxes	13,202	7,936	4,591

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

Note 1—Description of Business

Description of Business

Driven Brands, Inc. and Subsidiaries (collectively,"the Company") comprises the worldwide operations of Meineke Car Care Centers ("Meineke"), Maaco Collision Repair and Auto Painting ("Maaco"), Fix Auto USA ("FUSA"), Merlin's 200,000 Miles shops ("Merlin's"), Uniban ("Go Glass"), Econo-Lube N' Tune ("Econo"), 1-800-Radiator & A/C ("Radiator"), Spire Supply, Drive N Style, Take 5 Oil Change ("Take 5"), CARSTAR auto body repair experts ("CARSTAR"), ABRA Auto Body Repair of America ("ABRA"), and Clairus Group ("Clairus") (collectively, the "Driven Franchise Brands"). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. The Company is also comprised of Automotive Training Institute ("ATI"), which provides business-to-business automotive training services, and Auto Glass Now ("AGN"), which is comprised of our U.S. Glass business. As of December 31, 2022, the Driven Franchise Brands and AGN encompass 3,694 units worldwide, with 82% located within the United States and the remainder located primarily in Canada. Approximately 78% of the units are franchised. The Company is a direct, wholly-owned subsidiary of Driven Holdings, LLC, which is a direct wholly-owned subsidiary of Driven Brands Holdings Inc. (the "Ultimate Parent").

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

Note 2—Summary of Significant Accounting Policies

Fiscal Year

The Company operates and reports financial information on a 52- or 53-week year with the fiscal year ending on the last Saturday in December. The fiscal year for the Company ending December 31, 2022 consisted of of 53 weeks and the 2021 and 2020 fiscal years ending December 25, 2021 and December 26, 2020, respectively, consisted of 52 weeks.

Basis of Presentation

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

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less. These investments are carried at cost, which approximates fair value. The Company continually monitors its positions with, and the credit quality of, the financial institutions in which it maintains its deposits. As of December 31, 2022 and December 25, 2021, the Company maintained balances in various cash accounts in excess of federally insured limits.

Restricted Cash

The Company had total restricted cash of $34 million and $39 million at December 31, 2022 and December 25, 2021, respectively, which primarily consisted of funds from franchisees pursuant to franchise agreements, the usage of which was restricted to advertising activities, and letters of credit collateral. Advertising funds are presented within advertising fund assets, restricted, on the consolidated balance sheet.

Accounts and Notes Receivable

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

Notes receivable are primarily from franchisees and relate to financing arrangements for certain past due balances or to partially finance the acquisition of company-operated stores or refranchising locations. The notes are typically collateralized by the assets of the store being purchased. Interest income recognized on these notes is included in supply and other revenue on the accompanying consolidated statements of income. The Company places notes receivable on a non-accrual status based on management's determination if it is probable that the principal balance is not expected to be repaid per the contractual terms. When the Company places a note receivable on a non-accrual status, interest income recorded on the note is reversed through supply and other revenue. The Company recorded an immaterial amount of interest income related to its notes receivables during the years ended December 31, 2022, December 25, 2021, and December 26, 2020.

Allowance for Uncollectible Receivables

The Company adopted ASU 2016-13, *Financial Instruments - Credit Losses*, on December 26, 2020, which was retroactively applied as of the first day of fiscal year 2020. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against receivable balances based on current and historical information. The Company adopted this guidance using the modified retrospective adoption method on December 26, 2020, which was retroactively applied as of the first day of fiscal year 2020. Upon adoption of the this guidance, the Company recognized an increase to its allowance for credit losses of $2 million and a corresponding adjustment to retained earnings, net of tax.

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

The Company is not party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

Inventory

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

Property and Equipment, net

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

Estimated useful lives are as follows:

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

Cloud computing arrangements

The Company capitalizes qualified cloud computing implementation costs associated with the application development stage and subsequently amortize these costs over the term of the hosting arrangement and stated renewal period, if it is reasonably certain we will renew. Capitalized costs are included in other assets on the consolidated balance sheet. As of December 31, 2022, no cloud computing arrangements were in service.

Leases

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

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

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

If a lease does not provide enough information to determine the implicit interest rate in the agreements, the Company uses its incremental borrowing rate in calculating the lease liability. The Company determines its incremental borrowing rate for each lease by reference to yield rates on collateralized debt issuances, which

approximates borrowings on a collateralized basis, by companies of a similar credit rating as the Company, with adjustments for differences in years to maturity and implied company-specific credit spreads.

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

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

The Company adopted Accounting Standards Update ("ASU") 2016-02, *Leases*, as of the first day of fiscal year 2020. We determine whether the contract is or contains a lease based on the terms and conditions of the contract. Lease contracts are recognized on our consolidated balance sheet as right-of-use ("ROU") assets and lease liabilities; however, we have elected not to recognize ROU assets and lease liabilities on leases with terms of one year or less. Lease liabilities and their corresponding ROU assets are recorded based on the present value of the future lease payments over the expected lease term. As the Company's leases do not provide enough information to determine the implicit interest rate in the agreements, the Company uses its incremental borrowing rate in calculating the lease liability. The Company determines its incremental borrowing rate for each lease by reference to yield rates on collateralized debt issuances, which approximates borrowings on a collateralized basis, by companies of a similar credit rating as the Company, with adjustments for differences in years to maturity and implied company-specific credit spreads. The ROU asset also includes initial direct costs paid less lease incentives received from the lessor. Our lease contracts are generally classified as operating and, as a result, we recognize a single lease cost within operating expenses on the consolidated statement of income on a straight-line basis over the lease term. The Company also records lease income for subleases of franchise stores to certain franchisees. Lease income from sublease rentals are recognized on a straight-line basis over the lease term.

We adopted ASU 2016-02 and the subsequent ASUs that modified ASU 2016-02 (collectively, "the amendments") during the year ended December 26, 2020 and retroactively adopted the amendments as of December 29, 2019. We elected not to adjust prior period comparative information and will continue to disclose prior period financial information in accordance with the previous lease accounting guidance. We have elected certain practical expedients permitted within the amendments that allow us to not reassess (i) current lease classifications, (ii) whether existing contracts meet the definition of a lease under the amendments to the lease guidance, and (iii) whether current initial direct costs meet the new criteria for capitalization, for all existing leases as of the adoption date. We made an accounting policy election to calculate the impact of adoption using the remaining minimum lease payments and remaining lease term for each contract that was identified as a lease, discounted at our incremental borrowing rate as of the adoption date.

The adoption of the amendments as of December 29, 2019 resulted in a ROU asset of approximately $324 million primarily from operating leases for our company-owned stores, a $4 million reduction to retained earnings, net of taxes, and a lease liability of $330 million. The remaining impact related to the derecognition of certain liabilities and assets that had been recorded in accordance with GAAP that had been applied prior to the adoption of the amendments.

Impairment of Long-Lived Assets

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

Goodwill and Intangible Assets

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. The Company's indefinite-lived intangibles are comprised of trademarks and tradenames.

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

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

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

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

We have completed our annual test of goodwill and indefinite-lived intangibles for impairment and have determined there was no impairment.

Definite Lived Intangible Assets

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

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

	Estimated Useful Life
Tradenames	1 to 3 years
Franchise agreements	13 to 30 years
License agreements	7 to 19 years
Membership agreements	7 to 9 years
Customer relationships	13 to 16 years
Developed technology	5 to 8 years

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

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

Assets Held for Sale

Assets currently available for sale and expected to be sold within one year are classified as assets held for sale. There were no assets designated as held for sale as of December 31, 2022.

Derivative instruments

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

Revenue Recognition

Franchise royalties and fees

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

Company-operated store sales

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

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

Advertising contributions

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

Any excess or deficiency of advertising fee revenue compared to advertising expenditures is recognized in the fourth quarter of the Company's fiscal year. Any excess of revenue over expenditures is recognized only to the

extent of previously recognized deficits. When advertising revenues exceed the related advertising expenses and there is no recovery of a previously recognized deficit of advertising revenues, advertising costs are accrued up to the amount of revenues.

Supply and other revenue

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

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

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

Contract Balances

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

Company-Operated Store Expenses

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

Store Opening Costs

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

Equity-based Compensation

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

Fair Value of Financial Instruments

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity as the ability to access at the measurement date,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or

Level 3: Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

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

(in thousands)	Level 1	Significant other observable inputs (Level 2)	Total
Mutual fund investments held in rabbi trust	758	$ —	$ 758
Derivative assets, recorded in other assets	—	2,148	2,148
Derivative liabilities, recorded in accrued expenses and other liabilities	—	165	165

Financial assets and liabilities measured at fair value on a recurring basis as of December 25, 2021 are summarized as follows:

(in thousands)	Level 1	Significant other observable inputs (Level 2)	Total
Mutual fund investments held in rabbi trust	$ 976	$ —	$ 976
Derivative liabilities, recorded in accrued expenses and other liabilities	—	336	336
Derivative liabilities, recorded in long-term accrued expenses and other liabilities	—	200	200

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

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

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

	December 31, 2022		December 25, 2021	
(in thousands)	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Long-term debt	$ 2,277,675	$ 1,998,250	$ 1,881,671	$ 1,913,792

Income Taxes

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

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

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized on the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with tax authorities. The Company records any interest and penalties associated as additional income tax expense in the consolidated statements of income.

Deferred Financing Costs

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

Insurance Reserves

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

Foreign Currency Translation

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

Recently Issued Accounting Standards

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In response to the concerns about structural risks of interbank offered rates and, particularly, the risk of cessation of LIBOR, regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. The ASU provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be

discontinued. This guidance is effective immediately and the amendments may be applied prospectively through December 31, 2024. The Company is evaluating the impact of adopting this new accounting guidance and does not believe it will have a material impact on the Company's consolidated financial statements.

Note 3—Accounts and Notes Receivable, net

Accounts and notes receivable, net consisted of the following:

(in thousands)	December 31, 2022	December 25, 2021
Accounts receivable	$ 185,180	$ 121,717
Notes receivable	4,335	4,726
Total gross receivables	189,515	126,443
Less allowance for doubtful accounts	(19,504)	(18,421)
Less current portion of accounts and notes receivable	(166,860)	(105,838)
Notes receivable, long term	$ 3,151	$ 2,184

The changes in the allowance for accounts and notes receivable for the year ended December 31, 2022 and December 25, 2021 were as follows:

(in thousands)	
Balance as of December 26, 2020	$ 19,061
Bad debt expense	1,763
Write-off of uncollectible receivables	(2,403)
Balance at December 25, 2021	$ 18,421
Bad debt expense, net of recoveries	5,745
Write-off of uncollectible receivables	(4,662)
Balance at December 31, 2022	$ 19,504

Note 4—Business Combinations

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

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

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

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

2022 Paint, Collision & Glass Segment

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

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

2022 Maintenance Segment

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

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

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

2021 Acquisitions

The Company completed 2 acquisitions representing 12 collision sites, each individually immaterial, which are included within the Company's Paint, Collision & Glass segment during the year ended December 25, 2021, which were deemed to be business combinations. The aggregate cash consideration for these acquisitions, net of cash acquired, was $33 million.

The Company also completed 8 acquisitions in the Maintenance segment representing 13 maintenance sites, each individually immaterial, during the year ended December 25, 2021, which were deemed to be business combinations. The aggregate cash consideration for these acquisitions, net of cash acquired, was $37 million.

2021 Paint, Collision & Glass Segment

The amounts for assets acquired and liabilities assumed for the 2021 Paint, Collision & Glass acquisitions are as follows:

(in thousands)	Paint, Collision & Glass
Assets:	
Inventory	$ 107
Property and equipment, net	1,512
Operating lease right-of-use assets	7,672
Intangibles, net	6,707
Goodwill	24,742
Total assets acquired	**40,740**
Liabilities:	
Accrued expenses and other liabilities	5
Operating lease liabilities	7,763
Total liabilities assumed	**7,768**
Cash Consideration, net of cash acquired	32,972
Deferred Consideration	—
Total Consideration, net of cash acquired	**$ 32,972**

2021 Maintenance Segment

The amounts for assets acquired and liabilities assumed for the 2021 Maintenance acquisitions are as follows:

(in thousands)	Maintenance
Assets:	
Inventory	$ 200
Property and equipment, net	19,095
Goodwill	14,661
Assets held for sale	3,275
Deferred tax assets	90
Total assets acquired	**37,321**
Liabilities:	
Accrued expenses and other liabilities	52
Total liabilities assumed	**52**
Cash Consideration, net of cash acquired	36,874
Deferred Consideration	395
Total Consideration, net of cash acquired	**$ 37,269**

Purchase accounting allocations are complete for all 2021 acquisitions as of December 31, 2022.

2020 Acquisitions

Acquisition of Fix Auto (Paint, Collision & Glass Segment)

On April 20, 2020, the Company acquired 100% of the outstanding equity of Fix Auto USA, a franchisor and operator of collision repair centers, for $29 million, net of cash received of approximately $2 million. This acquisition resulted in the Company acquiring 150 franchised locations and 10 company-operated locations and

increases the Company's collision services footprint. All goodwill related to this acquisition was allocated to the Paint, Collision & Glass segment. None of the goodwill associated with this acquisition is deductible for income tax purposes.

Note 5—Property and Equipment

Property and equipment at December 31, 2022 and December 25, 2021 consisted of the following:

(in thousands)	December 31, 2022	December 25, 2021
Buildings	$ 20,967	$ 21,796
Land	2,864	3,696
Furniture and fixtures	23,464	17,855
Computer equipment and software	35,607	29,336
Shop equipment	30,053	21,702
Leasehold improvements	201,416	146,169
Finance lease right-of-use assets/capital leases	36,246	23,366
Vehicles	7,527	2,664
Construction in progress	59,669	36,697
Total property and equipment	417,813	303,281
Less: accumulated depreciation	(113,920)	(80,411)
Total property and equipment, net	$ 303,893	$ 222,870

Depreciation expense was $33 million, $24 million, and $18 million for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively.

Note 6—Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the years ended December 31, 2022 and December 25, 2021 are as follows:

(in thousands)	Total
Balance at December 26, 2020	$ 898,539
Acquisitions	39,403
Purchase price adjustments	(708)
Foreign exchange	903
Balance at December 25, 2021	938,137
Acquisitions	298,873
Sale of business unit	(3,495)
Purchase price adjustments	(34)
Foreign exchange	(8,024)
Balance at December 31, 2022	$ 1,225,457

Intangible assets for the years ended December 31, 2022 and December 25, 2021 are as follows:

(in thousands)	Balance at December 31, 2022		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-Lived Amortizable			
Franchise agreements	$ 222,617	$ (59,466)	$ 163,151
License agreements	11,968	(4,354)	7,614
Membership agreements	11,600	(5,480)	6,120
Customer relationships	128,127	(16,369)	111,758
Developed technology	25,717	(19,788)	5,929
Trademarks & other	12,571	(11,336)	1,235
Total definite lived amortizable	412,600	(116,793)	295,807
Indefinite-Lived			
Trademarks	431,839	—	431,839
Total	$ 844,439	$ (116,793)	$ 727,646

	Balance at December 25, 2021		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-Lived Amortizable			
Franchise agreements	$ 223,626	$ (49,529)	$ 174,097
License agreements	12,044	(3,091)	8,953
Membership agreements	11,600	(3,270)	8,330
Customer relationships	59,585	(8,797)	50,788
Developed technology	25,882	(19,079)	6,803
Trademarks & other	10,729	(10,729)	—
Total definite-lived amortizable	343,466	(94,495)	248,971
Indefinite-Lived			
Trademarks	396,845	—	396,845
Total	$ 740,311	$ (94,495)	$ 645,816

Amortization expense was $23 million, $17 million, and $18 million for the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively.

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

(in thousands)	
2023	$ 25,145
2024	23,771
2025	21,889
2026	21,445
2027	19,915
Thereafter	183,642
Total amortization	$ 295,807

Note 7— Revenue from Contracts with Customers

The Company records contract assets for the incremental costs of obtaining a contract with a customer if it expects the benefit of those costs to be longer than one year and if such costs are material. Commission expenses, a primary cost associated with the sale of franchise licenses, are amortized to selling, general and administrative expenses in the consolidated statements of income ratably over the life of the associated franchise agreement.

Capitalized costs to obtain a contract as of December 31, 2022 and December 25, 2021 were $7 million and $11 million, respectively, and were presented within deferred commissions on the consolidated balance sheets. The Company recognized an immaterial amount of costs during the years ended December 31, 2022 and December 25, 2021, respectively, that were recorded as a contract asset at the beginning of the year.

Contract liabilities consist primarily of deferred franchise fees and deferred development fees. The Company has contract liabilities of $29 million and $27 million as of December 31, 2022 and December 25, 2021, respectively, which are presented within deferred revenue on the consolidated balance sheets. The Company recognized $4 million and $3 million in revenue relating to contract liabilities during the year ended December 31, 2022 and December 25, 2021, respectively.

Note 8—Long-term Debt

Our long-term debt obligations consist of the following:

(in thousands)	December 31, 2022	December 25, 2021
Series 2018-1 Securitization Senior Notes, Class A-2	$ 261,938	$ 264,688
Series 2019-1 Securitization Senior Notes, Class A-2	288,000	291,000
Series 2019-2 Securitization Senior Notes, Class A-2	266,063	268,813
Series 2020-1 Securitization Senior Notes, Class A-2	170,625	172,375
Series 2020-2 Securitization Senior Notes, Class A-2	441,000	445,500
Series 2021-1 Securitization Senior Notes, Class A-2	444,375	448,875
Series 2022-1 Securitization Senior Notes, Class A-2	364,088	—
Other debt [1]	41,586	27,385
Total debt	2,277,675	1,918,636
Less: debt issuance costs	(36,852)	(36,965)
Less: current portion of long-term debt	(27,605)	(21,527)
Total long-term debt, net	$ 2,213,218	$ 1,860,144

(1) Amount primarily consists of finance lease obligations. See Note 9.

2018-1 Securitization Senior Notes

In April 2018, the Issuer issued $275 million Series 2018-1 Securitization Senior Secured Notes (the "2018-1 Senior Notes") bearing a fixed interest rate of 4.739% per annum. The 2018-1 Senior Notes have a final legal maturity date in April 2048 and an anticipated repayment date in April 2025. The 2018-1 Senior Notes are secured by substantially all assets of the Issuer and are guaranteed by the Securitization Entities. The Company capitalized $7 million of debt issuance costs related to the 2018-1 Senior Notes.

2019-1 Securitization Senior Notes

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

2019-2 Securitization Senior Notes

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

Series 2019-3 Variable Funding Securitization Senior Notes

In December 2019, the Issuer issued Series 2019-3 Variable Funding Senior Notes (the "2019 VFN") in the revolving amount of $115 million. The 2019 VFN have a final legal maturity date in January 2050. The commitment under the 2019 VFN was set to expire in July 2022, with the option of three one-year extensions. In July 2022, the Company exercised the option to extend an additional year. The 2019 VFN are secured by substantially all assets of the Issuer and are guaranteed by the Securitization Entities. The Issuer may elect interest at the Base Rate plus an applicable margin or London Interbank Offered Rate ("LIBOR") plus an applicable margin (the LIBOR rate as the applicable interest rate). The Company capitalized $1 million of debt issuance costs related to the 2019-3 VFN. No amounts were outstanding under the 2019 VFN as of December 31, 2022 and December 25, 2021. As of December 31, 2022, there were $24.5 million of outstanding letters of credit that reduced the borrowing availability under the 2019 VFN.

2020-2 Securitization Senior Notes

In December 2020, the Co-Issuers issued $450 million 2020-2 Securitization Senior Notes (the "2020-2 Senior Notes") bearing a fixed interest rate of 3.237% per annum. The 2020-2 Senior Notes have a final legal maturity date in January 2051; and an anticipated repayment date in January 2028. The 2020-2 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Securitization Entities. The Company capitalized $8 million of debt issuance costs related to the 2020-2 Senior Notes. The Company used the proceeds of these notes to fully repay the 2015-1 Senior Notes and 2016-1 Senior Notes detailed above.

2021-1 Securitization Senior Notes

In September 2021, the Co-Issuers issued $450 million of 2021-1 Securitization Senior Notes (the "2021-1 Senior Notes") bearing a fixed interest rate of 2.791% per annum. The 2021-1 Senior Notes have a final legal maturity date in October 2051 and an anticipated repayment date in October 2028. The 2021-1 Senior Notes are secured by substantially all assets of the Co-issuers and are guaranteed by the Securitization Entities. A portion of the proceeds from the issuance of the 2021-1 Senior Notes were used to pay off the outstanding balance on the Revolving Credit Facility with the remainder to be used for general corporate purposes, including future acquisitions. The Company capitalized $10 million of debt issuance costs related to the 2021-1 Senior Notes.

2022-1 Securitization Senior Notes

In October 2022, the Co-Issuers issued $365 million of 2022-1 Securitization Senior Notes (the "2022-1 Senior Notes"), bearing a fixed interest rate of 7.393% per annum. The 2022-1 Senior Notes have a final legal maturity date in October 2052, and an anticipated repayment date in October 2027. The 2022-1 Senior Notes are secured by substantially all assets of the Co-issuers and are guaranteed by the Securitization Entities. The proceeds from the issuance of the 2022-1 Senior Notes were used for general corporate purposes, including the repayment of the Revolving Credit Facility creating capacity to invest in continued growth. In conjunction with the issuance of the 2022-1 Senior Notes, the Co-Issuers also issued Series 2022-1 Class A-1 Notes in the amount of $135 million,

which can be accessed at the Issuer's option if certain conditions are met. The Company capitalized $7 million of debt issuance costs related to the 2022-1 Senior Notes.

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

(in thousands)	
2023	$ 27,605
2024	26,274
2025	279,766
2026	554,088
2027	524,935
Thereafter	865,007
Total future repayments	$ 2,277,675

Guarantees and Covenants of the Notes

Substantially all of the assets of the Company, including most of the domestic and certain of the foreign revenue-generating assets, which principally consist of franchise-related agreements, certain company-operated stores, certain product distribution agreements, intellectual property and license agreements for the use of intellectual property, are owned by subsidiaries of the Master Issuer, and are pledged to secure the Notes. The restrictions placed on the Master Issuer and its subsidiaries require that interest and principal (if any) on the Notes be paid prior to any residual distributions to the Company, and amounts are segregated weekly to ensure appropriate funds are reserved to pay the quarterly interest and principal (if any) amounts due. The amount of weekly cash flow that exceeds all expenses and obligations of the Master Issuer and its subsidiaries (including required reserve amounts) is generally remitted to the Company in the form of a dividend.

The Notes are subject to certain quantitative covenants related to debt service coverage and leverage ratios. In addition, the agreements related to the Notes also contain various affirmative and negative operating and financial reporting covenants which are customary for such debt instruments. These covenants, among other things, limit the ability of the Master Issuer and its subsidiaries to sell assets; engage in mergers, acquisitions, and other business combinations; declare dividends or redeem or repurchase capital stock; incur, assume, or permit to exist additional indebtedness or guarantees; make loans and investments; incur liens; and enter into transactions with affiliates. In the event that certain covenants are not met, the Notes may become fully due and payable on an accelerated schedule. In addition, the Master Issuer may voluntarily prepay, in part or in full, any series of Class A-2 Notes at any time, subject to certain make-whole obligations.

As of December 31, 2022, the Master Issuer was in compliance with all covenants under the agreements discussed above.

Driven Brands, Inc. has no material separate cash flows or assets or liabilities as of December 31, 2022. All business operations are conducted through its operating subsidiaries and it has no material independent operations. Driven Brands, Inc. has no other material commitments or guarantees. As a result of the restrictions described above, certain of the subsidiaries' net assets are effectively restricted in their ability to be transferred to Driven Brands, Inc. as of December 31, 2022.

Note 9— Leases

The Company's lease and sublease portfolio primarily consists of the real property leases related to franchisee service centers and company-operated service center locations, as well as office space and various vehicle and equipment leases. Leases for real property generally have terms ranging from 5 to 25 years, with most having one or more renewal options ranging from 1 to 10 years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. Equipment and vehicle leases

generally have terms ranging from one to five years. The Company's portfolio of leases does not contain any material residual value guarantees or restrictive covenants.

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

(in thousands)	Balance Sheet Location	December 31, 2022	December 25, 2021
Right-of-use assets			
Finance leases	Property and equipment, net	$ 36,213	$ 23,366
Operating leases	Operating lease right-of-use assets	335,760	312,470
Total right-of-use assets		$ 371,973	$ 335,836
Current lease liabilities			
Finance leases	Current portion of long-term debt	$ 3,317	$ 2,209
Operating leases	Accrued expenses and other liabilities	33,689	26,656
Total current lease liabilities		$ 37,006	$ 28,865
Long-term lease liabilities			
Finance leases	Long-term debt	$ 35,390	$ 22,336
Operating leases	Operating lease liabilities	313,644	295,897
Total long-term lease liabilities		$ 349,034	$ 318,233

The lease cost for operating and finance leases recognized in the consolidated statement of income were as follows:

(in thousands)	December 31, 2022	December 25, 2021
Finance lease expense:		
Amortization of right-of-use assets	$ 2,928	$ 1,362
Interest on lease liabilities	1,715	853
Operating lease expense	59,550	50,146
Short-term lease expense	430	433
Variable lease expense	1,522	865
Total lease expense, net	$ 66,145	$ 53,659

The Company recorded a $3 million impairment loss during the year ended December 26, 2020 related to Company's decision to exit certain leased locations.

The Company also subleases certain facilities to franchisees and recognized $5 million, $6 million, and $7 million in sublease revenue during the years ended December 31, 2022, December 25, 2021, and December 26, 2020, respectively, as a component of supply and other revenue on the consolidated statements of income.

In April 2020, the Financial Accounting Standards Board issued guidance allowing entities to make a policy election to account for lease concessions related to the COVID-19 pandemic as though enforceable rights and obligations for those concessions existed. The election applies to any lessor-provided lease concession related to the impact of the COVID-19 pandemic, provided the concession does not result in a substantial increase in the rights of the lessor or in the obligations of the lessee. During the year ended December 26, 2020, we received concessions from certain landlords in the form of rent deferrals of approximately $2 million and an immaterial amount of rent abatements. We have elected to account for these rent concessions as though enforceable rights and obligations for

those concessions existed in the original lease agreements and, as a result, the lease concessions were not considered modifications of the existing lease contract.

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

For the year ended December 25, 2021, the Company sold 5 maintenance properties in various locations throughout the U. S. for a total of $6 million, resulting in a net gain of less than $1 million. Concurrently with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements have terms ranging from 15 to 20 years and provide the Company with the option of extending the lease for up to 20 additional years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of approximately $5 million and $5 million, respectively, related to these lease arrangements.

	December 31, 2022	December 25, 2021
Weighted average remaining lease terms (years)		
Operating	15.58	10.17
Financing	12.04	12.14
Weighted average remaining lease terms (years)		
Operating	5.27 %	4.52 %
Financing	5.02 %	5.01 %

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

(in thousands)	December 31, 2022	December 25, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 56,678	$ 47,724
Operating cash flows used in finance leases	1,715	853
Financing cash flows used in finance leases	1,641	639
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 59,772	$ 56,613
Finance leases	10,906	15,095

As of December 31, 2022, future minimum lease payments under noncancellable leases were as follows:

(in thousands)	Finance	Operating	Income from subleases
2023	$ 5,052	$ 63,028	$ 5,908
2024	4,976	60,277	4,234
2025	4,743	56,457	3,744
2026	4,333	50,232	3,378
2027	4,136	43,069	3,034
Thereafter	29,366	224,294	6,668
Total undiscounted cash flows	52,606	497,357	$ 26,966
Less: Present value discount	13,899	150,024	
Less: Current lease liabilities	3,317	33,689	
Long-term lease liabilities	$ 35,390	$ 313,644	

Note 10—Income Taxes

The components of our income tax expense were as follows:

	Year Ended		
(in thousands)	December 31, 2022	December 25, 2021	December 26, 2020
Current:			
Federal	$ 7,568	$ 7,239	$ (825)
State	5,158	3,548	3,328
Foreign	600	421	4,108
Deferred:			
Federal	12,984	16,760	3,104
State	(13,067)	2,021	2,646
Foreign	4,295	(3,747)	1,044
Total income tax expense	$ 17,538	$ 26,242	$ 13,405

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

(in thousands)	December 31, 2022	December 25, 2021	December 26, 2020
Deferred tax asset			
Accrued liabilities	$ 6,159	$ 7,585	$ 6,349
Accounts receivable allowance	5,046	4,590	4,735
Net operating loss carryforwards	9,054	4,397	16,618
Lease liabilities	82,669	79,402	81,450
Interest expense limitation	8,537	3,491	5,638
Deferred revenue	6,693	6,447	4,701
Other deferrred assets	5,091	294	410
Total deferred tax asset	123,249	106,206	119,901
Less valuation allowance	(1,216)	(1,156)	(668)
Net deferred tax asset	122,033	105,050	119,233
Deferred tax liabilities			
Goodwill and intangible assets	156,429	154,134	154,875
Right of use lease assets	80,156	76,639	79,000
Fixed asset basis differences	17,317	5,210	2,145
Unrealized foreign exchange differences	(920)	1,101	1,217
Other deferred liabilities	6,793	3,973	2,438
Total deferred liabilities	259,775	241,057	239,675
Net deferred liabilities	$ 137,742	$ 136,007	$ 120,442

The Company's effective tax rate for the year ended December 31, 2022, differs from the federal statutory rate primarily due to state tax expense, non-deductible stock compensation, and favorable return-to-provision adjustments driven by a check-the-box election made during 2022. The Company's effective tax rate for the year ended December 25, 2021 differs from the federal statutory rate primarily due to state tax expense and non-amortizable transaction costs.

As of December 31, 2022, Driven Brands had a liability for uncertain tax positions of approximately $2 million. During 2022, the Company reduced the liability for uncertain tax positions by less than $1 million. The Company has elected to treat interest and penalties associated with uncertain tax position as tax expense. The Company does not estimate any change to the position in the next 12 months. Based on management analysis, the Company does not believe any historical unrecognized tax benefits significantly changed during the years ended December 31, 2022 or December 25, 2021. The Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year.

The Company files income tax returns in the U.S., Canada, and various state jurisdictions. Examinations by various taxing authorities covering years 2018 to 2020 are on-going. The Company is generally subject to income tax examinations for years 2016 through 2021 and believes appropriate provisions for all outstanding matters have been made for all jurisdictions and open years.

As of December 31, 2022, the Company has no pre-tax federal operating loss carry forwards. State tax effected net operating loss carryforwards are $8 million for which portions begin to expire in fiscal year 2023. As of December 31, 2022, the Company had Canada net operating loss carryforwards of $3 million for which portions of the operating loss carryforwards begin to expire in fiscal year 2023. As of December 31, 2022, the Company had $536 million of goodwill that was deductible for tax purposes.

The Company has designated the undistributed earnings of its foreign operations as indefinitely reinvested and as a result the Company does not provide for deferred income taxes on the unremitted earnings of these subsidiaries. As of December 31, 2022, the determination of the amount of such unrecognized deferred tax liability is not practicable.

Note 11—Related-Party Transactions

The Company has a related parties receivable of $387 million at December 31, 2022 with the Driven Holdings LCC, its parent company, of which $258 million and $128 million is classified as current and noncurrent, respectively, on the Consolidated Balance Sheet. The Company had related parties receivable of $513 million at December 25, 2021 with the Driven Holdings LCC, its parent company, of which $384 million and $128 million is classified as current and noncurrent, respectively on the Consolidated Balance Sheet. The funds advanced were obtained from the issuance of Series 2021-1 Securitization Senior Notes and existing cash.

The Company has an advisory services agreement with an affiliate of the Ultimate Parent, which provides that the Company pay an annual advisory services fee to the Ultimate Parent in the amount of $1 million and an additional fee based on earnings growth since inception, plus certain out-of-pocket expenses incurred by the Ultimate Parent. The Company and Roark terminated all advisory services agreements in January 2021 in connection with the Ultimate Parent's initial public offering.

The Company made payments for facilities maintenance services in the aggregate amount of approximately $6 million and $2 million during the years ended December 31, 2022 and December 25, 2021 to Divisions Maintenance Group, an entity owned by affiliates of Roark Capital Management, LLC, which is related to the company's principal stockholders (Driven Equity Sub LLC, Driven Equity LLC, RC IV Cayman ICW Holdings Sub LLC and RC IV Cayman ICW Holdings LLC). The transactions were reviewed, ratified, and approved by the Audit Committee of the Ultimate Parent's Board of Directors in accordance with the our Related Person Transactions Policy.

Note 12—Employee Benefit Plans

The Company has a 401(k) plan that covers eligible employees as defined by the plan agreement. Employer contributions to the plan were $2 million, $1 million, and less than $1 million in 2022, 2021, and 2020, respectively.

The Company has a rabbi trust to fund the obligations of its non-qualified deferred compensation plan for its executive level employees, which became effective as of January 1, 2018. The rabbi trust comprises various mutual fund investments selected by plan participants. The Company records the mutual fund investment assets at fair value with any subsequent changes in fair value recorded in the consolidated statements of income. As such, offsetting changes in the asset values and defined contribution plan obligations would be recorded in earnings in the same period. The trust asset balances were $1 million and the deferred compensation plan liability balances were $1 million as of December 31, 2022 and December 25, 2021, respectively. The trust assets and liabilities are recorded within prepaid and other assets and accrued expenses and other liabilities, respectively, within the consolidated balance sheets.

Note 13—Equity Agreements and Incentive Equity Plan

On April 17, 2015, Driven Investor LLC established the Driven Investor LLC Incentive Equity Plan (the "Equity Plan"). The Equity Plan, among other things, established the ownership of certain membership units in Driven Investor LLC and defined the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Equity Plan calls for certain restrictions regarding transfers of units, corporate governance and board of director representation. In April 2015, Driven Investor LLC established certain profits interest units as part of the award agreements (the "Award Agreements") granted pursuant to the Equity Plan. The Award Agreements provide for grants of certain profits interest units to employees, directors or consultants of Driven Investor LLC and Subsidiaries. For both the Profits Interest Time Units and Profits Interest Performance Units, if the grantee's continuous service terminated for any reason, the grantee forfeits all right, title, and interest in and to any unvested units as of the date of such termination, unless the grantee's continuous service period is terminated by the Company without cause within the six-month period prior to the date of consummation of the change in control. In addition, the grantee forfeits all right, title, and interest in and to any vested units if the grantee was terminated for cause, breaches any post-termination covenants, or fail to execute any general release required to be executed. The Profits Interest Performance Units were also subject to certain performance criteria which may cause the units not to vest.

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

Profits Interest Units

Prior to IPO, the Ultimate Parent's equity awards included Profits Interest Units as noted above. There were two forms of Profits Interest - Time Units and Performance Units. Time Units generally vested in five installments of 20% on each of the first five anniversaries of the grant date or vesting date, provided that the employee remained in continuous service on each vesting date. All outstanding Time Units were to vest immediately prior to the effective date of a consummated sale transaction. The Time Units were exchanged for time-based restricted stock awards in connection with the IPO. In addition, the Ultimate Parent granted time-based and performance-based options in connection with the IPO to most employees with Profit Interests (each an "IPO Option"). The exchange of Profits Interest - Time Units for time based time-based restricted stock awards did not require modification accounting.

The Performance Units were to vest immediately prior to the effective date of a consummated sale transaction or qualified public offering, including the IPO (a "Liquidity Event"). The percentage of vesting was based on achieving certain performance criteria. No vesting occurred as a result of the IPO as the minimum performance criteria threshold was not achieved. In connection with the IPO, the Performance Units were exchanged for performance-based restricted stock awards. The vesting conditions of the performance-based restricted stock awards were modified to vest subject to an additional performance condition. Employees who received IPO Options have the same vesting conditions for the performance-based portion of the IPO Options as the performance-based restricted stock awards.

The Company calculated the fair value of these performance-based restricted stock awards on the modification date and determined the fair value of these awards increased to $66 million as a result of modification. In addition, the grant date fair value of the performance-based IPO Options was $26 million. The fair value of the performance-based restricted stock awards and performance-based IPO Options was determined by using a Monte Carlo simulation, using the following assumptions: (i) an expected term of 4.96 years, (ii) an expected volatility of 40.6%, (iii) a risk-free interest rate of 0.48%, and (iv) no expected dividends.

For the awards, if the grantee's continuous service terminates for any reason, the grantee forfeits all right, title, and interest in and to any unvested units as of the date of such termination, unless the grantee's continuous service period is terminated by the Company without cause within the six-month period prior to the date of consummation of a Liquidity Event. In addition, the grantee forfeits all right, title, and interest in and to any vested units if the grantee resigns, is terminated for cause, breaches any post-termination covenants, or fail to execute any general release required to be executed.

There was approximately $3 million of unrecognized compensation expense related to the time-based restricted stock awards and time-based IPO Options at December 31, 2022, which is expected to be recognized over a weighted-average vesting period of 2.3 years.

There was approximately $87 million of unrecognized compensation expense related to the performance-based restricted stock awards and performance-based IPO Options at December 31, 2022. For the years ended December 31, 2022 and December 25, 2021, no compensation cost was recognized for the performance-based restricted stock awards and performance-based IPO Options given that the performance criteria was not met or probable. Once the performance conditions are deemed probable, the Company will recognize compensation cost equal to the portion of the requisite service period that has elapsed. Certain former employees continued to hold performance-based awards after the IPO.

The following is a summary of the Ultimate Parent's Profits Interest - Time Units and Performance Units for 2020:

	Profits Interest - Time Units	Weighted Average Grant Date Fair Value, per unit	Profits Interest - Performance Units	Weighted Average Grant Date Fair Value, per unit
Outstanding as of December 28, 2019	13,581	$ 492	24,636	$ 351
Granted	13,055	696	25,597	693
Forfeited/Cancelled	(2,668)	976	(8,387)	894
Repurchases	(6,677)	288	—	—
Outstanding as of December 26, 2020	17,291	$ 652	41,846	$ 554

There were no stock grants, forfeitures or repurchases for the period from December 26, 2020 through January 14, 2021. The existing Profits Interest - Time and Performance units were converted into new time and performance awards on January 14, 2021.

	Unvested Time Awards	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Awards	Weighted Average Grant Date Fair Value, per unit
Outstanding as of January 14, 2021	610,477	$ 12.65	4,178,246	$ 15.79
Forfeited/Cancelled	(17,304)	21.27	(84,737)	13.55
Vested	(164,868)	10.04	—	—
Outstanding as of December 25, 2021	428,305	$ 13.31	4,093,509	$ 15.84
Forfeited/Cancelled	(30,869)	10.34	(77,760)	15.34
Vested	(107,767)	12.95	—	—
Outstanding as of December 31, 2022	289,669	$ 13.76	4,015,749	$ 15.84

Restricted Stock Units and Performance Stock Units

The Ultimate Parent established other new awards in connection with and subsequent to the IPO, including restricted stock units ("RSUs") and performance stock units ("PSUs"). Awards are eligible to vest provided that the employee remains in continuous service on each vesting date. The RSUs vest ratably in three installments on each of the first three anniversaries of the grant date. The PSUs vest after a three-year performance period. The number of PSUs that vest is contingent on the Ultimate Parent achieving certain performance goals, one being a performance condition and the other being a market condition. The number of PSU shares that vest may range from 0% to 200% of the original grant, based upon the level of performance. The awards are considered probable of meeting vesting requirements, and therefore, the Company has started recognizing expense. For both RSUs and PSUs, if the grantee's continuous service terminates for any reason, the grantee shall forfeit all right, title, and interest in any unvested units as of the termination date.

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

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

	For the Year Ended	
	December 31, 2022	December 25, 2021
Annual dividend yield	—%	—%
Expected term (years)	2.7-3.0	3.0
Risk-free interest rate	2.32-3.05%	0.2%
Expected volatility	40.9-43.9%	41.2%
Correlation to the index peer group	50.7-59.5%	65.9%

There was approximately $7 million of total unrecognized compensation cost related to the unvested RSUs at December 31, 2022, which is expected to be recognized over a weighted-average vesting period of 2.3 years. In addition, there was approximately $18 million of total unrecognized compensation cost related to the unvested PSUs, which are expected to be recognized over a weighted-average vesting period of 2.2 years.

The following are the Ultimate Parent's restricted stock units and performance stock units granted in conjunction with or after the IPO:

	Unvested Time Units	Weighted Average Grant Date Fair Value, per unit	Unvested Performance Units	Weighted Average Grant Date Fair Value, per unit
Outstanding as of January 14, 2021 (pre-IPO)	—	$ —	—	$ —
Granted post-IPO	81,160	23.11	144,735	24.52
Forfeited/Cancelled	(18,735)	22.18	(37,439)	24.36
Outstanding as of December 25, 2021	62,425	23.38	107,296	24.58
Granted	300,067	27.96	488,488	32.39
Forfeited/Cancelled	(20,424)	26.18	(46,024)	29.22
Vested	(20,465)	23.41	—	—
Outstanding as of December 31, 2022	321,603	$ 27.49	549,760	$ 31.13

Restricted Stock Options

The Ultimate Parent also established and granted restricted stock options ("RSOs") which vest provided that the employee remains in continuous service on the vesting date. The RSOs were granted at the stock price of the Ultimate Parent on the grant date and permit the holder to exercise them for 10 years from the grant date. The options generally vest on each of the fourth anniversaries of the grant date, but such vesting could accelerate for certain options based on certain conditions under the award.

There was approximately $20 million of total unrecognized compensation cost related to the unvested RSOs at December 31, 2022, which is expected to be recognized over a weighted-average vesting period of 3 years.

The following are the Ultimate Parent's restricted stock options granted in conjunction with or after the IPO:

	Time Based Restricted Stock Options Outstanding	Weighted Average Exercise Price	Performance Based Restricted Stock Options Outstanding	Weighted Average Exercise Price
Outstanding as of January 14, 2021	$ 198,984	$ 22.00	—	$ —
Granted post-IPO	3,587,575	26.75	3,621,719	22.00
Forfeited/Cancelled	(77,294)	22.00	(152,239)	22.00
Exercised	(23,705)	21.30	—	—
Outstanding as of December 25, 2021	3,685,560	26.63	3,469,480	22.00
Forfeited/Cancelled	(68,510)	19.50	(190,544)	22.00
Exercised	(23,721)	21.70	—	—
Outstanding as of December 31, 2022	3,593,329	$ 26.79	3,278,936	$ 22.00
Exercisable as of December 31, 2022	676,987	$ 21.94	—	$ —

The fair value of all time based units granted was estimated using a Black-Scholes option pricing model using the following weighted-average assumptions for each of fiscal 2021 and 2020:

	For the Year Ended	
	December 25, 2021	December 26, 2020
Annual dividend yield	—%	—%
Weighted-average expected life (years)	7.0	1.8
Risk-free interest rate	1.3%	0.9%
Expected volatility	40.1%	46.7%

The expected term of the incentive units is based on evaluations of historical and expected future employee behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based on the historical volatility of guideline public entities that are similar to the Ultimate Parent, as the Ultimate Parent does not have sufficient historical transactions of its own shares to calculate expected volatility. As of December 31, 2022, the Ultimate Parent does not intend to pay dividends or distributions in the future.

Employee Stock Purchase Plan

On January 6, 2021, the Ultimate Parent's Board of Directors approved the Employee Stock Purchase Plan (the "ESPP") and effective January 14, 2021, the Ultimate Parent's shareholders adopted and approved the ESPP. On March 22, 2021, the Ultimate Parent's Board of Directors approved the International Employee Stock Purchase Plan (the "International ESPP"). The ESPP and International ESPP provide employees of certain designated subsidiaries of the Ultimate Parent with an opportunity to purchase the Ultimate Parent's common stock at a discount, subject to

certain limitations set forth in the ESPP and International ESSP. The ESPP and International ESSP plans authorized the issuance of 1,790,569 shares of the Ultimate Parent's common stock. Total contributions to the ESPP were $1 million for the year ended December 31, 2022. 143,707 shares of common stock were purchased under the ESPP as of December 31, 2022. 111,924 of the shares of common stock were purchased on December 28, 2021 related to employee contributions during the year ended December 25, 2021.

The Company recognized equity-based compensation expense of $21 million and $4 million in 2022 and 2021, respectively.

Note 14 - Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 26, 2023, the date the financial statements were available to be issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

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

Consolidated Financial Statements
(Unaudited)

Driven Brands, Inc. and Subsidiaries

For the three months ended
March 30, 2024 and April 1, 2023

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands)	March 30, 2024	December 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 172,229	$ 150,581
Restricted cash	657	657
Accounts and notes receivable, net	159,990	146,295
Inventory	66,305	63,612
Prepaid and other assets	25,872	25,031
Related party receivable	342,266	328,953
Income tax receivable	—	3,680
Advertising fund assets, restricted	52,711	45,627
Total current assets	820,030	764,436
Related party receivable	128,144	128,144
Property and equipment, net	376,215	361,330
Operating lease right-of-use assets	400,352	397,211
Deferred commissions	6,643	6,312
Intangibles, net	695,038	703,573
Goodwill	1,226,699	1,238,504
Deferred tax asset	2,368	2,576
Other assets	87,173	55,248
Total assets	$ 3,742,662	$ 3,657,334
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 67,603	$ 51,280
Income taxes payable	50,860	42,446
Accrued expenses and other liabilities	154,456	146,104
Current portion of long-term debt	26,825	26,426
Advertising fund liabilities	33,208	23,392
Total current liabilities	332,952	289,648
Long-term debt, net	2,172,500	2,177,283
Operating lease liabilities	376,787	371,404
Deferred tax liabilities	142,562	141,909
Deferred revenue	32,159	30,507
Accrued expenses and other long-term liabilities	3,318	3,749
Total liabilities	3,060,278	3,014,500
Shareholders' equity:		
Class A common stock, $.01 par value, authorized 60,000,000 voting shares; 56,560,217 shares issued and outstanding at March 30, 2024 and December 30, 2023	565	565
Additional paid-in-capital	303,287	291,426
Retained earnings	395,556	364,781
Accumulated other comprehensive loss	(17,407)	(14,321)
Total shareholders' equity attributable to Driven Brands Holdings Inc.	682,001	642,451
Non-controlling interests	383	383
Total shareholders' equity	682,384	642,834
Total liabilities and shareholders' equity	$ 3,742,662	$ 3,657,334

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)	Three months ended March 30, 2024	Three months ended April 1, 2023
Revenue:		
Franchise royalties and fees	$ 45,045	$ 43,515
Company-operated store sales	284,229	273,620
Advertising contributions	24,070	21,677
Supply and other revenue	74,160	66,675
Total revenue	427,504	405,487
Operating expenses:		
Company-operated store expenses	168,728	171,286
Advertising expenses	24,070	21,677
Supply and other expenses	35,228	35,987
Selling, general and administrative expenses	96,362	93,638
Acquisition costs	1,700	876
Store opening costs	1,263	948
Depreciation and amortization	18,114	16,186
Asset impairment charges	57	115
Total operating expenses	345,522	340,713
Operating income	81,982	64,774
Other (income) expense, net		
Interest expense, net	28,986	26,853
Loss (gain) on foreign currency transactions, net	3,801	(1,097)
Total other expenses, net	32,787	25,756
Income before taxes	49,195	39,018
Income tax expense	18,420	10,308
Net income	30,775	28,710
Net income attributable to Driven Brands, Inc.	$ 30,775	$ 28,710

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

in thousands	Common stock, Class A and B	Additional paid-in-capital	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance as of December 31, 2022	$ 565	$ 274,922	$ 209,246	$ (18,728)	$ 370	$ 466,375
Net income	—	—	28,710	—	—	28,710
Other comprehensive income	—	—	—	2,733	—	2,733
Equity-based compensation expense	—	2,564	—	—	—	2,564
Contributions	—	8,280	—	—	—	8,280
Balance as of April 1, 2023	$ 565	$ 285,766	$ 237,956	$ (15,995)	$ 370	$ 508,662

	Common stock, Class A and B	Additional paid-in-capital	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance as of December 30, 2023	$ 565	$ 291,426	$ 364,781	$ (14,321)	$ 383	$ 642,834
Net income	—	—	30,775	—	—	30,775
Other comprehensive (loss)	—	—	—	(3,086)	—	(3,086)
Equity-based compensation expense	—	11,861	—	—	—	11,861
Balance as of March 30, 2024	$ 565	$ 303,287	$ 395,556	$ (17,407)	$ 383	$ 682,384

DRIVEN BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Three months ended	
	March 30, 2024	**April 1, 2023**
Net income	$ 30,775	$ 28,710
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,114	16,186
Equity-based compensation expense	11,861	2,564
Loss (gain) on foreign denominated transactions	5,586	(1,096)
Gain on foreign currency derivative	(1,785)	—
(Gain) loss on sale of fixed assets	(6,310)	1,419
Bad debt expense	2,063	36
Asset impairment costs	57	114
Amortization of cloud computing	1,345	—
Amortization of deferred financing costs and bond discounts	2,048	1,922
Provision for deferred income taxes	3,906	3,950
Other, net	5,893	5,349
Changes in assets and liabilities:		
Accounts and notes receivable, net	(16,314)	(50,915)
Inventory	(3,994)	(2,553)
Prepaid and other assets	(1,937)	(7,724)
Related party receivable	(84,523)	25,754
Advertising fund assets and liabilities, restricted	7,650	906
Other assets	(31,615)	(9,209)
Deferred commissions	(331)	455
Deferred revenue	1,659	161
Accounts payable	15,172	22,451
Accrued expenses and other liabilities	70,940	20,764
Income tax payable	8,564	(7,500)
Cash provided by operating activities	38,824	51,744
Cash flows from investing activities:		
Capital expenditures	(24,464)	(45,591)
Cash used in business acquisitions, net of cash acquired	(1,160)	(16,885)
Proceeds from sale-leaseback transactions	4,550	1,298
Proceeds from sale or disposal of businesses and fixed assets	18,249	—
Cash used in investing activities	(2,825)	(61,178)
Cash flows from financing activities:		
Repayment of long-term debt	(7,616)	(5,752)
Repayment of principal portion of finance lease liability	(867)	(753)
Contribution from parent	—	8,280

Other, net	—	(4)
Cash (used in) provided by financing activities	(8,483)	1,771
Effect of exchange rate changes on cash	(943)	108
Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted	26,573	(7,555)
Cash and cash equivalents, beginning of period	150,581	158,804
Cash included in advertising fund assets, restricted, beginning of period	38,537	32,871
Restricted cash, beginning of period	657	657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period	189,775	192,332
Cash and cash equivalents, end of period	172,229	148,994
Cash included in advertising fund assets, restricted, end of period	43,462	35,126
Restricted cash, end of period	657	657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period	$ 216,348	$ 184,777

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

CARSTAR FRANCHISOR SPV LLC

AREA DEVELOPMENT AGREEMENT

_____
DEVELOPER

_____
EFFECTIVE DATE

CARSTAR FRANCHISOR SPV LLC

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement"), by and between CARSTAR FRANCHISOR SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and _____, a _____ corporation (or limited partnership or limited liability company) or _____, an individual, having a principal place of business at _____ ("Developer"), is made and entered into on the date of execution of this Agreement by Franchisor (the "Effective Date").

WHEREAS, Franchisor, its predecessors and affiliates, as a result of expenditure of time and money, have developed distinctive signage, uniform standards, specifications and procedures, marketing programs, purchasing assistance, preferred vendor relationships, business, financial and operationally analyses, a national warranty program, training and assistance and advertising and promotional programs, all of which Franchisor may change and continue to develop at Franchisor's sole discretion (the "System") relating to the establishment and operation of automobile collision repair facilities (each, a "CARSTAR Facility" or "Facility" and, collectively, "CARSTAR Facilities" or "Facilities") identified by certain trademarks, service marks, logos and other commercial symbols, including "CARSTAR®," all of which Franchisor may further improve and modify (the "Licensed Marks");

WHEREAS, Franchisor grants to qualified persons franchises to own and operate within a designated geographic area multiple CARSTAR Facilities offering the products and services authorized and approved by Franchisor and utilizing the System;

WHEREAS, Developer has applied for development rights to own and operate CARSTAR Facilities within the geographic area designated in this Agreement, and such application has been approved by Franchisor in reliance upon all of the representations made therein; and

WHEREAS, Developer hereby acknowledges that Developer understands and accepts the terms, conditions and covenants contained in this Agreement as being necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at CARSTAR Facilities.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and, intending to be legally bound hereby, the parties agree as follows:

1. DEFINITIONS

In addition to the terms that are defined in other parts of this Agreement, the following terms have the indicated meanings:

"Applicable Laws" means all relevant or applicable national, state and local laws, including statutes, rules, regulations, ordinances, directives, and codes.

"Approved Affiliate" shall have the meaning assigned to it in Section 4.E.

"Business Group" means the four (4) or more CARSTAR Facilities located as a region in a geographic area designated by Franchisor for purposes of advertising and marketing.

"Competing Business" means any other automobile collision repair facility, or body shop, or paint shop, provided that the following, for purposes of this Agreement, will not be deemed a Competitive Business or otherwise competitive with a CARSTAR Facility: (A) a CARSTAR Facility operated under a franchise agreement with Franchisor; or (2) another automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries.

"Competing MSO Network" shall have the meaning assigned to it in Section 11.C.

"Confidential Information" means certain confidential information that Franchisor possesses, which consists of the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of CARSTAR Facilities, including all data and other information generated by, or used or developed in, operating CARSTAR Facilities, including Customer Data.

"Customer Data" means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to the Facilities' customers and prospective customers.

"Development Area" shall have the meaning assigned to it in Section 2.A.

"Development Fee" shall have the meaning assigned to it in Section 6.A.

"Development Rights" shall have the meaning assigned to it in Section 2.A.

"Development Schedule" shall have the meaning assigned to it in Section 2.A.

"Entity" means, collectively, a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity.

"Event" shall have the meaning assigned to it in Section 19.

"Franchise Agreement" shall have the meaning assigned to it in Section 5.

"Franchise Agreement Execution Deadline" means the applicable date set forth in the Development Schedule by which Developer (or its Approved Affiliate) must sign a Franchise Agreement for a particular Facility.

"Franchisor Indemnitees" shall have the meaning assigned to it in Section 19.

"Guaranty" shall have the meaning assigned to it in Section 2.B.

"Initial Franchise Fee" shall have the meaning assigned to it in Section 6.B.

"Losses and Expenses" means losses, liabilities, claims, penalties, actual damages (compensatory, exemplary, and punitive), fines, payments, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to Franchisor's reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses.

"Managing Director" shall have the meaning assigned to it in Section 7.

"Opening Deadline" means the applicable date set forth in the Development Schedule by which Developer (or its Approved Affiliate) must open a particular Facility.

"Operations Playbook" means Franchisor's manuals, which may consist of one or more manuals, training course materials, marketing techniques, advertising materials, Business Group materials (including the Business Group Manual), and other electronic materials.

"Owner" means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in Developer.

"Ownership Interests" means (a) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (b) in relation to a limited liability company, membership interests or other equity interests; (c) in relation to a partnership, a general or limited partnership interest; (d) in relation to a trust, a beneficial interest in the trust; and (e) in relation to any Entity (including those described in (a) through (d) above), any other interest in that Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the direction of the management of the Entity or its business (including a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Entity or its business.

"Secure Deadline" means the applicable date set forth in the Development Schedule by which Developer (or its Approved Affiliate) must execute a purchase agreement, lease, or sublease for a particular Facility in accordance with Section 4.B.

"Term" shall have the meaning assigned to it in Section 2.A.

"Third-Party Claim" shall have the meaning assigned to it in Section 19.

2. GRANT OF DEVELOPMENT RIGHTS

A. Development Rights.

Subject to the terms of this Agreement, Franchisor grants to Developer the exclusive right (the "Development Rights") to develop the number of new franchised CARSTAR Facilities specified in the schedule set forth in Exhibit B (the "Development Schedule") within the area described in Exhibit A to this Agreement (the "Development Area"). The term of this Agreement will commence on the Effective Date and end on the earlier of: (1) the final Opening Deadline in the Development Schedule; or (2) the date on which the last Facility required to be developed hereunder opens for business (the "Term"). Developer (or an Approved Affiliate) shall develop, open, and maintain in operation Facilities in accordance with the Development Schedule. At least thirty (30) days prior to the end of each calendar year during the Term, Developer will submit to Franchisor a business plan and budget for the development and opening of Facilities for the next calendar year or portion thereof (if applicable). Upon expiration of the Term, Developer shall have no further right to develop or open new Facilities in the Development Area, except as may be mutually agreed by the parties, and Franchisor and its affiliates shall thereafter have the right to franchise others to establish and operate CARSTAR Facilities in the Development Area. Developer agrees and acknowledges that Developer's acquisition from another franchisee or Franchisor of an existing CARSTAR Facility located in the Development Area, or a CARSTAR Facility located in the Development Area that has been closed for fewer than twelve (12) months, will not be deemed a new Facility and, accordingly, will not count towards Developer's development obligations under the Development Schedule.

B. Business Entity Developer.

If Developer is, at any time, an Entity:

(1) Upon Franchisor's request, Developer agrees to provide Franchisor with copies of Developer's governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Developer's formation. During the Term, Developer's governing documents must provide that no Ownership Interest in Developer may be transferred or issued, except in accordance with Section 13. In addition, all certificates and other documents representing Ownership Interests in Developer will bear a conspicuous printed legend to that effect.

(2) Developer agrees and represents that Exhibit D to this Agreement completely and accurately describes all Owners and their Ownership Interests in Developer and Developer's officers and principal executives. Subject to Franchisor's rights and Developer's obligations under Section 13, Developer and Owners agree to sign and deliver to Franchisor promptly a revised Exhibit D to reflect any changes in the ownership information that Exhibit D now includes. Without limiting Developer's rights under this Section 2.B.(2), Developer shall also submit to Franchisor at any time upon request, in such form as Franchisor may require, a list of all Owners and their Ownership Interests in Developer.

(3) Upon Developer's execution of this Agreement (or, if Developer is not then an Entity, at any such time that Developer becomes an Entity (including in the event that this Agreement is assigned to an Entity in accordance with Sections 13 and/or 14 (as applicable))), each individual Owner shall execute Franchisor's then-current form of personal guaranty of Developer's obligations (the "Guaranty"), the current form of which is attached hereto as Exhibit C. In addition, any individual that becomes an Owner at any time after the Effective Date, whether pursuant to Sections 13 and/or 14 or otherwise, shall, as a condition of becoming an Owner, execute the Guaranty. Developer represents and warrants to Franchisor that, as of the Effective Date (or, if Developer is not then an Entity, as of the individual Owners' execution of the Guaranty), at least one such guaranteeing Owner satisfies the Guarantor Net Worth Threshold (as defined in the Guaranty) and agrees that at least one such guaranteeing Owner shall continue to satisfy the Guarantor Net Worth Threshold at all times during the Term. Developer agrees to, and shall cause Owners to, cooperate reasonably with Franchisor in connection with all auditing and reporting requirements relating to the Guarantor Net Worth Threshold requirement, whether contained in this Agreement or the Guaranty.

3. TERRITORIAL PROTECTION

During the Term, neither Franchisor nor its affiliates will grant a franchise for the operation of a CARSTAR Facility to anyone else in the Development Area, except for any franchised CARSTAR Facility in operation or under lease, construction, or other commitment to open in the Development Area as of the Effective Date, provided that, Developer: (A) timely complies with the Development Schedule; and (B) is otherwise in material compliance with the terms and provisions of this Agreement. Except as expressly provided in the preceding sentence, Franchisor and its affiliates retain the absolute right to develop and operate, and license third parties to develop and operate, during and after the Term, any business under any name, including CARSTAR Facilities, in any geographic area, including the Development Area, regardless of the proximity to or effect on the Facilities developed hereunder or otherwise operated by Developer and/or its affiliates (including Approved Affiliates). Without limiting the generality of the preceding sentence, Franchisor may acquire or be acquired by another business, which business may open and operate, and franchise others to open and operate, businesses similar to CARSTAR Facilities using marks other than the Licensed Marks, without providing any rights or compensation to Developer. Developer acknowledges and agrees that Franchisor and its affiliates may, and may authorize others to, engage in many business activities, and these business activities may

compete with Facilities.

4. GRANT OF FRANCHISES

Franchisor will grant Developer a franchise for the operation of a CARSTAR Facility at a proposed site within the Development Area upon Franchisor's approval of a completed application submitted by Developer in accordance with the form reasonably prescribed by Franchisor, as may be modified from time to time, subject to the following:

A. The site which Developer proposes for a CARSTAR Facility within the Development Area is a suitable site for a CARSTAR Facility based upon reasonable criteria established by Franchisor in its sole discretion from time to time;

B. Developer (or, if applicable, an Approved Affiliate) will secure, by purchase, lease or sublease the site in the form and manner prescribed by Franchisor, which may include the use of a form of lease prepared by Franchisor and submitted to Developer for its use. The lease, whether the form of which is the form of lease prepared by Franchisor or the form of lease mandated by the landlord of the site, must be submitted to Franchisor prior to execution for Franchisor's examination and approval to ensure that it contains the terms Franchisor requires in all leases. Developer must provide Franchisor with a copy of the executed lease within ten (10) days after execution by Developer (or, if applicable, an Approved Affiliate) and the landlord;

C. Developer, its Owners, and, if applicable, any affiliates (including Approved Affiliates) are in compliance with this Agreement, each Franchise Agreement, and any other agreement with Franchisor or its affiliates (as evidenced by the fact that Franchisor has not issued a notice of default that has remained uncured);

D. Developer and Owners have furnished all information Franchisor reasonably requires in evaluating Developer's application; and

E. If Owners desire to establish an Entity to operate a CARSTAR Facility to be developed pursuant to this Agreement, and that new Entity's ownership is not completely identical to Developer's ownership, Developer must seek Franchisor's approval for that new Entity to develop and operate the proposed CARSTAR Facility as an "Approved Affiliate." Franchisor may refuse any such request if Developer and/or Owners do not (1) own and control at least two-thirds of the new Entity's Ownership Interests and (2) have the authority to exercise voting and management control of the CARSTAR Facility proposed to be owned by the new Entity. For the avoidance of doubt, if the new Entity's ownership is completely identical to Developer's ownership, that Entity automatically will be considered an "Approved Affiliate" without further action.

5. FRANCHISE AGREEMENTS

To maintain Developer's rights under this Agreement, Developer (or an Approved Affiliate) must sign franchise agreements for, develop, and open for business the specified number of Facilities within the Development Area by the dates set forth in the Development Schedule. Developer (or an Approved Affiliate) will operate each Facility developed hereunder under a separate franchise agreement (and related documents) with Franchisor. With respect to each Facility to be developed hereunder, no later than ten (10) days after the execution of the applicable purchase agreement, lease or sublease in accordance with Section 4.B., Developer (or, if applicable, an Approved Affiliate) and Owners (or, if applicable, the Approved Affiliate's direct and indirect owners) shall execute Franchisor's then-current form of franchise agreement and related documents, including a personal guaranty (collectively, the

"Franchise Agreement"), the terms of which may differ from Franchisor's form of franchise agreement in effect as of the Effective Date (except as expressly provided in Section 6.B.).

With respect to each Facility developed hereunder, upon Developer's (or an Approved Affiliate's) execution of the applicable Franchise Agreement, that Franchise Agreement will govern the development and operation of the Facility, although the applicable required opening date will be determined pursuant to the Development Schedule.

6. DEVELOPMENT FEE, INITIAL FRANCHISE FEES, AND OTHER FEES

A. Development Fee.

In exchange for the Development Rights, Developer agrees to pay Franchisor, within two (2) business days of the Effective Date, a development fee equal to one hundred percent (100%) of the Initial Franchise Fee for each Facility required to be developed hereunder (the "Development Fee"). The amount of the Development Fee is set forth in Exhibit B. Developer acknowledges that the Development Fee is fully earned by Franchisor when paid, is not refundable, and, except as provided in Section 6.B., is not credited against any fees payable to Franchisor.

B. Initial Franchise Fee.

The initial franchise fee for each Facility required to be developed hereunder is Ten Thousand Dollars ($10,000) (the "Initial Franchise Fee"). With respect to each Facility developed hereunder, Franchisor will credit Ten Thousand Dollars ($10,000) of the Development Fee against the applicable Initial Franchise Fee on the date on which the Initial Franchise Fee is payable under the applicable Franchise Agreement.

C. Other Fees.

Following the opening of each Facility, Developer (or its Approved Affiliate) shall pay monthly franchise fees, insurance and marketing fund fees, and central review fees, in addition to other amounts owed under the applicable Franchise Agreement, in accordance with the terms of such Franchise Agreement.

7. MANAGEMENT AND SUPERVISION OF FACILITIES

Prior to the opening of the first Facility developed hereunder, Developer shall hire and train a managing director (the "Managing Director"), who shall be subject to approval by Franchisor in its reasonable discretion. The Managing Director must devote his or her full time and efforts to the management and/or supervision of Facilities within the Development Area. Developer agrees to comply with all mandatory standards issued by Franchisor relating to minimum staffing levels for the CARSTAR Facilities, including the presence of district managers (as specified in the Operations Playbook), provided Franchisor shall not be deemed to have any control or authority over Developer's labor relations, including employee selection, training, promotion, termination, discipline, hours worked, rates of pay, benefits, work assigned, working conditions, or adjustment of grievances and complaints, or any other control over Developer's employment practices.

8. TERMINATION

A. Mutual Termination.

This Agreement and all rights and obligations of the parties may be terminated at any time by the mutual agreement of the parties.

B. By Franchisor.

Franchisor may terminate this Agreement, effective upon delivery of written notice to Developer, if:

(1) With respect to any Facility to be developed or developed hereunder, Developer (or, if applicable, an Approved Affiliate) fails to execute a purchase agreement, lease or sublease for the Facility premises in accordance with Section 4.B. by the applicable Secure Deadline and/or fails to develop and open the Facility by the applicable Opening Deadline;

(2) At any time during the Term, Developer and, if applicable, its Approved Affiliates fail to have open and operating at least the cumulative number of new Facilities in the Development Area then required by the Development Schedule;

(3) Any franchise agreement between Developer (or, if applicable, an affiliate of Developer (including an Approved Affiliate)) and Franchisor, whether executed prior or pursuant to this Agreement, is terminated by Franchisor in accordance with its terms;

(4) Developer or any Owner with at least a fifty percent (50%) Ownership Interest in Developer (or any lesser Ownership Interest that constitutes effective control of Developer) becomes insolvent or makes a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by Developer or such Owner, or such a petition is filed against and consented to by Developer or such Owner, or if Developer or such Owner is determined to be insolvent by a court of competent jurisdiction, or if a proceeding for the appointment of a receiver of Developer or such Owner or other custodian for Developer's or such Owner's business or assets is filed and consented to by Developer or such Owner, or if a receiver or other custodian (permanent or temporary) of Developer's or such Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction, or if a final judgment remains unsatisfied or of record for ninety (90) days or longer (unless supersedeas bond is filed), or if execution is levied against any Facility developed hereunder or other real or personal property at any Facility developed hereunder or against such Owner's Ownership Interest in Developer, or suit to foreclose any lien or mortgage against any Facility developed hereunder or other real or personal property with respect thereto or an Ownership Interest in Developer is instituted against Developer or such Owner and not dismissed within ninety (90) days, or if the real or personal property of any Facility developed hereunder or such Owner's Ownership Interest in Developer will be sold after levy thereupon by any sheriff or similar official;

(5) Developer abandons, surrenders, transfers control or fails to actively operate Developer's business contemplated hereunder;

(6) Developer or any Owner is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation and the goodwill associated with the System and Licensed Marks;

(7) Developer violates any law, ordinance, rule, or regulation of a governmental agency in connection with Developer's business and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation, constitutionality, or legality of such law, ordinance, rule, or regulation, and Developer promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality;

(8) Developer or any Owner makes an unauthorized assignment of this Agreement or an Ownership Interest in Developer;

(9) Developer or any Owner violates any of the covenants contained in Section 10 or 11 of this Agreement; or

(10) Developer or any Owner fails to comply with any other provision of this Agreement and fails to correct such failure within thirty (30) days following notice thereof from Franchisor.

C. Effect of Termination.

For the avoidance of doubt, in the event that this Agreement is terminated for any reason in accordance with the terms of this Agreement: (1) Developer's rights under this Agreement (including Developer's limited exclusive rights in the Development Area) shall terminate, and Developer shall have no further right to develop or open any new Facilities in the Development Area, except that Developer will be entitled to complete and open a Facility for which a Franchise Agreement has been fully executed and delivered to Developer prior to such termination; and (2) Franchisor and its affiliates shall have the right to franchise others to establish and operate CARSTAR Facilities in the Development Area. Developer shall have the right to continue to operate all Facilities that were in operation or under development prior to termination of this Agreement pursuant to the terms of the fully executed Franchise Agreements for such Facilities, subject to Developer's or the applicable Approved Affiliate's (as applicable) continuing compliance with such Franchise Agreement. Developer agrees that, upon expiration or termination of this Agreement, Developer and Owners will immediately cease using any Confidential Information, whether directly or indirectly, in any business or otherwise and return to Franchisor all copies of any other confidential materials that Franchisor has loaned to Developer. Developer and Owners may not directly or indirectly sell, trade or otherwise profit in any way from any Confidential Information at any location or any time following the expiration or termination of this Agreement.

9. ALTERNATIVE REMEDIES

Without waiving its option to terminate this Agreement under Section 8, if Developer fails to meet the Development Schedule, Franchisor may, in Franchisor's discretion, do any one or more of the following in lieu of termination, effective immediately on the delivery of notice to Developer:

A. Reduce the number of Facilities that are set forth under the Development Schedule;

B. Withhold evaluation or approval of site proposal packages for new Facilities;

C. Extend the Development Schedule; and/or

D. Without removing Developer's obligation to maintain the Development Schedule, terminate any limited exclusive rights in the Development Area that Developer has under this Agreement.

On termination or expiration of the Development Rights, Developer will immediately cease to develop new Facilities in the Development Area, and Franchisor will be entitled to franchise others to establish and operate CARSTAR Facilities in the Development Area. Termination of this Agreement will not, by itself, terminate Developer's rights and obligations to operate Facilities that are in operation or under development under effective Franchise Agreements at the time of termination.

10. CONFIDENTIAL INFORMATION

Developer acknowledges and agrees that by entering into this Agreement, Developer will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information that Franchisor periodically designates in relation to the development of Facilities during the Term and according to Franchisor's standards and this Agreement's other terms and conditions, and that Developer's use of any Confidential Information in any other business would constitute an unfair method of competition with Franchisor and its franchisees. Franchisor and its affiliates own all right, title and interest in and to the Confidential Information. Developer further acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Developer only on the condition that Developer and Owners agree, and Developer and they do agree, that Developer and Owners:

A. will not use any Confidential Information in any other business or capacity, whether during or after the Term;

B. will keep the Confidential Information absolutely confidential, both during the Term and thereafter for as long as the information is not generally known in the automotive repair industry;

C. will not make unauthorized copies of any Confidential Information disclosed in written or other tangible or intangible form;

D. will adopt and implement all reasonable procedures that Franchisor periodically designates to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Facility personnel and others needing to know such Confidential Information to operate the Facility, and using confidentiality agreements with those having access to Confidential Information. Franchisor has the right to regulate the form of agreement that Developer uses and to be a third-party beneficiary of that agreement with independent enforcement rights; and

E. will not sell, trade or otherwise profit in any way from the Confidential Information, except during the Term using methods Franchisor approves.

11. RESTRICTIVE COVENANTS

A. During the Term, neither Developer nor any Owner (if Developer is an Entity), or Developer's spouse (if Developer is an individual), nor any member of his/her or their immediate families shall have any interest as an owner, investor, partner, director, officer, managerial employee, consultant, representative or agent, in any Competitive Business or any business, enterprise or activity competitive with a CARSTAR Facility, except for the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

B. During the Term, neither Developer nor any Owner (if Developer is an Entity), or Developer's spouse (if Developer is an individual), nor any member of his/her or their immediate families shall divert or attempt to divert any business or customer of any Facility developed hereunder to any competitor, by direct or indirect inducement, or otherwise.

C. Developer covenants that, for a period of one (1) year from the date of termination or expiration of this Agreement, Developer shall not either directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, persons or Entity, join any Competing MSO Network, whether as an owner/operator, employee, consultant, advisor or other relationship or association. As used herein, "Competing MSO Network" shall refer to a chain or network of automotive collision repair facilities with more than three (3) locations in North America, provided that, for purposes of this Agreement, a chain or network of automotive businesses franchised by Driven Brands Holdings Inc. or its subsidiaries shall not be deemed a Competing MSO Network. Nothing in this Section 11.C. shall be construed to limit Developer's ability to operate an independently owned and operated collision repair facility immediately following expiration of the Term. Developer acknowledges and agrees that the limited non-compete covenant in this Section 11.C. is a reasonable limitation designed to protect the Confidential Information of Franchisor, the Licensed Marks and the System. Developer acknowledges that any violation of this Section 11.C. would result in irreparable injury to Franchisor for which no adequate remedy at law is available.

12. ASSIGNMENT BY FRANCHISOR

This Agreement is fully assignable by Franchisor and the assignee or other legal successor to Franchisor's interests will be entitled to receive all of the benefits of this Agreement.

13. ASSIGNMENT BY DEVELOPER

This Agreement and the Development Rights contained in this Agreement are personal to Developer and Owners and may not be voluntarily, involuntarily, directly or indirectly, assigned or otherwise transferred or encumbered by Developer or Owners without the prior written consent of Franchisor, provided that any transfer or assignment of this Agreement may only be made in connection with the transfer of all Facilities owned and operated by Developer and, if applicable, its affiliates (including Approved Affiliates). For purposes of this Section, a sale, assignment, or transfer of any direct or indirect Ownership Interest in Developer shall be deemed an assignment or transfer of this Agreement.

14. ASSIGNMENT TO ENTITY

Franchisor will consent to the transfer of this Agreement to an Entity that Developer forms for the convenience of ownership, provided that: (A) the Entity is newly formed; (B) the Entity has and will have no business other than the development and operation of Facilities; (C) Developer and the Entity satisfy Franchisor's then-current conditions for transfer; (D) Developer holds all Ownership Interests in the Entity or, if Developer is owned by more than one individual, each Owner's proportionate Ownership Interest in the Entity is the same as his/her equity interest in Developer prior to the transfer; and (E) Developer and the Entity comply with the Entity requirements set forth in Section 2.B.

15. PUBLIC OFFERING

Securities in Developer may not be sold by public offering without Franchisor's prior written consent. If Franchisor consents to a public offering of Developer's securities, the following terms and conditions will apply. All materials required by federal or state law for any sale of Developer's securities pursuant to such registration statement must be submitted to Franchisor for review prior to their being filed with any government agency. No such materials shall imply (by use of the Licensed Marks or otherwise) that Franchisor is participating as an underwriter, issuer, or offeror of Developer's securities. Any review by Franchisor of the offering materials or the information included therein will be conducted solely for Franchisor's benefit and not to benefit or protect any other person. No investor should interpret such review by Franchisor as an approval, endorsement, acceptance, or adoption of any representation,

warranty, covenant, or projection contained in the materials reviewed; and the offering documents shall include legends and statements as Franchisor may specify, including legends and statements which disclaim Franchisor's liability for, or involvement in, the transaction described in the offering documents. Developer and the other participants in the offering must agree in writing to fully indemnify Franchisor in connection with the offering in the form Franchisor prescribes. Developer agrees to give Franchisor written notice at least sixty (60) days prior to the date of commencement of any offer covered by this Section. In no event shall Developer permit or allow any of Developer's securities to be owned, directly or indirectly, by any competitor of Franchisor or its affiliates. Franchisor may charge Developer a fee for reviewing the materials required to be submitted to Franchisor by this Section.

16. BINDING EFFECT

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement may not be amended or modified except by a written agreement signed by both Franchisor and Developer.

17. CONSTRUCTION

This Agreement and all Exhibits to this Agreement constitute the entire agreement of the parties with respect to the subject matter of this Agreement, and there are no other oral or written understandings or agreements between Franchisor and Developer relating to the subject matter of this Agreement. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations that Franchisor made in the Franchise Disclosure Document that Franchisor provided to Developer. The words "include," "includes," "including," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or Entity not a party hereto. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs. The term "Developer" as used herein is applicable to one or more persons or legal entities, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. **TIME IS OF THE ESSENCE OF THIS AGREEMENT.**

18. RELATIONSHIP OF THE PARTIES

Developer is an independent contractor. Nothing in this Agreement, or arising from the conduct of the parties hereunder, is intended to or does in fact or law make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. Neither this Agreement, the nature of the relationship of the parties nor the dealings of the parties pursuant to this Agreement creates a fiduciary relationship between the parties. Further, Franchisor and Developer are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Developer's acts or omissions under any circumstances. To the extent that the Operations Playbook or Franchisor's guidelines or standards contain employee-related policies or procedures that might apply to Developer's employees, those policies and procedures are provided for informational purposes only and do not represent mandatory policies and procedures to be implemented by Developer. Developer must determine to what extent, if any, these policies and procedures may be applicable to Developer's business operations. Franchisor and Developer recognize that Franchisor neither dictates nor controls labor or employment matters for developers and that Developer, and not Franchisor, is solely responsible for dictating the terms and conditions of employment for Developer's employees including training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. Franchisor has no relationship with Developer's employees, and Developer

has no relationship with Franchisor's employees.

Developer agrees to conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of Developer's business and agrees to place such other notices of independent ownership on forms, business cards, stationery, advertising and other materials as Franchisor may require from time to time.

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

19. INDEMNIFICATION

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

Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a "Third-Party Claim"), the Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section, give a claim notice to Developer with respect to such Third-Party Claim. No delay or failure on the part of the Franchisor Indemnitee in so notifying the Developer will limit any liability or obligation for indemnification pursuant to this Section, except to the extent of any material prejudice to Developer with respect to such claim caused by or arising out of such delay or failure. Franchisor will have the right to assume control of the defense of such Third-Party Claim, and Developer and Owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim. Developer and Owners will furnish Franchisor with such information as it may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading that may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist Franchisor in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by Franchisor will be considered Losses and Expenses for purposes

of this Agreement. Franchisor may as it deems necessary and appropriate take such actions to take remedial or corrective action with respect thereof as may be, in Franchisor's reasonable discretion, necessary for the protection of the Franchisor Indemnitees or CARSTAR Facilities generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of Developer and Owners, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third-Party Claim must include a written release from liability of such claim for all Franchisor Indemnitees.

This Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

20. NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be delivered in person or by nationally recognized courier overnight, to the physical address, or delivered by confirmed electronic transmission to the respective parties at the following physical and e-mail addresses or telephone numbers, unless and until a different physical and/or e-mail address or telephone number has been designated by written notice to the other party:

Notices to Franchisor:
CARSTAR Franchisor SPV LLC
440 South Church Street, Suite 700
Charlotte, North Carolina 28202
Fax: (704) 358-4706
Attn: Brand President
E-mail address: _____

Notices to Developer:
_____
_____
_____
Fax: _____
CARSTAR E-mail: _____

Any notice by nationally recognized courier will be deemed to have been given at the date and time of mailing. Notices sent by any other form will only be deemed to have been given at time of their receipt by the addressee(s). Notices sent by facsimile or electronic transmission will be deemed to have been given on the date the facsimile or electronic transmission is sent, but the burden of proving the completion of any notice given by facsimile or electronic transmission will be on the party giving the same.

21. MISCELLANEOUS

A. Severability.

Except as expressly provided to the contrary in this Agreement, each Section, paragraph, term and provision of this Agreement, is considered severable and if, for any reason, any portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties to this Agreement, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for

appeal expires, if Developer is a party, otherwise upon Developer's receipt of a notice of non-enforcement from Franchisor.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Developer agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is prescribed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions, or any specification, standard or operating procedure prescribed by Franchisor, any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in that jurisdiction, unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

B. Waiver of Obligations.

No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Developer under this Agreement constitutes a waiver by Franchisor to enforce any right, option, duty or power against Developer or as to any subsequent breach or default by Developer. Acceptance by Franchisor of any payments due to it subsequent to the time at which the payment is due is not deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, provisions, covenants or conditions of this Agreement. Franchisor specifically is not deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant, or to declare any breach to be a default and to terminate this Agreement before the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms of this Agreement; any failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon exact compliance by Developer, with its obligations, including any mandatory specification, standard or operating procedure.

Neither Franchisor nor Developer is liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency which should not reasonably have been anticipated; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause beyond the reasonable control of such party. Any delay resulting from any of these causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. Counterparts.

This Agreement may be executed in duplicate, and each copy so executed will be deemed an original.

D. Governing Law.

To the extent not inconsistent with Applicable Law, this Agreement is governed by the substantive laws (and expressly excluding the choice of law) of the State of North Carolina.

E. Rights of Parties are Cumulative.

The rights of Franchisor and Developer under this Agreement are cumulative and no exercise or enforcement by Franchisor or Developer of any right or remedy precludes the exercise or enforcement by Franchisor or Developer of any other right or remedy which Franchisor or Developer is entitled by law to enforce.

F. Specific Performance/Injunctive Relief.

Nothing contained herein bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause it loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Developer agrees that Franchisor may have injunctive relief, upon due notice, in addition to further and other relief as may be available at equity or law. Developer has remedies as may be available at equity or law, including the dissolution of injunction if the entry of injunction is vacated.

G. Costs and Attorneys' Fees.

If Franchisor asserts a claim for amounts owed by Developer or any of its affiliates or if Franchisor substantially prevails in any legal proceeding before a court of competent jurisdiction or in any legal proceeding brought by Developer, or if Franchisor is required to enforce this Agreement in any judicial proceeding, then Franchisor shall be entitled to complete reimbursement of its costs and expenses incurred in investigating, initiating and concluding any judicial proceeding or settlement, including reasonable accountants' and attorneys' fees and court costs.

Developer shall pay to Franchisor all damages, costs and expenses, including reasonable accountants' and attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement by Developer and, after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

H. Currency Requirements.

All fees and payments required by this Agreement will be paid in U.S. currency.

I. Jurisdiction; Venue; Service of Process.

Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be instituted and maintained only in the District Court for Mecklenburg County, North Carolina, or, if it has or can acquire jurisdiction, in the United States District Court for the Western District of North Carolina, sitting in Charlotte, North Carolina, and the parties irrevocably consent to the jurisdiction and venue of such courts (and of the appropriate appellate courts) in any such action or proceeding and waive any objection to either the jurisdiction or venue of such courts. Notwithstanding the foregoing, Franchisor shall have the right to institute and maintain an action or proceeding in any other state or federal court with jurisdiction for (1) monies owed, (2) injunctive or other equitable or extraordinary relief, or (3) matters involving possession or disposition of, or other relief relating to, real or

personal property. Process in any action or proceeding referred to in the preceding sentences may be served on any party anywhere in the world in accordance with the notice provisions of Section 20. The parties acknowledge that the agreements between the parties regarding applicable state law and forum set forth in this Agreement provide each of the parties with a mutual benefit of uniform interpretation of this Agreement and any disputes arising out of this Agreement or the parties' relationship created by this Agreement. The parties further acknowledge the receipt and sufficiency of mutual consideration for this benefit.

J. Waiver of Jury Trial; Class Action Waiver.

FRANCHISOR AND DEVELOPER IRREVOCABLY EACH WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT BY EITHER OF THEM. Franchisor and Developer agree that any litigation, suit, action, counterclaim, cross claim or proceedings, whether at law or in equity, which arises out of, concerns, or is related to this Agreement or any of the relationships or transactions contemplated hereunder, the performance of this Agreement, the relationship between the parties or otherwise, trial shall be to a court of competent jurisdiction and not to a jury.

The parties also agree that any proceeding to resolve or litigate any dispute between them will be conducted solely on an individual basis and that neither party will seek to have any such dispute heard as a class action, or in any other proceeding in which either party proposes to act in a representative capacity, or participate in any way in any such class action or other proceeding, including filing a claim in such proceeding. The parties further agree that no proceeding to resolve or litigate any dispute between them will be joined, consolidated or combined with any other proceeding without the prior written consent of both the parties hereto and all other parties to such other proceeding.

K. Waiver of Punitive Damages.

DEVELOPER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING LOSS OF PROFITS) AGAINST FRANCHISOR, ITS PARENTS AND AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER THAT CAUSE IS BASED ON CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, DEVELOPER SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DIRECT, CASUALLY RELATED DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING LOSS OF PROFITS) SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT.

L. No Recourse.

Developer acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (1) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (2) any claim against Franchisor based on, in respect of, or by reason of, the

relationship between Developer and Franchisor, or (3) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

M. Exercise of Franchisor's Judgment.

Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Developer a right to take or omit an action, Franchisor may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to Franchisor and Franchisor's reasonable judgment of what is in the best interests of Franchisor and its affiliates or the System at the time Franchisor's decision is made without regard to whether Franchisor could have made other reasonable or even arguably preferable alternative decisions or whether Franchisor's decision promotes Franchisor's or its affiliates' financial or other individual interest. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold its approval of any of Developer's actions or requests, Franchisor has the absolute right to refuse any request that Developer makes or to withhold its approval of any of Developer's proposed, initiated or completed actions that require Franchisor's approval.

N. Acknowledgments.

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

> Developer acknowledges that Developer has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon the business abilities of Developer. Franchisor expressly disclaims the making of, and Developer acknowledges that Developer has not received or relied upon, any warranty or guarantee, express or implied, as to the potential revenues, profits or success of the business venture contemplated by this Agreement. Developer acknowledges that it has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees or agents that are contrary to the terms of this Agreement or the documents incorporated or referenced herein, and further represents to Franchisor, as an inducement to Franchisor's entry into this Agreement, that Developer has made no misrepresentations in obtaining the Development Rights granted hereunder. Developer has read this Agreement and has been given the opportunity to clarify any provisions that Developer did not understand and to consult with an attorney and other professional advisors.

O. No Waiver or Disclaimer of Reliance in Certain States.

The following provision applies only to developers and area development arrangements that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by Developer in connection with the commencement of the franchise relationship shall have the effect of

(1) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (2) disclaiming reliance on any statement made by Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the date recited in the first paragraph.

FRANCHISOR:	**DEVELOPER:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

Attest: _____

EXHIBIT A
TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPMENT AREA

The Development Area will be _____

_____

_____

_____

(as depicted on the attached map), provided that the location of any CARSTAR Facility in operation or under lease, construction, or other commitment to open in the Development Area as of the Effective Date, and, with respect to any such franchised CARSTAR Facility, any protected area then granted by Franchisor under the applicable CARSTAR franchise agreement, all or part of which is in the Development Area, are expressly excluded from the Development Area.

Any political boundaries included in the description of the Development Area will be considered fixed as of the Effective Date and will not change notwithstanding a political reorganization or a change in those boundaries. Unless otherwise specified, all street boundaries will be deemed to end at the street center line unless otherwise specified.

Development Area Map

[insert map]

EXHIBIT B
TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPMENT INFORMATION

1. Development Fee: _____($_____).

2. Development Schedule. During the Term, Developer will develop _____ new franchised Facilities in the Development Area in accordance with the Development Schedule below:

Secure Deadline	Franchise Agreement Execution Deadline	Opening Deadline	Cumulative Number of New Facilities Required to Be Open and Operating in the Development Area No Later than the Opening Deadline (in Previous Column)
			1
			2

(1) With respect to each Facility to be developed under this Agreement, Developer (or an Approved Affiliate) must execute a purchase agreement, lease, or sublease for the Facility premises in accordance with Section 4.B. of this Agreement by no later than the applicable Secure Deadline, sign a Franchise Agreement by no later than the applicable Franchise Agreement Execution Deadline, and develop and open the Facility by no later than the applicable Opening Deadline.

(2) At all times during the Term, Developer must have open and operating at least the cumulative number of new Facilities in the Development Area then required by the Development Schedule.

EXHIBIT C
TO THE AREA DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (this "Guaranty") is given by the undersigned ("Guarantors") effective as of the Effective Date.

In consideration of, and as an inducement to, the execution of the Area Development Agreement (the "Agreement") on the Effective Date by CARSTAR Franchisor SPV LLC ("Franchisor"), each Guarantor personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Developer") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the non-competition, confidentiality and transfer requirements. (All capitalized terms used by not defined in this Guaranty will have the meanings set forth in the Agreement.)

Each Guarantor acknowledges that he, she or it is either an Owner or otherwise has a direct or indirect relationship with Developer or its affiliates; that he, she or it will benefit significantly from Franchisor's entering into the Agreement with Developer; and that Franchisor would not enter into the Agreement unless Guarantors agreed to sign and comply with the terms of this Guaranty.

Each Guarantor represents that, as of the Effective Date, at least one Guarantor satisfies the Guarantor Net Worth Threshold (defined below) and agrees that, at all times during the term of the Agreement, at least one Guarantor will satisfy the Guarantor Net Worth Threshold. The "Guarantor Net Worth Threshold" means the minimum net worth (*i.e.*, total assets less total liabilities, each as calculated in accordance with U.S. generally accepted accounting principles) that Franchisor requires at least one Guarantor to satisfy under this Guaranty and the Agreement, as such minimum net worth is periodically modified by Franchisor in accordance with the following paragraph. Guarantors agree to provide Franchisor on an annual basis financial statements or other documents that Franchisor reasonably specifies, certified by Developer or Guarantors in the manner that Franchisor specifies, demonstrating Guarantors' compliance with such Guarantor Net Worth Threshold requirement. Upon reasonable advance notice, but no more than twice during any calendar year during the Agreement's term, Franchisor may examine the applicable Guarantor's business, bookkeeping, accounting and tax records to ascertain Guarantors' compliance with the Guarantor Net Worth Threshold requirement. Guarantors agree to cooperate reasonably with Franchisor in connection with all auditing and reporting requirements relating to the Guarantor Net Worth Threshold requirement, whether contained in this Guaranty or the Agreement. Each Guarantor acknowledges that Franchisor may terminate the Agreement (subject to the applicable notice and cure period in the Agreement) upon Guarantors' failure to comply with the Guarantor Net Worth Threshold requirement.

As of the Effective Date, the Guarantor Net Worth Threshold is equal to One Million Dollars ($1,000,000). Franchisor may, however, periodically increase the Guarantor Net Worth Threshold by providing Developer and/or Guarantors at least ninety (90) days' prior written notice, if Franchisor determines, in its reasonable judgment, that Franchisor's risk or exposure with respect to the Agreement and all other franchise and other agreements between Franchisor (or its Affiliate) and Developer (or any of its Owners or affiliates) has increased since the Effective Date or the most recent increase in the

Guarantor Net Worth Threshold, as applicable. Guarantors will comply with the modified Guarantor Net Worth Threshold, either by demonstrating to Franchisor's satisfaction that a then-existing Guarantor satisfies the modified Guarantor Net Worth Threshold or by presenting a substitute guarantor who signs Franchisor's then-current form of guaranty reflecting the modified Guarantor Net Worth Threshold, by the end of that ninety (90)-day period.

Each Guarantor consents and agrees that: (1) his, her or its direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Developer or any other person or Entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Developer or to any other person or Entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or any of its Owners or guarantors, and for so long as Franchisor have any cause of action against Developer or any of its Owners or guarantors; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Developer, and each Guarantor waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation that Guarantor may have against Developer arising as a result of Guarantor's execution of and performance under this Guaranty, for the express purpose that no Guarantor shall be deemed a "creditor" of Developer under any applicable bankruptcy law with respect to Developer's obligations to Franchisor; (ii) all rights to require Franchisor to proceed against Developer for any payment required under the Agreement, proceed against or exhaust any security from Developer, take any action to assist any Guarantor in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Developer; (iii) any benefit of, or any right to participate in, any security now or hereafter held by Franchisor; and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. Franchisor shall have no present or future duty or obligation to Guarantors under this Guaranty, and each Guarantor waives any right to claim or assert any such duty or obligation, to discover or disclose to Guarantors any information, financial or otherwise, concerning Developer, any other guarantor, or any collateral securing any obligations of Developer to Franchisor. Without affecting the obligations of Guarantors under this Guaranty, Franchisor may, without notice to any Guarantor, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Developer, or settle, adjust, release, or compromise any claims against Developer or any other guarantor, make advances for the purpose of performing any obligations of Developer under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and each Guarantor hereby waives notice of same. Each Guarantor expressly acknowledges that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, each Guarantor waives any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Developer, (b) any lack of authority of

Developer with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Developer, (d) any circumstance whereby the Agreement shall be void or voidable as against Developer or any of Developer's creditors, including a trustee in bankruptcy of Developer, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of any Guarantor's obligations hereunder, except that Guarantors do not waive any defense arising from the due performance by Developer of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Developer or any other guarantor, and (g) any act or omission of Developer.

If Franchisor is required to enforce this Guaranty in a judicial proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of Franchisor's costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by any Guarantor to comply with this Guaranty, Guarantors shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

All actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and any Guarantor, will be resolved in accordance with, and subject to, the dispute resolution provisions in the Agreement. For purpose of clarification, the applicable Guarantor(s) and Developer will be deemed to be one party under such dispute resolution provisions.

IN WITNESS WHEREOF, each Guarantor has executed this Guaranty as of the Effective Date.

GUARANTORS

Signature:_____

Print Name:_____

Percentage Ownership Interest in Developer:_____%

Signature:_____

Print Name:_____

Percentage Ownership Interest in Developer:_____%

EXHIBIT D
TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPER OWNERSHIP INFORMATION
(as applicable)

1. Developer's Entity Type (e.g., corporation, limited liability company, general or limited partnership): _____

2. Developer's State/Commonwealth of Formation/Organization/Incorporation: _____

_____

3. Developer's Date of Formation/Organization/Incorporation: _____

4. Developer's ownership structure is as follows:

Owner	Ownership Interest in Developer
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____

5. Developer's officers and principal executives are as follows:

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

EXHIBIT D

FRANCHISE AGREEMENT

CARSTAR FRANCHISOR SPV LLC

FRANCHISE AGREEMENT

_____
FRANCHISEE

_____
EFFECTIVE DATE

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CARSTAR FRANCHISOR SPV LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement"), by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and _____, a ____ _____ corporation (or limited partnership or limited liability company) or _____, an individual, having a principal place of business at _____ ("Franchisee"), is made and entered into on the date of execution of this Agreement by Franchisor (the "Effective Date").

WHEREAS, Franchisor, its predecessors and affiliates, as a result of expenditure of time and money, have developed distinctive signage, uniform standards, specifications and procedures, marketing programs, purchasing assistance, preferred vendor relationships, business, financial and operationally analyses, a national warranty program, training and assistance and advertising and promotional programs, all of which Franchisor may change and continue to develop at Franchisor's sole discretion ("the System") relating to the establishment and operation of automobile collision repair facilities (each, a "CARSTAR Facility" and, collectively, "CARSTAR Facilities") identified by certain trademarks, service marks, logos and other commercial symbols, including "CARSTAR®," all of which Franchisor may further improve and modify (the "Licensed Marks");

WHEREAS, a CARSTAR Facility is operated pursuant to certain Confidential Information, as defined below in Section 10, and trade secrets utilizing uniform procedures, specifications, systems, and standards, all of which may be improved, further developed or modified by Franchisor;

WHEREAS, Franchisor grants to persons who meet Franchisor's qualifications and who are willing to undertake the investment and effort to establish at an existing automobile collision repair business a CARSTAR Facility, offering the services approved by Franchisor and utilizing the System and Licensed Marks ("Franchise" or "Franchised Business");

WHEREAS, Franchisee presently owns and operates an existing automobile collision repair business that is similar in size to a CARSTAR Facility;

WHEREAS, Franchisee desires to convert the existing automobile collision repair business to a CARSTAR Facility to be operated under the System and Licensed Marks pursuant to this Agreement; and

WHEREAS, Franchisor desires to grant to Franchisee a Franchise for a CARSTAR Facility upon the terms and subject to the conditions herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and, intending to be legally bound hereby, the parties agree as follows:

1. GRANT OF FRANCHISE

A. Issuance of Franchise.

Subject to the provisions contained in this Agreement, Franchisor grants Franchisee the right to utilize the System and the Licensed Marks in the operation of a CARSTAR Facility (the "Facility"), provided Franchisee complies with this Agreement and with Franchisor's standards and specifications.

B. Facility Location and Lease.

Franchisee has submitted the location of the Facility to Franchisor for review and approval, and the Facility location has been approved by Franchisor as of the Effective Date. The location of the Facility is identified in Exhibit A and is deemed the "Location."

Franchisor's approval of the Location shall not constitute a warranty or representation of any kind, express or implied, that the Facility will be profitable or successful. Franchisor's approval of the Location merely signifies that Franchisor authorizes Franchisee to operate a CARSTAR Facility at the Location.

If, during the term of this Agreement, Franchisee proposes to enter into a new lease, sublease, or purchase agreement for the Location, Franchisee shall provide Franchisor for Franchisor's review and approval a copy of the proposed lease, sublease, or purchase agreement prior to its execution. The lease, sublease, or purchase agreement shall not contain any covenants or other obligations that would prevent or hinder Franchisee from continuing to perform its obligations under this Agreement or any provisions that restrict Franchisor or its other franchisees. In addition, the lease or sublease shall include certain provisions as specified by Franchisor, and Franchisor may require Franchisee to enter into a written addendum to the lease or sublease that incorporates those provisions. Franchisee shall provide Franchisor a copy of the fully executed lease, sublease, or purchase agreement within ten (10) days after execution.

Neither Franchisor's review and approval of the lease, sublease, or purchase agreement nor any requirement that Franchisee enter into a written addendum to the lease or sublease constitutes a warranty or representation by Franchisor of any kind, express or implied, as to the document's fairness or suitability or as to Franchisee's ability to comply with its terms. Franchisor does not assume any liability or responsibility to Franchisee or any third party due to its review and approval of the lease, sublease, or purchase agreement.

C. Territorial Rights.

(1) Except as expressly provided herein, the rights granted by this Agreement are restricted to the Location. No rights of exclusivity are granted to Franchisee, except as provided in Section 1.C.(2). Relocation is not permitted without Franchisor's prior written approval.

(2) Subject to Franchisee's full compliance with this Agreement and any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, and subject to Section 1.E., neither Franchisor nor any affiliate shall establish or authorize any person or Entity (as defined in Section 1.F.) to establish a CARSTAR Facility within a one (1)-mile radius of the Location (the "Protected Area"), excluding any CARSTAR Facilities already in existence at the time of the execution of this Agreement, in Franchisor's sole discretion.

D. Prohibition Against Other Uses and Other Facilities.

During the term of this Agreement, Franchisee will comply with the non-competition covenants set forth in Section 10 of this Agreement. Franchisee further agrees that Franchisee will not operate any other business at or from the Facility without the express written permission of Franchisor. Franchisee acknowledges and agrees that, throughout the term of this Agreement, only approved Products (defined in Section 4.D.) and services may be offered and sold by Franchisee at or from the Facility. Franchisee will not, directly or indirectly, (a) engage in any collision repair sales, (b) provide cost estimates of vehicle repair services, or (c) perform collision repair work or services at any site other than the Location during the term of this Agreement, unless approved in writing by Franchisor, in Franchisor's sole discretion.

E. Reservation of Rights.

Notwithstanding anything contained herein to the contrary, Franchisor (on behalf of itself and its affiliates) retains the right, in its sole discretion and without granting any rights to Franchisee, to:

(1) Establish and operate, and grant other persons the right to establish and operate, CARSTAR Facilities at locations and on terms Franchisor deems appropriate outside the Protected Area;

(2) Offer services and products authorized for CARSTAR Facilities under the Licensed Marks or under other trademarks, service marks and commercial symbols through dissimilar channels of distribution and pursuant to terms Franchisor deems appropriate within and outside the Protected Area, including, without limitation, by electronic means such as the Internet and on websites developed by Franchisor;

(3) Advertise the System on the Internet, and to operate, maintain and modify or discontinue the use of a website using the Licensed Marks;

(4) Establish and operate, and license others to establish and operate, businesses under other systems, using other proprietary trademarks, which offer or sell other products and/or services, either within or outside the Protected Area, including businesses that compete with Franchisee and the Facility;

(5) Acquire and/or operate competing franchise systems with outlets within the Protected Area or to be acquired by a competing franchise system;

(6) Establish new programs with insurance companies that provide preferred status to franchisees operating within the System, conditioned upon compliance with certain requirements established by Franchisor and the requirements of such insurance companies, and that may result in changing, modifying or terminating Franchisee's existing contractual relationships with such companies; and

(7) Sell the System to a competing business or to acquire competing franchise systems.

F. Business Entity Franchisee.

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

(1) Upon Franchisor's request, Franchisee agrees to provide Franchisor with copies of Franchisee's governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Franchisee's formation. During the term of this Agreement, Franchisee's governing documents must provide that no Ownership Interest (defined below) in Franchisee may be transferred or issued, except in accordance with Section 14. In addition, all certificates and other documents representing Ownership Interests in Franchisee will bear a conspicuous printed legend to that effect. "Ownership Interests" means (a) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (b) in relation to a limited liability company, membership interests or other equity interests; (c) in relation to a partnership, a general or limited partnership interest; (d) in relation to a trust, a beneficial interest in the trust; and (e) in relation to any Entity (including those described in (a) through (d) above), any other interest in the Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the

direction of the management of the Entity or its business (including a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Facility, the Entity or its business.

(2) Franchisee agrees and represents that Exhibit I to this Agreement completely and accurately describes all of Franchisee's Owners (defined below) and their Ownership Interests in Franchisee and Franchisee's officers and principal executives; provided that, if Ownership Interests in Franchisee are publicly traded, Exhibit I includes only those Owners having a five percent (5%) or greater Ownership Interest in Franchisee. In this Agreement, "Owner" means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in Franchisee. Simultaneously with Franchisee's execution of this Agreement (or, if Franchisee is not then an Entity, at any such time that Franchisee becomes an Entity (including, but not limited to, in the event that this Agreement is transferred to an Entity in accordance with Section 14)), each Owner must personally guarantee timely and full payment and performance of all of Franchisee's duties and obligations contained in this Agreement by executing Franchisor's then-current form of personal guaranty of Franchisee's obligations (the "Guaranty"), the current form of which is attached to this Agreement. In addition, any individual or Entity that becomes an Owner at any time after the Effective Date, whether pursuant to Section 14 or otherwise, shall, as a condition of becoming an Owner, execute the Guaranty. Subject to Franchisor's rights and Franchisee's obligations under Section 14, Franchisee and its Owners agree to sign and deliver to Franchisor promptly a revised Exhibit I to reflect any changes in the information that Exhibit I now includes.

2. TERM AND RENEWAL

A. Term.

Except as otherwise agreed by the parties, in writing, the initial term of this Agreement (the "Initial Term") begins on the Effective Date and will end five (5) years from the date on which the Facility opens to the public for business under the Marks.

B. Renewal.

If Franchisee is not in default of this Agreement and complies with the provisions regarding renewal set forth in Sections 2.C. and 2.D. below, Franchisee may renew the Franchise granted hereby for an additional term equal to five (5) years, subject to the conditions set forth in this Section 2.

C. Notice of Renewal and Nonrenewal.

In order for Franchisee to be eligible to renew for an additional term, as provided in this Section, Franchisor must receive written notice from Franchisee of Franchisee's intent to renew at least one hundred eighty (180) days before the expiration of the Initial Term.

Due to the nature of Franchisor's preferred programs, if Franchisee does not provide written notice of Franchisee's intent to renew at least one hundred eighty (180) days before the expiration of the Initial Term, Franchisor may notify its vendors and insurance partners of the possibility of Franchisee's nonrenewal, in which event, Franchisee's continued participation in those programs will be at the discretion of the vendors and insurance partners.

If Franchisor does not receive written notice of Franchisee's intent to renew at least one hundred eighty (180) days before the expiration of the Initial Term, then this Agreement shall expire at the end of the Initial Term.

D. Renewal Agreement.

As a condition precedent to the renewal of this Agreement, Franchisee (and Owners, if Franchisee is an Entity) must execute the then-current form of franchise agreement and any related agreements Franchisor customarily uses in the grant of Franchises for the ownership and operation of a CARSTAR Facility at the time of renewal, which may contain terms and provisions that are materially different from those contained in this Agreement (with appropriate modifications to reflect the fact that the agreement relates to the renewal of a Franchise). As a further condition precedent to the renewal of this Agreement, Franchisee and Owners must execute a general release, releasing any and all claims against Franchisor and its affiliates, officers, directors, employees and agents. If Franchisee and Owners fail to sign and deliver a new franchise agreement and general release within thirty (30) days after delivery of such documents to Franchisee, this Agreement shall expire at the end of the Initial Term.

E. Further Conditions for Renewal.

In addition to the conditions and requirements stated above in this Section, any or all of the following conditions must be met by Franchisee, in Franchisor's discretion, before and at the time of renewal:

(1) Franchisee must not be in default of any provision of this Agreement, any amendment or successor or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, and Franchisee must have substantially and timely complied with all the terms and conditions of all such agreements throughout the terms of those agreements;

(2) Franchisee must have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee and any of its affiliates and Franchisor or any of its affiliates, and Franchisee must have timely met those obligations throughout the terms of those agreements;

(3) Franchisee must pay Franchisor a renewal processing fee equal to $1,000;

(4) Franchisee must present satisfactory evidence that Franchisee has the right to remain in possession of the Facility premises or obtain Franchisor's approval of a new site for the operation of the Facility; and

(5) Franchisee must comply with Franchisor's then-current qualification and training requirements.

F. Expired Agreement.

If Franchisee does not comply with the renewal procedures set forth above and continues to accept the benefits of this Agreement after the expiration of this Agreement and has not entered into a renewal agreement with Franchisor, then, at the option of Franchisor, this Agreement may be treated either as:

(1) expired as of the date of expiration with Franchisee then operating without a Franchise to do so and in violation of Franchisor's rights; or

(2) continued on a month-to-month basis for a period of time no longer than six (6) months after the date this Agreement would otherwise have expired (the "Extension Period") during which time Franchisee shall continue to pay the Monthly Franchise Fee (defined in Section 3.C.), the Insurance and Marketing Fee (defined in Section 3.D.), the Central Review Fee (defined in Section 3.J.), the Total Loss Processing Fee (defined in Section 3.K.) (as applicable), and the Call Center Fee (defined in Section 3.L.) (as applicable), as set forth in Sections 3.C., 3.D., 3.J., 3.K., and 3.L., respectively.

If Franchisor chooses to continue the Franchise for the Extension Period, all obligations of Franchisee shall remain in full force and effect during the Extension Period as if this Agreement had not expired, and all obligations and restrictions imposed upon Franchisee upon the expiration of this Agreement shall be deemed to take effect upon the termination of the Extension Period.

3. FEES

A. Initial Franchise Fee.

Franchisee agrees to pay Franchisor an initial fee (the "Initial Franchise Fee") of $10,000 upon the Effective Date of this Agreement. The Initial Franchise Fee is fully earned upon execution of this Agreement by Franchisor and is non-refundable.

B. Integration Fee.

Franchisee agrees to pay Franchisor an integration fee (the "Integration Fee") of $10,000 upon the Effective Date of this Agreement in connection with EDGE Integration (defined in Section 5.A.), provided that, if Franchisee is an existing CARSTAR franchisee and Franchisor is granting Franchisee a Franchise for an additional CARSTAR Facility pursuant to this Agreement, Franchisee will not be required to pay Franchisor the Integration Fee. The Integration Fee is fully earned upon execution of this Agreement by Franchisor and is non-refundable.

C. Monthly Franchise Fees.

During the term of this Agreement, Franchisee agrees to pay Franchisor, on the day of each month that Franchisor periodically specifies (the "Payment Day"), a continuing monthly franchise fee (the "Monthly Franchise Fee") equal to the Monthly Base Franchise Fee plus the Monthly Growth Franchise Fee. For the avoidance of doubt, Franchisor may modify the Payment Day and corresponding reporting period at any time in Franchisor's sole discretion. The first Monthly Franchise Fee is due on the Payment Day of the month following the month during which Franchisee first opens the Facility for business as a CARSTAR Facility.

(1) Monthly Base Franchise Fee. Franchisee agrees to pay Franchisor a continuing monthly base franchise fee in an amount equal to the greater of $1,000 or one and one-half percent (1.5%) of the Monthly Base Volume (the "Monthly Base Franchise Fee").

(2) Monthly Growth Franchise Fee. In addition to the Monthly Base Franchise Fee, Franchisee agrees to pay Franchisor a continuing monthly growth franchise fee in the amount equal to four percent (4%) of the amount, if any, by which the monthly Gross Sales of the Facility exceeds the Monthly Base Volume for the preceding calendar month (the "Monthly Growth Franchise Fee").

"Monthly Base Volume" means the amount equal to the Annual Base Volume (as hereafter defined) divided by twelve (12).

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

By way of example only, if the Annual Base Volume of the Facility were $2,400,000, then the Monthly Base Volume for the term of this Agreement would be equal to $200,000 (e.g., Annual Base Volume divided by twelve (12)). If, in a given calendar month during the term, the Facility's total monthly Gross Sales were equal to $245,000, then the Monthly Franchise Fee would be equal to $4,800, comprised of (i) a Monthly Base Franchise Fee in the amount of $3,000 (i.e., one and one-half percent (1.5%) of the Monthly Base Volume) plus (ii) a Monthly Growth Franchise Fee in an amount equal to $1,800 (i.e., four percent (4%) of the amount by which the monthly Growth Sales exceeds the Monthly Base Volume, which is $45,000).

Notwithstanding the other provisions of this Section 3.C., Franchisor reserves the right, in its sole discretion, to discount the Monthly Franchise Fee for franchisees in certain markets and for those franchisees opening multiple CARSTAR Facilities.

D. Insurance and Marketing Fund Fee.

Franchisor has established an insurance and marketing fund (the "IMF") for system-wide marketing and insurance activities. Franchisee must pay Franchisor a monthly fee (the "Insurance and Marketing Fee") for use by Franchisor for programs funded by the IMF. Subject to the provisions of Section 6.C., the Insurance and Marketing Fee is currently the greater of $500 or one percent (1%) of monthly Gross Sales. Notwithstanding anything contained herein to the contrary, if (i) Franchisee is not in compliance with the CARSTAR IMF guidelines, as may be modified from time to time (the "IMF Guidelines"), (ii) fails to maintain Franchisor's Image Program (defined in Section 6.C.), or (iii) fails to timely submit Monthly Fee Reports to Franchisor in accordance with Section 11, Franchisee must pay a maximum Insurance and Marketing Fee of one and one-half percent (1.5%) of monthly Gross Sales until Franchisee is in compliance with each of the foregoing requirements. The IMF Guidelines include, without limitation, the requirement that Franchisee comply with the interior and exterior image program within the time period after the Effective Date that Franchisor specifies, as required in Section 6.C. The Insurance and Marketing Fee and/or the maximum Insurance and Marketing Fee may also be increased or decreased periodically by CARSTAR, in its sole discretion, upon ninety (90) days prior written notice to Franchisee; however, Franchisor will not increase the Insurance and Marketing Fee or the maximum Insurance and Marketing Fee by more than one percent (1%) of Gross Sales in any twelve (12)-month period.

E. CARSTAR.com Fee.

Franchisee is assigned one e-mail address at Franchisor's CARSTAR.com domain and must pay Franchisor its then-current e-mail address fees. To maintain uniformity of the naming convention, Franchisee may not modify/change the account Franchisor provides. This is the only e-mail address Franchisor will use to communicate with Franchisee. Franchisee may obtain additional e-mail addresses for $10 per month, but there is limited flexibility on the address name.

F. CARSTAR Solution®-Compatible Software Fees.

Franchisee must select and purchase a Management System (defined in Section 4.F.) for the Facility that that is compatible with CARSTAR Solution® only from a supplier Franchisor designates or approves (which may include or be limited to Franchisor, certain of its affiliates, and/or other restricted sources). Franchisee shall pay such supplier the applicable installation and training fees in connection with the initial set-up and installation of the Management System that Franchisee chooses to purchase for the Facility pursuant to this Section 3.F. Franchisee also agrees to pay the supplier any monthly or other recurring fees for mandatory or optional support, assistance, or other programs or services provided to Franchisee in connection with such Management System, as set forth in Franchisor's then-current Franchise Disclosure Document, the Operations Playbook or otherwise in writing by Franchisor. Franchisee must submit payment of the Management System fees imposed by the supplier to Franchisor, if Franchisor collects these fees on the supplier's behalf. Franchisee acknowledges and agrees that the installation and training fees and monthly or other recurring fees payable in connection with the Management System for the Facility may be due and payable to the supplier (or Franchisor, as applicable) beginning ninety (90) days prior to the Facility's opening date.

G. Non-reporting Fee.

Franchisor has the right to assess Franchisee a fee of $750 per month each time Franchisee fails to submit any of the reports required by Franchisor when due. This fee shall be in addition to any other fee set forth in this Section 3. Franchisee will receive written notification that a required report is past due. If Franchisee does not submit the required report by the end of the third business day after Franchisor provides Franchisee with written notification, Franchisor will assess a non-refundable non-reporting fee of $750 against Franchisee for each month the required report is not submitted.

H. Advertising Business Group.

If the Facility is located in a Market Area (defined in Section 12.D.), which has been designated by Franchisor for the formation of a Business Group (defined in Section 12.D.), and the Business Group establishes a monthly contribution to be paid to the Business Group, Franchisee will make the required monthly contributions to the Business Group.

I. Training Fee.

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

J. Central Review Fee.

During the term of this Agreement, Franchisee agrees to pay Franchisor a central review fee (the "Central Review Fee") equal to one-half percent (0.5%) of monthly Gross Sales generated through Corporately Managed Insurance Programs (defined in Section 6.N.), provided that Franchisor may increase the amount of the Central Review Fee, up to two percent (2%) of such Gross Sales, upon thirty (30) days' prior written notice to Franchisee. The Central Review Fee will be due and payable at the same time and in the same manner as the Monthly Franchise Fee. The Central Review Fee is applied towards the costs of Franchisor's central review program, including the cost of managing and administering Corporately Managed

Insurance Programs, and negotiating and administering contracts, with auto insurance companies and other third parties, and may be applied to additional insurance programs that mandate Franchisor's central review oversight.

K. Total Loss Processing Fee.

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

L. Call Center Fee.

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

M. Interest.

All required payments to Franchisor must be paid by Franchisee by the due date and must be submitted to Franchisor together with any required monthly reports. Any payment or report not actually received by Franchisor on or before the due date will be deemed overdue. Franchisee will pay interest on all overdue amounts from the date each amount was due until paid at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less.

N. Electronic Funds Transfer.

Franchisee shall execute and maintain in effect any documents necessary to permit payment of fees to Franchisor by electronic funds transfer.

O. Applying and Withholding Payments and Franchisor Right of Set-Off.

Despite any designation that Franchisee makes, Franchisor may apply any of Franchisee's payments to any of Franchisee's past due indebtedness to Franchisor or its affiliates. Franchisor may set-off any amounts that Franchisee or Owners owe Franchisor or its affiliates against any amounts that Franchisor or its affiliates might owe Franchisee or Owners, whether in connection with this Agreement or

otherwise. In the event of such set-off, Franchisor shall notify Franchisee of the amount of such set-off. Franchisee may not withhold payment of any amounts owed to Franchisor or its affiliates on the grounds of Franchisor's or their alleged nonperformance of any of its or their obligations under this Agreement or any other agreement.

P. Payment Security.

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

Q. Additional Fees.

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

4. DEFINITIONS

As used in this Agreement, the following terms will have the following respective meanings:

A. "Customer Data" means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to the Facility's customers and prospective customers.

B. "Franchisee" means the person, persons, or Entity, as the case may be, who is the counterparty to Franchisor under this Agreement, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time Franchisee under this Agreement, their obligations and liabilities to Franchisor shall be joint and several. References to "Franchisee" and "assignee" or "transferee" which are applicable to an individual or individuals shall mean the owner or owners of the equity or the individuals who exercise operating control of Franchisee, assignee or transferee, if such Franchisee, assignee or transferee is an Entity.

C. "Principals" shall include, collectively and individually: Franchisee's spouse, if Franchisee is an individual; all officers, directors, and Owners, if Franchisee is an Entity.

D. "Products" means only those materials, supplies, services and equipment manufactured, produced or provided by certain suppliers approved in writing by Franchisor for use by or for sale by or from CARSTAR Facilities.

E. "Gross Sales" means all money and other consideration of every kind and nature received by Franchisee or the Facility, including, without limitation, consideration for labor, parts, mechanical

services related to collision repair, refinishing and all sublet billings and for all other products and services sold or performed by or for Franchisee or the Facility, in, upon, or from the Location, or through or by means of the business conducted pursuant to this Agreement, whether for cash or credit, including the proceeds of any insurance claims. Notwithstanding the foregoing, Gross Sales shall not include:

(1) sales or service taxes collected from customers and paid to the appropriate taxing authority;

(2) tow charges; or

(3) rental car sales.

F. "Management System" means the CARSTAR Solution® and all other licensed and proprietary hardware and software systems supported by Franchisor to provide a complete technology systems environment in support of Franchisee's business operations under the System. It is the framework of systems, processes and procedures used to ensure that the organization can fulfill all tasks required to achieve business objectives. The Management System allows Franchisor unlimited, independent access to critical operational data (including Customer Data) and other information to be used in the continual support of Franchisee's business and to develop key business partner relationships to deliver value to franchisees operating under the System (see Sections 6.M. and 11.B.). Franchisee understands and agrees that Franchisor and its affiliates may use such information and data, together with any records and reports required by Section 11 or any other provision of this Agreement, for any purpose and in any form as determined by Franchisor and its affiliates from time to time, including, without limitation, to conduct marketing and cross-promotional campaigns and to compile on an aggregated basis statistical and performance information relating to Franchisor's (or its affiliates') services and products, CARSTAR Facilities, and/or other automotive businesses franchised and owned by Franchisor and its affiliates.

G. "Trade Secret(s)" means information or data about Franchisor, the System, or any Products, including, but not limited to, technical or non-technical data, formulae, methods, techniques, drawings, processes, financial data, financial plans, product and promotional plans, lists of actual or potential advertisers, list of customers or suppliers, that derives economic value, actual or potential, from not being generally known to, or generally ascertainable by proper means by other persons who can obtain economic value from their disclosure or use.

5. REQUIRED EDGE INTEGRATION OF SYSTEMS

A. CARSTAR EDGE Integration.

In order to be eligible for participation in Franchisor's programs (such as insurance, procurement, and marketing) being offered as part of the System, Franchisee must complete the CARSTAR EDGE Integration Program ("EDGE Integration") within the time period after the Effective Date that Franchisor specifies (the "EDGE Integration Period"). During the first week of the EDGE Integration Period, initial administrative matters will be addressed. Thereafter, in order to complete EDGE Integration, Franchisee should complete, within the Edge Integration Period, all tasks required, including, but not limited to, those listed below, with assistance from representatives from Franchisor's franchise services, operations, training, marketing, technology, and procurement departments (the "EDGE Integration Team"):

(1) Franchisee or Franchisee's general manager (if Franchisee is an Entity) must attend Franchisor's orientation/training program and office administration courses, which are provided in Charlotte, North Carolina or another location designated by Franchisor;

(2) Use the $1,000 credit with Franchisor's designated and approved vendor for Franchisee's interior and exterior imaging branding kits as required by the CARSTAR Brand Imaging Process and Franchisee Location Image Program Agreement attached as Exhibit C hereto, $500 of which Franchisee must use for interior branding and the remaining $500 of which Franchisee must use for exterior branding;

(3) Install and immediately begin using the CARSTAR Solution® in compliance with Section 6.M.;

(4) Install and immediately begin using an approved Management System and related software (see Sections 3.F. and 6.N.);

(5) Use Nationwide Warranty materials (in compliance with Section 6.J.);

(6) Purchase paper supplies (letterhead and business cards) incorporating Franchisor's Licensed Marks which comply with Franchisor's specifications;

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

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

(9) Submit an Insurance Certificate in compliance with Section 13.C.;

(10) Incorporate "CARSTAR" in phone greeting;

(11) Adopt approved "CARSTAR" fictitious name;

(12) Submit required Monthly Fee Reports; and

(13) Complete such other work and improvements as are required to bring the Facility to acceptable standards required by Franchisor.

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

B. Acknowledgment by Franchisee.

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

6. FRANCHISEE DUTIES

A. Compliance with System Standards.

Franchisee understands and acknowledges that every detail of the System is important to Franchisee, Franchisor and other franchisees in order to maintain the high standards and public image of CARSTAR Facilities, to protect Franchisor's reputation and goodwill and the System, and to increase demand for the services offered by CARSTAR Facilities.

B. Annual Business Conference.

Franchisee shall attend each CARSTAR Annual Business Conference (the "Conference") for franchisees. Franchisee shall pay any registration fees charged by Franchisor for attendance by Franchisee or its representative (the "Franchisee Registration Fee") and all travel and lodging costs incurred in connection with such attendance. In addition, Franchisee shall pay for additional guest registrations (as established by Franchisor), including spouse, employees, children, or other guests. Neither Franchisee's family nor Franchisee's employees, including any person employed by a Business Group, may register and attend a Conference on behalf of another Franchisee. Franchisee shall pay the Franchisee Registration Fee even if Franchisee or its representative does not attend a Conference. If Franchisee is eligible for a discounted Franchisee Registration Fee and does not attend a Conference, the discounted Franchisee Registration Fee shall not apply, and Franchisee shall pay the full Franchisee Registration Fee. Franchisor will notify Franchisee of the date by which Franchisee must register for the Conference in order to avoid payment of a late fee.

Notwithstanding the foregoing, if Franchisee owns and operates more than one (1) CARSTAR Facility: (1) Franchisee may send one (1) representative to the Conference to represent all of the CARSTAR Facilities that Franchisee owns and operates; (2) if Franchisee sends at least one (1) representative to the Conference, Franchisee will pay Franchisor the Franchise Registration Fee for each of Franchisee's attendees; and (3) if Franchisee fails to send a representative to the Conference, Franchisee will pay Franchisor the Franchise Registration Fee for each of Franchisee's Facilities.

C. Image Program and Maintenance of Facility.

Prior to the commencement of operation of the Facility, Franchisee shall cease using or replace, as designated by Franchisor, all inventory, products, signs and equipment which do not conform with the System and are not approved by Franchisor. Franchisee shall implement Franchisor's minimum interior and exterior image program, as established in the IMF Guidelines ("Image Program"), within the time period after the Effective Date that Franchisor specifies. Following execution of this Agreement, Franchisor will provide a $1,000 credit to use with Franchisor's designated and approved vendor for Franchisee's interior and exterior imaging branding kits, $500 of which Franchisee must use for interior branding and the remaining $500 of which Franchisee must use for exterior branding.

Failure of Franchisee to implement and maintain Franchisor's minimum Image Program, within the time period after the Effective Date that Franchisor specifies, as established in the IMF Guidelines, will result in an increase in the Insurance and Marketing Fee payable by Franchisee to the IMF to one and one-half percent (1.5%) of monthly Gross Sales (subject to any increase in accordance with Section 3.D.) until such time as Franchisee is in compliance with the Image Program. Franchisee shall also, at its expense, maintain the Facility in a high degree of cleanliness, neatness, sanitation, repair and condition, and will make such repairs and upgrades to the Facility as may be required by Franchisor, including, without limitation, periodic painting, repair and replacement of signs, equipment, furnishings and furniture, as Franchisor determines. Franchisee agrees, at its expense, to update Facility equipment, signs, office, or

production area at least every five (5) years to meet the current standards for new CARSTAR franchisees as specified in the IMF Guidelines.

D. Health, Safety and Environmental Standards.

Franchisee shall, at its expense, comply with health and safety standards and ratings applicable to the operation of the Facility and all applicable federal, state and local laws and regulations, including, without limitation, those relating to health, safety and the environment.

E. Operation of Facility.

Franchisee shall, at its expense, operate the Facility in conformity with the standards, specifications, methods and techniques as Franchisor may, from time to time, establish in the Operations Playbook or otherwise in writing. For the avoidance of doubt, as of the Effective Date Franchisee must cease rendering services or using equipment, inventory, products or signs which are not designated by Franchisor to be components of the System. Franchisee shall operate the Facility in a manner which will not adversely reflect on the System, the Licensed Marks, or the goodwill associated therewith, or Franchisor's rights therein. Franchisee will at all times retain and exercise management control over the Facility and its business and will cause Franchisee's general manager or other managerial personnel to devote full time, energy and best efforts to the management and operation of the Facility. Franchisee shall promptly inform Franchisor of the identity of the Facility's general manager and other managerial personnel and all changes in such personnel.

F. Right of Inspection and Reports.

(1) Franchisee grants Franchisor and its agents the right to enter upon the premises of the Facility at any reasonable time, with or without notice, for the purpose of conducting inspections to determine if Franchisee is operating the Facility in compliance with this Agreement and the System, consulting, training and/or any investigations at the Facility. Franchisee agrees to cooperate with any such inspections, consulting, training or investigations and to promptly correct any deficiencies detected during the inspection or investigation or at any other time, upon the written request of Franchisor. Notwithstanding anything contained herein, Franchisor is not obligated to make any such inspections or investigations or to note any such deficiencies.

(2) Within sixty (60) days after the end of Franchisee's fiscal year, Franchisee shall submit to Franchisor financial statements (including a balance sheet and cash flow and profit and loss statements) for the Facility prepared by Franchisee's accountants. Within ten (10) days after Franchisor's request, Franchisee shall submit to Franchisor exact copies of federal and state income and other tax returns and any other forms, records, books, reports and other information that Franchisor periodically requires relating to Franchisee or to the Facility (other than the Facility's employee records, as Franchisee controls exclusively its labor relations and employment practices).

G. Franchisor's and Its Affiliates' Right to Derive Revenue.

Franchisor and its affiliates may negotiate purchase arrangements, including price and terms, for approved Products or services with designated or approved suppliers. In addition, Franchisor and/or its affiliates may derive revenue based on Franchisee's purchases and leases, including, without limitation, from charging Franchisee (at prices exceeding its and their costs) for services and products that Franchisor or its affiliates sell Franchisee and from promotional allowances, rebates, volume discounts, and other amounts paid to Franchisor and its affiliates by suppliers that Franchisor designates, approves, or recommends for some or all CARSTAR franchisees. Franchisor and its affiliates may use all amounts

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

H. 800 Telephone Number.

Franchisee must display at conspicuous locations on the premises of the Facility, as Franchisor may designate in Franchisor's sole and absolute discretion, the 1-800-CARSTAR telephone number in compliance with Franchisor's specifications and standards, or any other toll free number that Franchisor may designate periodically during the term of this Agreement. Franchisee will be listed in the database of the 1-800-CARSTAR telephone numbers and will qualify for customer referrals issued by Franchisor, provided Franchisee is in compliance with this Agreement.

I. Standards of Quality and Service.

Franchisee recognizes that it is desirable and necessary to the System, and to the preservation and promotion of the goodwill associated with the Licensed Marks, that high standards of quality and appearance be maintained by Franchisee, both in the offering and providing of goods and services to the public and in the displaying of the Licensed Marks. Franchisee, therefore, agrees to offer to the public only Products or services that display the Licensed Marks that have been approved by Franchisor, in Franchisor's sole and absolute discretion. Franchisee will purchase all Products, services, supplies and materials required for operation of the Facility that display the Licensed Marks from manufacturers, printers, suppliers or distributors approved or designated by Franchisor, which may include Franchisor and/or its affiliates.

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

Franchisee must at all times give prompt, courteous and efficient service to its customers. The Facility shall, in all dealings with its customers and suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee must maintain a competent, conscientious, and trained staff and take steps necessary to ensure that its employees preserve good customer relations and comply with Franchisor's standards.

J. Customer Warranties.

In accordance with the guidelines established by Franchisor in the CARSTAR Warranty Manual, which may be revised by Franchisor periodically, Franchisee will provide a Limited Lifetime Nationwide Warranty to its customers, in accordance with the terms outlined in the CARSTAR Warranty Manual, without extra charge to the customer. Any other warranty Franchisee provides to its customers shall be the sole responsibility of Franchisee.

Franchisee will honor valid customer claims presented under any Limited Lifetime Nationwide Warranty, whether issued by Franchisee, another System franchisee, or Franchisor's affiliate, and perform the warranty work without charge to the customer after receiving written authorization as specified in the CARSTAR Warranty Manual but only as expressly permitted under the terms of the Limited Lifetime Nationwide Warranty. Whenever Franchisee performs work under a Limited Lifetime Nationwide Warranty not issued by it, Franchisee will submit an invoice for such pre-authorized warranty work, along with such documentation required, to the franchisee which issued the warranty in compliance with the warranty procedures and policies established by Franchisor in the CARSTAR Warranty Manual. Franchisee agrees to comply with all policies and procedures of the Limited Lifetime Nationwide Warranty established by Franchisor and agrees to pay other franchisees in the System for repair work performed by other franchisees for warranty work performed under a Limited Lifetime Nationwide Warranty issued by Franchisee. Franchisee will also honor valid customer claims presented under any other warranty issued by Franchisee.

Franchisee acknowledges and agrees that Franchisor will have no obligation or liability to Franchisee or any third party in connection with any Limited Lifetime Nationwide Warranty issued by Franchisee or another System franchisee, whether or not a franchisee fails to honor or properly perform under a valid warranty and whether or not a franchisee who issues a warranty fails to pay Franchisee for warranty work performed by Franchisee. Franchisee will indemnify, defend and hold Franchisor harmless from and against any claims the Limited Lifetime Nationwide Warranty or any other warranty that Franchisee provides to its customers. Should Franchisee fail and refuse to honor a valid Limited Lifetime Nationwide Warranty for any reason and Franchisor, in its sole discretion, issues payment for any work performed under such warranty in order to protect the System and the Licensed Marks, Franchisee shall reimburse Franchisor within thirty (30) days of billing by Franchisor for all payments made by Franchisor in connection with a Limited Lifetime Nationwide Warranty issued by Franchisee.

K. Participation in National Accounts, Marketing or Promotional Programs and/or Referral Programs.

To maintain the quality of the System and the consistent use of the System, Franchisor, at its discretion, may condition participation in Franchisor's programs (such as insurance, procurement, marketing or warranties) upon timely compliance by Franchisee with certain requirements, including, but not limited to, (i) compliance with all federal, state, and local regulations, (ii) payment of all indebtedness of Franchisee when due under this Agreement, (iii) maintenance of specified program standards which may include minimum CSI rating, (iv) successful completion by Franchisee of any training requirements reasonably required by Franchisor, (v) use of the Limited Lifetime Nationwide Warranty, and (vi) payment of a separate fee and/or execution of a separate agreement to participate in all or some of such programs. Franchisor may also develop national accounts, marketing or promotional programs and/or referral programs with insurance companies and require Franchisee to (1) participate in such accounts and/or programs and (2) adhere to the terms and conditions of participation in such accounts and/or programs including the payment of any costs or fees associated with such accounts and/or programs. Franchisor may, from time to time, add new or different versions of these accounts or programs, which may be stand-alone or may be combined with other programs, including with multiple insurance companies. Franchisor may negotiate the terms of these accounts and/or programs to enhance the overall benefit to its franchise system as a whole. Franchisor may charge a separate fee to Franchisee to implement such accounts and/or programs. Further, if Franchisor sets maximum prices for certain products or services pursuant to such programs, Franchisee may not charge prices that exceed the prices set by Franchisor in connection with such programs. Upon Franchisor's request, Franchisee shall provide Franchisor with data regarding estimates and repair orders prepared by Franchisee in connection with such accounts and programs.

L. Hiring and Training of Employees by Franchisee.

Franchisee shall hire all employees of the Facility, be exclusively responsible for the terms of their employment and compensation and require participation in training in compliance with Franchisor's requirements. Franchisee agrees to maintain at all times a staff of trained employees sufficient to operate the Facility in compliance with Franchisor's standards. Franchisee shall comply with minimum wage and overtime and other requirements of applicable law, including, but not limited to, the Federal Fair Labor Standards Act, and Franchisee is responsible for determining whether the state and local laws and regulations applicable to Franchisee vary from the minimum wage and overtime requirements of the Federal Fair Labor Standards Act and for complying with all state and local licensing requirements.

Franchisee shall comply with specified operating standards and procedures prescribed by Franchisor as indicated in the Operations Playbook or as conveyed to Franchisee in writing by Franchisor during the term of this Agreement, including, without limitation, the requirement of Franchisee to conduct criminal background checks in accordance with the Fair Credit Reporting Act and any state-specific local regulations on all of Franchisee's employees either currently or subsequently employed. Franchisee must maintain a copy of the criminal background investigation in each employee's file and maintain each employee's file both during employment and for a period of at least three (3) years thereafter. Franchisee shall be responsible to a customer for any theft, fraud or damage caused by any employee, whether or not Franchisee has conducted a criminal background investigation of the employee. Failure to comply with the operating standards and procedures will be a material violation of this Agreement and constitute good cause for termination, in compliance with Section 15 of this Agreement. Franchisee agrees that Franchisor does not assume any responsibility or liability for the hiring or training of the employees of Franchisee, which Franchisee acknowledges is the sole responsibility of Franchisee.

M. Computer Hardware and Software.

Franchisee shall utilize the CARSTAR Solution® throughout the term of this Agreement. Franchisee shall also purchase the current version of QuickBooks or other accounting program approved by Franchisor and purchase, utilize, and maintain computer hardware compatible with Franchisor's software requirements and reporting requirements.

N. Insurance Programs.

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

Provided that Franchisee has completed the EDGE Integration process in accordance with the requirements of Section 5.A. herein, Franchisor may assist Franchisee with submitting applications for participation in Corporately Managed Insurance Programs. A CMIP partner, however, may reserve the

right to accept or deny individual facility participation based on qualification criteria unique to its DRP or PBA, or a surplus of existing facilities in Franchisee's area. Selection for participation in a CMIP qualifies Franchisee to receive work from the DRP or PBA, but neither Franchisor nor the CMIP partner provides a guaranty of any specific level of referral volume.

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

O. Compliance with Franchise Agreement and Operations Playbook.

Franchisee will comply with all other requirements set forth in this Agreement and the provisions of the Operations Playbook as set forth in Section 9.A.

7. DUTIES OF FRANCHISOR

A. Overview.

Franchisor will provide Franchisee with an EDGE Integration Outline for remote and on-site coaching from the EDGE Integration Team, which should be completed within the EDGE Integration Period.

B. Orientation/Training Program.

Franchisor provides an orientation/training program one (1) to two (2) times each year in Charlotte, North Carolina or another location designated by Franchisor, which Franchisee or Franchisee's general manager (if Franchisee is an Entity) shall attend and successfully complete, at no additional charge to Franchisee. Franchisee is responsible for transportation, hotel, food, and personal expenses associated with attendance at the orientation/training program.

C. Consultation.

Franchisor will provide, throughout the term of this Agreement, such continuing consultation and assistance as Franchisor deems appropriate, in its sole discretion.

D. EDGE Performance Group Meetings.

Franchisor will schedule periodic meetings for the purpose of allowing franchisees to review operations, procedures, management practices, and cost efficiencies to improve management and operations of each CARSTAR Facility. If Franchisee participates in these meetings, Franchisee shall be responsible for meeting qualifications and paying any travel and lodging costs to attend such meetings. Franchisor does not currently charge a participation fee but may do so in the future.

E. Ongoing Training Requirements.

Franchisor may require additional training programs from time to time and, if Franchisor does so, Franchisee shall comply with such requirements. Franchisor considers many factors in determining whether or not to require that Franchisee and/or its personnel attend additional training, including (1) the length of time since completion of the initial orientation/training program, (2) the existence of new procedures, processes or technology in the System, and (3) Franchisee's performance.

Franchisor will provide to Franchisee written notice of any additional training required to be successfully completed by Franchisee's personnel, and those courses, programs and other education

resources pre-approved by Franchisor, including, but not limited to, continuing education requirements offered through Collision University. Franchisor will respond within a reasonable time to any written request by Franchisee for Franchisor's approval of comparable training programs not previously approved by Franchisor. Franchisee must pay any fees and costs for the training and any travel and lodging costs.

F. Inspections.

To determine whether Franchisee is complying with this Agreement, Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect the Facility. Franchisee must fully cooperate with representatives of Franchisor making any inspection.

G. Website.

Franchisor shall maintain a CARSTAR website for the purpose of marketing the System and provide assistance to Franchisee in the development of an approved webpage for the Facility within the CARSTAR.com domain. Franchisee may not create and maintain its own website(s) for the Facility. Franchisor shall create and maintain the webpage for the Facility to ensure it is consistent with System standards. Franchisor reserves all rights to online listings. Franchisee must cooperate in any attempts by Franchisor to gain access to and control of directory listings for the purposes of maintaining a competitive search engine ranking, through consistent representation of the business name and information. All content posted on local sites must be approved by Franchisor.

H. Warranty Claims.

Franchisor will review claims for warranty work performed by Franchisee with respect to warranties issued and apply System standards and procedures for the Limited Lifetime Nationwide Warranty Program. In the event Franchisor determines, in its sole discretion, that Franchisee is not in compliance with System standards and procedures for the Limited Lifetime Nationwide Warranty Program, Franchisor may require Franchisee to obtain additional training in the areas of deficiency. If Franchisor requires additional training, Franchisee shall comply with Franchisor's requirements.

8. LICENSED MARKS

A. Ownership and Goodwill of Licensed Marks.

Franchisee acknowledges that Franchisee has no interest whatsoever in or to the Licensed Marks and that Franchisee's right to use the Licensed Marks is derived solely from this Agreement and is limited to the conduct of its business pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed by Franchisor during the term of this Agreement. Any unauthorized use of the Licensed Marks by Franchisee constitutes an infringement of the rights of Franchisor in and to the Licensed Marks.

Franchisee agrees that all usage of the Licensed Marks by Franchisee and any goodwill established thereby exclusively benefits Franchisor, and Franchisee acknowledges that this Agreement does not confer any goodwill or other interests in the Licensed Marks upon Franchisee. Franchisee must not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Licensed Marks or assist any other person in contesting the validity or ownership of any of the Licensed Marks.

All provisions of this Agreement applicable to the Licensed Marks apply to any additional trademarks, service marks, logo and commercial symbols authorized for use by and licensed to Franchisee pursuant to this Agreement.

B. Limitations on Franchisee's Use of Licensed Marks.

Franchisee agrees to use the Licensed Marks as the sole identification of the Facility. Franchisee must be identified as the independent owner of the Facility in the manner prescribed by Franchisor.

Franchisee must adopt a fictitious name that includes "CARSTAR" and will be required to include "CARSTAR" as the first word of the fictitious name. Franchisee shall not be permitted to use the name of any state in its fictitious name used in connection with the operation of the Facility. Franchisee must obtain Franchisor's prior written consent to any change in the fictitious name once established and may be required to execute documents deemed necessary or desirable by Franchisor or its counsel to obtain the continued protection for the Licensed Marks.

Franchisee shall not use any Licensed Mark as part of any Entity or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, nor may Franchisee use any Licensed Mark in the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee agrees to display the Licensed Marks prominently and in the manner prescribed by Franchisor on signs and forms. Further, Franchisee agrees to give notices of trademark and service mark registrations and copyrights Franchisor specifies and to obtain fictitious or assumed name registrations as may be required under applicable law.

Franchisee shall not use the Licensed Marks in any manner or in connection with any statement or material that may (in Franchisor's good faith judgment) be in bad taste or inconsistent with Franchisor's public image, or tend to involve Franchisor in a matter of political or public controversy, or tend to bring disparagement, ridicule, or scorn upon Franchisor, CARSTAR franchisees, the System, the Licensed Marks or the goodwill associated with the Licensed Marks.

C. Restrictions on Internet and Website Use.

Franchisor retains the sole right to advertise the System and to sell products and services on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Licensed Marks. Franchisee has the right to access Franchisor's website. However, except as Franchisor may authorize in writing, in Franchisor's sole discretion, Franchisee shall not in any way: (i) link or frame Franchisor's website; (ii) conduct any business or offer to sell or advertise the Facility or any products or services on the Internet; and (iii) create or register any Internet domain name in connection with Franchisee's business.

Franchisor has registered the domain names "CARSTAR.com" and "CARSTARfranchise.com." Franchisee acknowledges that Franchisor is the lawful and sole owner of these domain names. Franchisee agrees not to register any of the Licensed Marks now or hereafter owned or licensed by Franchisor or any abbreviation, acronym or variation of the Licensed Marks, or any other name that could be deemed confusingly similar, as Internet domain names, including, but not limited to, generic and country code top level domain names available at the present time or in the future.

Franchisor retains the right to sell the products and services authorized for CARSTAR Facilities and other products or services under the Licensed Marks through similar or dissimilar channels of distribution, including, without limitation, by electronic means such as the Internet, and pursuant to terms Franchisor deems appropriate within and outside the Protected Area.

D. Notification of Infringements and Claims.

Franchisee shall notify Franchisor immediately in writing of any actual or apparent infringement of or challenge to Franchisee's use of any Licensed Mark, or claim by any person of any rights in any

Licensed Mark or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee shall not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge or claim. Franchisor has sole discretion to take any action it deems appropriate, if any, in its sole discretion, and the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. Franchisee agrees to execute all instruments documents, render assistance and do all acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor in the Licensed Marks.

E. Indemnification of Franchisee/Discontinuance of Use of Licensed Marks.

Franchisor will indemnify Franchisee against, and reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding in which Franchisee's use of any Licensed Mark in the manner authorized by Franchisor is held to constitute trademark infringement, unfair competition, or dilution, and for all costs reasonably incurred by Franchisee in the defense of any claim brought against it or in any proceeding in which it is named as a party, provided that Franchisee timely notifies Franchisor of the claim or proceeding and has otherwise complied with this Agreement and gives the right to defend any claim; provided, however, that if Franchisor determines, in its sole discretion, to defend the claim, Franchisor has no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

If it becomes advisable, at any time, in Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply with Franchisor's requirements within a reasonable time after written notice by Franchisor. Franchisor is not required to reimburse Franchisee for the out-of-pocket costs of complying with this obligation.

F. Improvements to System.

If Franchisee, during the franchise relationship contemplated by this Agreement, conceives or develops any improvements or additions to the System or any documents or information related to the System or any new trade names, trademarks, copyrights, patents, inventions, or service marks or other commercial symbols or promotional ideas related to the System or any new or useful inventions whether or not patentable or any copyrightable material related to the System (collectively, the "Improvements"), Franchisee shall fully disclose the Improvements to Franchisor, shall not disclose the Improvements to others and shall obtain Franchisor's written approval prior to the use of such Improvements. Franchisee shall assign to Franchisor, without charge, any rights related to such Improvements, including the right to grant sublicenses to any such Improvements and the right to patent, register the copyrights, and register the trademarks. Franchisor, at its discretion, may apply for intellectual property protection for such Improvements and such Improvements are the property of Franchisor. In return, Franchisor shall authorize Franchisee to use any Improvements that may be developed by other CARSTAR franchisees and CARSTAR Facilities which are authorized generally for use by other CARSTAR franchisees or CARSTAR Facilities. Franchisee agrees to do all things necessary to perfect title in the Improvements in Franchisor.

Franchisee agrees that Franchisor has the perpetual right to use and authorize other CARSTAR Facilities to use, all ideas, concepts, methods and techniques relating to the development and/or operation of a CARSTAR Facility conceived or developed by Franchisee and/or his/her/its employees during the term of this Agreement.

9. OPERATIONS PLAYBOOK

A. Description.

Franchisor shall provide Franchisee access to, during the term of this Agreement, one copy of its manuals, which may consist of one or more manuals, training course materials, marketing techniques, advertising materials, Business Group materials (including the Business Group Manual), and other electronic materials (all elements collectively called the "Operations Playbook") containing mandatory and suggested specifications, standards and operating procedures prescribed by Franchisor for CARSTAR Facilities and information relative to other obligations of Franchisee which are incorporated in this Agreement by reference. Franchisor may provide the Operations Playbook to Franchisee through Collision University or otherwise on the Internet. Franchisor has the right to add to, and otherwise modify, the Operations Playbook to reflect changes in authorized products and services, and specifications, standards and operating procedures of a CARSTAR Facility, from time to time. Franchisee must keep its copy of the Operations Playbook current, and the master copy of the Operations Playbook maintained by Franchisor shall control if there is a dispute relative to the contents of the Operations Playbook. Franchisor shall keep the Operations Playbook current on Collision University.

B. Confidentiality.

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

C. Modifications.

Franchisor has the right to add to, and otherwise modify any components of the System and the requirements applicable to Franchisee by means of supplements or other changes to the Operations Playbook, including, without limitation, to alter the authorized products, services, programs, systems, methods, specifications, standards and operating procedures of a CARSTAR Facility or the System, from time to time and to add to, delete or modify the products and services that Franchisee is required to offer and the process of delivery. Franchisee agrees to implement such modifications as if they were part of the System at the time Franchisee signed this Agreement.

10. CONFIDENTIAL INFORMATION, TRADE SECRETS, AND RESTRICTIVE COVENANTS

A. Franchisor possesses certain confidential information consisting of the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of a CARSTAR Facility, including all data and other information generated by, or used or developed in, operating a CARSTAR Facility, including Customer Data (the "Confidential Information"). Franchisor discloses the Confidential Information to Franchisee in furnishing Franchisee the training program, the Operations Playbook and in guidance furnished to Franchisee during the term of this Agreement.

B. Franchisee and Franchisee's Principals acknowledge and agree that they will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of the Facility during the term of this Agreement and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. Franchisee and each of Franchisee's Principals acknowledge and agree that the Confidential Information is proprietary and/or is

a Trade Secret of Franchisor and is disclosed to Franchisee and Franchise's Principals solely on the condition that Franchisee and Franchisee's Principals agree, and Franchisee and Franchisee's Principals do agree, that they will: (1) not use the Confidential Information in any other business or capacity; (2) maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) not make unauthorized copies of any portion of the Confidential Information; and (4) adopt and implement all reasonable procedures prescribed by Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosures to employees of the Facility. Franchisee is required to and does hereby agree to obtain a Non-Disclosure Agreement (in the form attached hereto as Exhibit B) from its manager and marketing representative(s) to maintain the confidentiality of the Confidential Information and Trade Secrets to the same extent as Franchisee under this Agreement. Franchisee acknowledges that all of the information it now has or obtains in the future concerning the System and the methods of operation and the concepts and methods of promoting the Facility is derived from Franchisor pursuant to this Agreement, and that Franchisee shall not, without the written consent of Franchisor, disclose such information or use it for Franchisee's own benefit during the term of this Agreement, and for a period of five (5) years thereafter, unless such information constitutes Trade Secrets of Franchisor, in which case such information will be treated in confidence for as long as such information or data shall constitute a Trade Secret. Notwithstanding the foregoing, Franchisee may disclose such Confidential Information and Trade Secrets to those employees who need access to it in order to perform their employment duties for Franchisee (and then only to the extent necessary to enable them to perform their employment duties).

C. Franchisee acknowledges and agrees that Franchisor would be unable to protect its Confidential Information and Trade Secrets against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among CARSTAR Facilities if franchised owners of CARSTAR Facilities were permitted to hold interests in any other automobile collision repair facility, or body shop, or paint shop ("Competitive Business"), provided that the following, for purposes of this Agreement, will not be deemed a Competitive Business or otherwise competitive with a CARSTAR Facility: (1) a CARSTAR Facility operated under a franchise agreement with Franchisor; or (2) another automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries. Therefore, during the term of this Agreement, neither Franchisee nor any Owner (if Franchisee is an Entity), or Franchisee's spouse (if Franchisee is an individual), nor any member of his/her or their immediate families shall have any interest as an owner, investor, partner, director, officer, managerial employee, consultant, representative or agent, in any Competitive Business or any business, enterprise or activity competitive with a CARSTAR Facility, except for the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

D. During the term of this Agreement, neither Franchisee nor any Owner (if Franchisee is an Entity), or Franchisee's spouse (if Franchisee is an individual), nor any member of his/her or their immediate families shall divert or attempt to divert any business or customer of the Facility to any competitor, by direct or indirect inducement, or otherwise.

E. Franchisee must comply with the Franchisor's System standards, other directions from Franchisor, prevailing industry standards (including payment card industry data security standards), and all applicable laws and regulations, as any of them may be modified from time to time, regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Data on Franchisee's Management System or otherwise in Franchisee's possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. Franchisor and its affiliates may, through the Management System or otherwise, have access to Customer Data. During and after the Term, Franchisor and its affiliates may make any and all disclosures and use the Customer Data in its and their business activities and in any manner that Franchisor or they deem necessary or appropriate. Franchisee must secure from its vendors,

customers, prospective customers and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Data to Franchisor and its affiliates and for Franchisor and its affiliates to use that Customer Data in the manner that this Agreement contemplates. If there is a suspected or actual breach of security or unauthorized access involving Franchisee's Customer Data (a "Data Security Incident"), Franchisee must notify Franchisor immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed. Franchisee must comply with Franchisor's instructions in responding to any Data Security Incident. Franchisor (and its designated affiliates) have the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at Franchisee's expense.

F. Except as may be required by applicable law, Franchisee shall not make, or cause to be made, any statement, observation or opinion, or communicate any information (whether oral or written), to any person other than Franchisor, that disparages Franchisor or any of its affiliates, CARSTAR franchisees, the System, or the Licensed Marks or is likely in any way to harm the business or the reputation of Franchisor or any of its affiliates, CARSTAR franchisees, the System or the Licensed Marks, or any of Franchisor's former, present, or future managers, directors, officers, members, stockholders, employees, vendors, customers, successors or assigns.

11. ACCOUNTING AND RECORDS

A. Maintenance of Books and Records.

Franchisee shall convert all of its books, accounts, ledgers, customer lists, bookkeeping systems and related records and systems so as to comply with the standards and specifications of the System. Franchisee will maintain and preserve, for at least five (5) years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles with respect to all periods during the term of this Agreement. Franchisee agrees to use any software Franchisor may require to maintain efficient reporting throughout the System. Franchisee also agrees to maintain such books and records to allow for daily information to be reported to Franchisor, in such a manner as Franchisor may require from time to time.

B. Financial and Operations Reports.

Franchisee will, at Franchisee's expense, submit to Franchisor by the Payment Day of each month, a statement, on forms prescribed by Franchisor accurately reflecting all Gross Sales, calculation of the Insurance and Marketing Fee, the Central Review Fee, and the Call Center Fee (as applicable) due based on the applicable Gross Sales of the previous month, sales and expense, and certain balance sheet information specified by Franchisor for the month (or such other period, as the case may be) just ended (the "Monthly Fee Reports"). Franchisee will electronically transmit this required information to Franchisor in the format prescribed by Franchisor. If Franchisee fails to submit any Monthly Fee Report as required by this Section, Franchisor may determine Franchisee's Gross Sales and other applicable fees and amounts by reviewing data and reports within Franchisee's Management System or other shop management software, and may generate such Monthly Fee Report based on such data and reports. From time to time, upon Franchisor's request, Franchisee will also submit to Franchisor, at Franchisee's expense, photographs of various aspects of the Facility and such other data or information as Franchisor may reasonably require, including Customer Data and estimate/repair data, which data Franchisee authorizes Franchisor to disclose to third parties and for third parties to disclose Franchisee's data to Franchisor, if Franchisor determines, in its sole discretion, that disclosure is necessary or advisable. Franchisee agrees to submit such reports electronically in accordance with the following:

(1) Franchisee and Franchisor may electronically transmit to or receive from the other party certain reports of production and management numbers, Gross Sales, financial information and other documents which the Franchisor requires to be transmitted electronically according to this Agreement (collectively, "Documents"). All Documents will be transmitted according to the standards in this Agreement;

(2) (a) Documents will be transmitted electronically to each party either directly or through any third-party service provider ("Provider") with which either party may contract. Either party may modify its election to use, not use or change a Provider upon thirty (30) days prior written notice to the other party; (b) Each party will be responsible for the costs of any Provider with which it contracts; and (c) Each party will be liable for the acts or omissions of its Provider while transmitting, receiving, storing or handling Documents, or performing related activities, for the party; provided, however, that if both parties use the same Provider to effect the transmission and receipt of a Document, the originating party will be liable for the acts or omissions of the Provider as to such Document;

(3) Each party, at its own expense, will provide and maintain the hardware, software, services and testing necessary to effectively and reliably transmit and receive Documents, including any software as Franchisor may require from time to time to maintain efficient reporting throughout the System;

(4) Each party will properly use security procedures, including those which may be specified in the Operations Playbook or in writing by Franchisor to Franchisee, which are reasonably sufficient to ensure that all transmissions of Documents are authorized and to protect its business records and data from improper access. Franchisee agrees to designate a member of its management staff, or other mutually agreed upon staff member, as the authorized representative for all Documents transmitted or received under this Agreement, and will take reasonable precautions (whether through passwords, keys or other limiting devices) to assure that only the authorized representatives will have access to the system on which Documents are transmitted or received under this Agreement. Each party will assume responsibility for the training of its authorized representatives and any other personnel who need to know of the existence, objectives and methodologies of this Agreement in rendering their ordinary duties for the party;

(5) Documents will not be deemed to have been properly received until accessible by the receiving party at the party's receipt computer;

(6) Upon proper receipt of any Document, the receiving party will promptly and properly transmit a functional acknowledgment in return, unless otherwise specified in writing by Franchisor. A functional acknowledgment will constitute conclusive evidence a Document has been properly received;

(7) If any transmitted Document is received in an unintelligible or garbled form, the receiving party will promptly notify the originating party (if identifiable from the received Document) in a reasonable manner and the originating party will resend the Document. In the absence of a notice, the originating party's records of the contents of the Document will control;

(8) The parties agree, as between them, that the provisions contained in this Agreement will govern their respective duties and obligations with respect to the confidentiality and non-disclosure of information contained in any Document transmitted or received under this Agreement. The parties acknowledge, however, that existing electronic transmission channels are not secure and there can be no reasonable expectation of privacy in any information

transmitted or received electronically. Accordingly, each party (i) assumes the risk of unauthorized third-party disclosure, dissemination, publication and/or use of the information or any Document transmitted or received under this Agreement and (ii) releases the other party to this Agreement and waives the right to bring a suit or proceeding against the party for any injury, damage, loss, liability, cost or expense arising in connection with transmission of Documents;

(9) Any Document properly transmitted pursuant to this Agreement will be considered to be a "writing" or "in writing"; and any such Document will constitute an "original" when printed from electronic files or records established and maintained in the normal course of business;

(10) The conduct of the parties pursuant to this Agreement will, for all legal purposes, evidence a course of dealing and a course of performance accepted by the parties in furtherance of this Section of this Agreement;

(11) The parties agree not to contest the validity or enforceability of Documents under the provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound by this Agreement. Documents, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party will contest the admissibility of copies of Documents under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Documents were not originated or maintained in documentary form; and

(12) Neither party will be liable to the other for any direct, special, incidental, exemplary or consequential damages arising from or as a result of any delay, omission or error in the electronic transmission or receipt of any Documents pursuant to this Agreement, even if either party has been advised of the possibility of such damages.

Franchisor has the right to assess Franchisee a fee of $750 each time Franchisee fails to file any report required by Franchisor. This fee shall be in addition to any other fee set forth in this Agreement. Franchisor will give Franchisee a written notification that a required report is past due. If Franchisee does not file the required report by the end of the third business day after Franchisor gives written notification of such failure to file to Franchisee, Franchisor will assess a non-refundable non-reporting fee of $750 against Franchisee for each month the required report is not filed.

C. <u>Annual Reports of Ownership</u>.

Franchisee, if a natural person or persons, will submit to Franchisor, within 90 days after the end of Franchisee's tax year during the term of this Agreement, a list of all owners of the Franchise granted by Franchisor pursuant to this Agreement and the respective interest held by each as of the end of each tax year. Without limiting Franchisee's obligations under Section 1.F(2), Franchisee, if an Entity, will submit to Franchisor, within ninety (90) days after the end of Franchisee's fiscal year during the term of this Agreement, a list of all Owners and their respective Ownership Interests in Franchisee as of the end of each fiscal year; provided, however, if Franchisee's shares are publicly traded, the list of Owners required will include only those owning five percent (5%) or more of the shares outstanding.

Franchisor has the right to assess a fee of $750 against Franchisee each time Franchisee fails to file the reports required by Franchisor. This fee shall be in addition to any other fee set forth in this Agreement. Franchisor will give Franchisee a written notification that a required report is past due. If Franchisee does not file the required report by the end of the third business day after Franchisor gives written notification

of such failure to file to Franchisee, Franchisor will assess a non-refundable non-reporting fee of $750 against Franchisee for each month the required report is not filed.

D. Right to Audit.

Franchisor has the right, at any time and without prior notice to Franchisee, including subsequent to expiration or termination of this Agreement, to itself audit or obtain an independent audit of the financial statements, sales records, invoices, tax returns, repair orders and other books and records of Franchisee related to the purchase of Products and/or services, parts, revenue derived by Franchisor and/or its affiliates in accordance with Section 6.G., Gross Sales and repair work of the business franchised hereunder. Franchisee shall fully cooperate with representatives of Franchisor or its agents conducting any such audit and agrees to render such assistance as may be requested by Franchisor and/or Franchisor's agents during the conduct of such audit. If an audit should reveal that payments due Franchisor or a Business Group have been understated in any report to Franchisor, or that a charge on a repair did not reflect the actual method of repair, then Franchisee will immediately pay Franchisor the amount understated or the amount overcharged, as the case may be, upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. If any audit discloses an understatement in any report of two percent (2%) or more or if an audit is made necessary by Franchisee's failure to provide reports, supporting records, or other information, as required under this Agreement, Franchisee will, in addition, reimburse Franchisor for any and all costs and expenses connected with the audit (the charges of any independent accountant and/or third-party vendor and attorneys' fees, and per diem fees and costs of Franchisor's employees, related travel and lodging and other out-of-pocket costs), plus interest. The foregoing remedies will be in addition to any other remedies Franchisor may have, including, without limitation, the remedies for default. Franchisee must fully cooperate with the conduct of the audit and the failure of Franchisee to cooperate is a material breach of this Agreement.

12. ADVERTISING AND MARKETING

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, all advertising by Franchisee in any medium (including, but not limited to, websites and social media) shall be conducted in a dignified manner and conform to applicable law and such standards and requirements as Franchisor may specify, from time to time, in writing. Franchisor reserves the right to impose certain marketing, sales or promotional restrictions in regard to certain larger corporate customers, including insurance companies, fleet accounts and rental car companies. The restrictions will be based on the need to have a focused and coordinated marketing effort with larger prospective clients on behalf of many CARSTAR Facilities, and the ability of any individual CARSTAR Facility or Business Group to adequately service and cooperate with any insurance, fleet, or other established programs.

A. Approved by Franchisor.

Franchisee will submit, and will cause any local Business Group in which Franchisee participates to submit, to Franchisor, for its prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials that Franchisee or the Business Group desires to use (which have not been provided to Franchisee by Franchisor). If written disapproval thereof is not received by Franchisee within fifteen (15) calendar days from the date of receipt by Franchisor of such materials, Franchisor will be deemed to have given the required approval for Franchisee's or the Business Group's use of the materials. Notwithstanding the foregoing, Franchisor reserves the right to disapprove, upon written notice to Franchisee, any advertising materials previously provided to Franchisee by Franchisor or previously approved by Franchisor if the materials are determined by Franchisor to have an adverse effect upon the Licensed Marks or Franchisor's goodwill therein or the System or to infringe upon the licensed

rights of others. Additionally, Franchisor may use and adapt for the System, for use by all franchisees, any marketing material developed by Franchisee without payment or compensation to Franchisee or the Business Group.

Franchisor will provide assistance to Franchisee in the development and implementation of an annual local marketing plan for Franchisee.

B. Insurance and Marketing Fund.

As provided in Section 3.D., Franchisee shall contribute to the IMF, by paying the Insurance and Marketing Fee to Franchisor. All contributions to the IMF by Franchisee must be paid monthly in the form required by Franchisor. Franchisor will maintain and administer the IMF for the System as follows:

(1) The IMF will be used on behalf of the System for insurance relations and for national and regional advertising and marketing programs, including, without limitation, any and all costs associated with developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional, and public relations materials, programs, campaigns, conducting market research, website development, obtaining the services of marketing consultants and specialists, insurance liaisons and program implementers, and related marketing activities of every kind and nature. All sums paid by Franchisee, other franchisees in the System, and any affiliate to the IMF, plus any interest or other income earned from such contributions, will be accounted for separately from the other funds of Franchisor and will not be used to defray any of Franchisor's general operating expenses, except for the reasonable administrative costs, including reasonable travel expenses, cost of personnel, and other overhead Franchisor incurs in developing, maintaining and administering the IMF and insurance relations, including, without limitation, the cost of collecting and accounting for assessments for the IMF. Any taxes due with respect to earnings of the IMF will be paid out of such earnings.

(2) Franchisee agrees and acknowledges that the IMF is intended to maximize general public recognition, acceptance and use of the System and that Franchisor and its designees undertake no obligation in administering the IMF to make expenditures for the benefit of Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures from the IMF, or to place any advertising in the market in which the Facility is located. The fact that the IMF does not provide any such benefit to Franchisee will not serve as a basis for a reduction or elimination of Franchisee's obligation to contribute to the IMF.

(3) Although not required, it is anticipated that all contributions to the IMF will be expended during the taxable year within which the contributions are made. If, however, excess amounts remain in the IMF at the end of such taxable year, all expenditures in the following taxable year(s) will be made first out of any current interest or other earnings of the IMF, next out of any accumulated earnings and finally from principal. Any deficits incurred in any fiscal year will be reimbursed first from future contributions in the following fiscal year.

(4) The IMF is included in Franchisor's annual financial statements. Franchisor will provide Franchisee, upon written request, a written summary of receipts and disbursements.

(5) Although Franchisor intends the IMF to be of perpetual duration, Franchisor maintains the right to terminate the IMF at any time. The IMF will not be terminated, however, until all monies in the IMF have been expended for the purposes described in this Section 12.B.

Advertising for the IMF is prepared by Franchisor and a regional or national advertising agency. The advertising agency may be changed by Franchisor from time to time. If the advertising agency is changed, Franchisee will be notified by Franchisor.

C. Local Advertising.

In addition to the contributions to the IMF, Franchisee shall spend for local advertising and promotion of the Facility (excluding discounts, coupon redemptions and the cost of products or services given without charge) not less than two percent (2%) of the Gross Sales of the Facility each month. Franchisee will use the Licensed Marks in all advertising, marketing and promotional materials, and will submit all materials to Franchisor for approval prior to use, as provided in Section 12.A. Subject to the provisions of this Agreement, the submission of the advertising to Franchisor will not affect Franchisee's discretion over the prices at which Franchisee sells Products or services. Any fees or contributions paid by Franchisee to a Business Group (as defined hereafter) will be credited against the requirement to spend two percent (2%) of Gross Sales on local advertising. If requested by Franchisor, Franchisee must provide documentation to Franchisor reflecting contributions to a Business Group and/or expenditures on local advertising for each calendar year totaling two percent (2%) of Gross Sales. If such documentation reflects expenditures of less than two percent (2%) of Gross Sales for local advertising for any calendar year, Franchisor may, immediately upon notice to Franchisee, assess Franchisee for an amount equal to two percent (2%) of Franchisee's Gross Sales for the year, less Franchisee's contributions to a Business Group and/or other expenditures for local advertising, which shall, when received, be deposited to and become part of the IMF.

D. Advertising and Marketing Business Group.

Franchisee agrees that Franchisor shall have the right, in its sole discretion, to designate any geographic area in which four (4) or more CARSTAR Facilities are located as a region ("Market Area") for purposes of establishing a business group ("Business Group") for purposes of advertising and marketing. The members of the Business Group for any area shall, at a minimum, consist of all CARSTAR Facilities operated within the Market Area. Each Business Group shall be organized and governed in a uniform manner, and shall commence operation on a day, determined in advance by Franchisor, in its sole discretion. Franchisor has the power to form, dissolve or merge Business Groups in its sole discretion. Each Business Group shall be organized for the purpose of administering advertising programs and marketing programs and developing, subject to Franchisor's approval, promotional materials for use by franchisees in local and regional advertising and marketing to promote quality auto body repair service to consumers and insurers, share the duties and benefits of collective training and marketing programs, leverage scale to take advantage of purchasing products/services, uphold Franchisor's System standards, and stimulate cooperation among the members of the group in meeting the group objectives. If, at the time of execution of this Agreement, a Business Group has previously been established for a Market Area that encompasses the Facility operated by Franchisee, or if such a Business Group is established during the term of this Agreement, Franchisee shall execute such documents as are required upon Franchisor's request, and shall become a member of the Business Group pursuant to the terms of those documents and make contributions to such Business Group as the documents require. Franchisor will notify Franchisee if an existing Business Group's Market Area includes Franchisee's Location and will notify the appropriate Business Group of the existence of Franchisee's Location.

All franchisees in a Business Group must comply with the provisions of the Business Group Manual, which require, among other things, attendance by Franchisee at all meetings of the Business Group. A Business Group will have the discretion to determine the amount and frequency of financial contributions to the Business Group and will be responsible for the Business Group's operations; provided, however, that any financial contributions required of franchisees will be calculated on a percentage basis (percentage of

Gross Sales), with such percentage not to exceed two percent (2%) of Gross Sales. Franchisee shall contribute to the Business Group such amounts as are required by the documents governing the Business Group, subject to the maximum monthly and annual fee. Franchisee shall submit to the Business Group and to Franchisor such statements and reports as may be required by Franchisor or the Business Group. All contributions to the Business Group shall be maintained and administered in accordance with the documents governing the Business Group. Contributions to a Business Group will be credited against Franchisee's obligation to spend two percent (2%) of Gross Sales on local advertising.

Notwithstanding the other provisions of this Section 12.D., if Franchisee is a new franchisee to the System or is executing this Franchise Agreement for an additional CARSTAR Facility, no contributions to a Business Group shall be required from Franchisee pursuant to this Agreement for the six (6) months immediately following the Effective Date. The six (6)-month waiver of contributions shall not apply if Franchisee is executing this Agreement as a renewal of an earlier Franchise Agreement with Franchisor.

13. INSURANCE

A. Procurement of Insurance.

Franchisee must procure and maintain in full force, at all times, during the term of this Agreement, at Franchisee's expense, on a primary, rather than a participatory basis with Franchisor, an insurance policy or policies protecting Franchisee and Franchisor, as named insureds, and its affiliates, successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the operation of the Facility.

B. Minimum Coverage.

The policy or policies must be written by a carrier or carriers rated A VIII or higher by A.M. Best Company, Inc., name Franchisor as an additional insured (except in connection with worker's compensation and property coverage), and include minimum coverage in accordance with the standards and specifications established by Franchisor, from time to time, in the Operations Playbook or as otherwise required by Franchisor in writing. Currently, the minimum coverage must include the following:

(1) Property insurance, including fire, lightning, theft, vandalism, malicious mischief and extended coverage insurance with one hundred percent (100%) replacement value of the Facility and its inventory, fixtures and equipment;

(2) Commercial general liability insurance, with minimum limits of $2,000,000 per occurrence combined single limit coverage and in the aggregate, including broad-form commercial general liability endorsement, garage-keepers liability, product liability, completed operations and independent contractor's coverage;

(3) Commercial automobile liability coverage in the amount of $2,000,000 per accident for both owned and non-owned vehicles; and

(4) Worker's compensation and employer's liability insurance, as well as such other insurance as may be required by applicable law or regulation.

The limits above may be met in combination of primary and excess coverage. In addition to the preceding minimum coverage requirements, pursuant to the Service Level Agreement, Franchisee shall, at its sole expense, obtain and maintain such insurance policies and in such amounts set forth in the CMIPs in which

Franchisee participates for claims that may arise from or in connection with Franchisee's performance of services at the Facility under the terms of the Service Level Agreement.

C. Certificate of Insurance.

Within ninety (90) days from the execution of this Agreement, Franchisee must deliver, or cause to be delivered to Franchisor a copy of the Certificate of Insurance in compliance with these requirements. All insurance policies required by this Agreement must expressly provide that not less than thirty (30) days prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation or termination of any of these policies. Franchisee shall also obtain and furnish to Franchisor, upon request, original or duplicate copies of all policies and all policy amendments. The Certificate of Insurance must include a statement by the insurer(s) that the policy or policies will not be canceled, terminated, or materially altered without at least thirty (30) days' prior written notice to Franchisor.

D. Limited Purpose.

Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified will not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor will Franchisee's performance of that obligation relieve Franchisee of liability under the indemnity provisions of this Agreement.

14. TRANSFERABILITY OF INTEREST AND FRANCHISOR'S FIRST RIGHT TO PURCHASE

A. Consent Required.

Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee, and that Franchisor has granted this Franchise in reliance on the individual or collective character, skills, aptitude, attitude, business ability and financial capacity of Franchisee and/or Franchisee's Principals. Accordingly, during the Term, Franchisee shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Franchise, the assets of the Facility, or the business conducted at the Facility or any direct or indirect Ownership Interest in Franchisee (a "Transfer") without the prior written consent of Franchisor. Any purported Transfer not in accordance with this Section 14.A., occurring by operation of law or otherwise, including any assignment to or by a trustee in bankruptcy, without Franchisor's prior written consent, will be void and will be a material default of this Agreement. Franchisee agrees to provide any prospective party to a Transfer a copy of this Agreement before entering into any negotiations relating to a Transfer.

Franchisor will not unreasonably withhold its consent to a Transfer that satisfies the conditions set forth in Section 14.B. Franchisee acknowledges and agrees that each condition which must be met by the transferee is necessary for such transferee's full performance of the obligations hereunder.

FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISEE MAY NOT INITIATE OR ATTEMPT TO INITIATE A TRANSFER TO A TRANSFEREE IF SUCH TRANSFEREE (OR ANY OF ITS DIRECT OR INDIRECT OWNERS OR AFFILIATES) OPERATES, HAS A DIRECT OR INDIRECT OWNERSHIP INTEREST IN, OR PERFORMS SERVICES FOR, A COMPETITIVE BUSINESS. FOR THE AVOIDANCE OF DOUBT, FRANCHISOR SHALL NOT CONSENT TO SUCH TRANSFER, AND FRANCHISOR'S REFUSAL TO CONSENT TO SUCH TRANSFER SHALL NOT BE DEEMED UNREASONABLE. If Franchisee terminates or attempts to terminate this Agreement for the purpose of engaging in a Transfer in violation of this Section 14, Franchisor shall be entitled to injunctive relief prohibiting such Transfer, and any such Transfer shall be void.

B. Conditions to Transfer.

In addition to the requirements of this Section, Franchisor may require as a condition of its approval of any proposed Transfer hereunder or as a condition to any Transfer, the following:

(1) The transferee meets all of Franchisor's then-current requirements for new franchisees or for owners of an interest in a Franchise (including, without limitation, character, financial and managerial requirements);

(2) The transferee must execute a written agreement assuming Franchisee's obligations to Franchisor from and after the date of transfer and agreeing to be bound by all the terms and conditions of this Agreement, including, without limitation, the restrictions on transfer in this Section 14;

(3) The transferor must execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor, its parent, affiliates and the officers, directors, agents and employees of Franchisor and its parent and affiliates;

(4) Franchisee may not be in default of any provision of this Agreement, any amendment or any successor, or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, and Franchisee must have substantially and timely complied with all the terms and conditions of this Agreement and all other agreements during the term of this Agreement, including, without limitation, Sections 14.E. and 14.F.;

(5) All of the accrued monetary obligations of Franchisee or any of its affiliates and all other outstanding obligations to Franchisor, its affiliates and any Business Group, arising under this Agreement or any other agreement must be satisfied in a timely manner and Franchisee must satisfy all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(6) The transferee must comply with Franchisor's then-current application requirements for a new Franchise (except that an Initial Franchise Fee will not be required);

(7) Neither the transferee nor any of its direct or indirect owners or affiliates operates, has a direct or indirect Ownership Interest in, or performs services for a Competitive Business;

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

(9) The transferee must enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer or sale of assets, all obligations, covenants and agreements contained in this Agreement and any other agreement with Franchisor or its affiliates; and, if transferee is an Entity, transferee's shareholders, partners, members, or other investors, as applicable, must execute agreements as transferee's Principals and guarantee the performance of all obligations, covenants and agreements;

(10) The transferee must execute the standard form franchise agreement then being offered to new System franchisees, provided, however, that the new franchise agreement will

have a term equal to the unexpired term of this Agreement, and such other ancillary agreements as Franchisor requires, which agreement shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may materially differ from the terms in this Agreement. If transferee is an Entity, transferee's shareholders, partners, members or other investors, as applicable, must execute agreements as transferee's Principals and guarantee the performance of all obligations, covenants and agreements; and

(11) The transferee, at its expense, must renovate, modernize and otherwise upgrade the Facility to conform to the then-current standards and specifications for CARSTAR Facilities and must complete the upgrading and other requirements within the time period Franchisor reasonably specifies. A specific list of requirements will be prepared by Franchisor and provided to transferee.

C. Ownership Information.

Franchisee and its successors will submit, in connection with any request for Franchisor's consent to a proposed transfer, detailed information regarding the current and proposed post-transfer ownership structure of Franchisee and the Franchise and the ownership structure of the proposed transferee, in such form as Franchisor may require.

D. Securities Offerings.

If Franchisee (or any Owner), subject to the restrictions and conditions of Transfer contained in this Section 14, attempts to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in Franchisee or any affiliate of Franchisee, Franchisee, recognizing that the written information used may reflect upon Franchisor, agrees to submit any written information to Franchisor before its inclusion in any registration statement, prospectus or similar offering circular or memorandum and to obtain the written consent of Franchisor to the method of financing before any offering or sale of securities. The written consent of Franchisor pursuant to this Section 14.D. does not imply or constitute approval of Franchisor with respect to the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering. No information with respect to Franchisor or any of its affiliates shall be included in any securities disclosure document, unless information has been furnished by Franchisor, in writing, pursuant to Franchisee's written request, in which Franchisee states the specific purpose for which the information is to be used. Should Franchisor, in its sole discretion, object to any reference to Franchisor or any of its affiliates or any of their businesses in the offering literature or prospectus, the literature or prospectus must not be used unless and until the objections of Franchisor are withdrawn. Franchisor assumes no responsibility for the offering whatsoever.

The prospectus or other literature utilized in any offering must contain the following language in bold-face type on the first textual page:

"NEITHER CARSTAR FRANCHISOR SPV LLC NOR ITS PARENT OR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER CARSTAR FRANCHISOR SPV LLC NOR ITS PARENT OR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY WITH RESPECT TO THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH HEREIN, INCLUDING ANY STATEMENTS MADE WITH RESPECT TO ANY OF THEM. NEITHER CARSTAR FRANCHISOR SPV LLC NOR ITS PARENT OR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION WITH RESPECT TO THE INVESTMENT CONTEMPLATED BY THIS OFFERING."

Franchisee and each of Franchisee's Principals shall indemnify, defend and hold harmless Franchisor, its parent, its affiliates, and their respective officers, directors, employees and agents, from any and all claims, demands, liabilities, and all costs and expenses (including reasonable attorneys' fees) incurred by them as the result of the offer or sale of securities by Franchisee. This Agreement applies to any and all claims, demands, liabilities, and all costs and expenses including reasonable attorneys' fees) asserted by a purchaser of any security or by a governmental agency. Franchisor has the right (but not the obligation) to defend any claims, demands or liabilities and/or to participate in the defense of any action to which Franchisor or any of its affiliates or its parent or any of their respective officers, directors, employees or agents is named as a party.

E. Franchisor Purchase Option in the Event of Unauthorized Transfer.

In the event that, prior to the expiration of the full term, Franchisee initiates or attempts to initiate a Transfer to a Competitive Business (including an independent operator), then, without limiting any other rights or remedies that Franchisor has under this Agreement or applicable law, Franchisor shall have the right for a period of ninety (90) days commencing on the date that Franchisor receives all of the items listed in Exhibit D to this Agreement (the "Franchisor Option Period"), to, at Franchisor's election and in Franchisor's sole discretion, inform Franchisee that it intends to (i) purchase the assets of the Facility at fair market value, exclusive of any goodwill, and obtain an assignment of Franchisee's lease for the premises of the Facility, or (ii) purchase on substantially the same terms and conditions as Franchisee's proposed Transfer. If Franchisee and Franchisor are unable to agree on the fair market value of the assets, the fair market value shall be determined by an independent appraiser selected by Franchisor, at its sole expense. If Franchisee does not have a lease for the premises of the Facility because Franchisee or any Principal(s) (or any Entity under their control) owns the real property on which the Facility is located, then Franchisor shall have the option to enter into a lease with Franchisee for the premises of the Facility at fair market rent for a term of at least ten (10) years. If Franchisee and Franchisor are unable to agree on the fair market rent for the premises, the fair market rent shall be determined by an independent appraiser selected by Franchisor, at its sole expense. If Franchisor elects to exercise its rights pursuant to this Section, then Franchisor shall provide a written notice of such intent to Franchisee (the "Franchisor Option Notice") before the expiration of the Franchisor Option Period.

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

Franchisor shall have the right to assign its rights (in whole or in part) under this Section 14.E. or designate another person or Entity to exercise such rights. For the avoidance of doubt, either Franchisor or its third-party assignee can exercise the rights set out in this Section 14.E. Franchisee expressly agrees that the items provided by Franchisee to Franchisor pursuant to Exhibit D of this Agreement may be disclosed by Franchisor to one (1) or more potential third-party designees. The rights and restrictions in this Section

14.E. are in addition to any rights and restrictions set forth in this Agreement, including, without limitation, Section 14.F.

F. Franchisor Right of First Refusal.

During the term of this Agreement and for a six (6)-month period following expiration (in the event of non-renewal) or termination of this Agreement, Franchisor shall have a right to match any offer by a third party to purchase the assets of the Facility, the Ownership Interests in Franchisee or the interests in the Franchise (as applicable) ("Right of First Refusal" or "ROFR"). With respect to any such proposed sale, Franchisee or Franchisee's Principals will (1) provide to Franchisor all of the items listed in Exhibit D to this Agreement, and (2) offer Franchisor the right to purchase on the same terms and conditions as the proposed purchaser. Franchisor will have the right to accept such offer (i) at any time within ninety (90) days from the date that Franchisor receives all of the items listed on Exhibit D of this Agreement, if Franchisee receives the third-party offer during the term of this Agreement or during the six (6)-month period following expiration (in the event of non-renewal) or termination of this Agreement and the proposed purchaser and its Affiliates are not engaged in a Competitive Business; or (ii) at any time within one hundred eighty (180) days from the date that Franchisor receives all of the items listed on Exhibit D of this Agreement, if Franchisee receives the third-party offer during the six (6)-month period following expiration (in the event of non-renewal) or termination of this Agreement and the proposed purchaser and its Affiliates are engaged in a Competitive Business (the applicable period, the "Franchisor Evaluation Period"). For the avoidance of doubt, any proposed Transfer to a Competitive Business (including an independent operator) during the term of this Agreement shall be subject to the terms and conditions set forth in Section 14.E. If Franchisor elects to exercise its rights pursuant to this Section, then Franchisor shall provide a written notice of such intent to Franchisee (the "Franchisor Intent Notice") before the expiration of the Franchisor Evaluation Period.

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

If Franchisor does not provide the Franchisor Intent Notice to Franchisee, then Franchisee or Franchisee's Principals will be free to sell to a third-party purchaser, provided that the terms and conditions of sale, including price, are no more favorable to the third-party purchaser than what was offered to Franchisor. If (i) Franchisee or Franchisee's Principals determine that they are willing to accept terms and conditions from any third-party purchaser that are more favorable to the third-party purchaser than what has been offered to Franchisor, or (ii) more than ninety (90) days has passed since the expiration of the Franchisor Evaluation Period and the proposed sale has not occurred, Franchisee or Franchisee's Principals

must again (1) notify Franchisor and (2) offer in writing the same terms and conditions to Franchisor, and Franchisor will have ninety (90) days after the date of receipt of such notification to accept Franchisee's or Franchisee's Principal(s)'s offer. Franchisee expressly agrees to provide Franchisor the executed purchase agreement signed at the closing of the sale to the third-party purchaser so that Franchisor may confirm that the terms of the transaction are consistent with the offer made to Franchisor.

Franchisor shall have the right to assign the ROFR (in whole or in part) or designate another person or Entity to exercise such ROFR. For the avoidance of doubt, either Franchisor or its third-party assignee can exercise the Right of First Refusal set out in this Section 14.F. Franchisee expressly agrees that the items provided by Franchisee to Franchisor pursuant to Exhibit D of this Agreement may be disclosed by Franchisor to one (1) or more potential third-party designees.

G. Transfer Upon Death or Mental Incapacity.

(1) Transfers upon death will be subject to the same conditions as any inter vivos transfer, and as otherwise provided in this Section 14. If the heirs or legatees of any person who held an interest subject to the restrictions of this Section 14 fail to comply with all the requirements of this Section 14 with respect to a transfer of interest which they would otherwise have received by devise or inheritance, the executor, administrator, or personal representative of the deceased Franchisee, provided adequate provision has been made for management of the Facility and the estate of Franchisee has assumed in writing Franchisee's obligations under this Agreement, will have six (6) months from the date of receipt of notice of Franchisor's disapproval of the heirs or legatees to dispose of the deceased Franchisee's interest in the Franchise, which disposition will be subject to all terms and conditions for transfers contained in this Agreement; and

(2) Upon the mental incapacity of any person who holds or held an interest subject to the restrictions of this Section 14, the guardian or conservator of such person will transfer such interest, within a reasonable time not to exceed one (1) year, to a third party approved by Franchisor, which transfer will be subject to all of the terms and conditions for transfers contained in this Agreement; provided, however, that pending such transfer, adequate provision will be made by the guardian or conservator for management of the Facility.

H. Nonexclusive Provisions.

Nothing herein contained will be interpreted to reduce or amend any prohibition or condition upon Transfer that is imposed by any other agreement in effect between Franchisor and Franchisee.

I. No Waiver.

Franchisor's consent to a Transfer subject to the restrictions of this Section 14 will not constitute a waiver of any claims it may have against the transferor, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

J. Transfers by Franchisor.

Franchisor may transfer at any time any or all of its rights and obligations arising out of this Agreement and Franchisor or its affiliates may transfer at any time any or all of their rights and obligations arising out of any other agreement between Franchisee and Franchisor or its affiliates.

15. DEFAULT AND TERMINATION

A. Default; Termination With Notice, But Without Opportunity to Cure.

Franchisee will be deemed to be in default hereunder and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any prior notice or opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, upon the occurrence of any of the following which shall constitute good cause or grounds for the termination of this Agreement:

(1) If Franchisee ceases to do business at the Facility, ceases to operate the Facility as a CARSTAR Facility in violation of any of the terms of this Agreement, or discontinues use of any substantial portion of the Facility other than in connection with the bona fide renovation or remodeling of such portion of the Facility, ceases to provide basic and customary services for Facility patrons, ceases to operate the Facility under the Licensed Marks and System, loses the right to possession of the Facility or otherwise forfeits the right to operate the Facility at the approved Location; provided, however, that if the cessation of business or loss of possession results from the governmental exercise of the power of eminent domain, or a fire or other casualty, through no fault of Franchisee, then, in such event, this Agreement will not be terminated for that reason, if within six (6) months thereafter Franchisee applies for and receives Franchisor's approval to reconstruct or relocate the Facility, which approval will not unreasonably be withheld but will be conditioned upon the entering into of an amendment to this Agreement for the Facility as reconstructed and/or relocated for any remaining unexpired term of this Agreement.

(2) If Franchisee commits fraud of any kind, including, but not limited to, charging a customer or insurance company for work not performed or charging for new parts but installing used parts, Franchisee shall be liable to Franchisor for loss of goodwill with respect to the Licensed Marks, System, or Franchisor.

(3) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Facility franchised hereunder as noticed by local, state or federal regulating agencies, and an immediate termination of this Agreement is determined by Franchisor to be essential to avoid substantial liability or loss of goodwill with respect to the Licensed Marks, System or Franchisor; provided, however, that Franchisor will reinstate this Agreement within six (6) months after termination under this Section 15.A.(3) if, within that period, the threat or danger to public health or safety is eliminated and Franchisor determines that reopening as a CARSTAR Facility would not cause a substantial loss of goodwill with respect to the Licensed Marks, System or Franchisor.

(4) If Franchisee, any executive officer of Franchisee, or any of Franchisee's Principals is convicted of or enters a plea of guilty or no contest to a felony or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect the System, the Licensed Marks, the goodwill associated therewith, or Franchisor's interest therein.

(5) If Franchisee or any Owner purports to Transfer any rights or obligations under this Agreement or any interest in Franchisee to any third party, contrary to the terms of Section 14 of this Agreement.

(6) If Franchisee misuses or makes any unauthorized use of the Licensed Marks, duplicates or attempts to duplicate the System or any part thereof for use at any other body shop, or otherwise impairs the goodwill associated therewith or Franchisor's rights therein.

(7) If Franchisee uses the Licensed Marks in any manner or in connection with any statement or material that may (in Franchisor's good faith judgment) be in bad taste or inconsistent with Franchisor's public image, or tend to involve Franchisor in a matter of political or public controversy, or tend to bring disparagement, ridicule, or scorn upon Franchisor, CARSTAR franchisees, the System, the Licensed Marks or the goodwill associated with the Licensed Marks.

(8) If Franchisee makes, or causes to be made, any statement, observation or opinion, or communicates any information (whether oral or written), to any person other than Franchisor, that disparages Franchisor or any of its affiliates, CARSTAR franchisees, the System, or the Licensed Marks or is likely in any way to harm the business or the reputation of Franchisor or any of its affiliates, CARSTAR franchisees, the System or the Licensed Marks, or any of Franchisor's former, present, or future managers, directors, officers, members, stockholders, employees, vendors, customers, successors or assigns, except as may be required by applicable law.

(9) If Franchisee intentionally discloses the contents of the Operations Playbook, or other Trade Secrets or Confidential Information provided to Franchisee by Franchisor contrary to Sections 9 and 10 hereof or fails to exercise reasonable care to prevent disclosure thereof.

(10) If, following Franchisee's death or mental incompetency, the death or mental incompetency of any person with at least a fifty percent (50%) direct or indirect Ownership Interest in Franchisee (or any lesser Ownership Interest in Franchisee that constitutes effective control of Franchisee), or the dissolution of a Franchisee that is an Entity, an approved Transfer is not effected within six (6) months or if adequate provision has not been made for management of the Facility as required by Section 14.G. hereof.

(11) If Franchisee or any Owner with at least a fifty percent (50%) direct or indirect Ownership Interest in Franchisee (or any lesser Ownership Interest in Franchisee that constitutes effective control of Franchisee) becomes insolvent or makes a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by Franchisee or such Owner, or such a petition is filed against and consented to by Franchisee or such Owner, or if Franchisee or such Owner is determined to be insolvent by a court of competent jurisdiction, or if a proceeding for the appointment of a receiver of Franchisee or such Owner or other custodian for Franchisee's or such Owner's business or assets is filed and consented to by Franchisee or such Owner, or if a receiver or other custodian (permanent or temporary) of Franchisee's or such Owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction, or if a final judgment remains unsatisfied or of record for ninety (90) days or longer (unless supersedeas bond is filed), or if execution is levied against Franchisee's Facility or other real or personal property at the Facility or against such Owner's Ownership Interest in Franchisee, or suit to foreclose any lien or mortgage against the Facility or other real or personal property with respect thereto or an interest in Franchisee is instituted against Franchisee or such Owner and not dismissed within ninety (90) days, or if the real or personal property of Franchisee's Facility or such Owner's Ownership Interest in Franchisee will be sold after levy thereupon by any sheriff or similar official.

(12) If Franchisee provides false information on the application for a Franchise.

(13) If Franchisee fails to conduct criminal background investigations on all employees currently or subsequently employed by Franchisee in accordance with the provisions of this Agreement.

(14) If Franchisee, after properly curing a default hereunder for which a Cure Period (defined in Section 15.B.) is provided in Section 15.B. of this Agreement, engages in the same type of noncompliance whether or not such subsequent noncompliance is cured after notice.

Notwithstanding anything contained herein to the contrary, in the event of a default by Franchisee that constitutes "good cause" or grounds for the termination of this Agreement by Franchisor without a right to cure the default under applicable state law, Franchisor shall have the right to terminate this Agreement upon notice but without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee.

B. Default; Termination with Notice, But With Opportunity to Cure.

Except as provided in Section 15.A. of this Agreement, Franchisee will have thirty (30) days or such shorter or longer period as hereinafter specified (the "Cure Period") after its receipt of a written notice of termination within which to cure any default hereunder. If any such default is not cured within such time, or such longer period as applicable law may require, this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the Cure Period or such longer period as applicable law may require. Franchisee will be in default hereunder for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Operations Playbook, or to carry out the terms of this Agreement in good faith. Such defaults include, for example, and without limitation, the occurrence of any of the following:

(1) If Franchisee fails, refuses, or neglects to pay promptly any monies owing to Franchisor, its affiliates, suppliers or a Business Group when due, or to submit the financial information or other reports required by Franchisor under this Agreement, or makes any false statements in connection therewith. Notwithstanding anything contained herein to the contrary, the Cure Period for any failure to pay such monies when due is fourteen (14) days;

(2) If Franchisee fails to complete EDGE Integration within the Edge Integration Period, unless Franchisee has requested, and Franchisor has approved, in writing, an extension of the Edge Integration Period;

(3) If, in connection with the operation of the Facility, Franchisee, by either act or omission, violates any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without having promptly and timely resorted to an appropriate administrative or judicial forum for relief therefrom;

(4) If Franchisee fails, refuses or neglects to meet the standards of the System as set forth from time to time in the Operations Playbook or as otherwise required by this Agreement;

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

(6) If Franchisee breaches a material provision of any other agreement between the Franchisor and the Franchisee.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement for any reason, this Agreement, any amendments and all rights granted hereunder and thereunder to Franchisee will cease, and Franchisee shall furnish to

Franchisor, within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to Franchisor of Franchisee's compliance with the following obligations:

A. Public Recognition.

Franchisee will immediately cease to, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

B. Use of Licensed Marks and System.

Franchisee will immediately and permanently cease to use, by advertising or in any other manner whatsoever, the Licensed Marks, anything confusingly similar to the Licensed Marks, or any other identifying characteristics of the System, including the word "CARSTAR" and variations, any image of a star or similar object, any combination of color scheme and font substantially similar to that used in the Licensed Marks, any domain name comprised of any of the foregoing, and all confidential methods, procedures and techniques associated with the System, including, without limitation, any marketing materials or use of any warranty, as defined in Section 6.J. Franchisee will forthwith remove from its place of business, and discontinue using, for any purpose, any and all signs, fixtures, furniture, furnishings, equipment, tow trucks, advertising materials, stationery, supplies, forms or other articles which display the Licensed Marks or any distinctive features or designs associated with the System, including the domain name. Nothing herein contained will allow Franchisee to sell or transfer any of the foregoing without removing all such Licensed Marks and distinctive features and designs, unless transferred to Franchisor or for use by another CARSTAR Facility.

Franchisee shall not use the Licensed Marks in any manner or in connection with any statement or material that may (in Franchisor's good faith judgment) be in bad taste or inconsistent with Franchisor's public image, or tend to involve Franchisor in a matter of political or public controversy, or tend to bring disparagement, ridicule, or scorn upon Franchisor, CARSTAR franchisees, the System, the Licensed Marks or the goodwill associated with the Licensed Marks.

Franchisee shall not make, or cause to be made, any statement, observation or opinion, or communicate any information (whether oral or written), to any person other than Franchisor, that disparages Franchisor or any of its affiliates, CARSTAR franchisees, the System, or the Licensed Marks or is likely in any way to harm the business or the reputation of Franchisor or any of its affiliates, CARSTAR franchisees, the System or the Licensed Marks, or any of Franchisor's former, present, or future managers, directors, officers, members, stockholders, employees, vendors, customers, successors or assigns.

C. Removal of Signs, Etc.

Franchisee will, at its expense, prevent the operation of any business at the location of the Facility by Franchisee or others in derogation of this Section 16, including, without limitation, removal of all identification which distinguishes the Facility or any vehicle associated with the Facility as a CARSTAR Facility or vehicle in order to prevent any possibility of confusion by the public, including all structural features, distinctive signs, and emblems, within thirty (30) days from the effective date of termination or expiration (herein "De-Identification"). Franchisee will, at Franchisee's expense, make such specific additional changes as Franchisor may request for this purpose. If Franchisee fails to initiate immediately and complete such changes within thirty (30) days of the effective date of termination or expiration as required by this Section 16, Franchisee agrees that Franchisor may, at its option, either: (i) directly or through its authorized agent or contractor, enter the Facility and adjacent areas at any time after that thirty (30)-day period to make such De-Identification changes, at Franchisee's sole risk and expense, without liability for trespass or other tort or criminal act; (ii) charge Franchisee a holdover signage fee of $3,500 per month per CARSTAR Facility (the "Holdover Signage Fee"); or (iii) continue to require and demand

that Franchisee undertake to meet its De-Identification obligations directly, in which case Franchisor reserves all rights against Franchisee at law and in equity. Franchisee expressly acknowledges that its failure to make the changes required herein will cause irreparable injury to Franchisor. Franchisee agrees that any signs provided on loan by Franchisor can be removed by Franchisor immediately upon termination or expiration of this Agreement.

D. Cancellation of Fictitious or Assumed Names.

Franchisee will, within thirty (30) days from the effective date of termination or expiration, take such action as may be necessary to cancel any assumed names or equivalent registration which contains any Licensed Mark or any variation thereof or any other service mark or trademark of Franchisor.

E. Telephone/Business Listings/Estimating Systems.

Franchisee will immediately notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any of Franchisor's Licensed Marks in any regular classified or other telephone directory listings and all estimating systems associated with the Licensed Marks. Franchisor is authorized to remove these if Franchisee does not do so. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all directory listings associated with the Licensed Marks, and the right to require removal of all Licensed Marks utilized in any estimating systems. If, in association with the termination or expiration of this Agreement for any reason, Franchisee ceases to operate the Facility which is the subject of this Agreement, then Franchisee authorizes the transfer to Franchisor of all telephone numbers and directory listings associated with Franchisee's operation of such Facility. Franchisee authorizes Franchisor, and appoints Franchisor and any officer of Franchisor as his/her/its attorney-in-fact, to direct the telephone company and all listing agencies to take such actions upon Franchisor's direction, should Franchisee fail or refuse to do so, and the telephone company, all listing agencies, and all estimating systems utilized by Franchisee may accept a copy of this Agreement as conclusive of the exclusive right of Franchisor to (1) require removal of any use of any Licensed Marks upon termination or expiration of this Agreement, and (2) authorize, on Franchisee's behalf, the transfer to Franchisor of all telephone numbers and directory listings upon Franchisee ceasing to operate the Facility in association with termination or expiration of this Agreement. Franchisee shall be responsible for any costs incurred in connection with these actions.

F. Return of Operations Playbook.

Franchisee will immediately return to Franchisor the Operations Playbook, all records, files, instructions, correspondence, tapes, software, compact discs and all other confidential materials provided by Franchisor related to operating the Facility, and all copies thereof, all of which are acknowledged to be Franchisor's property, and will retain no copy or record of any of the foregoing, excepting only Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

G. Payments by Franchisee.

Upon termination or expiration of this Agreement, Franchisee will pay to Franchisor all amounts then due and owing within ten (10) days from the effective date of such termination or expiration, and shall pay the following amounts and provide Franchisor such reports and records as Franchisor may request:

(1) Franchisee will promptly pay all sums owing to Franchisor, its affiliates and Business Groups. These amounts include a warranty "hold back" in the amount of two percent (2%) of the Facility's annual Gross Sales for a period not to exceed twenty-four (24) months to provide for correction of defects in workmanship committed by Franchisee with respect to

warrantied work performed by Franchisee. The termination of this Agreement will not affect the obligations of Franchisee under this Agreement to pay any Monthly Franchise Fees, Insurance and Marketing Fees, Central Review Fees, Total Loss Processing Fees (as applicable), Call Center Fees (as applicable), or any other fees payable under this Agreement, which must be satisfied as would have been required under this Agreement for the remainder of the full term of this Agreement, or Franchisor's and its affiliates' right to derive revenue in accordance with Section 6.G. The determination of such fees owed for the remainder of the full term will be calculated by taking the average monthly fees paid, or required to be paid, whichever amount shall be greater, by Franchisee during the most recent twelve (12)-month period (or lesser period, if termination occurs within the first twelve (12) months of the Initial Term) and multiplying that amount by the number of months left in the current term of this Agreement. Local Business Group fees are due only through the date of termination. Notwithstanding the foregoing, in the event of a termination resulting from an unauthorized Transfer to a Competitive Business, Franchisee shall be obligated to pay two (2) times the fees for the remaining full term of this Agreement as liquidated damages.

(2) Franchisee will pay to Franchisor all damages, costs and expenses, including reasonable collection costs and attorneys' fees, incurred by Franchisor as a result of or in connection with Franchisee's default, as described in Section 15.A. or 15.B., and all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in the enforcement of any provisions of this Agreement.

(3) Franchisee will pay to Franchisor, at the option of Franchisor, to be exercised by providing its invoice to Franchisee, the amount of the Holdover Signage Fee as set forth in Section 16.C. above.

H. Franchisor's Right to Purchase Branded Materials.

Franchisor will have the right, but not the duty, to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase for cash any and all signs, advertising materials, supplies, inventory and other items owned by Franchisee and bearing Franchisor's Licensed Marks, at the lesser of Franchisee's cost or fair market value, as reasonably determined by Franchisor. Franchisor will have the right to offset all amounts due from Franchisee under this Agreement against the purchase price of any items purchased by Franchisor as provided herein.

I. Limited Non-Compete.

Franchisee covenants that for a period of one (1) year from the date of termination or expiration of this Agreement, Franchisee shall not either directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, persons or Entity, join any Competing MSO Network, whether as an owner/operator, employee, consultant, advisor or other relationship or association. As used herein, "Competing MSO Network" shall refer to a chain or network of automotive collision repair facilities with more than three (3) locations in North America, provided that, for purposes of this Agreement, a chain or network of automotive businesses franchised by Driven Brands Holdings Inc. or its subsidiaries shall not be deemed a Competing MSO Network. Nothing in this Section 16.I. shall be construed to limit Franchisee's ability to resume operation as an independently owned and operated collision repair facility immediately following expiration of the term of this Agreement. Franchisee acknowledges and agrees that the limited non-compete covenant in this Section 16.I. is a reasonable limitation designed to protect the Confidential Information of Franchisor, the Licensed Marks and the System. Franchisee acknowledges that any violation of this Section 16.I. would result in irreparable injury to Franchisor for which no adequate remedy at law is available.

17. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS OF FRANCHISEE

To induce Franchisor to sign this Agreement and grant Franchisee the rights under this Agreement, Franchisee acknowledges, warrants and represents to Franchisor that:

(1) all statements and information submitted by Franchisee in connection with this Agreement are true, correct and complete and agrees to promptly advise Franchisor of any changes in the information or statements submitted, and Franchisee has made no misrepresentations or material omissions in obtaining the rights under this Agreement;

(2) Franchisee has received a copy of Franchisor's Franchise Disclosure Document not later than the earlier of fourteen (14) calendar days before execution of this Agreement, or fourteen (14) calendar days before Franchisee made any payment of any consideration to Franchisor;

(3) this Agreement (and in relationship of the parties which is inherent from this Agreement) grants Franchisor the discretion to make decisions, take actions or refrain from taking actions not inconsistent with its explicit rights and obligations hereunder that may favorably or adversely affect the interests of Franchisee. Franchisor shall use its business judgment in exercising such discretion based on its assessment of its own interest and balancing those interests against the interests of the franchisees of other CARSTAR Facilities generally and specifically without considering the individual interests of the Franchisee or any other particular franchisee of Franchisor. Franchisor may from time to time make exceptions to the standard parts of the System which Franchisor, in its sole discretion, determines to be necessary or desirable under particular circumstances. Other franchisees of Franchisor may operate under different forms of agreements and consequently the rights and obligations of such franchisee may differ from those of Franchisee;

(4) it has owned and operated an automobile collision repair facility that is similar in size to the prototype of a CARSTAR Facility;

(5) it is the majority owner and operator of its existing business;

(6) it does not operate or hold a majority interest in other businesses, or any businesses offering services and products similar to those offered in the System which have not been converted to the System;

(7) its business does not operate under either a franchise agreement, licensing agreement or pursuant to any form of commercial arrangement whereby a third party prescribes a particular marketing plan or system upon its business operations. Furthermore, Franchisee is not subject to any covenant against competition;

(8) no other person or Entity has any right, title or interest in or to Franchisee's existing business. Franchisee's business has not been mortgaged, pledged or assigned and there are no judgments, liens, executions or proceedings pending which may alter, decrease or remove Franchisee's interest in said business; and

(9) by virtue of the terms and conditions of this Agreement, the manner and operation of its business must be in strict compliance with Franchisor's standards and specifications and furthermore acknowledges that its ability to directly or indirectly engage in any other business which offers or sells services or products which comprise or may in the future comprise a part of the System is expressly limited.

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

(a) Franchisee has conducted an independent investigation of the business franchised hereunder, and recognizes that, like any other business, the nature of the business conducted by a CARSTAR Facility may evolve and change over time, and an investment in a CARSTAR Facility involves business risks and that its success will be dependent upon the ability and efforts of Franchisee as an independent business person, and the active participation of Franchisee in the daily affairs of the business, as well as other factors. Franchisee has, together with its professional advisors, sufficient knowledge and experience in financial and business matters to make an informed decision with respect to the Franchise offered by Franchisor;

(b) except as set forth in Franchisor's Franchise Disclosure Document, Franchisee has not received or relied upon in entering into this Agreement, and Franchisor expressly disclaims making, any representation, warranty or guarantee, express or implied, as to the potential revenues, profits, costs savings or success of the business contemplated by this Agreement;

(c) Franchisee has no knowledge of any representations made about the Franchise or the CARSTAR Facility franchise opportunity by Franchisor, its affiliates or any of Franchisor's or their officers, directors, employees or agents, that are contrary to the statements made in Franchisor's Franchise Disclosure Document, or to the terms and conditions of this Agreement;

(d) Franchisee has read this Agreement and Franchisor's Franchise Disclosure Document and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all CARSTAR Facilities in order to protect and preserve the goodwill of the Licensed Marks;

(e) Franchisee has been afforded an opportunity to ask any questions Franchisee has and to review any appropriate materials of interest to Franchisee concerning the CARSTAR Facility franchise opportunity;

(f) Franchisee may not rely on any alleged oral or written understandings, agreements, or representations not contained in this Agreement; and

(g) Franchisee has been afforded an opportunity, and has been encouraged, to have this Agreement and all other agreements and materials Franchisor and its affiliates have given or made available to Franchisee reviewed by an attorney and other professional advisors and has either done so or chosen not to do so.

18. TAXES, PERMITS AND COMPLIANCE WITH LAWS

A. Payment of Taxes.

Franchisee will promptly pay when due all taxes levied or assessed by any federal, state or local tax authority, and any and all other indebtedness incurred by Franchisee in the conduct of the business franchised hereunder. Franchisee will pay to Franchisor an amount equal to any sales tax, gross receipts tax or similar tax imposed with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

B. Disputed Liability.

In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness described in Section 18.A. above, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law; however, in no event will Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Facility or any improvements or property thereon.

C. Compliance with Laws.

Franchisee will comply with all federal, state, and local laws, rules and regulations, including, without limitation, environmental laws, rules and regulations; the Americans with Disabilities Act (ADA); the CAN-SPAM Act; the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating phone calls, spamming, and faxing; and federal and state laws that regulate data security and privacy (including, but not limited to, the use, storage, transmission, and disposal of data regardless of media type). Franchisee also will timely obtain any and all permits, certificates and licenses necessary for the full and proper conduct of the business franchised under this Agreement, including, without limitation, licenses to do business, fictitious name registration and sales tax permits, environmental, health and sanitation permits and ratings and fire clearances. Copies of all inspection reports, warnings, certificates and ratings, issued by any governmental entity during the term of this Agreement in connection with the conduct of the Facility which indicate Franchisee's failure to meet or maintain governmental standards or less than full compliance by Franchisee with any applicable law, rule or regulation, will be forwarded to Franchisor by Franchisee within five (5) days of Franchisee's receipt thereof.

D. Notices to Franchisor.

Franchisee will notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Facility.

19. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Independent Contractor.

Franchisee is an independent contractor. Nothing in this Agreement is intended to or does in fact or law make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. This Agreement does not create a fiduciary relationship between the parties. Further, Franchisor and Franchisee are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Franchisee's acts or omissions under any circumstances. Although Franchisor retains the right to establish and modify the System that Franchisee must follow, Franchisee retains the responsibility for the day-to-day management and operation of the Facility and implementing and maintaining standards at the Facility. To the extent that the Operations Playbook or Franchisor's guidelines or standards contain employee-related policies or procedures that might apply to Franchisee's employees, those policies and procedures are provided for informational purposes only and do not represent mandatory policies and procedures to be implemented by Franchisee. Franchisee must determine to what extent, if any, these policies and procedures may be applicable to Franchisee's operations at the Facility. Franchisor and Franchisee recognize that Franchisor neither dictates nor controls labor or employment matters for franchisees and that Franchisee, and not Franchisor, is solely responsible for dictating the terms and conditions of employment for Franchisee's

employees, including, but not limited to, training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. Franchisor has no relationship with Franchisee's employees, and Franchisee has no relationship with Franchisor's employees.

B. Posting of Notices.

During the term of this Agreement and any extensions hereof, Franchisee will at all times hold itself out to the public as an independent contractor operating the business as a Franchisee of Franchisor and as an authorized user of the Licensed Marks and domain names owned by Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the premises of the Facility, as required under Section 8.B. hereof, or as otherwise required by Franchisor.

C. Indemnification.

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

Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a "Third-Party Claim"), the Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section 19.C. give a claim notice to Franchisee with respect to such Third-Party Claim. No delay or failure on the part of the Franchisor Indemnitee in so notifying Franchisee will limit any liability or obligation for indemnification pursuant to this Section 19.C., except to the extent of any material prejudice to Franchisee with respect to such claim caused by or arising out of such delay or failure. Franchisor will have the right to assume control of the defense of such Third-Party Claim, and Franchisee and Owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim. Franchisee and Owners will furnish Franchisor with such information as it may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same)

and will otherwise cooperate with and assist Franchisor in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by Franchisor will be considered Losses and Expenses for purposes of this Agreement. Franchisor may as it deems necessary and appropriate take such actions to take remedial or corrective action with respect thereof as may be, in Franchisor's reasonable discretion, necessary for the protection of the Franchisor Indemnitees or CARSTAR Facilities generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of Franchisee and Owners, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third-Party Claim must include a written release from liability of such claim for all Franchisor Indemnitees.

This Section 19.C. will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

20. APPROVALS AND WAIVERS

A. Approvals in Writing.

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee will make a timely written request to Franchisor for approval or written consent from Franchisor. Franchisor agrees to respond in a timely fashion whenever Franchisee makes a timely written request for Franchisor's prior approval or consent. Whenever this Agreement requires the approval or consent of Franchisor or provides for the exercise of discretion by Franchisor, Franchisor agrees that it will make its determinations as to the granting or denial of the approvals or consents, and will exercise its discretion, in good faith.

B. No Warranties by Franchisor.

Except as otherwise expressly provided herein or in any other written agreement between Franchisor and Franchisee, Franchisor makes no representations, warranties or guarantees upon which Franchisee may rely. Franchisor assumes no liability or obligation to Franchisee or any third party by providing any waiver, approval, consent, information or suggestion to Franchisee in connection with this Agreement, or by reason of any delay or denial of any request therefore.

C. No Waiver.

No failure of a party to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by the other party with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, will constitute a waiver of such party's right to demand exact compliance with any of the terms of this Agreement. Waiver by a party of any particular default by the other party will not affect or impair the party's right with respect to any subsequent default of the same, similar, or different nature; nor will any delay, forbearance, or omission of a party to exercise any power or right arising out of any breach or default by the other party of any of the terms, provisions, or covenants of this Agreement, affect or impair the party's right to exercise the same.

21. NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be delivered in person or by nationally recognized courier overnight, to the physical address, or delivered by confirmed electronic transmission to the respective parties at the following physical and e-mail addresses or telephone numbers, unless and until a different physical and/or e-mail address or telephone number has been designated by written notice to the other party:

Notices to Franchisor:	CARSTAR Franchisor SPV LLC 440 South Church Street, Suite 700 Charlotte, North Carolina 28202 Fax: (704) 358-4706 Attn: Brand President
Notices to Franchisee:	_____ _____ _____ Fax: _____ CARSTAR E-mail: _____

Any notice by nationally recognized courier will be deemed to have been given at the date and time of mailing. Notices sent by any other form will only be deemed to have been given at time of their receipt by the addressee(s). Notices sent by facsimile or electronic transmission will be deemed to have been given on the date the facsimile or electronic transmission is sent, but the burden of proving the completion of any notice given by facsimile or electronic transmission will be on the party giving the same.

22. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, the attachments to this Agreement and all related agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, undertakings, representations, and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made in Franchisor's Franchise Disclosure Document furnished by Franchisor to Franchisee.

Except for those changes permitted to be made unilaterally by Franchisor, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or Entity who is not a party to this Agreement.

23. MISCELLANEOUS

A. Definition of "Franchisee".

Unless otherwise specified, the term "Franchisee" as used in this Agreement will include the individual signatories to this Agreement.

B. Severability.

Except as expressly provided to the contrary in this Agreement, each Section, paragraph, term and provision of this Agreement, is considered severable and if, for any reason, any portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties to this Agreement, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if Franchisee is a party, otherwise upon Franchisee's receipt of a notice of non-enforcement from Franchisor.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not

required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is prescribed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions, or any specification, standard or operating procedure prescribed by Franchisor, any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in that jurisdiction, unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

C. Waiver of Obligations.

No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee under this Agreement constitutes a waiver by Franchisor to enforce any right, option, duty or power against Franchisee or as to any subsequent breach or default by Franchisee. Acceptance by Franchisor of any payments due to it subsequent to the time at which the payment is due is not deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants or conditions of this Agreement. Franchisor specifically is not deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant, or to declare any breach to be a default and to terminate this Agreement before the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms of this Agreement; any failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon exact compliance by the Franchisee, with its obligations, including any mandatory specification, standard or operating procedure.

Neither Franchisor nor Franchisee is liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency which should not reasonably have been anticipated; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause beyond the reasonable control of such party. Any delay resulting from any of these causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

D. Modification of Agreement; No Third-Party Beneficiaries.

Except for those changes permitted to be made unilaterally by Franchisor, no amendment, change or variance from this Agreement is binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or Entity who is not a party to this Agreement.

E. Captions.

All captions in this Agreement are intended solely for the convenience of the parties only and do not define, limit or construe the contents of sections or paragraphs.

F. Counterparts.

This Agreement may be executed in duplicate, and each copy so executed will be deemed an original.

G. Governing Law.

To the extent not inconsistent with applicable law, this Agreement and the offer and sale of the Franchise is governed by the substantive laws (and expressly excluding the choice of law) of the State of North Carolina.

H. Rights of Parties are Cumulative.

The rights of Franchisor and Franchisee under this Agreement are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy precludes the exercise or enforcement by Franchisor or Franchisee of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

I. Specific Performance/Injunctive Relief.

Nothing contained herein bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause it loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Franchisee agrees that Franchisor may have injunctive relief, upon due notice, in addition to further and other relief as may be available at equity or law. Franchisee has remedies as may be available at equity or law, including the dissolution of injunction if the entry of injunction is vacated.

J. Costs and Attorneys' Fees.

If Franchisor asserts a claim for amounts owed by Franchisee or any of its affiliates or if Franchisor substantially prevails in any legal proceeding before a court of competent jurisdiction or in any legal proceeding brought by Franchisee, or if Franchisor is required to enforce this Agreement in any judicial proceeding, then Franchisor shall be entitled to complete reimbursement of its costs and expenses incurred in investigating, initiating and concluding any judicial proceeding or settlement, including reasonable accountants' and attorneys' fees and court costs.

Franchisee shall pay to Franchisor all damages, costs and expenses, including reasonable accountants' and attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement by Franchisee and, after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

K. Currency Requirements.

All fees and payments required by this Agreement will be paid in U.S. currency.

L. Jurisdiction; Venue; Service of Process.

Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement (including, without limitation, the offer and sale of the Franchise) shall be instituted and maintained only in the District Court for Mecklenburg County, North Carolina, or, if it has or can acquire jurisdiction, in the United States District Court for the Western District of North Carolina, sitting in Charlotte, North Carolina, and the parties irrevocably consent to the jurisdiction and venue of such courts (and of the appropriate appellate courts) in any such action or proceeding and waive any objection to either the jurisdiction or venue of such courts. Notwithstanding the foregoing, Franchisor shall have the right to institute and maintain an action or proceeding in any other state or federal court with jurisdiction for (i) monies owed, (ii) injunctive or other equitable or extraordinary relief, or (iii) matters involving possession or disposition of, or other relief relating to, real or personal property. Process in any action or proceeding referred to in the preceding sentences may be served on any party anywhere in the world in accordance with the notice provisions of Section 21. The parties acknowledge that the agreements between the parties regarding applicable state law and forum set forth in this Agreement provide each of the parties with a mutual benefit of uniform interpretation of this Agreement and any disputes arising out of this Agreement or the parties' relationship created by this Agreement. The parties further acknowledge the receipt and sufficiency of mutual consideration for this benefit.

M. Waiver of Jury Trial; Class Action Waiver.

FRANCHISOR AND FRANCHISEE IRREVOCABLY EACH WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT BY EITHER OF THEM. Franchisee and Franchisor agree that any litigation, suit, action, counterclaim, cross claim or proceedings, whether at law or in equity, which arises out of, concerns, or is related to this Agreement or any of the relationships or transactions contemplated hereunder, the performance of this Agreement, the relationship between the parties or otherwise, trial shall be to a court of competent jurisdiction and not to a jury.

The parties also agree that any proceeding to resolve or litigate any dispute between them will be conducted solely on an individual basis and that neither party will seek to have any such dispute heard as a class action, or in any other proceeding in which either party proposes to act in a representative capacity, or participate in any way in any such class action or other proceeding, including, but not limited to, filing a claim in such proceeding. The parties further agree that no proceeding to resolve or litigate any dispute between them will be joined, consolidated or combined with any other proceeding without the prior written consent of both the parties hereto and all other parties to such other proceeding.

N. Waiver of Damages.

FRANCHISEE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS PARENTS AND AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER THAT CAUSE IS BASED ON CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, FRANCHISEE SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DIRECT, CASUALLY RELATED DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER

DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT.

O. No Recourse.

Franchisee acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (a) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (b) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (c) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory or common law claim that would otherwise exist.

P. No Waiver or Disclaimer of Reliance in Certain States.

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the date recited in the first paragraph.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Attest: _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

As an inducement to Franchisor to enter into the foregoing Franchise Agreement, each of the undersigned, jointly and severally, hereby unconditionally guarantees to Franchisor the timely and full payment and performance by Franchisee of all of Franchisee's duties and obligations contained in the Franchise Agreement. Each of the undersigned hereby waives notice of acceptance of this Guaranty and Assumption of Obligations, notice of default and all other demands and notices of any kind in connection with this Guaranty and Assumption of Obligations. Each of the undersigned further hereby assumes and agrees to be personally bound to all of Franchisee's and the undersigned's duties, obligations, and other agreements in the Franchise Agreement as though the individual had personally signed as the Franchisee, including, without limitation, the provisions of Section 23.L. relating to jurisdiction, venue, and service of process and Section 23.M. relating to waiver of right to jury trial. Each of the undersigned agrees that no obligation under this Guaranty and Assumption of Obligations will be released, impaired or reduced by any event, condition or contingency whatsoever, including, without limitation, any modification or renewal of the Franchise Agreement. This is a guarantee of payment and not just a guarantee of collection.

Signature:_____

Print Name:_____

Percentage Ownership Interest:_____%

Signature:_____

Print Name:_____

Percentage Ownership Interest:_____%

EXHIBIT A
TO THE FRANCHISE AGREEMENT

BASIC TERMS

1. Location. The parties to this Agreement agree that the Facility to be operated by Franchisee pursuant to this Agreement shall be located in the following premises:

_____

_____

_____

_____

2. Monthly Base Volume. The Monthly Base Volume for the Facility is:

_____.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

Attest: _____

EXHIBIT B
TO THE FRANCHISE AGREEMENT

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (this "Agreement") is made by and between _____ (CARSTAR Facility owner as "Employer") and _____ ("Employee") this ____ day of _____, 20____. Employee acknowledges and agrees that Employer is an independently owned and operated franchisee of CARSTAR Franchisor SPV LLC. In consideration of the employment of Employee by Employer and of the commitments contained in this Agreement, Employee and Employer agree to execute and be bound by this Agreement as follows:

1. Definitions.

(a) "Trade Secret(s)" means information or data about CARSTAR Franchisor SPV LLC or any of its products, including, but not limited to, technical or non-technical data, formulae, methods, techniques, drawings, processes, financial data, financial plans, product and promotional plans, lists of actual or potential advertisers, list of customers or suppliers, that (a) derives economic value, actual or potential, from not being generally known to, or generally ascertainable by proper means by other persons who can obtain economic value from their disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) "Confidential Information" means certain confidential information consisting of the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of automobile collision repair facilities (each a "CARSTAR Facility" and collectively "CARSTAR Facilities"), including all data and other information generated by, or used or developed in, operating CARSTAR Facilities, including Customer Data.

(c) "Customer Data" means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to a CARSTAR Facility's customers and prospective customers.

2. Employee Acknowledgments.

A. Employee acknowledges and agrees that he does not acquire any interest in either the Trade Secrets or the Confidential Information other than the right to use them during his employment with Employer and that the Trade Secrets and Confidential Information are proprietary to Employer and are disclosed to Employee on the condition that Employee agrees that he will:

(1) not use the Confidential Information in any other business or capacity;

(2) maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

(3) not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and

(4) will adopt and implement all reasonable procedures prescribed by Employer to prevent unauthorized use or disclosure of the Trade Secrets and Confidential Information, including restrictions on disclosures to employees of Employer's CARSTAR Facility.

B. Employee acknowledges that Employer's relationships with its employees, vendors, suppliers, customers and other business associates are part of Employer's assets and constitute Trade Secrets and that the development, maintenance and continuation of any of these relationships are valuable to Employer and shall be maintained in confidence. Employee further understands it is Employee's responsibility to develop and maintain the goodwill of these relationships on behalf of Employer through the course of the employment relationship.

C. Employee agrees that during employment Employee will not solicit, divert, or attempt to divert, any business or customer of Employer or any prospective customer of Employer, by direct or indirect inducement or otherwise or to directly or indirectly do any other act injurious to the goodwill associated with Employer's CARSTAR Facility.

3. Non-Disclosure Agreements.

A. Employee acknowledges and agrees that Employer's business is specialized and competitive and that the misappropriation or unauthorized disclosure of any Trade Secrets or Confidential Information is prohibited and will cause Employer irreparable injury.

B. Employee shall not at any time make copies of any documents containing some or all of any Trade Secrets or Confidential Information of Employer.

C. Employee will, at the request of the Employer during employment or upon termination of employment for any reason, immediately return to Employer any copies of any Trade Secrets and/or Confidential Information which may have been furnished to Employee.

4. Miscellaneous.

A. The restrictions contained in this Agreement are necessary for the protection of the Employer and are considered by the Employee to be reasonable for such purposes. The Employee agrees that any breach of this Agreement will cause Employer substantial and irrevocable damage. In the event of any breach, in addition to any other remedies that may be available, including the recovery of damages from Employee, Employer shall have the right to injunctive relief to restrain or enjoin any actual or threatened breach of the provisions of this Agreement. If Employer shall prevail in a legal proceeding, Employer shall be entitled to receive reasonable fees and expenses incurred in connection with such proceeding and to any other relief it may be granted.

B. The terms and provisions of this Agreement are severable in whole or in part, and if any term or provision of this Agreement is deemed invalid, illegal or unenforceable, the remaining terms and provisions shall remain in full force and effect.

C. This Agreement and all disputes related to Employee's employment shall be subject to, governed by, and construed in accordance with the laws of the State of _____.

D. This Agreement constitutes the entire agreement between the parties with respect to this subject matter and may not be modified or amended other than by an agreement in writing by both parties.

[SIGNATURE PAGE FOLLOWS]

EMPLOYER:	EMPLOYEE:
_____	_____
Date: _____	Date: _____

EXHIBIT C
TO THE FRANCHISE AGREEMENT

CARSTAR BRAND IMAGING PROCESS AND
FRANCHISEE LOCATION IMAGE PROGRAM AGREEMENT

CARSTAR Brand Imaging Process & Agreement

Before initiating the branding/rebranding of your CARSTAR location you should first:

1. Review the current CARSTAR brand imaging guidelines (located on Collision University)
2. Review the Interior and Exterior imaging kit costs
3. Read and follow the branding process steps below

BRANDING/REBRANDING PROCESS

1. Complete and sign the attached location imaging agreement.
2. CARSTAR Corporate---Immersion Department will make the **initial deposit** of $1,000 (to Miller Meiers). The deposit and signed agreement are sent to CARSTAR Corporate to initiate the branding process. **NOTE: This deposit will be put towards your overall imaging kit(s) components.**
3. CARSTAR Corporate will work with Miller Meiers (Image Program Agency) to provide a brand imaging consultation with visual image applications for your facility.
    a. Franchisee to provide interior/exterior photos and measurements to CARSTAR Corporate.
    b. Visual image appliqués' of brand elements for shop will be created and CARSTAR Corporate will work with Franchisee to ensure mockups are approved and brand compliant
    c. Franchisee to submit exterior design (with local installer) for Local City permits and/or Landlord approval.
4. CARSTAR Corporate will provide shop with specific *actual* brand image "kit" cost in an order form.
5. Shop pays balance due on order (less deposit) via credit card or check to Miller Meiers.
6. Once payment received, imaging kit(s) components are ordered into production.
7. Kit Fulfillment and local installation.
8. Shop to provide "after" imaging photos to CARSTAR Corporate.

Please complete the attached location image program agreement and submit it to thomas.engasser@drivenbrands.com, to initiate the process.

For questions and submissions, contact:
Attn: Thomas Engasser
1-716-359-8931
Thomas.engasser@drivenbrands.com

Current brand guidelines are located in the CARSTAR US Integration Resources section of Collision University.

CARSTAR FRANCHISEE LOCATION IMAGE PROGRAM AGREEMENT

1 . **Agreement.** CARSTAR Franchisee is an authorized CARSTAR Franchise and has entered into an agreement with CARSTAR (the "Franchise Agreement") for the purchase of certain CARSTAR products for resale. To the extent of any conflict between the terms of this Agreement and the CARSTAR Franchise Agreement, the Franchise Agreement shall govern. The appearance of the Franchisee's location is important to the image of the Franchisee, CARSTAR and the CARSTAR Franchise network.

2 . **Exterior and Interior Image Materials and Sign Purchases**. Subject to CARSTAR's prior approval, Franchisee will purchase CARSTAR exterior and interior imaging kit and sign(s) through CARSTAR Imaging program facilitated by Miller Meiers, at the price determined during an imaging design consultation provided by Miller Meiers, included as part of any kit order. Prior to starting the design consultation, CARSTAR Corporate Immersion Department will make a non-refundable deposit of $1,000 to Miller Meiers. Base example imaging kit prices are provided in the CARSTAR Franchisee Current Kit Base Cost. These prices are illustrative only and are subject to change without notice and actual cost will be specific to individual shop. Miller Meiers will provide each franchisee their individual imaging kit cost as a part of the design consultation that is included with both the interior and exterior kit order. Miller Meiers will arrange for shipping the sign(s) to Franchisee. Orders for exterior and interior image materials and signs are not binding on CARSTAR, or Miller Meiers.

3 . **Franchisee Responsibilities**. Franchisee is responsible for paying all image material and sign costs, poles, shipping, and installation. Franchisee will be responsible for all maintenance costs in order to keep the image materials and signs in proper working condition at all times. If CARSTAR determines that Franchisee is not maintaining the image materials and signs properly, CARSTAR may, at its option, initiate repair and/or cleaning of the image materials and signs and charge the cost of those services back to the Franchisee. It is the sole and exclusive responsibility of the Franchisee to obtain any required approvals, consents, variances, permits or other permission required for the installation and display of the image materials and signs.

4 . **Warranties.** WITH RESPECT TO THE IMAGE MATERIALS AND SIGNS AND THEIR INSTALLATION, CARSTAR AND MILLER MEIERS DISCLAIM ALL WARRANTIES EXPRESS OR IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS. CARSTAR and MILLER MEIERS shall not be liable for incidental or consequential losses, damages or expenses, directly or indirectly arising from the purchase, handling or use of any image materials and signs . CARSTAR and MILLER MEIERS make no representations or warranties regarding any image materials' and sign's conformance with local ordinances concerning the display of commercial signs or the sign's suitability for display at the Franchisee's location.

5 . **Termination**. Franchisee's use of the signs will terminate upon the termination or expiration of the CARSTAR Franchise Agreement. Upon expiration or termination of the Franchise Agreement, Franchisee agrees to immediately (i) discontinue, at its expense, all use of the image materials and signs and (ii) remove the CARSTAR logo panel(s) from the signs. Franchisee understands that its purchase of any exterior sign from any source identifying its Franchisee as an authorized CARSTAR Franchisee shall not give Franchisee any vested interest in or rights to continued use or display of said sign or any CARSTAR trademark after termination or expiration of this Agreement.

6 . **Governing Law/Forum.** This agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the substantive laws of the State of North Carolina. Any and all actions arising out of or related to this Agreement shall be brought only in courts located in Charlotte, North Carolina.

CARSTAR Franchisee Business Name: **Store Number:**

Authorized Signature:_____ Date: _____

Address: City:

State: Zip Code:

Phone Number: Email:

EXHIBIT D
TO THE FRANCHISE AGREEMENT

ITEMS FRANCHISEE IS REQUIRED TO PROVIDE TO TRIGGER FRANCHISOR OPTION PERIOD AND/OR FRANCHISOR EVALUATION PERIOD PURSUANT TO SECTION 14 OF THE FRANCHISE AGREEMENT

Franchisee expressly acknowledges that the Franchisor Option Period or Franchisor Evaluation Period (as applicable) shall not begin until Franchisee provides Franchisor all of the following materials:

1. An exact duplicate of the actual signed letter of intent between Franchisee and the third-party purchaser that includes:

    a. The assets being purchased;

    b. The purchase price; and

    c. All other material terms (including, but not limited to, a detailed listing of any hold back amounts).

2. Profit and loss statements for the current fiscal year, and the two (2) fiscal years preceding the current fiscal year.

3. Franchisee's tax returns for the two (2) years preceding the current year.

4. A roster of all employees identifying the names, pay rates and job titles.

5. A list of key management employees with names and titles.

6. A list of all real estate details, including:

    a. Square footage;

    b. Whether the property is rented or owned;

    c. Copies of any leases; and

    d. Landlord contact information.

7. Annual payroll details for the current fiscal year, and the two (2) fiscal years preceding the current fiscal year.

8. Copies of shop certifications.

9. Detailed equipment list.

10. Copies of any key vendor contracts (i.e., paint contracts).

EXHIBIT E
TO THE FRANCHISE AGREEMENT

SERVICE LEVEL AGREEMENT

[COMPLETE ALL FIELDS BEFORE SIGNING]

CARSTAR FRANCHISOR SPV LLC

SERVICE LEVEL AGREEMENT

SERVICE LEVEL AGREEMENT

This SERVICE LEVEL AGREEMENT (this "Agreement") is entered into as of DATE (the "Effective Date") by and between CARSTAR FRANCHISOR SPV LLC, a Delaware limited liability company with a principal place of business located at 440 S. Church Street, Suite 700, Charlotte, NC 28202 ("Franchisor"), and FRANCHISEE ("Franchisee").

WHEREAS Franchisee operates one or more collision repair centers at the location(s) set forth on Exhibit A hereto (each, a "Repair Shop" and, collectively, the "Repair Shops") pursuant to one or more franchise agreements by and between Franchisor (or an affiliate thereof) and Franchisee (each a "Franchise Agreement" and, collectively, the "Franchise Agreements");

WHEREAS Franchisor, Driven Brands Inc., a Delaware corporation ("DBI"), on behalf of Franchisor, or an affiliate of either DBI and Franchisor has entered into the master service and other similar franchisor-managed or performance-based agreements, including any statements of work thereunder, listed on Exhibit B hereto (each a "Master Service Agreement" and, collectively, the "Master Service Agreements") with various insurance carrier customers (each such customer a "Carrier" and, collectively, the "Carriers") pursuant to which a Repair Shop will participate in a Carrier's repair program (each a "Program" and, collectively, the "Programs"); and

WHEREAS, Franchisor and Franchisee desire to enter into this Agreement to set forth the terms and conditions on which Franchisee may participate in the Programs.

NOW, THEREFORE, in consideration of the mutual covenants contained in this agreement and intending to be legally bound, Franchisee and Franchisor agree as follows:

1.0 AMENDMENT AND RESTATEMENT

The Parties acknowledge and agree that all existing Service Level Agreements between the Parties (and any similar agreements between the Parties that govern or relate to Franchisee's participation in one or more Programs) entered into prior to the Effective Date are hereby amended and restated by mutual agreement of the Parties and replaced in their entirety by this Agreement.

2.0 TERM AND TERMINATION

2.1 The term of this Agreement shall commence on the Effective Date and continue until the date on which all of the Master Services Agreements either expire or are terminated as permitted thereunder (the "Term"), unless otherwise terminated in accordance with the terms of this Agreement.

2.2 This Agreement shall terminate automatically with no further action by the Parties if all of the Master Service Agreements expire or are terminated for any reason.

2.3 Notwithstanding anything in this Agreement to the contrary, if Franchisee neglects or fails to perform any of its obligations under this Agreement and such failure continues for a period of ten (10) days after written notice to Franchisee, Franchisor shall have the right either to terminate this Agreement entirely or to remove Franchisee from one or more Programs by amending Exhibit B hereto, in each case in its sole discretion.

2.4 Franchisor may immediately suspend or terminate this Agreement, without offering Franchisee any right to cure the default, upon the occurrence of any of the following (each an "Event of Default"):

(a) Franchisee commits fraud of any kind, including, but not limited to, charging a customer or policyholder of a Carrier or a Carrier itself for any work not performed or charging for new parts but installing used parts;
(b) A cessation of business by Franchisee;
(c) Franchisee's failure to comply with the either the Carrier Requirements (as defined below) or the Franchisor Requirements (as defined below), including any attachments hereto;
(d) A lapse or revocation of any license, permit, or certificate necessary for Franchisee to provide the services hereunder;
(e) The filing of any petition for bankruptcy, reorganization, insolvency, liquidation, suspension of payments, or commencement of any similar proceeding by or against Franchisee; or
(f) Default under and/or termination of any one of the Franchise Agreements.

2.5 Franchisor shall have the right to immediately terminate this Agreement without notice and in its sole discretion if a Transfer (as defined below) occurs without Franchisee obtaining Franchisor's prior written consent. All of the following events shall be deemed a "Transfer" for purposes of this Agreement:

(a) sale of all or substantially all of the assets associated with a Repair Shop, or of Franchisee in general;
(b) merger, consolidation, or any other business combination of Franchisee with another person or entity; or
(c) any investment of any kind in Franchisee by a competitor of Franchisor or one of Franchisor's affiliates.

2.6 If Franchisor has a commercially reasonable basis to believe that a Franchise Agreement or this Agreement will be terminated due to either an Event of Default or a Transfer, then notwithstanding any confidentiality or other requirements applicable to the relationship between Franchisor and Franchisee, Franchisee expressly authorizes and agrees that Franchisor may inform one or more Carriers of such pending termination or transfer.

3.0 MASTER SERVICE AGREEMENTS

Franchisee acknowledges and agrees that Franchisor, DBI, or an affiliate of Franchisor and DBI has entered into the Master Service Agreements set forth on Exhibit B. Franchisee further acknowledges and agrees that, in consideration for its access to and participation in the Programs, Franchisor may amend, restate, supplement, and otherwise modify Exhibit B from time to time in Franchisor's sole discretion by providing written notice to Franchisee; provided, that Franchisor timely provides any copies of applicable Carrier Requirements.

4.0 LICENSES

Franchisee shall secure, maintain, and hold the required permits, licenses, and certifications to be compliant with all local, state, and federal laws and regulations. At Franchisor's request, Franchisee shall provide proof of this compliance. Compliance with the requirements of this section is a requirement for participation under this Agreement, including any attachments to this Agreement.

5.0 COMPLIANCE AND PARTICIPATION

5.1 In performing services for customers or policyholders of the Carriers and/or the Carriers themselves, Franchisee agrees to participate in all of the Programs and provide the services described in the

Master Service Agreements as if Franchisee were the "provider," "supplier," "vendor," or such similar designated party thereunder. Franchisee hereby makes all of the representations and warranties, agrees to all of the affirmative and negative covenants, and generally agrees to comply with and be bound by all of the terms and conditions and obligations set forth in the Master Service Agreements (including, for the avoidance of doubt, all schedules, exhibits, and other attachments thereto) that apply to such service providers thereunder (collectively, the "Carrier Requirements"). The Carrier Requirements include, but are not limited to, terms and conditions in the Master Service Agreements related to fees and expenses, discounts, estimates, rental cars, shop management, valet programs, confidentiality, subcontracting, indemnification, insurance coverage, privacy and data security, inspections, quality control, business continuity and disaster recovery, background checks, anti-fraud training, intellectual property, gifts and gratuities, inducements, environmental responsibility, governance, codes of conduct, and any service-level objectives and key performance indicators. Franchisor shall provide a summary of the Carrier Requirements to Franchisee as necessary to facilitate Franchisee's compliance therewith, but due to confidentiality and other obligations Franchisor shall not be obligated to provide a copy of a Master Service Agreement to Franchisee.

5.2 In consideration for its access to and participation in the Programs, Franchisee agrees that it will use, participate, and otherwise comply with, as applicable, all of Franchisor's minimum requirements for participation in the Programs as set forth on Exhibit C (collectively, the "Franchisor Requirements"). Franchisee acknowledges and agrees that Franchisor may amend, restate, supplement, and otherwise modify Exhibit C from time to time in Franchisor's sole discretion by providing written notice to Franchisee, which notice shall include copies of any agreed-upon terms and conditions with vendors that Franchisee is required to use.

5.3 Franchisee acknowledges and agrees that during the term of this Agreement Franchisor in its sole discretion will conduct a continuous periodic review of Franchisee's participation in the Programs and the estimates provided by Franchisee thereunder ("Central Review"). Pursuant to Central Review, Franchisor will from time to time in its sole discretion review the estimates provided by Franchisee for (i) best practices, (ii) compliance with applicable industry standards, (iii) quality control, and (iv) certain other metrics determined by Franchisor from time to time. Franchisee expressly agrees to participate and cooperate fully in the Central Review process as implemented by Franchisor hereunder.

6.0 PENALTY ASSESSMENT

Franchisee hereby expressly agrees to comply with any penalty assessments contained in the Master Service Agreements.

7.0 WARRANTY

Each Franchisee shall provide and agree to honor a limited lifetime nationwide warranty of its and other "CARSTAR" franchisees' workmanship for as long as the original customer or policyholder owns the vehicle (wear and tear excepted). A copy of this warranty will be provided to the vehicle owner by Franchisee.

8.0 RECORDS

Each Franchisee will maintain all records, including support documentation, in one file for each vehicle repaired and agrees to make such records available for inspection, and/or re-inspection to each Carrier during normal business hours as required by Franchisor, or for the minimum time period required under the applicable Master Service Agreement.

9.0 FRANCHISEE REPRESENTATIONS ON SERVICE AND QUALITY

9.1 In providing services to customers and policyholders of the Carriers and to the Carriers themselves, Franchisee will perform all such services in accordance with all applicable manufacturer guidelines and specifications and in accordance with any applicable regulatory safety standards and guidelines.

9.2 Franchisee shall provide services to customers and policyholders of the Carriers and to the Carriers themselves in a convenient manner to such customers, policyholders, and Carriers during the Term.

9.3 To facilitate receipt of assignments from each Carrier as well as to assist in developing appraisals and estimates, Franchisee shall secure a license to use the estimating and referral software currently designated by each such Carrier.

9.4 Franchisee will maintain an e-mail address to facilitate communications between Franchisee and each Carrier.

9.5 Franchisee will allow re-inspections of all estimates, documents, and repair work at any time before, during, and after the repair process, including any re-inspection required pursuant by Franchisor pursuant to Central Review.

10.0 PROGRAM FEES

10.1 In consideration for its access to and participation in the Programs, Franchisee shall pay to Franchisor a Central Review fee equal to one-half percent (0.5%) of the gross sales generated by each Program, which fee is subject to adjustment upon thirty (30) days' prior written notice to Franchisee.

10.2 In the event that Franchisor or a Carrier has identified that repair quality is of concern with respect to any Repair Shop or that Franchisee is in material default under any Carrier Requirements, then Franchisor may, upon written notice to Franchisee, require Franchisee to engage an approved third party vendor to assist in oversight of quality assurance at Franchisee's sole expense.

11.0 INSURANCE

During the Term, Franchisee will, at its sole cost and expense, maintain insurance against claims which may arise from or in connection with the performance of any of the services hereunder at the Repair Shops and in the minimum coverage amounts set forth in the Master Service Agreements.

12.0 INDEMNIFICATION

Franchisee shall defend, indemnify and hold harmless Franchisor and its affiliates and their respective officers, directors, employees, agents, contractors, successors, and assigns from and against any and all damages, losses, fines, penalties, costs, and other amounts (including reasonable attorney's fees and expenses) (collectively, "Losses") arising from or in connection with any actual or threatened claims, demands, investigations, and causes of actions by third parties (each a "Claim") to the extent such Claim is based on or arises from or relates to (i) bodily injury (including death) or damage to or loss of any tangible property caused by the willful misconduct and/or negligent acts or omissions of Franchisee, its affiliated and subsidiary companies, and their respective officers, directors, employees, agents, contractors, subcontractors, successors and assigns, (ii) any breach of or default under any provision of this Agreement; (iii) the use of any product or service being licensed by or provided to any Carrier or to Franchisor under

this Agreement that infringes on any patent, copyright, license, or other proprietary right of any third party; or (iv) any other negligent or intentional acts or omissions of Franchisee.

13.0 USE OF CARRIER NAMES

Franchisee shall not use the name of any Carrier or any of their member companies in any advertising, publicity release, or other communication without the express written consent of such Carrier, or such member company, respectively. Franchisee shall identify the appropriate Carrier or member company name in all of its communications with such Carrier's customers, policyholders, and claimants.

14.0 CONFIDENTIALITY, PRIVACY, AND DATA SECURITY

Franchisee acknowledges and agrees that "Confidential Information" (as such term or any similar term is defined in any Master Service Agreement) includes, but is not limited to, financial information, strategic business plans, policies and/or marketing information, claims, sales, underwriting strategy, decision-making processes, third-party intellectual property, and pricing and/or profit information, in each case as disclosed to Franchisee pursuant to or in connection with Franchisee's participation in any Program. Franchisee agrees to implement and maintain measures to comply with any applicable federal, state, or local law or regulation governing the provision, receipt, maintenance, use, storage, or disclosure of personal information about any customer, policyholder, or claimant of a Carrier.

15.0 DISPUTE RESOLUTION

In consideration for its access to and participation in the Programs, Franchisee agrees that Franchisor may, in its commercially reasonable discretion, resolve any claim or dispute with a Carrier for relationship management purposes, and Franchisee hereby authorizes Franchisor to settle any such claims or disputes on Franchisee's behalf and bill Franchisee for the actual cost of such settlement.

16.0 NOTICES

In the event that any party is required to provide notification to any other party, notice shall be in writing and will be delivered in person or by delivery service or mailed by certified mail, return receipt requested, or delivered by confirmed facsimile transmission or e-mail, to the respective parties at the following addresses unless and until a different address or facsimile number or e-mail address has been designated by written notice to the other party:

If to Franchisor:

Contact Name:	Insurance Relations Department
Address:	CARSTAR Franchisor SPV LLC 440 South Church Street Suite 700 Charlotte, NC 28202
Email:	_____

If to the Franchisee:

Owner Name: _____
Franchisee Name: _____
Manager Name: _____
Address: _____
City/State: _____
Zip: _____
Facsimile: _____
Email: _____

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CARSTAR FRANCHISOR SPV LLC	**FRANCHISEE**
By_____ (Signature)	By _____ (Signature)
Name_____ (Printed Name)	Name_____ (Printed Name)
Title _____	Title_____
Date _____	Date_____

EXHIBIT A

REPAIR SHOPS

EXHIBIT B

MASTER SERVICE AGREEMENTS

EXHIBIT C

FRANCHISOR REQUIREMENTS

1. Acknowledgement of the location handling typical mechanical operations (i.e., suspension, restraint system, frame replacement, etc.) in house. Subletting work for these typical operations would be offered at "book time x approved labor rate."
2. CCC suite including, but not limited to Update Plus, Calendar, Engage, Repair Methods, Photo Estimating
3. Central Review participation for applicable partnerships
4. Call Center participation for applicable partnerships
5. I-CAR Gold Class certification
6. I-CAR Welding Qualified (or AWS equivalent): Welding certificates must be held by working technicians completing welding repairs. Any welding repairs must be performed by I-CAR certified welders.
7. All tooling and equipment required to perform OEM repair procedures including, but not limited to three dimensional measuring, frame machine and fixtures, squeeze type resistance spot welder (STRSW), pulse mig welder, scanning device(s)
8. EDGE Performance Platform compliance
9. Maintain professional working relationship with all insurance representatives
10. Participation with a scanning & diagnostics provider that is approved by Driven Brands (AsTech or OPUS IVS)

EXHIBIT F
TO THE FRANCHISE AGREEMENT

SECURITY AGREEMENT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into as of _____ _____, 20___ (this "Agreement"), by and among CARSTAR Franchisor SPV LLC, a Delaware limited liability company (the "Secured Party"), and _____, a(n) _____ _____, whose principal business address is _____ _____ ("Debtor").

A. Debtor will develop and operate a "CARSTAR®" automobile collision repair facility (the "Facility") pursuant to that certain Franchise Agreement dated as of the date hereof (the "Franchise Agreement"), by and between Secured Party and Debtor.

B. To secure payment of the fees and any and all other amounts owed to Secured Party and/or its affiliates under the Franchise Agreement and any and all other agreements between Secured Party (or any of its affiliates) and Debtor (or any of its owners or affiliates), Debtor wishes to grant to Secured Party a continuing security interest in the Collateral (as defined below).

ACCORDINGLY, for good and valuable consideration, the adequacy, sufficiency, and actual receipt of which are hereby mutually acknowledged by the parties, the parties hereby agree as follows:

1. Security Interest. In order to secure (i) complete and timely payment of Debtor's financial obligations arising under or in respect of the Franchise Agreement, this Agreement, and any and all other agreements between Secured Party (or any of its affiliates) and Debtor (or any of its owners or affiliates), including, but not limited to, any extensions, modifications, substitutions, increases or renewals thereof, (ii) complete and timely payment of all amounts advanced or incurred by Secured Party to preserve, protect, defend, and enforce its rights under this Agreement, the Franchise Agreement, and/or with respect to the Collateral, and (iii) complete and timely payment of all fees, costs and expenses incurred by Secured Party in connection therewith (collectively, the "Obligations"), Debtor hereby pledges, grants, and assigns to Secured Party a continuing, general, valid, and unavoidable security interest in and lien on, all of Debtor's right, title, and interest in and to all of the following property, wherever located, however held, whether now owned or hereafter acquired or arising (collectively, the "Collateral"):

(a) all accounts;

(b) all certificated securities;

(c) all chattel paper;

(d) all computer hardware and software and all rights with respect thereto, including, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;

(e) all contract rights;

(f) all deposit accounts;

(g) all documents;

(h) all electronic chattel paper;

(i) all equipment;

(j) all financial assets;

(k) all fixtures;

(l) all general intangibles, including payment intangibles and software;

(m) all goods (including, without limitation, all equipment, furniture, fixtures and inventory), and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;

(n) all instruments;

(o) all intellectual property;

(p) all inventory;

(q) all investment property;

(r) all money (of every jurisdiction whatsoever);

(s) all letter-of-credit rights;

(t) all payment intangibles;

(u) all security entitlements;

(v) all supporting obligations;

(w) all uncertificated securities;

(x) (I) all commercial tort claims; (II) the right to payment of, for, or on account of all commercial tort claims; and

(y) to the extent not included in the foregoing, all other personal property of any kind or description wherever located or however held;

together with all books, records, writings, data bases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing, provided that to the extent that the provisions of any lease or license of computer hardware and software or intellectual property expressly prohibit (and such prohibition is enforceable under applicable law) any assignment thereof, and the grant of a security interest therein, Secured Party will not enforce its security interest in any of Debtor's rights under such lease or license (other than in respect of the proceeds thereof) for so long as such prohibition continues, it being understood that upon request of Secured Party, Debtor will in good faith use reasonable efforts to obtain consent for the creation of a security interest in favor of Secured Party (and to Secured Party's enforcement of such security interest) in such rights under such lease or license. For purposes of this Agreement, the terms used in this Section 1 shall have the meanings ascribed to them in Article 9 of the Uniform Commercial Code.

2. Representations; Warranties. Debtor represents and warrants to Secured Party as follows: Debtor has good and valid title to the Collateral, free from any right or claim of any security interest, lien, claim or encumbrance (collectively, a "Lien"), except for purchase money security interests incurred in the ordinary course of business and the permitted Liens listed in Schedule A. Debtor has full corporate power and authority to enter into, execute, and deliver this Agreement and to perform its obligations under this Agreement, and to incur and perform the Obligations, all of which have been duly authorized by all necessary corporate action. This Agreement constitutes the valid and legally binding obligation of Debtor, enforceable against it in accordance with its terms. Bankruptcy proceedings have not been commenced by or against Debtor under any federal bankruptcy law or other federal or state law.

3. Insurance. Debtor shall at all times bear the entire risk of any loss, theft, damage to, or destruction of, any of the Collateral from any cause whatsoever. Debtor shall keep the Collateral insured against loss or damage by fire and extended coverage perils, theft, burglary, and against all such other risks, casualties, and contingencies as Secured Party may reasonably require. Such insurance shall be payable to Secured Party as loss payee under a standard loss payee clause.

4. Notices. Debtor shall provide Secured Party at least thirty (30) days' written notice prior to: (i) any change in Debtor's name; (ii) any change in the jurisdiction of incorporation or organization of Debtor; or (iii) any of the Collateral being lost, stolen, missing, destroyed, materially damaged, or worn out.

5. Authorization and Agreement to Perfect Liens. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements, including a UCC financing statement, and amendments thereto or continuations thereof that: (i) describe the Collateral; and/or (ii) provide any other information required by Article 9 of the Uniform Commercial Code of the state where the Facility is located or such other jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment. Debtor agrees to furnish such information to Secured Party promptly upon Secured Party's request. Debtor further irrevocably authorizes Secured Party to take any and other measures deemed necessary or proper by Secured Party, in Secured Party's sole and absolute discretion, in order to perfect Secured Party's liens, claims, interests, and encumbrances in, to, or on the Collateral or any part of the Collateral, further hereby appointing Secured Party as Debtor's attorney-in-fact for such purposes with full power to execute, record, and/or file any and all documents on behalf of Debtor for such purposes.

6. Events of Default. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

6.1 Failure by Debtor to completely and timely pay or perform any Obligation when due and to correct such failure in accordance with the terms and conditions of the Franchise Agreement;

6.2 Failure by Debtor to duly perform or observe any other term, covenant or agreement contained in this Agreement, which failure shall have continued unremedied for a period of thirty (30) days after written notice thereof from Secured Party to Debtor;

6.3 Any representation or warranty made by Debtor in this Agreement, any financial statement, or any statement or representation made in any other report or other document delivered in connection with this Agreement or the Franchise Agreement proves to have been incorrect or misleading in any material respect when made;

6.4 Debtor makes or sends notice of an intended bulk sale of any of the Collateral;

6.5 Debtor or any owner of Debtor with at least a fifty percent (50%) equity ownership (or any lesser percentage of equity ownership that constitutes effective control of Debtor) becomes insolvent or makes a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by Debtor or such owner, or such a petition is filed against and consented to by Debtor or such owner, or if Debtor or such owner is determined to be insolvent by a court of competent jurisdiction, or if a proceeding for the appointment of a receiver of Debtor or such owner or other custodian for Debtor's or such owner's business or assets is filed and consented to by Debtor or such owner, or if a receiver or other custodian (permanent or temporary) of Debtor's or such owner's assets or property, or any part thereof, is appointed by any court of competent jurisdiction, or if a final judgment remains unsatisfied or of record for ninety (90) days or longer (unless supersedeas bond is filed), or if execution is levied against the Facility or other real or personal property at the Facility or against such owner's equity interest in Debtor, or suit to foreclose any lien or mortgage against the Facility or other real or personal property with respect thereto or an interest in Debtor is instituted against Debtor or such owner and not dismissed within ninety (90) days, or if the real or personal property of the Facility or such owner's equity interest in Debtor will be sold after levy thereupon by any sheriff or similar official;

6.6 Debtor, or any other affiliate of Debtor, shall challenge or contest, in any action, suit or proceeding, the validity or enforceability of this Agreement, or any related documents, the legality or the enforceability of any of the Obligations or the perfection or priority of any Lien granted to Secured Party; or

6.7 There shall be any material adverse change in the financial condition of Debtor or any other event shall occur that, as determined by Secured Party, materially impairs the ability of Debtor to pay the Obligations.

7. Remedies Upon Event of Default. Upon the occurrence of any Event of Default, the Obligations shall become immediately due and payable upon declaration to that effect delivered by Secured Party to Debtor; provided, however, that upon the happening of any event specified in Section 6.5 herein, the Obligations shall be immediately due and payable without declaration or other notice to Debtor. Upon the occurrence of and during the continuance of an Event of Default under this Agreement, Secured Party, in addition to all other rights, options, and remedies granted to Secured Party under this Agreement, (i) shall have all rights, options and remedies available to it under the Uniform Commercial Code, as adopted from time to time under the internal laws of the state where the Facility is located, as well as any other rights, options and remedies at law or in equity; and (ii) shall have the right to seek the appointment of a receiver over Debtor, Debtor's business, and/or the Collateral, with respect to which such appointment Debtor hereby irrevocably and unconditionally consents. Debtor agrees that a notice received by it at least five (5) days before the time of any intended public sale, or the time after which any private sale or other disposition of the Collateral or any portion thereof is to be made, shall be deemed to be reasonable notice of such sale or other disposition.

8. Nature of Remedies. All rights and remedies granted Secured Party under this Agreement and under any other related documents, or otherwise available at law or in equity, shall be deemed concurrent and cumulative.

9. General.

9.1 Amendment. This Agreement can be waived, amended, terminated or discharged, and the security interest and Liens of Secured Party can be released, only explicitly in a writing signed by Secured Party, and, in the case of amendment, in a writing signed by Debtor and Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given.

9.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns (except that Debtor may not assign its obligations under or rights in this Agreement without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole discretion) and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party's acceptance of this Agreement.

9.3 Jurisdiction and Venue. Debtor agrees all actions arising under this Agreement must be commenced in the District Court for Mecklenburg County, North Carolina, or, if it has or can acquire jurisdiction, in the United States District Court for the Western District of North Carolina, sitting in Charlotte, North Carolina, and Debtor irrevocably submits to the jurisdiction of those courts and waives any objection it might have to either the jurisdiction or venue in those courts. Notwithstanding the foregoing, Debtor agrees that Secured Party may enforce this Agreement and any orders and awards in the federal or state courts of the state in which Debtor is domiciled.

9.4 Governing Law. Except to the extent governed by the Uniform Commercial Code, as adopted from time to time under the internal laws of the state where the Facility is located, this Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to choice of law principles.

9.5 Counterparts. This Agreement may be executed in duplicate, and each copy so executed will be deemed an original.

9.6 Notice. Any and all notices required or permitted under this Agreement will be in writing and will be delivered in person or by nationally recognized courier overnight, to the physical address, or delivered by confirmed electronic transmission to the respective parties at the following physical and e-mail addresses or telephone numbers, unless and until a different physical and/or e-mail address or telephone number has been designated by written notice to the other party:

Notices to Secured Party:	CARSTAR Franchisor SPV LLC 440 South Church Street, Suite 700 Charlotte, North Carolina 28202 Fax: (704) 358-4706 Attn: Brand President
Notices to Debtor:	_____ _____ _____ Fax: _____ CARSTAR E-mail: _____

Any notice by nationally recognized courier will be deemed to have been given at the date and time of mailing. Notices sent by any other form will only be deemed to have been given at time of their receipt by the addressee(s). Notices sent by facsimile or electronic transmission will be deemed to have been given on the date the facsimile or electronic transmission is sent, but the burden of proving the completion of any notice given by facsimile or electronic transmission will be on the party giving the same.

9.7 Waiver of Jury Trial. DEBTOR HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, OR ANY RELATED DOCUMENTS.

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

SECURED PARTY:	**DEBTOR:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name:_____	Print Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

Attest: _____

Schedule A

Permitted Liens

EXHIBIT G
TO THE FRANCHISE AGREEMENT

TOTAL LOSS PROCESSING PROGRAM ADDENDUM

CARSTAR FRANCHISOR SPV LLC
TOTAL LOSS PROCESSING PROGRAM ADDENDUM TO FRANCHISE AGREEMENT

(Contract Number: _____)

This **ADDENDUM** (this "Addendum") is entered into on _____ (the "Addendum Effective Date") by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company ("Franchisor"), and _____, a _____ _____ ("Franchisee" and together with Franchisor, the "Parties" and, each, a "Party"). Capitalized terms used but not defined herein will have the meanings ascribed to such terms in the Franchise Agreement (defined below).

WHEREAS, Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the "Franchise Agreement"), pursuant to which Franchisor granted Franchisee the right to operate CARSTAR Facility No. _____ located at _____ (the "Facility");

WHEREAS, Franchisor has an optional centralized program, pursuant to which Franchisor will complete the total loss estimate for applicable total loss claims submitted by participating CARSTAR franchisees (the "Total Loss Processing Program"); and

WHEREAS, Franchisee desires to participate in the Total Loss Processing Program in connection with its operation of the Facility, and Franchisor has approved Franchisee to participate in the Total Loss Processing Program in connection with the operation of the Facility on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and, intending to be legally bound hereby, the Parties agree to amend the Franchise Agreement as follows:

1. TOTAL LOSS PROCESSING PROGRAM

A. Franchisor hereby agrees that Franchisee may participate in the Total Loss Processing Program in connection with Franchisee's operation of the Facility. To request that Franchisor provide an estimate under the Total Loss Processing Program for a particular claim, Franchisee must submit the request (an "Estimate Request") by (i) creating a claim in the Facility's CCCOne Innovate Management System ("CCC"), and (ii) sending an email to Franchisor's central review team at john.burns@drivenbrands.com, which includes the applicable claim number and requests the estimate. If Franchisor accepts the Estimate Request and determines such claim is a total loss, Franchisor will (a) write the estimate for the claim into CCC, and (b) send the estimate for the claim to the applicable insurance carrier ((a) and (b), together, a "Total Loss Response"). If Franchisor accepts the Estimate Request but determines that such claim is not a total loss, Franchisor will provide applicable information to Franchisee for Franchisee to complete the estimate (a "Non-Total Loss Response").

B. With respect to each Total Loss Response and each Non-Total Loss Response, Franchisee will pay Franchisor a fee (the "Total Loss Processing Fee") in the amount of $_____. Franchisor may increase the amount of the Total Loss Processing Fee at any time during the term of the Franchise Agreement by providing Franchisee thirty (30) days' prior written notice. Franchisor will invoice Franchisee for the Total Loss Processing Fees on a periodic (as determined by Franchisor) basis. Unless otherwise stated in the applicable invoice, payment of Total Loss Processing Fees will be made in the same manner and with the same frequency as payment of the Monthly Franchise Fee (*i.e.*, on or before the Payment Day).

C. Franchisor may, at will and without penalty, upon notice to Franchisee (i) determine not to accept one or more Estimate Requests, and/or (ii) immediately terminate, without cause, Franchisee's participation in the Total Loss Processing Program and this Addendum by providing written notice to Franchisee.

D. Franchisee may, at any time, elect to cease participating in the Total Loss Processing Program and terminate this Addendum by providing Franchisor thirty (30) days' prior written notice.

2. MISCELLANEOUS

This Addendum will be deemed a supplement to, and form part of, the Franchise Agreement. This Addendum will be binding upon and inure to the benefit of the executors, administrators, heirs, beneficiaries, assigns and successors in interest of each of the Parties. This Addendum may not be modified except by a written agreement signed by the Parties. This Addendum embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to the subject matter hereof. To the extent the terms of the Franchise Agreement and this Addendum conflict, the terms of this Addendum will control. This Addendum may be executed in one or more counterparts (which may be delivered electronically), each counterpart to be considered an original portion of this Addendum.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed, sealed and delivered this Addendum as of the Addendum Effective Date.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name:_____	Print Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

Attest: _____

EXHIBIT H
TO THE FRANCHISE AGREEMENT

CALL CENTER PROGRAM ADDENDUM

CARSTAR FRANCHISOR SPV LLC
CALL CENTER PROGRAM ADDENDUM TO FRANCHISE AGREEMENT

(Contract Number: _____)

This **ADDENDUM** (this "Addendum") is entered into on _____ (the "Addendum Effective Date") by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company ("Franchisor"), and _____, a _____ _____ ("Franchisee" and together with Franchisor, the "Parties" and, each, a "Party"). Capitalized terms used but not defined herein will have the meanings ascribed to such terms in the Franchise Agreement (defined below).

WHEREAS, Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the "Franchise Agreement"), pursuant to which Franchisor granted Franchisee the right to operate CARSTAR Facility No. _____ located at _____ (the "Facility");

WHEREAS, Franchisor has an optional program (the "Call Center Program"), pursuant to which Franchisor will, among other things, engage customers at first notice of loss and schedule a repair or estimate appointment at the applicable (as determined by Franchisor in its sole discretion) participating CARSTAR Facility (the "Applicable Facility"); and

WHEREAS, Franchisee desires to participate in the Call Center Program in connection with its operation of the Facility, and Franchisor has approved Franchisee to participate in the Call Center Program in connection with its operation of the Facility on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth below and, intending to be legally bound hereby, the Parties agree to amend the Franchise Agreement as follows

1. CALL CENTER PROGRAM

A. Term.

The initial term of this Addendum (the "Initial Call Center Term") expires on the 12-month anniversary of the Addendum Effective Date, unless this Addendum and/or the Franchise Agreement is/are earlier terminated by its/their respective terms. Upon the expiration of the Initial Call Center Term, this Addendum will automatically renew for successive 12-month renewal terms (each, a "Renewal Call Center Term"), unless (1) this Addendum and/or the Franchise Agreement has/have been terminated by its/their respective terms, or (2) Franchisee provides Franchisor written notice at least sixty (60) days prior to the expiration of the then-current term of this Addendum of Franchisee's decision not to renew this Addendum. In this Addendum, the Initial Call Center Term and any and all Renewal Call Center Terms will be collectively referred to as the "Call Center Term."

B. Call Center Services.

During the Call Center Term, Franchisor will, in its sole discretion and only at the times and with the frequencies as Franchisor deems appropriate, (1) direct calls that Franchisor has received relating to potential claims and repair service estimates to Franchisee if Franchisee operates the Applicable Facility, (2) contact potential customers of the Facility who have made a claim reported in the Facility's CCCOne Innovate Management System ("CCC") to assist in scheduling estimates and repairs, and (3) contact applicable customers of Franchisee to confirm scheduling with respect to non-drivable vehicles as reported in CCC.

C. Call Center Fee.

Franchisee will pay Franchisor a fee (the "Call Center Fee") equal to [_] percent (____%) of Gross Sales during any period in which Franchisee participates in the Call Center Program. Franchisor may increase the amount of the Call Center Fee at any time during the Call Center Term by providing Franchisee thirty (30) days' prior written notice. Franchisor will invoice Franchisee for the Call Center Fees on a periodic (as determined by Franchisor) basis. Unless otherwise stated in the applicable invoice, payment of the Call Center Fees will be made in the same manner and with the same frequency as payment of the Monthly Franchise Fee (*i.e.*, on or before the Payment Day).

D. Trial Period.

Notwithstanding anything to the contrary in this Addendum, Franchisor will waive the Call Center Fee for any period prior to the first day of [Month] [Year] (the "Cutoff Date").

E. Termination by Franchisee.

Franchisee may terminate this Addendum and Franchisee's participation in the Call Center Program by providing written notice to Franchisor: (1) within seven (7) days of Franchisor's providing Franchisee written notice of an increase in the Call Center Fee pursuant to Section 1.C., with such termination to be deemed effective thirty (30) days after Franchisor's notice of the increase in the Call Center Fee to Franchisee; or (2) prior to the Cutoff Date, with such termination to be deemed effective on the Cutoff Date.

F. Termination by Franchisor.

Franchisor may, at will and without penalty, terminate this Addendum and Franchisee's participation in the Call Center Program: (1) without cause by providing Franchisee seven (7) days' prior written notice, or (2) immediately by providing Franchisee written notice, with no opportunity to cure, if Franchisee is then in default under the Franchise Agreement.

2. MISCELLANEOUS

This Addendum will be deemed a supplement to, and form part of, the Franchise Agreement. This Addendum will be binding upon and inure to the benefit of the executors, administrators, heirs, beneficiaries, assigns and successors in interest of each of the Parties. This Addendum may not be modified except by a written agreement signed by the Parties. This Addendum embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to the subject matter hereof. To the extent the terms of the Franchise Agreement and this Addendum conflict, the terms of this Addendum will control. This Addendum may be executed in one or more counterparts (which may be delivered electronically), each counterpart to be considered an original portion of this Addendum.

IN WITNESS WHEREOF, the Parties have executed, sealed and delivered this Addendum as of the Addendum Effective Date.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name:_____	Print Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

Attest: _____

EXHIBIT I
TO THE FRANCHISE AGREEMENT

FRANCHISEE OWNERSHIP INFORMATION
(as applicable)

1. Franchisee's Entity Type (e.g., corporation, limited liability company, general or limited partnership): _____

2. Franchisee's State/Commonwealth of Formation/Organization/Incorporation: _____

_____

3. Franchisee's Date of Formation/Organization/Incorporation: _____

4. Franchisee's ownership structure is as follows:

Owner	Ownership Interest
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____

5. Franchisee's officers and principal executives are as follows:

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

FRANCHISOR:

CARSTAR FRANCHISOR SPV LLC

Signature: _____

Print Name: _____

Title:_____

Date: _____

FRANCHISEE:

NAME

Signature: _____

Print Name: _____

Title: _____

Date: _____

Attest: _____

EXHIBIT E

NEW DEVELOPMENT ADDENDUM TO THE FRANCHISE AGREEMENT

CARSTAR FRANCHISOR SPV LLC

NEW DEVELOPMENT ADDENDUM TO THE FRANCHISE AGREEMENT

THIS NEW DEVELOPMENT ADDENDUM TO THE FRANCHISE AGREEMENT (this "Addendum") is made and entered into this _____ day of _____ 20___, by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and _____, a _____ _____ corporation (or limited partnership or limited liability company) or _____, an individual, having a principal place of business at _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have simultaneously herewith entered into a certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement") whereby Franchisee is granted a Franchise to operate a CARSTAR Facility (the "Facility") identified by the Licensed Marks and to utilize Franchisor's System in connection therewith (all initial capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Franchise Agreement);

WHEREAS, Franchisee presently does not own and operate an existing automobile collision repair facility; and

WHEREAS, Franchisee desires to establish and operate a CARSTAR Facility at a location to be purchased or leased by Franchisee and operated under the System and Licensed Marks pursuant to the terms and conditions of the Franchise Agreement and this Addendum.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and, intending to be legally bound hereby, the parties agree as follows:

1. INCORPORATION OF TERMS OF FRANCHISE AGREEMENT

A. This Addendum shall amend and supplement the Franchise Agreement simultaneously executed by the parties. The terms, covenants and conditions of this Addendum are incorporated into the Franchise Agreement, and with respect to any conflict between the Franchise Agreement and this Addendum, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

B. Except as expressly set forth in this Addendum, the rights, duties and obligations of the parties with respect to the Facility shall be the same as the rights, duties and obligations of the parties with respect to the Facility described in the Franchise Agreement.

2. LOCATION AND TERRITORIAL RIGHTS

A. Section 1.B. of the Franchise Agreement is deleted and replaced with the following:

B. Facility Location.

Franchisee shall propose a location for its Facility within two hundred seventy (270) days after the Effective Date (defined in Section 2.A.). Franchisee's proposed location must conform to Franchisor's site selection guidelines and requirements and is subject to Franchisor's approval. Franchisee agrees to submit to Franchisor all information about the proposed location that Franchisor requests, including a complete

site analysis report. Franchisor has no obligation to consider a proposed location until Franchisor receives all requested information. Franchisee agrees not to execute any lease or purchase agreement for, nor commit to any other binding obligation to purchase, occupy or improve, any proposed location until Franchisor has approved the location in accordance with its standard procedures. In approving or disapproving any proposed location, Franchisor will consider the factors it deems relevant, including general location, neighborhood and the distance to any other CARSTAR Facility. Franchisor will have no liability whatsoever to Franchisee or anyone else for disapproving a proposed location. Upon approval of a proposed location, the location will be identified in Exhibit A, and Exhibit A will be signed by both parties and attached to this Agreement. Once Exhibit A has been completed and signed, the location identified in Exhibit A will be deemed the "Location."

If the parties are unable to mutually agree on a location for the Facility within two hundred seventy (270) days after the Effective Date, Franchisor may terminate this Agreement, effective upon notice to Franchisee.

Neither Franchisor's site selection guidelines and requirements, Franchisor's approval of the Location, nor any information Franchisor may impart to Franchisee about the Location, constitutes a warranty or representation of any kind, express or implied, that the Facility will be profitable or successful. Franchisor's approval of the Location merely signifies that Franchisor authorizes Franchisee to operate a CARSTAR Facility at the Location. Franchisee is solely responsible for the selection of an appropriate location for the Facility.

3. PURCHASE OR LEASE OF PREMISES

A. The following is added as a new Section 6.P. of the Franchise Agreement:

P. Purchase or Lease of Premises.

Franchisee shall lease, sublease or purchase the premises to be used as the Location within one (1) year after the Effective Date. Franchisor has the right to approve the terms of any lease, sublease or purchase contract for the Location, which approval will not be unreasonably withheld. Franchisee agrees to deliver a copy of such lease, sublease or purchase contract to Franchisor for approval before Franchisee signs such documents. Franchisee agrees that any lease or sublease for the Location shall, in form and substance satisfactory to Franchisor: (a) provide for notice to Franchisor of Franchisee's default under the lease or sublease and an opportunity for Franchisor to cure such default; (b) require the lessor or sublessor to disclose to Franchisor, upon Franchisor's request, sales and other information furnished by Franchisee to sublessor or lessor; (c) give Franchisor the right upon any termination or expiration of this Agreement to assume the lease or sublease or to enter into a further sublease for a period of not less than twelve (12) months and not more than eighteen (18) months (the "Interim Sublease"), without the lessor's or sublessor's consent; (d) give Franchisor the right to enter the Location to make any modifications to the Facility to protect Franchisor's rights to the Licensed Marks; (e) provide that the lessor and/or sublessor relinquish to Franchisor, on any such termination or expiration of this Agreement, any lien or other ownership interest, whether by operation of law or otherwise, in and to any tangible

property that embodies any of the Licensed Marks; (f) give Franchisor the right to assign the lease or sublease to a successor CARSTAR franchisee, in which event the Interim Sublease (if any) shall terminate and be of no further force or effect; and (g) include an acknowledgment by the lessor and/or sublessor that Franchisor have no liability or obligation whatsoever under the lease or sublease until and unless we assume the lease or sublease on termination or expiration of this Agreement or enter into the Interim Sublease.

Franchisee may not execute a lease, sublease or purchase contract for the Location or any modification, amendment or assignment thereof before Franchisor has approved it. Franchisor's approval of the lease, sublease or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to your ability to comply with its terms. Franchisor does not, by virtue of approving the lease, sublease or purchase contact, assume any liability or responsibility to Franchisee or to any third parties. Franchisee agrees to deliver a copy of the fully signed lease, sublease or purchase contract to Franchisor within five (5) days after its execution.

If for any reason Franchisee fails to lease or purchase the premises to be used in the operation of the Facility within one (1) year after the Effective Date, this Agreement shall automatically terminate without notice, and Franchisee shall not be entitled to any refund of its Initial Franchise Fee.

Notwithstanding the foregoing, provided that Franchisee is actively looking (as determined by Franchisor in its sole discretion) to lease or purchase the premises to be used in the operation of the Facility, Franchisee may submit to Franchisor a written request to extend the deadline to secure such premises, along with any information required by Franchisor, and Franchisor may, in its sole discretion, extend such deadline.

4. INAPPLICABLE PROVISIONS IN THE FRANCHISE AGREEMENT

A. The first sentence of Section 6.C. of the Franchise Agreement is deleted in its entirety.

B. The second sentence of Section 6.E. of the Franchise Agreement is deleted in its entirety.

C. The first sentence of Section 11.A. of the Franchise Agreement is deleted in its entirety.

5. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS OF FRANCHISEE

A. Section 17(4) through Section 17(9) of the Franchise Agreement are deleted in their entirety.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Addendum as of the date recited in the first paragraph.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name:_____	Print Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

Attest: _____

EXHIBIT F

BYLAWS OF *(DMA*)* CARSTAR BUSINESS GROUP

BYLAWS OF (DMA) CARSTAR BUSINESS GROUP

Article 1 – Name and Operations:

The Name of this organization is *(DMA*)* CARSTAR Business Group and is Incorporated as a corporation that elects to be treated as a Cooperative for tax purposes through the restrictions imposed in these bylaws and its other governing documents (Chapter 3). The operations and activities of this organization will be consistent with the Code of Ethics of CARSTAR Franchise Systems, Inc. (CARSTAR), the *CARSTARU SOP,* and the *CARSTAR Business Group Manual.* Nothing in these bylaws will be contrary to the provisions of each store's CARSTAR Franchise Agreement.

A Designated Market Area or a **DMA** is a geographic area that represents specific television markets as **defined** by and updated annually by the **Nielsen** Company.

Article 2 – Purposes and Objectives *(see Chapter 2)*:

The purpose of the Business Group is to:

- Promote quality auto body repair service to consumers and insurers;
- Share the duties and benefits of collective training and marketing programs;
- Leverage our scale to take advantage of purchasing products/services;
- Uphold the CARSTAR Operating System standards; and
- Stimulate cooperation among the members of the Business Group in meeting the Business Group objectives.

The objectives of the Business Group include:

- To build recognition and awareness of the CARSTAR Brand;
- To build a cohesive group of businesses with an image of excellence;
- To maintain consistent marketing efforts throughout the coverage area;
- To use the Business Group's merged dollars to achieve more than a single store can do by itself;
- To support the development of business for individual stores;
- To attract additional and more profitable jobs to CARSTAR stores from the local market and the insurance community;
- To strengthen purchasing abilities;
- To provide education and training opportunities that benefit stores; and
- To assist CARSTAR in growing store count(s) within the Business Group market area.

Article 3 – Membership *(see Chapter 2):*

Section 1-Eligibility

No auto body repair facility may become a member of, or participate in, this organization unless such facility first becomes a franchisee of CARSTAR. A Business Group must contain at least two stores. CARSTAR will inform franchisees in a Market Area when they are required to form a Business Group.

- All stores owners (or their proxy) must participate in the Business Group by attending all meetings, welcoming new members, and participating on committees;
- The Business Group must follow the Bylaws;
- All stores must pay the fees the Business Group decides on in accordance with each CARSTAR store Franchise Agreement and the Bylaws; and
- CARSTAR will provide assistance to the Business Group regarding local advertising and marketing. There may be a fee to the Business Group by the advertising agency for the advertising placement or creative expense in connection with local advertising and promotion.

Section 2- Associate

- If a store is outside the specified DMA, they could request to become an Associate Member of the Business Group. The Associate Member would be required to pay their proportionate Business Group fee for any initiatives that would cover their store. All other initiatives would be optional participation by the Associate Member. Associate Members have full voting rights on all issues that affect their store. Associate Members are required to attend all Business Group meetings. They also have all benefits and responsibilities as a regular member of a Business Group (Appendix H).

Memberships in this organization are non-transferable.

Termination of any member's CARSTAR Franchise Agreement for any reason, will automatically terminate the member's participation in this organization, but will not relieve the member of any existing financial obligations, i.e. s, media commitments, or entitle him/her to any refund of fees or assessments previously paid. Upon a two-thirds vote of the entire Membership of this organization, any store's membership in this organization may be terminated for cause which is defined as a substantial breach of member's obligations, loss of business, acts of moral turpitude or the conviction of a felony.

Article 4. Assessments, Collections, and Terminations *(see Chapter 4):*

Assessments. CARSTAR does not mandate that a Business Group fee shall be assessed. Both the Franchise Agreement and the Bylaws provide that the Business Group will decide on the amount and frequency of regular fees and special assessments. However, the Franchise Agreement does provide that the Business Group fees cannot exceed 2% of a store's gross sales in any month. Fee assessments shall be voted on at the annual meeting in October or November and shall be effective for the following calendar year.

All fees must be decided by 2/3 (66%) majority vote. The financial situation of each member can be given consideration by the business group. The Business Group fee assessment may allow for a stair-stepped fee based on Gross Sales or a flat fee.

If this Business Group is designated as a Level II Business Group and pays a Business Group fee, that amount is credited toward a franchisee's requirement to spend a minimum of 2% of Gross Sales per year on local marketing. Rebates each CARSTAR Facility receives from vendors based on performance (which could include participation in a vendor's program) and/or sales, which the CARSTAR Facility then contributes to the Business Group, is counted toward the 2% requirement. Sponsorship funds that the Business Group receives do not count toward any CARSTAR Facility's 2% requirement. Failure to pay the Business Group Fees can be grounds for termination of the franchise by CARSTAR. **Only CARSTAR Corporate has the ability to terminate a franchise agreement.**

All members in Level II Business Groups agree to pay, within ten (10) days of receipt of invoice, to the Treasurer of this organization all monthly fees and assessments as are properly voted on by the members. The business group manual will be the basis of all assessments and fees enforced as voted on by the group. Any member out of compliance in any category will be ineligible to vote until compliant.

A new CARSTAR store is not obligated to pay any monthly assessments to the Business Group until the beginning date for the payment of their national marketing fee to CARSTAR Corporate. If a new store wished to participate and vote in the business group prior to the beginning date of the national marketing fund, they may do so by paying any regular monthly fees or assessments continuing from the date of the first payment.

All fees and assessments paid to the organization are non-refundable.

The Business Group is required to prepare and fil out Form 1120 federal tax return each year (see Chapter 3). A copy of the tax return must be provided to CARSTAR by May 1 each year.

The above does not constitute tax advice to any Business Group or its members by CARSTAR. Each Business Group and its members should consult with its own local tax advisors regarding these issues.

Collections. Collection of Fees are the sole responsibility of the Business Group. Any expenses associated with the collection of delinquent fees will be charged to the delinquent store. If the business group signs a cooperation agreement, CARSTAR will aid and use reasonable efforts to collect delinquent fees but does not guarantee collection of such amounts.

You may want to follow the procedures outlined in the Cooperation Agreement mentioned above. Sample letters for use by the Business Group to collect fees from members whose fees are 30, 60, or 90 days delinquent are provided at Appendix R of the Business Group Manual.

Termination of Membership in Organization by CARSTAR.

Termination of any member's CASTAR Franchise Agreement for any reason, will automatically terminate the member's participation in their Business Group Organization, but will not relieve the member of any existing financial obligations, i.e. Yellow Pages, media commitments, or entitle him/her to any refund offers or assessments previously paid.

Suspension of Membership in Organization by Business Group.

Non-Payment of Assessments/fees (Not in Good Standing)

Any store that becomes thirty (30) or more days delinquent in its assessments or fees to the Business Group will be suspended from the Group and ineligible to vote. The store will be able to attend any organization meetings but will be unable to vote or participate in any activities and marketing functions until the account has been brought current or upon 2/3 (66%) vote of the majority of the stores in good standing which elect to allow such store to participate because payment arrangements have been agreed upon.

Article 5. Officers (see *Chapter 5)*

The members of the Business Group will elect officers at the annual meeting held each October who will carry out the wishes of the members. It is recommended, and is a good business practice, that each position be held by a different person. In smaller Business Groups, the Chair and Treasurer can be held by one person and the Vice Chair and Secretary can be held by one person.

The members of the Business Group can remove any officer from office by 2/3 (66%) majority vote. If an individual is removed as a Director, such individual will no longer serve as an Officer or in any other capacity on behalf of the Business Group. Reasons for removal include but are not limited to: neglect, refusal to perform duties, misconduct or 90 days delinquent in fees. The Business Group should notify the Director in question at least 30 days before the meeting at which the vote will occur. The Vice-Chair should assume a removed Chair's position. The Business Group can vote for a replacement at the same meeting. All vacancies must be filled by a vote of the members according to the nomination and election process set forth above.

Term of Office

Each Officer will hold the position for one year beginning January 1. An Officer can only hold any one office for two consecutive years. A term greater than two years can occur with the consent of the officer, 2/3 (66%) majority vote of the Business Group, and written approval from CARSTAR.

Eligibility

An effective Officer must know both the CARSTAR system and the auto body repair business very well. Thus, the Business Group Officers should be store owners in good standing with a minimum of one year of CARSTAR franchise experience. If possible, the Chair should have served the year before as Vice-Chair.

In certain situations, such as an absentee owner it may be necessary to allow a manager or employee from the store to represent the owner at meetings. This individual may also be eligible for an Officer's position. The individual representing the store must have the authority granted by the store owner in writing that they can commit the store to obligations. These exceptions will be reviewed and approved by the Business Group Chair and CARSTAR as they occur. If a Business Group wants to elect a CARSTAR store employee representing the store owner in the Business Group for a Secretary or Treasurer Position only, this will be reviewed and approved by CARSTAR on a case-by-case basis. This is also applicable to employees of CARSTAR company-owned stores.

Responsibilities and Authority

Officers must take their duties seriously. They will be responsible for the Business Group's money, time, productivity, and for compliance with Federal and State laws and regulations as they pertain to the operation of the Business Group. The following four positions constitute the Executive Committee of the Business Group:

Chair

The Chair will also serve as the chief executive officer of the Business Group and should:

- Preside at all meetings;
- Schedule meetings and develop meeting agendas in cooperation with the AMO and marketing zone leader;
- Coordinate the Business Group's meetings, activities and progress with CARSTAR Corporate;
- Appoint committees;
- Attend the Business Group Chair Introductory Session before assuming their duties; and
- Attend the CARSTAR Annual Conference

Vice-Chair

The Vice-Chair should:

- Assume the Chair's powers at board meetings if the Chair cannot preside at such meetings;
- Coordinate the reporting on all committee activities; and
- Support and assist the Chair.

Secretary

The Secretary should:

- Keep the minutes of all meetings in the Business Group Minute Book;
- Submit copies of meeting minutes to the Business Group members, Operations Coordinator and Area Director of Operations within five business days after the date of the meeting.
- Maintain charge of any books, records, and papers relating to operation of the Business Group;
- Serve as the Business Group Parliamentarian (makes sure the rules are followed); and
- If the Business Group is Level II and is organized as a cooperative, file annual reports as required by the state(s) in which the entity is qualified to do business.

Treasurer

The treasurer will coordinate the collection of fees if the Business Group enters into the Cooperation Agreement (Appendix Q) and payment of bills.

- Receive and give receipts for all money owed to the Business Group;

- Set up and deposit money in special account(s) in the name of the Business Group;
- Pay the Business Group's debts when due;
- Maintain monthly financial records;
- Provide copies of the Business Group's financial records (P&L and Balance Sheet) to CARSTAR Corporate, the AMO, marketing zone leader and each member at each required meeting;
- File federal required Form 1120 tax return; and
- File, if applicable, the state required tax return.
- Develop and maintain a budget, with input from the Officers, for the Business Group to approve; and
- Keep confidential all gross sales information for individual stores.

Each Officer should pay his or her own expenses to attend the Business Group's regular or special meetings, as do all members, unless other arrangements have been agreed upon by the Business Group. However, if the Officers incur other expenses in performing their duties, your Business Group may want to provide special allowances.

Some issues the Chair and other Officers should keep in mind include:

- Having a defined and printed Agenda (see Appendix E of the Business Group Manual);
- Starting the meeting on time;
- Staying on the agenda;
- Taking accurate minutes of the meeting by the Secretary;
- Getting agreement from the members as to what will be accomplished at the meeting;
- Defining the specific issues to be addressed;
- Generating solutions;
- Moving the group to a consensus;
- Confirming what was agreed to by the group;
- Agreeing on action steps;
- Assigning responsibility and deadlines for completing the tasks;
- Critiquing the meeting; and
- Announcing the next meeting date, time and location.

Article 6. Meetings *(see Chapter 6)*

The Business Group must hold regularly scheduled meetings. The purposes of regular meetings include:

- To plan the store's combined marketing and advertising activities;
- To hold discussions and votes that allow the Officers to take action;

- To have the Officers report on the Business Group's operation and management;
- To have committees report information and progress;
- To present educational information that will benefit the members;
- To strengthen the members' commitments to the Business Group and the CARSTAR system and standards;
- To provide opportunities for the Business Group to meet and hold discussions with guests, such as insurance representatives, vendors, and national corporate staff;
- To review new information and developments from CARSTAR corporate; and
- To build members' enthusiasm.

Planning and Holding a Meeting

The Chair's responsibility is to ensure the following occur:

- Schedule regular meetings on the same day and time that all members will know to anticipate. You can also schedule "special meetings" by giving the member's five business day's written notice of the purpose of the meeting;
- Create and maintain a contact list within the Business Group with one contact per location for ease of communication inclusive of the AMO and marketing Zone leader. The store contact should be an owner in good standing or someone with the decision-making authority (example: General Manager) from the owner;
- Send a list of all officers to CARSTAR Corporate annually.
- Prepare an agenda for the meeting (see Appendix E of the Business Group Manual for this agenda);
- Send the agenda to the members your Operations Representative, and marketing zone leader at least five business days before the meeting;
- Conduct the meeting according to parliamentary rules of order (Appendix N) CARSTAR will review them with the Chair and Secretary;
- Know what these Bylaws require;
- Fill out their respective fee structure and have each business group member sign based on payment;
- Complete the "Business Group Meeting Checklist" (see Appendix N of the Business Group Manual) to ensure that you plan and conduct the meeting efficiently;
- Publish minutes from each meeting and send to the Business Group list no more than five business days after the actual meeting;
- The Business Group will be responsible for signing a cooperation agreement if they would like support from corporate for aiding in collections when a store is delinquent on their funds.

The Secretary must take minutes at the meetings and record the results of all votes. The Secretary must retain copies of the minutes for the Business Group AND should send a copy after each meeting to the AMO and marketing zone leader.

Attendance: The members of each Business Group are required to attend – in person or electronically (Skype, LIVE Meeting, Webinar, via phone call in- 100% of all regularly scheduled and special meetings or have a proxy present. If a member cannot attend, they must inform the Chair and/or Vice Chair in writing at least one business day prior to the regularly scheduled meeting. Last minute cancellations must be communicated via email and/or phone. Failure to attend, notify, or have a proxy present will result in loss of voting rights and loss of "member in good standing" status for the next meeting.

Quorums: In order for voting on assessments to be valid at least 2/3 (66%) of the Business Group's members (or their proxy) in good standing and eligible to vote must be present at a meeting. Voting on general business requires the presence of 2/3 (66%) of the members (or proxy) in good standing and eligible to vote. The CARSTAR Corporate Representative can table a motion until further review by an appropriate party. If a quorum is not present at a meeting, the Business Group can adjourn to a meeting at least 48 hours later. At least 2/3 (66%) of the members in good standing must be present or this will not constitute an actual Business Group meeting. If a CARSTAR Corporate Representative cannot attend in person, he or she must attend electronically.

Proxy: A member can appoint a nominee to represent him or her at a specific regular meeting (see Appendix L for a sample of a Temporary Proxy Statement), except that this proxy may be used at only 25% of the regular meetings and it cannot be used at two meetings in a row, or to represent him or her at any regular meeting which is attended by the proxy holder instead of the member (see Appendix L for a sample of a Standing Proxy Statement). The standing proxy must be updated annually. The nominee can be from the member's own or another store. The designated nominee must attend the meeting in order to vote. The member must notify the Business Group's Secretary of the proxy in writing before the meeting either by submitting the Appendix L form, or by submitting an email containing substantially the same language as Appendix L which can be printed, to the Business Group's Secretary before the meeting. The member is responsible for making the nominee aware of how to conduct themselves at a meeting and how the nominee should vote on each issue.

Voting: Each single store member in good standing (Member defined as: owner or representative by proxy) at the time the member begins paying Business Group fees. In order for a vote on an assessment or general business issue to pass, a 2/3 (66%) majority of those in good standing must vote in favor of the issue.

Place of Meetings: The meetings will be held at a convenient location for members as designated/voted upon either by the members, by the Chair, or by the Executive Committee and will be announced in the meeting notice at least 28 days in advance. Electronic meetings such as Conference Calls, Webinar, Skype, LIVE meeting, etc. are an accepted form of a meeting.

Annual Meeting

Each Business Group should hold an annual meeting in the fourth quarter but no later than October. A notice should be sent to all members in the third quarter but no later than September of the upcoming annual meeting. The annual meeting can be held as part of that month's regularly scheduled meeting. However, the Business Group should pay special attention to the following matters in addition to general business:

- Election of Officers for the coming calendar year (See Chapter 5);
- Discussion of the coming year's marketing plan;
- Discussion of the coming year's budget; and
- Marketing Plan and Budget must be approved by corporate by November 15th to be implemented January 1st.

The agenda for the fourth quarter or October's meeting should list these crucial matters so that members will be aware of them and know what action is required on each.

Chair Orientation

The newly elected Business Group Chair will be required to attend a Chair Orientation Session to be hosted by CARSTAR Corporate. This electronic meeting will occur at a specified date between the annual meetings and January 1.

Article 7. Committees *(see Chapter 5)*

The Business Group may want to have a committee explore special issues or proposed projects before the Business Group votes. Standing committees must consist of two or more Business Group voting members and must provide the necessary focus and make recommendations to the Business Group. Business Groups are required to follow the structure outlined in Chapter 3 of the Business Group Manual specific to Level I and Level II Business Groups.

The Chair will appoint committees and a committee chair to handle these special issues:

Marketing: This committee will develop and execute the Business Group Marketing Plan that will benefit the members and are consistent with the approved budgets and the national CARSTAR Marketing Plan. It will ensure all advertising and marketing to the public and trade is done according to the CARSTAR Franchise Agreement and existing law (e.g. to obtain prior approval from CARSTAR before use of the name or trademarks). Another duty is tracking and measuring results of programs. This Committee should work with the CARSTAR National Marketing Department. The Marketing Committee or the designated marketing liaison will manage a Business Group Marketing Manager(s) should one exist. Only CARSTAR corporate may sign any marketing contracts, commitments and must get all media plans approved by the CARSTAR corporate marketing department.

Insurance: The CARSTAR Insurance Department and this committee will develop leads and contacts in the insurance community. Together, they can plan insurance agents' lunches or other programs to educate insurers on the benefits of working with CARSTAR stores. This will typically be coordinated by owners or the Marketing Manager, should one exist within the Business Group.

Purchasing: The Purchasing Committee works with CARSTAR Corporate Purchasing staff to identify and develop purchasing programs to benefit the Business Group. The committee should invite vendors to present to the Business Group and give monthly purchasing reports to Business Group members. Whether or not your Business Group has a Purchasing Committee, all information needed from each member to evaluate purchasing opportunities will be collected by CARSTAR Corporate, de-identified as required, then provided to the Business Group in such manner as required to avoid violation of anti-trust laws (See Appendix C of the Business Group Manual).

Franchise Development: The addition to the CARSTAR system of other stores with reputations for excellence will benefit each existing store. Thus, this committee should work with the CARSTAR Franchise Development Department and the Director of Network Development assigned to their area to identify potential new franchises.

Ad Hoc: From time to time there may be projects or initiatives that would require a committee to be formed to have further exploration. In those instances, the Chair can appoint a special committee to consider special issues and make recommendations to the Business Group. These issues should be of concern to at least 2/3 (66%) of the members.

Miscellaneous: Other possible committees include but are not limited to the following: Safety/Environmental, Training, Benefits, etc.

Some sample guidelines for the insurance and marketing committees are set out in Appendix M of the Business Group Manual. Use them to design your own guidelines for your committees. The committee chair(s) should report to your Business Group at regularly-scheduled or special meetings.

Special Projects/Employees

Should the Business Group determine a need for a professional to be hired for a special project or specific responsibility, it may do so with a 2/3 (66%) majority vote. A CARSTAR Corporate Representative must be present in person or electronically.

Article 8. Contracts, Loans, and Checks *(see Chapter 5)*

The authority of the Business Group and the Officers is limited as follows:

- The Business Group may present contracts to the CARSTAR corporate marketing team after it has passed the 2/3 (66%) majority vote. Then only CARSTAR corporate marketing may sign any contracts, commitments and media buys.
- The Business Group cannot borrow funds or operate on any loans; and
- It is strongly recommended that checks on the Business Group's accounts require two individual signatures, the Treasurer and one other Officer or that the Treasurer is bonded.

Article 9. Fiscal Year

The fiscal year of this organization will begin on the first day of January every year, except that the first fiscal year will begin on the date of the first regular meeting of the organization.

Article 10. Patrons, Net Proceeds and Patronage Dividends

Each person or entity that pays fees to the Business Group is considered a "patron." In order to induce payment of fees and patronage of the Business Group, the Business Group will account to all of its members on a patronage basis. In each fiscal year, the "Net Proceeds" of the Business Group shall equal (1) the sum of all proceeds from all fees paid by all patrons plus any other sums received by the Business Group from any patrons, minus (2) the sum of all costs and expenses and other charges which are lawfully deductible from the Business Group's federal taxable income. All of the Net Proceeds shall belong to and be held by the Business Group for the benefit of its patrons and shall be apportioned between them on the basis of their respective patronage and shall be declared and paid as a patronage dividend to each patron no more than eight and one-half months after the close of each fiscal year. The books and records of the Business Group shall be set up and kept in such a manner that at the end of each fiscal year the Net Proceeds apportioned to each patron can be clearly tracked to such patron. All patronage dividends shall have the same status as though they had been paid to the patron in cash pursuant to a legal obligation to do so.

Article 11. Amendments

These Bylaws may be amended by CARSTAR upon 30 days written notice to the organization and the revisions will be consistent with the Standard Operating Procedures of all CARSTAR Business Groups.

EXHIBIT G

LIST OF CURRENT FRANCHISEES

As of December 30, 2023, 455 CARSTAR Facilities were in existence and operational in the United States under a Franchise Agreement. Their names, addresses and telephone numbers are listed below:

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15667	Daniel Serna & Jose Alejandro Serna	CARSTAR of Bessemer	4200 Bessemer Super Highway	Bessemer	AL	35020	205-605-7694
15631	Joseph Chase Marchese	CARSTAR Patriot Auto Body Conway	1570 E. Oak Street	Conway	AR	72032	501-329-9039
15413	Craig Griffin & Lane Griffin	CARSTAR Laneys Collision Center El Dorado	916 East Hillsboro	El Dorado	AR	71730	870-863-7112
15552	Joseph Chase Marchese	CARSTAR Patriot Auto Body	101 Cones Road	Hot Springs	AR	71901	501-625-3030
15553	Joseph Chase Marchese	CARSTAR Patriot Auto Body Albert Pike	1700 Albert Pike Road	Hot Springs	AR	71913	501-651-1951
15632	Joseph Chase Marchese	CARSTAR Patriot Auto Body Little Rock	5220 South University Avenue	Little Rock	AR	72209	501-246-5655
15666	Joseph Chase Marchese	CARSTAR Patriot Auto Body Maumelle	8019 Counts Massie Road	North Little Rock	AR	72113	501-520-9005
15537	Lindsey Smart	CARSTAR Arkansas Collision Center of Springdale	752 W. Randall Wobbe Lane	Springdale	AR	72764	479-750-4222
15527	Jose Serna	CARSTAR West Valley Collision Center	1426 N. Eliseo C. Felix Jr. Way	Avondale	AZ	85323	559-289-3831
15173	Brent Ekwall & Matt Mullis	Blackhills CARSTAR Autobody	951 W. Black Hills Drive	Cottonwood	AZ	86326	928-634-3301
15329	John Condon & Catherine Condon	CARSTAR East Valley Collision	50 W. Broadway Road	Mesa	AZ	85210	480-969-3553
15712	Jose Alejandro Serna & Daniel Serna	CARSTAR of Westgate – satellite	8550 N. 91st Avenue, Suite 33	Peoria	AZ	85345	602-698-7008
15122	Dana Moore	Liberty Goodwrench CARSTAR Auto Body Repair Experts	17311 N. 91st Avenue	Peoria	AZ	85352	623-876-4444
15440	Addison Gamo	CARSTAR Automotive Collision Services	1700 E. Robin Lane	Phoenix	AZ	85024	480-699-9400
15168	Michael Lasierin	Michael's Collision CARSTAR	11044 N. Cave Creek Road	Phoenix	AZ	85020	602-371-1700
15105	Marci Sanders	ABC CARSTAR Body & Frame	710 N. 6th Street	Prescott Valley	AZ	86301	928-445-7900
15311	Melissa Carlson	Quality Collision CARSTAR	8000 Long Mesa Drive	Prescott Valley	AZ	86314	928-772-6340
15377	Brian Ekwall & Matt Mullis	CARSTAR of Sedona	2275 Shelby Drive	Sedona	AZ	86336	928-282-3900

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15339	Wendy Look & Montgomery Look	CARSTAR T&S Body Works	7135 S. Harl Avenue	Tempe	AZ	85283	480-491-9100
15333	Rajani Bansal & Sandeep Shah	CARSTAR Right Choice Collision	1601 East 22nd Street	Tucson	AZ	85713	480-330-9090
15106	Eric Grossman	Eric's Auto Center CARSTAR-South	1330 S. Alvernon Way	Tucson	AZ	85711	520-325-1233
15107	Patrick Loop & Yvonne Loop	Von's CARSTAR	2851 N. 1st Avenue	Tucson	AZ	85719	520-798-1799
15463	Ryan Hancock	CARSTAR Bill Alexander Ford	801 E. 32nd Street	Yuma	AZ	85365	928-344-2200
15448	Ruchi Pal	CARSTAR EMW Auto Body	618 San Pablo Avenue	Albany	CA	94706	510-526-2286
15210	Joel Cuevas, Jorge Cuevas & JoAnne Cuevas	Kramer CARSTAR Collision Center	2841 E. La Palma Avenue	Anaheim	CA	92806	714-630-8363
15526	Mike Banjarjyan & Anna Koshkaryan	CARSTAR Bell Auto Collision Center	6400 Clara Street	Bell Gardens	CA	90201	562-927-2355
15398	Michael Chilton	CARSTAR Chilton Auto Body Burlingame North	1221 Rollins Road	Burlingame	CA	94010	650-696-9200
15399	Michael Chilton	CARSTAR Chilton Auto Body Burlingame South	925 Bayswater Avenue	Burlingame	CA	94010	650-342-8719
15594	Gary Reichenbach	CARSTAR Camarillo Auto Body	695 Via Alondra	Camarillo	CA	93012	805-987-6007
15595	Gary Reichenbach	CARSTAR SoCal Auto Body	511 Dawson Drive	Camarillo	CA	93012	805-482-8300
15658	Miguel Espana	CARSTAR Campbell	925 S. McGlincy Lane	Campbell	CA	95008	408-866-8177
15204	Kent Browning	Browning Collision CARSTAR	18827 Studebaker Road	Cerritos	CA	90703	562-924-8316
15636	Chris Serobyan & Andy Seropian	CARSTAR VIP Auto Body	9934 Canoga Avenue	Chatsworth	CA	91311	818-700-1688
15701	Henry Yeritsyan & Artur Yeritsyan	CARSTAR Exhibit Collision Center	5180 G Street	Chino	CA	91710	909-628-0600
15232	Dean Seif	CARSTAR Allstar Collision	522 Railroad Street	Corona	CA	92882	951-279-9161
15428	Steven Morrow & Kristy Morrow	CARSTAR Capitol Collision	10148 Iron Rock Way	Elk Grove	CA	95624	916-686-6661
15390	Steven Kick	CARSTAR Avalon Fontana	15090 Hilton Drive	Fontana	CA	92336	909-452-7578
15691	Jorge Mendoza & Cecil Douglas Tanner	CARSTAR Body Lines Collision	1923 Freedom Boulevard	Freedom	CA	95019	831-786-9270
15704	Arabo Kerikorian &Varag Kerikorian	CARSTAR Glenoaks Collision Center Glendale	4514 San Fernando Road	Glendale	CA	91204	818-504-9113
15453	Alejandro Lira & Eva Mora Gomez-Perez	CARSTAR Hayward Collison Repair	1571 Industrial Parkway W.	Hayward	CA	94544	510-606-1900
15405	Michael Chilton	CARSTAR Chilton Autobody Hayward	25571 Dollar Street	Hayward	CA	94544	510-881-0186

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15366	James Davis & Mary Davis	CARSTAR McLaren Irvine	16191 Construction Circle West	Irvine	CA	92606	949-559-5100
15215	Dennis Truong & Dureen Truong	CARSTAR La Habra Collision & Glass Center	2061 E. Lambert Road	La Habra	CA	90631	562-694-8834
15367	Dureen Truong	CARSTAR Lake Forest	20781 Canada Road	Lake Forest	CA	92630	949-855-0145
15529	Sarkis Zhamkochian	CARSTAR Westside Collision	801 West Avenue K	Lancaster	CA	93534	661-726-7366
15280	Bahman Valagohar	CARSTAR Eddy's Auto Body	1750 Daisy Avenue	Long Beach	CA	90813	562-432-1449
15647	Mark Kim & Rene Reynaga	CARSTAR Car Masters Collision Mid City	3153 W. Pico Boulevard	Los Angeles	CA	90019	213-315-5950
15507	Edwin Khoshabeh	CARSTAR First Choice Auto Body	4368 Fountain Avenue	Los Angeles	CA	90029	323-669-0931
15703	Arabo Kerikorian &Varag Kerikorian	CARSTAR Glenoaks Collision Center Eagle Rock	3287 Verdugo Road	Los Angeles	CA	90065	323-739-9400
15646	Mark Kim & Rene Reynaga	CARSTAR Lucky Body Shop	2501 James M. Wood Boulevard	Los Angeles	CA	90006	213-365-6000
15508	Edwin Khoshabeh	CARSTAR Platinum Collision Center	5168 Fountain Avenue	Los Angeles	CA	90029	323-407-6344
15521	Jim Malamatenios	CARSTAR South Bay Auto Body & Paint	627 University Avenue	Los Gatos	CA	95032	408-354-2407
15362	Miguel Espana	CARSTAR Espana's Milpitas	950 Thompson Street	Milpitas	CA	95035	408-453-9875
15447	Robert Wesenburg	CARSTAR Robert's Collision	234 Ramona Avenue	Monterey	CA	93940	831-915-4357
15486	Sarah Walker	CARSTAR South Bay	2301 National City Boulevard	National City	CA	91950	619-477-2163
15408	Michael Chilton	CARSTAR Chilton Auto Body Berkeley	6426 Shattuck Avenue	Oakland	CA	94609	510-881-0186
15395	Michael Chilton	CARSTAR Chilton Auto Body Oakland	1049 9th Avenue	Oakland	CA	94606	510-836-2190
15404	William Harris & Joe Banh	CARSTAR Orange Center	670 N. Batavia	Orange	CA	92868	717-744-4961
15430	Armen Daghla & Kevin Daghla	CARSTAR Douglas Auto Body & Paint	2453 E. Colorado	Pasadena	CA	91107	626-795-7577
15506	Francis Tiangsing	CARSTAR Russo Auto Body	369 E. 12th Street	Pittsburg	CA	94565	925-427-6300
15400	Michael Chilton	CARSTAR Chilton Auto Body of Pleasanton	4262 Stanley Boulevard	Pleasanton	CA	94566	925-484-2800
15563	Michael Chilton	CARSTAR Chilton Autobody of Pleasanton-Stanley Boulevard	4262 Stanley Boulevard	Pleasanton	CA	94566	925-484-2800
15580	Eddie Shadarevian	CARSTAR Pacific Coast Collision Center	3480 Sunrise Boulevard	Rancho Cordova	CA	95742	916-265-4007
15391	Steven Kick	CARSTAR Avalon Rancho Cucamonga	9435 9th Street	Rancho Cucamonga	CA	91730	909-483-3073
15697	Steven Kick	CARSTAR Avalon Collision Rialto	2479 W. Walnut Avenue	Rialto	CA	92376	909-957-1309
15683	Henry Zhao & Kyle Hao	CARSTAR SCA Collision Center	4745 Hiers Avenue	Riverside	CA	92505	951-281-1188

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15351	Mark Shackleford	CARSTAR West Coast Collision Center	9287 Orco Parkway	Riverside	CA	92509	951-685-9313
15427	Kristy Morrow & Steven Morrow	CARSTAR Capitol Collision Center	5840 South Watt Avenue	Sacramento	CA	95829	916-383-4733
15401	Michael Chilton	CARSTAR Chilton Auto Body San Bruno	1720 El Camino Real	San Bruno	CA	94066	650-589-6000
15402	Michael Chilton	CARSTAR Chilton Auto Body San Carlos	361 Quarry Road	San Carlos	CA	94070	650-591-7700
15500	Victor Sirhan, Nader Ghattas, & Jad Mubayed	CARSTAR Sunset Auto Reconstruction	1270 20th Avenue	San Francisco	CA	94122	415-681-5450
15501	Victor Sirhan, Nader Ghattas, & Jad Mubayed	CARSTAR A&J Auto Body and Towing	5900 Mission Street	San Francisco	CA	94112	415-349-8090
15655	Michael Chilton	CARSTAR Chilton Auto Body Eddy	460 Eddy Street	San Francisco	CA	94109	415-776-7578
15393	Michael Chilton	CARSTAR Chilton Auto Body Nob Hill	1419 Pacific Avenue	San Francisco	CA	94109	415-346-8788
15396	Michael Chilton	CARSTAR Chilton Auto Body SF Wisconsin Street	166 Wisconsin Street	San Francisco	CA	94107	415-861-0921
15656	Michael Chilton	CARSTAR Chilton Auto Body-Industrial	145 Industrial Street	San Francisco	CA	94124	415-426-4760
15649	Mark Kim & Rene Reynaga	CARSTAR Car Masters Collision San Gabriel	516 S. San Gabriel Boulevard	San Gabriel	CA	91776	626-702-4200
15585	Jason Wong	CARSTAR Auto World Collision San Jose	2151 South 10th Street	San Jose	CA	95112	408-627-8111
15234	Miguel Espana	CARSTAR Espana's Collision Repair	470 E. Brokaw Road	San Jose	CA	95112	408-453-9875
15376	Eduardo Carinchi	CARSTAR Excel Auto Collision	32801 Calle Perfecto	San Juan Capistrano	CA	92675	949-489-8720
15406	Michael Chilton	CARSTAR Chilton Autobody-San Leandro	830 Castro Street	San Leandro	CA	94577	510-357-5250
15397	Michael Chilton	CARSTAR Chilton Auto Body San Mateo	401 1st Avenue	San Mateo	CA	94401	650-347-8420
15394	Michael Chilton	CARSTAR Chilton Auto Body San Rafael	36 Front Street	San Rafael	CA	94901	415-456-7969
15619	Facundo Carrillo	CARSTAR Happy's Collision Center Santa Barbara	502 East Haley Street	Santa Barbara	CA	93103	805-730-7724
15403	Michael Chilton	CARSTAR Chilton Auto Body Santa Clara	3242 De La Cruz Boulevard	Santa Clara	CA	95054	408-988-9800
15360	Albert Hernandez	CARSTAR City Motors Collision	516 S. Oakley Avenue	Santa Maria	CA	93458	805-922-8279
15445	Michael Chilton	CARSTAR Chilton Auto Body Santa Rosa	1600 Piner Road	Santa Rosa	CA	95403	707-230-2008
15678	Chad White	CARSTAR City Auto Body	2150 Agate Court	Simi Valley	CA	93065	805-581-1671
15543	Chad White	CARSTAR Simi Valley	2045 Easy Way	Simi Valley	CA	93065	805-732-8167
15418	Dino DiGiulio	CARSTAR Body Best Collision Of Sonoma	19648 8th Street East	Sonoma	CA	95476	707-996-2470

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15363	Jason Wong	CARSTAR Auto World Collision	1100 San Mateo Avenue	South San Francisco	CA	94080	650-250-1800
15419	Dino DiGiulio	CARSTAR Body Best Collision of Suisun	50 Main Street	Suisun	CA	94585	707-422-9757
15648	Mark Kim & Rene Reynaga	CARSTAR Car Masters Collision Van Nuys	7650 Sepulveda Boulevard	Van Nuys	CA	91405	818-475-5950
15620	Facundo Carrillo	CARSTAR Happy's Collision Center Ventura	6401 Ventura Boulevard	Ventura	CA	93003	805-765-4547
15417	Mario Rodriguez	CARSTAR Larry's Auto Body	13542 Telegraph Road	Whittier	CA	90605	562-360-5901
15442	Jeff Yokum	CARSTAR Yokum's Body Shop	1619 S. Main Street	Willits	CA	95490	707-459-1066
15161	Sheila Samuel & Jeff Samuel	Ideal CARSTAR Arvada Auto Body	6005 Sheridan Boulevard	Arvada	CO	80003	303-424-3142
15033	Gary Boesel	CARSTAR Alpine Auto Body	16255 E. 4th Avenue	Aurora	CO	80011	303-366-0714
15130	Keith Federspiel	CARSTAR Supreme Auto Body	5959 Quebec Street	Commerce City	CO	80022	303-288-0705
15133	Jeremy Robideau	CARSTAR West Auto Body	8450 E. Colfax	Denver	CO	80220	303-388-1619
15145	Gary Boesel	CARSTAR Jordan Road Collision	15324 E. Hinsdale Drive	Englewood	CO	80112	303-690-1769
15141	Doug Kaltenberger	CARSTAR Fort Collins North	1833 Mulberry Street	Ft. Collins	CO	80524	970-498-9201
15664	Jose Alejandro Serna & Daniel Serna	CARSTAR of Cornerstone Park	1683 W. Sheri Lane, Unit A	Littleton	CO	80120	303-731-3229
15135	Sheila Samuel-Lefor	Ideal CARSTAR Auto Body	12937 Division Street	Littleton	CO	80125	303-922-4234
15162	Sheila Samuel Lefor & Jeff Samuel	CARSTAR Ideal Northglenn	11045 Irma Drive	Northglenn	CO	80223	303-451-8285
15004	Steven Merchant & Michael Ferrucci	Ray's CARSTAR Auto Body & Glass	137 Terryville Road	Bristol	CT	06010	860-583-9273
15050	Doug Kelly	CARSTAR East Hartford	50 Village Street	E. Hartford	CT	06108	860-528-0935
15205	Brian Bolles	Kar Kare CARSTAR	113 Windermere Avenue	Ellington	CT	06029	860-875-1290
15059	John Curren	CARSTAR Empire	57 St. Clair Avenue	New Britain	CT	06015	860-223-8965
15449	Steven Merchant & Michael Ferrucci	Ray's CARSTAR Auto Body Torrington Claims Center	1009 East Main Street	Torrington	CT	06790	860-940-5193
15600	David Greene	CARSTAR Auto Body Services	106 S. Market Street	Wilmington	DE	19801	443-466-0285
15103	Mike Sobel	CARSTAR European Paint & Body III	2645 NW 1st Avenue	Boca Raton	FL	33431	561-347-1855
15498	Timothy Hassinger	CARSTAR Delray Beach East	245 N. Congress Avenue	Delray Beach	FL	33445	561-276-4545
15150	Kyle Wharff	Ace Sullins CARSTAR	6025 SW 35th Court	Hollywood	FL	33023	954-983-0209
15670	Earl Stewart	CARSTAR Earl Stewart Collision Center	1215 Federal Highway	Lake Park	FL	33403	561-578-3287

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15099	Fred Haberl & Lynn Haberl	Autobody Resurrection CARSTAR	1203 George Jenkins Boulevard	Lakeland	FL	33815	863-688-8158
15491	Frederick Haberl & Marguerite Haberl	CARSTAR Autobody Resurrection South Lakeland	500 Commerce Drive	Lakeland	FL	33813	863-937-9010
15626	Ben Whitehurst	CARSTAR Q-Collision	14812 N. 12th Street	Lutz	FL	33549	813-404-3719
15196	Michael Lessard & Lisa Lessard	Perfection Collision CARSTAR	2157 NE Jacksonville Road	Ocala	FL	34470	352-402-9285
15116	Raj Lally	Orange Collision CARSTAR	3883 W. Colonial Drive	Orlando	FL	32808	407-291-7333
15100	Ron Vallario	Superior Auto Body CARSTAR	6700 49th Street N.	Pinellas Park	FL	33781	727-525-7885
15112	John Lavo	CARSTAR at Pro Auto	11207 Sheldon Road	Tampa	FL	33626	813-926-9888
15672	Daniel Serna & Jose Alejandro Serna	CARSTAR of Winter Haven	3699 Lake Alfred Road	Winter Haven	FL	33881	863-758-2015
15192	Orlando Torres, Sr.	CARSTAR Collimotive Center	2822 Forsyth Road, Suite 101	Winter Park	FL	32792	407-657-2559
15662	Jeff Beavers	CARSTAR Car Crafters Blairsville	1964 Blue Ridge Highway	Blairsville	GA	30512	706-400-7001
15612	Jeff Beavers	CARSTAR Car Crafters	80 Scenic Drive	Blue Ridge	GA	30513	706-258-2950
15534	Mirko Alexander & Sergio Monzalvo	CARSTAR Certified Collision	3733 North Peachtree Road	Chamblee	GA	30341	479-299-2639
15197	Kenneth White & Eddie White	Dalton CARSTAR South	1018 South Thornton Avenue	Dalton	GA	30720	706-529-4529
15170	Jamie White	Ken's CARSTAR North	3518 Cleveland Highway	Dalton	GA	30721	706-259-2704
15559	Sergio Monzalvo & Mirko Alexander	CARSTAR Universal Body Shop of Decatur	2975 S. Rainbow Drive	Decatur	GA	30034	770-628-5922
15533	Mirko Alexander & Sergio Monzalvo	CARSTAR Universal Body Shop and Collision	5361 Buford Highway NE	Doraville	GA	30340	678-691-5409
15560	Sergio Monzalvo & Mirko Alexander	CARSTAR Trice Paint and Body	896B Oak Street	Eatonton	GA	31024	706-485-0208
15183	Walter Lee	CARSTAR Macon	5041 Mercer University Drive	Macon	GA	31201	478-405-9311
15484	James White	CARSTAR Universal of Fort Oglethorpe	5407 Battlefield Parkway	Ringgold	GA	30736	706-965-4946
15675	Gregg Young	CARSTAR Gregg Young Collision Atlantic	100 East 2nd Street	Atlantic	IA	50022	877-871-8201
15676	Gregg Young	CARSTAR Gregg Young Collision Marshalltown	2909 S. Center Street	Marshalltown	IA	50158	641-752-5491
15606	Gregg Young	CARSTAR Gregg Young Collision Norwalk	2501 Sunset Drive	Norwalk	IA	50211	515-256-4058
15297	Rachelle Solesbee & Gregory Solesbee	CARSTAR Hayden	1770 W. Hayden Avenue	Hayden	ID	83835	208-772-7253

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15641	Mark Scarpelli	CARSTAR Raymond's of Antioch	1027 Anita Avenue	Antioch	IL	60002	847-395-3600
15519	Pasquale Roppo	CARSTAR Geneva Body Shop	901 N. Raddant Road	Batavia	IL	60510	630-482-3554
15110	Lou Scola & Tony Scola	CARSTAR Scola's Collision Center	9110 Ogden Avenue	Brookfield	IL	60513	708-485-7600
15058	Charles Eilers, Jr., Kyle Rainbolt, & Christopher Eilers	Charlie's CARSTAR Auto Body	3940 Mississippi	Cahokia	IL	62206	618-337-2857
15301	Ramon Caraballo	CARSTAR International Auto Rebuilders	931 N. Kedzie Avenue	Chicago	IL	60651	773-862-5338
15143	Brian Benakos	CARSTAR Grand Avenue	4723 W. Grand Avenue	Chicago	IL	60639	773-486-2131
15645	Carlos Ortiz	CARSTAR UCar Auto Rebuilders	4832 South Kedzie	Chicago	IL	60632	872-228-3155
15095	Bill Ritter	Metal Masters CARSTAR	10235 S. Ridgeland	Chicago Ridge	IL	60415	708-422-0808
15152	Charles Eilers, Jr., Kyle Rainbolt, & Christopher Eilers	Charlies Columbia CARSTAR	431 N. Main	Columbia	IL	62236	618-281-2886
15411	William Clippinger	CARSTAR Sterling Collision	2408 Georgetown Road	Danville	IL	61832	217-442-9373
15011	Richard Schwartz & Daniel Schwartz	CARSTAR Des Plaines	1200 E. Golf Road	Des Plaines	IL	60016	847-298-6464
15517	Scott McGrath	CARSTAR McGrath Collision Center	945 East Chicago Street	Elgin	IL	60120	847-695-6700
15271	Ken Wyatt & Jennifer Wyatt	CARSTAR Wyatt Collision Repair	321 East 1st Street	Gibson City	IL	60936	217-784-5778
15071	Tristin Wurzbach & Mitchell Konsella	Dempsey-Adams CARSTAR	1837 Madison Avenue	Granite City	IL	62040	618-451-9511
15194	Joe Esposito, John Esposito & Mark Esposito	West-Hill CARSTAR Auto Body	4907 Butterfield Road	Hillside	IL	60162	708-449-7477
15340	Richard Schwartz	CARSTAR DanRich	1522 Annico Drive	Homer Glen	IL	60491	708-301-1250
15017	Patrick Mallaney	Mallaney's CARSTAR	7635 N. Route 45-52	Manteno	IL	60950	815-468-8873
15043	Kurt Nathan Mueller	CARSTAR Maryville	1 Mueller Drive	Maryville	IL	62062	618-345-4519
15687	Anthony Maher	CARSTAR Protouch Mascoutah	220 W. Main Street	Mascoutah	IL	62258	618-270-4070
15504	Robert Mueller & Patricia Mueller	CARSTAR Custom 77 Auto Rebuilders	14631 Waverly Avenue	Midlothian	IL	60445	708-385-1015
15454	Anthony Mistrata, Jr.	CARSTAR Mistrata's Collision Service	1010 S. Cedar Road	New Lenox	IL	60451	815-485-6611
15224	Brian Gore, Jeff Middleton, Kevin Parsons & Lavada Middleton	CARSTAR North Aurora Collision Center	1 South River Road	North Aurora	IL	60542	630-859-8008

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15389	Justin Fisher & Rachelle Fisher	CARSTAR Poplar	1601 Poplar Street	Ottawa	IL	61350	815-433-3277
15525	Kenneth Allison	CARSTAR North Peoria	7726 N. Pioneer Lane	Peoria	IL	61615	309-689-6274
15515	Todd Dralle	CARSTAR Todd's Body Shop	16220 S. Lincoln Highway	Plainfield	IL	60586	815-436-4614
15208	Randy Yockey	CARSTAR Friendly of Roselle	333 E. Irving Park Road	Roselle	IL	60172	630-924-8686
15350	Jake Grinshpun	CARSTAR Imperial Auto Works	3620 Oakton Street	Skokie	IL	60076	847-679-6800
15025	Justin Fisher	CARSTAR Yorkville	228 W. Veterans Parkway	Yorkville	IL	60560	630-553-6564
15471	Michael Libecap	CARSTAR Gulley's Auto Body	320 N. Eastern Avenue	Connersville	IN	47331	765-825-2027
15037	Corey Liss	CARSTAR Liss Auto Body	1020 E. Summit Street	Crown Point	IN	46307	219-663-0989
15692	Carl Shafer	CARSTAR Shafer's Collision Center	1475 E. Main Street	Danville	IN	46122	317-271-1400
15270	Corey Liss	CARSTAR Liss Auto Body Schererville	2233 US 41	Schererville	IN	46375	219-558-0279
15077	Ron Glenn, Don Glenn, & Michael Fisher	CARSTAR of Lawrence	800 East 23rd Street	Lawrence	KS	66046	785-841-3672
15086	Ron Glenn, Mike Hobick & Jesse Lefebure	CARSTAR of Leavenworth	312 S. 3rd Street	Leavenworth	KS	66048	913-772-7044
15092	Mohamed Alagha	Crystal CARSTAR Collision	13750 W. 108th Street	Lenexa	KS	66215	913-696-0003
15230	Mohamed Alagha	CARSTAR Crystal Olathe	15060 W. 135th Street	Olathe	KS	66062	913-696-0003
15091	Jeff Baker	CARSTAR Ottawa	407 N. Main	Ottawa	KS	66067	785-242-8916
15429	Mohamed Alagha	CARSTAR Roe Body Shop	4715 Roe Parkway	Roeland Park	KS	66205	913-722-2545
15080	Dean Koelzer	CARSTAR Walt's North Topeka	2126 N. Kansas Avenue	Topeka	KS	66608	785-357-1848
15069	Dean Koelzer	McAbee CARSTAR	313 SW Jackson	Topeka	KS	66603	785-232-2084
15038	Dean Koelzer	Walt's Autobody CARSTAR	5926 SW 19th Terrace	Topeka	KS	66604	785-273-7701
15082	Andrew Pickering & Raymond Rose	CARSTAR Collision Specialists East	606 North Webb Road	Wichita	KS	67206	316-652-7821
15073	Andrew Pickering & Raymond Rose	CARSTAR Collision Specialists West	8923 W. Kellogg	Wichita	KS	67209	316-721-4857
15290	Andrew Pickering & Raymond Rose	CARSTAR Old Town	1004 E. 2nd Street N.	Wichita	KS	67214	316-452-1299
15222	Dickie Hall	CARSTAR Hall's Collision	3947 Bardstown Road	Louisville	KY	40218	502-499-9040
15293	Rick Avare	CARSTAR on Nicholasville	2159 Lexington Road	Nicholasville	KY	40356	859-881-6265
15387	Joshua Herbert	CARSTAR Elite of Northshore	68688 Highway 59	Mandeville	LA	70471	985-635-4463

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15565	Craig Griffin & Lane Griffin	CARSTAR Laneys Collision Center West Monroe	3728 Whites Ferry Road	West Monroe	LA	71291	318-361-5090
15262	Bob Waldron	Lancaster A-1 A B CARSTAR (MA) - Satellite	115 Chestnut Street	Clinton	MA	01510	978-368-8534
15075	Gary Blaisdell	CARSTAR Collision Center – Fitchburg	120 John Fitch Highway	Fitchburg	MA	01420	978-342-3428
15003	Bob Waldron	Waldron's A-1 A B CARSTAR	164 High Street Extension	Lancaster	MA	01523	978-368-8534
15006	Gary Blaisdell	CARSTAR Atlantic Collision Center	1516 Middlesex Street	Lowell	MA	01851	978-458-0885
15010	Bob Waldron	Waldron's CARSTAR Auto Body	125 Elm Street	Marlboro	MA	01752	508-485-9426
15564	Damon Cartelli	CARSTAR Fathers & Sons Collision Center	168 New Bridge Street	West Springfield	MA	01089	413-214-7575
15211	Bob Waldron	Thomas Waldron CARSTAR Auto Body	225 Grafton Street	Worcester	MA	01604	508-752-7728
15365	Nestor Montoya	CARSTAR Nescar Garage	11408 Old Baltimore Pike	Beltsville	MD	20705	301-595-3505
15635	James Ringley & Jeffrey Miller	CARSTAR R&M Collision and Glass	947 Commonwealth Avenue	Hagerstown	MD	21740	240-203-6284
15520	Andrew Trasatti & Vincent Trasatti	CARSTAR East West Auto Body Experts	7591 Annapolis Road	New Carrollton	MD	20784	301-459-1755
15681	Pablo Argote	CARSTAR Precision Collision Center	7410 Westmore Road	Rockville	MD	20850	240-428-1667
15088	Erica Vandenhout & Mark Vandenhout	CARSTAR 76 Collision	174 76th Street SW	Grand Rapids	MI	49548	616-827-7676
15493	David Ellis	CARSTAR Ellis Brothers Collision	4935 Technical Drive	Milford	MI	48380	248-717-3432
15182	Chris Tyler & Scott Tyler	Tyler's CARSTAR Collision Center	2550 S. 11th Street	Niles	MI	49120	269-683-1510
15424	Christen Homrich	CARSTAR Hamlin Collision Center	1527 W. Hamlin Road	Rochester Hills	MI	48309	248-844-9690
15392	Saif Yousif & Faris Hana	CARSTAR of Sterling Heights	6309 15 Mile Road	Sterling Heights	MI	48312	586-883-7590
15416	Kenneth Lawrence	CARSTAR American Collision Experts	6497 Highland Road	Waterford	MI	48327	248-789-9882
15308	Betty Schenk & Kenneth Schenk	CARSTAR Auto Care Experts	4510 Clyde Park Avenue SW	Wyoming	MI	49509	616-538-4684
15592	Michael Bighley	CARSTAR Apple Valley Collision Center	6904 145th W.	Apple Valley	MN	55124	952-432-9511
15511	Jason Zerwas & Erika Zerwas	CARSTAR Bloomington North	419 W. 90th Street	Bloomington	MN	55420	952-884-9878
15499	Gary Spychala	CARSTAR Precision Collision Auto Body	13928 233rd Street	Cold Spring	MN	56320	320-635-5310
15513	Jason Zerwas & Erika Zerwas	CARSTAR Eden Prairie North	7690 Corporate Way	Eden Prairie	MN	55344	952-934-6445
15492	Michael Bighley	CARSTAR Fridley Auto Body	960 Osborne Road NE	Fridley	MN	55432	763-784-4211

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15531	Jason Zerwas & Erika Zerwas	CARSTAR Hermantown	4757 W. Arrowhead Road	Hermantown	MN	55811	218-722-4458
15510	Jason Zerwas & Erika Zerwas	CARSTAR New Hope	4000 Winnetka Avenue North	New Hope	MN	55427	763-545-8872
15455	Michael Bighley	CARSTAR Bighley Auto Body	2409 Margaret Street N.	North St. Paul	MN	55109	651-777-3535
15512	Jason Zerwas & Erika Zerwas	CARSTAR Northfield Auto Body	1802 Cannon Road	Northfield	MN	55057	507-645-2403
15034	Heath Harris	CARSTAR Arnold	2007 Sierra Parkway	Arnold	MO	63010	636-464-6080
15550	Aron Carrender & Cristina Carrender	CARSTAR Carrender Collision	440 E. Monroe Street	Buckner	MO	64016	816-650-8073
15388	Paul Russom	CARSTAR Russom's Cape Girardeau	450 Siemers Drive	Cape Girardeau	MO	63701	573-803-2300
15494	Aaron Porter	CARSTAR Porter's Kearney Body Shop	104 W. Main Street	Kearney	MO	64060	816-304-9463
15090	Ron Glenn, Don Glenn & Michael Fisher	CARSTAR of Lee's Summit	2509 NE Independence	Lee's Summit	MO	64064	816-524-3330
15551	Aron Carrender & Cristinia Carrender	CARSTAR Lexington	700 Main Street	Lexington	MO	64067	660-251-4498
15001	Gerald Wicklund	Wicklund's CARSTAR Collision Center	941 Sutton Place	Liberty	MO	64068	816-781-2838
15134	Dan Greig	CARSTAR North Kansas City	1233 Burlington	North Kansas City	MO	64116	816-474-4949
15167	Jerry Hawken	CARSTAR Osage Beach	1087 Armory Road	Osage Beach	MO	65065	573-348-1483
15176	Jim Bailey	CARSTAR Poplar Bluff	624 S. Westwood Boulevard	Poplar Bluff	MO	63901	573-686-3381
15002	Michael Fisher, Ron Glenn, & Don Glenn	CARSTAR of Raytown	8906 E. 69th Street	Raytown	MO	64133	816-356-5552
15439	Michael Cupp	CARSTAR Riverside	4106 NW Riverside Street	Riverside	MO	64150	816-505-2790
15616	Kerry Woodson	CARSTAR Weldon Spring	5653 Westwood Drive	Saint Charles	MO	63304	636-329-9920
15593	Larry Prater	CARSTAR Collision Masters St. Robert	996 Old Route 66	Saint Robert	MO	65584	573-336-8747
15465	John Cothran	CARSTAR Tanner's Paint and Body – Springfield	2070 E. Pythian Street	Springfield	MO	65802	417-866-2400
15605	Mike Anderson	CARSTAR Anderson Collision-St. Joe	2207 N. Belt Highway	St. Joseph	MO	64506	816-383-8000
15473	Robert Rowland	CARSTAR Rowland Collision	4315 Kingshighway Boulevard	St. Louis	MO	63109	314-352-5700
15057	Lisa Rush	Gapsch's CARSTAR Collision Center	4709 Green Park Road	St. Louis	MO	63123	314-894-2322
15028	Kerry Woodson	Jungerman CARSTAR	1505 Jungerman Road	St. Peters	MO	63376	636-939-4199

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15516	Michael Gobel & Brandi Gobel	CARSTAR Gobel's Collision	1631 Old Airport Road	West Plains	MO	65775	417-255-2513
15466	John Cothran	CARSTAR Tanner's Paint and Body – Willard	109 N. Rocky Lane	Willard	MO	65781	417-742-2242
15536	Scott Harris	CARSTAR Autoworks Collision Specialists	113 Briarwood Drive	Jackson	MS	39206	601-203-2092
15131	Tyler Harris	CARSTAR Auto Body Specialists	1342 Main Street	Billings	MT	59105	406-259-1856
15242	Jamie Pierce & Steve Pierce	CARSTAR Summit Collision Center	3186 East US Highway 12	Helena	MT	59601	406-442-4503
15354	Jason Zander & Kevin Zander	CARSTAR Auto Body of Cary	8230 Chapel Hill	Cary	NC	27513	919-694-5422
15548	Jason Zander & Kevin Zander	CARSTAR Autobody of Cleveland	20 East Malibu Drive, Unit A	Garner	NC	27529	984-200-7080
15584	David Wilson & Kathyrn Wilson	CARSTAR Wilson Collision Center	1316 West Franklin Boulevard	Gastonia	NC	28052	704-866-7761
15353	Jason Zander & Kevin Zander	CARSTAR Parker's Bodyshop and Collision Center	1346 US 258	Kinston	NC	28501	252-523-7276
15716	Wade Roberts	CARSTAR Trick 1 Customs	106 Eastview Drive	Lincolnton	NC	28092	704-736-9960
15306	Jason Zander	CARSTAR Don's Body Shop & Collision Center	1181 S. Wesleyan Boulevard	Rocky Mount	NC	27803	252-977-6021
15355	Jason Zander & Kevin Zander	CARSTAR Cameron's Collision Center	612 Carthage Street	Sanford	NC	27330	919-775-7305
15352	Jason Zander & Kevin Zander	CARSTAR Auto Body of Smithfield	1195 Brogden Road	Smithfield	NC	27577	252-206-5605
15372	Lisa Black & Michael Black	CARSTAR Collision Express	3705 Carolina Beach Road	Wilmington	NC	28412	910-769-7797
15460	Lisa Black & Michael Black	CARSTAR Wilmington Collision Center	6644 Gordon Road	Wilmington	NC	28411	910-769-7797
15307	Jason Zander	CARSTAR Auto Body of Wilson	4012 Ashpark Court	Wilson	NC	27896	252-206-5605
15549	Jason Zander & Kevin Zander	CARSTAR HWY 301 Autobody	4223 Harold Road	Wilson	NC	27893	252-991-4446
15602	Mike Anderson	CARSTAR Anderson Collision-Grand Island	120 Diers Avenue	Grand Island	NE	68803	308-384-1700
15603	Mike Anderson	CARSTAR Anderson Collision-North	2500 Wildcat Drive	Lincoln	NE	68521	402-458-9800
15604	Mike Anderson	CARSTAR Anderson Collision-South	3201 Yankee Hill Road C	Lincoln	NE	68516	402-464-0661
15031	Glenn Hillhouse	Glenn's CARSTAR Body Shop	2051 K Street	Lincoln	NE	68510	402-475-8441
15607	Gregg Young	CARSTAR Gregg Young Collision Omaha	17750 Burt Street	Omaha	NE	68118	402-572-8080
15056	Robert Keith, Tim Jensen & Gregory Petersen	CARSTAR Northwest	3304 N. 120th Street	Omaha	NE	68164	402-498-9400
15015	Robert Keith, Tim Jensen & Gregory Petersen	CARSTAR Silver Hammer	5329 S. 79th Street	Omaha	NE	68134	402-571-5348

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15049	Ronald Krzemien	Don & Ron's CARSTAR Collision	5413 S. 72nd Street, Ste. 107	Omaha	NE	68127	402-331-0520
15608	Gregg Young	CARSTAR Gregg Young Collision Plattsmouth	316 Fulton Avenue	Plattsmouth	NE	68048	402-296-3210
15303	Samuel Olessi	CARSTAR Burlington	1202 Route 130	Burlington	NJ	08016	609-386-2100
15651	Todd Fontana & Joe Martello	CARSTAR Proline Body & Chassis	545 River Drive	Elmwood Park	NJ	07407	201-398-1512
15240	Fred Beans	CARSTAR Fred Beans Flemington	180A Route 202 & 31	Flemington	NJ	08822	908-788-2073
15538	John Rapisarda	CARSTAR Monmouth Collision	16 Throckmorton Street	Freehold	NJ	07728	732-462-1873
15621	Mike Cavitch, III	CARSTAR Mike's Auto Body Shop Hackettstown	1962 NJ-57	Hackettstown	NJ	07840	908-852-7551
15032	Robert Joyce	Trenton CARSTAR	1704 S. Olden Avenue	Hamilton	NJ	08610	609-890-6789
15149	Paul Edgcomb	Champion CARSTAR Collision	1405 Route 130	Hightstown	NJ	08520	609-490-9770
15008	Debbie Callahan & David Thompson	Lakeside Collision CARSTAR	3233 Marne Highway	Mt. Laurel	NJ	08054	856-234-0174
15721	Samuel Silva, Vanessa, Rodriguez, Mae Torres	CARSTAR Top Car Auto Body	170 Clinton Avenue	Newark	NJ	07108	973-824-0061
15650	Todd Fontana & Joe Martello	CARSTAR Proline Auto Body of Pinebrook	91 US-46	Pine Brook	NJ	07058	973-337-2277
15381	Fernando Rebelo	CARSTAR Creative Auto Body	409 East 1st Avenue	Roselle	NJ	07203	928-298-8090
15717	Jorseph Rosario, Mahmoud Suleiman, Wael Suleiman	CARSTAR Bayshore Auto Body	1436 Lakewood Road	Toms River	NJ	08755	732-736-5510
15622	Mike Cavitch III	CARSTAR Mike's Auto Body Shop Washington	91 NJ-31N	Washington	NJ	07882	908-689-0141
15487	Alexis Dulay	CARSTAR Metropolitan Auto Body & Paint	2901 S. Highland Drive	Las Vegas	NV	89109	702-792-6220
15048	David Snell	CARSTAR Collision of Amherst	2915 Niagara Falls Boulevard	Amherst	NY	14228	716-639-0777
15338	Thomas Ferber	CARSTAR Ferber Automotive	8120 Route 5	Angola	NY	14006	716-549-1406
15089	Scott Hotalen	Stanton's Collision CARSTAR	753 Conklin Road	Binghamton	NY	13901	607-724-2712
15467	John Fisher, III & Vicki Fisher	CARSTAR Northeast Collision Blasdell	4130 Mckinley Parkway	Blasdell	NY	14219	716-649-3500
15485	Jonathan Diaz	CARSTAR Empire Auto Group	1403 Story Avenue	Bronx	NY	10473	718-585-5885
15682	Dwayne Simon	CARSTAR Brooklyn Auto Solutions	10019 Glenwood Road	Brooklyn	NY	11236	347-802-2541
15096	David Snell	CARSTAR Eastern Hills	6705 Transit Road	Buffalo	NY	14221	716-631-9565
15490	Sebastian Wtorkowski	CARSTAR Autospace Collision	598 Oak Street	Copiague	NY	11726	631-608-3105
15699	Jonathan Canarick	CARSTAR J&D Customs	3663 NY-112	Coram	NY	11727	631-406-5800

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15540	Scott Hotalen	CARSTAR Island Automotive and Collision	13 Lucon Drive	Deer Park	NY	11729	631-486-3733
15468	John Fisher, III & Vicki Fisher	CARSTAR Northeast Collision Depew	3480 Transit Road	Depew	NY	14059	716-656-0022
15583	Richard Ramnarine & Tiffiny Tajram	CARSTAR Roadster Collision	70c Comsewogue Road, Ste. 17	East Setauket	NY	11733	631-476-3792
15469	John Fisher, III & Vicki Fisher	CARSTAR Northeast Collision Elma	900 Maple Road	Elma	NY	14059	716-652-8831
15047	John Cusimano	Cusimano's CARSTAR Collision	2597 S. Work Street	Falconer	NY	14733	716-665-5102
15450	Edward Kusayev	CARSTAR Enterprise	19825 Jamaica Avenue	Hollis	NY	11423	718-740-4080
15628	Fernando Rebelo & Rosemary Marques	CARSTAR Northside Collision	102 Spruce Street	Ilion	NY	13357	315-894-5985
15330	Michael Manning, Jr.	CARSTAR Celebrity Chase Collision	191 Earle Avenue	Lynbrook	NY	11563	516-593-0920
15567	Robert Aaron	CARSTAR New Country Collision Marlboro	1500 Route 9W	Marlboro	NY	12542	845-236-3525
15711	Binu Baby & Prince Baby	CARSTAR Spectrum Auto Cortlandt	2104 Albany Post Road	Montrose	NY	10548	914-737-0766
15044	David Snell	POW Collision CARSTAR	2779 Main Street	Newfane	NY	14108	716-778-7377
15062	Ed Page	Babbsco CARSTAR Collision	8264 Niagara Falls Boulevard	Niagara Falls	NY	14301	716-297-9451
15331	Michael Manning	CARSTAR Celebrity Chase Merrick Road	476 Merrick Road	Oceanside	NY	11572	516-600-9520
15060	Dave Ventura	Ventura's CARSTAR Collision	5665 Lake Avenue	Orchard Park	NY	14127	716-827-5826
15241	Scott Hotalen, Michael Anderson & Elisha Crown	CARSTAR of Owego	875 Route 17C	Owego	NY	13827	607-343-2069
15568	Robert Aaron	CARSTAR New Country Collision Poughkeepsie	7 Hatfield Lane	Poughkeepsie	NY	12603	845-473-3199
15566	John Stofa	CARSTAR Stofa's Auto and Collision	6 North Clinton Street	Poughkeepsie	NY	12601	845-452-7351
15451	Mark Agor	CARSTAR Agor Collision Penfield	951 Panorama Trail South	Rochester	NY	14625	585-385-2556
15458	Jon Davidson	CARSTAR Davidson Collision of Rome	5905 Rome Taberg Road	Rome	NY	13440	315-281-2188
15426	Timothy Hassinger	CARSTAR Faith Auto Works	853 S. Second Street	Ronkonkoma	NY	11779	631-676-6366
15477	Chelsea Conway	CARSTAR Carmasters Collision West	1135 W. Genesee Street	Syracuse	NY	13204	315-471-8042
15644	Jake McNerney & Mike McNerney	CARSTAR Jack McNerney Collision Center	414 State Street Route 11	Tully	NY	13159	315-696-8976
15055	Scott Hotalen	Hillcrest CARSTAR Collision Center	2813 Old Vestal Road	Vestal	NY	13850	607-797-9999
15461	Scott Hotalen	CARSTAR Huckles Collision	424 Waverly Street	Waverly	NY	14892	607-565-4352

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15569	Prince Baby & Binu Baby	CARSTAR Spectrum Auto	175 S. Route 303	West Nyack	NY	10994	845-348-7777
15193	Scott Eggleston	CARSTAR West Seneca	120 Orchard Park Road	West Seneca	NY	14224	716-824-3200
15618	Drew Six	CARSTAR Collision Consultants	1490 E. Archwood Avenue	Akron	OH	44306	330-733-4502
15285	Kelli Back	CARSTAR of Amelia	100 East Main Street	Amelia	OH	45102	513-753-5040
15315	Jeffrey Reichard	CARSTAR Reichard Collision Brookville	575 Arlington Road	Brookville	OH	45309	937-833-4011
15530	Gary Grinberg & Ben Bakhta	CARSTAR IGear Auto Body & Frame	5730 Brookpark Road	Cleveland	OH	44134	216-206-7604
15599	Peter Grammatikakis & Victor Polishuk	CARSTAR Auto Boutique Collision	1037 E. 5th Avenue	Columbus	OH	43201	614-299-9915
15464	David Cooper & Gary Brewer	CARSTAR Collision Center Columbus East	1515 Alum Creek Drive	Columbus	OH	43209	614-549-7089
15093	Bob Haner	Color Magic CARSTAR Collision	1355 W. Mound Street	Columbus	OH	43223	614-280-1599
15144	Ed Collins	Fairborn CARSTAR C&H	701 North Broad Street	Fairborn	OH	45324	937-878-1962
15287	Andrew Owens, Adrienne Petrocelli, & Phillip Petrocelli, Jr.	CARSTAR of Fairfield Central	79 Donald Drive	Fairfield	OH	45014	513-939-1085
15613	Jeffrey McKinney	CARSTAR Jeff's Garage	1199 East Street	Fairport Harbor	OH	44077	440-357-5814
15005	Douglas Pike & Tamara Pike	Pike's CARSTAR Collision	410 Lake Street	Madison	OH	44057	440-428-2183
15114	Michael Libecap	CARSTAR of Oxford	5017 College Corner Pike	Oxford	OH	45056	513-524-1318
15325	Thomas Martin	Piqua CARSTAR	700 S. Roosevelt Avenue	Piqua	OH	45356	937-726-0752
15108	Tom Martin	Sidney Body CARSTAR	175 Stolle Avenue	Sidney	OH	45365	937-492-4783
15202	John Hinze	Superior CARSTAR Paint and Body Shop	125 W. Broadway	Tipp City	OH	45317	937-667-8666
15212	Tom Martin	Troy CARSTAR	15 Kings Chapel Drive North	Troy	OH	45373	937-492-4783
15378	Christopher Clark	CARSTAR of Mount Orab	221 Eastwood Road	Williamsburg	OH	45176	937-444-7827
15198	Jeremiah Graham	CARSTAR Jeremiah's Collision	11313 N. Broadway Extension	Oklahoma City	OK	73114	405-608-6800
15305	Gregg Matthiesen	CARSTAR Collision Tulsa – Mingo Valley	5805 S. Mingo	Tulsa	OK	74146	918-270-0100
15695	Eagle Merchant Partners	CARSTAR Professional Auto Body East	2405 NE Highway 20	Bend	OR	97701	541-389-9925
15696	Eagle Merchant Partners	CARSTAR Professional Auto Body South	61210 S. Highway 97	Bend	OR	97702	541-330-1967
15036	Roger Fowler & Dianna Fowler	J & W CARSTAR Collison Repair Center	1100 Lafayette Avenue	McMinnville	OR	87128	503-472-0328

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15713	Eagle Merchant Partners	CARSTAR Newport	1422 N. Coast Highway	Newport	OR	97365	541-819-5290
15042	Jeff Smith	Bob Thomas CARSTAR Collision	8752 NE Sandy Boulevard	Portland	OR	97220	503-255-8301
15700	Eagle Merchant Partners	CARSTAR Capital City	1107 Hawthorne Avenue NE	Salem	OR	97301	503-990-6588
15420	Michael Russo	CARSTAR Russo's Collision	28 Mount Pleasant Drive	Aston	PA	19014	610-558-0700
15066	James Nguyen	Autocrafters CARSTAR Collision	2659 Bristol Pike	Bensalem	PA	19020	215-638-2322
15238	Fred Beans	CARSTAR Fred Beans Boyertown	525 Route 100 N.	Boyertown	PA	19512	888-279-9522
15236	Fred Beans	CARSTAR Fred Beans Doylestown	1100 Airport Boulevard	Doylestown	PA	18902	215-345-8080
15614	Michael Pierson & Yelena Pierson	CARSTAR Quality Auto Body	1936 Brownsville Road	Feasterville-Trevose	PA	19020	215-355-5019
15627	Tom Lutzi, Barbara Lutzi, & Mark Lutzi	CARSTAR by Lutzi	726 Dodson Street	Fountain Hill	PA	18015	610-866-4512
15535	Jack Stein & Irving Stein	CARSTAR Keystone Collision Center	420 Lancaster Avenue	Frazer	PA	19355	610-640-1466
15554	Steven Kahlon	CARSTAR Manderbach Collision	301 Front Street	Hamburg	PA	19526	610-929-2639
15237	Fred Beans	CARSTAR Fred Beans Langhorne	250 N. Woodbourne Road	Langhorne	PA	19047	215-741-4136
15581	Jeffrey Ferris & Jeffrey Taylor	CARSTAR Frederick Collision of Lebanon	1505 Quentin Road	Lebanon	PA	17042	717-274-1461
15722	Mark Kreider & Luke Kreider	CARSTAR Manheim Imports Collision	765 Conestoga Avenue	Manheim	PA	17545	717-665-6611
15239	Fred Beans	CARSTAR Fred Beans Mechanicsburg	6302 Carlisle Pike	Mechanicsburg	PA	17050	717-766-8758
15653	Solomon Cramer	CARSTAR at Cramer's Middletown	1958 W. Harrisburg Pike	Middletown	PA	17057	717-944-4020
15265	Fred Beans	CARSTAR Fred Beans Newtown	10 North Sycamore Street	Newtown	PA	18940	215-348-2900
15138	Gus Natelli	Gus's CARSTAR Collision	9412 Bustleton Avenue	Philadelphia	PA	19115	215-672-5654
15120	Bruce King	CARSTAR Direct Repair Collision	725 Butler Street	Pittsburgh	PA	15223	412-782-7467
15359	Ryan Ouvry	CARSTAR Cayce Collision	777 Knox Abbott Drive	Cayce	SC	29033	803-361-7713
15370	Donald Purcell, Jr. & Donald Purcell, Sr.	CARSTAR Spring Valley Auto Body	105 Burmaster Drive	Columbia	SC	29229	803-788-1707
15323	Ryan Ouvry	CARSTAR Lexington Collision	1840 Augusta Highway	Lexington	SC	29072	803-359-9455
15384	Troy Claymore & Ross McKie	CARSTAR Collision Center – Rapid City	415 East Omaha Street	Rapid City	SD	57701	605-348-9377
15213	Paul Russom	CARSTAR Russom's Dyersburg	2340 Upper Finley Road	Dyersburg	TN	38024	731-882-1971
15615	Thomas Frederick Blake	CARSTAR Reeder Collision Center	4301 Clinton Highway	Knoxville	TN	37912	865-687-7711

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15665	Jose Alejandro Serna & Daniel Serna	CARSTAR of Lebanon	1005 N. Cumberland Street	Lebanon	TN	37087	615-622-4867
15698	Alex Serna & Daniel Serna	CARSTAR of Downtown Memphis	2580 Mt. Moriah Road	Memphis	TN	38115	901-441-6285
15172	Paul Russom	CARSTAR Russom's Rutherford	432 N. Trenton Street	Rutherford	TN	38369	731-665-6786
15302	Abiel Montoya	CARSTAR Balch Springs	2147 Peachtree Road	Balch Springs	TX	75180	972-288-9313
15383	David Cantu & Jose Cantu	CARSTAR Collision Specialists of Brownsville	2124 N. Central Avenue	Brownsville	TX	78521	956-831-5800
15658	Jose Cantu	CARSTAR Kollision King	6217 S. Padre Island Highway	Brownsville	TX	78521	956-831-4445
15332	Firas "Frank" Odeh & Osama "Sean" Deiri	CARSTAR Campbell's Auto Body	451 N. Burleson Boulevard	Burleson	TX	76028	817-295-0446
15431	Aldo Amirgholi	CARSTAR Mr. Collision	2520 Tarpley Lane #700	Carrollton	TX	75006	972-484-4762
15639	Mercy Kaimba & Demola Soyinka	CARSTAR Mobility Collision Center 242	11066 Highway 242 #A	Conroe	TX	77385	936-273-1066
15671	Robert Polgar	CARSTAR Big Tex Collision	6906 South RL Thornton Freeway	Dallas	TX	75232	972-685-0072
15587	Frank Odeh & Sean Deiri	CARSTAR MVP Richardson	13534 Vargon Street	Dallas	TX	75243	214-954-7731
15200	Tejas Patel	Autobody Denton CARSTAR	820 E. McKinney Street	Denton	TX	76209	940-566-2929
15586	Frank Odeh & Sean Deiri	CARSTAR MVP Farmers Branch	3112 Garden Brook Drive	Farmers Branch	TX	75234	469-399-0024
15324	Francisco Nunez	CARSTAR Color Build	410 S. Kirby Street	Garland	TX	75042	972-487-8760
15719	Jose "Joe" Cantu	CARSTAR Jaime Rodriguez Body Shop	506 W. Van Buren Avenue	Harlingen	TX	78550	956-412-2386
15633	Mohammad Shuaeb	CARSTAR Ambassador Griggs	4720 Griggs Road	Houston	TX	77021	713-966-6913
15598	Mohammad Shuaeb	CARSTAR Ambassador Montgomery	11837 W. Montgomery Road	Houston	TX	77086	281-448-2771
15597	Mohammad Shuaeb	CARSTAR Ambassador Tidwell	159 Tidwell Road	Houston	TX	77022	713-691-4836
15686	Nelson Ramos	CARSTAR Bass Collision	417 Northville Street	Houston	TX	77037	281-445-4444
15677	Julian Martinez	CARSTAR Bemer Collision	9201 Richmond Avenue	Houston	TX	77063	713-266-2690
15317	Kevin Williams & Blanca Williams	CARSTAR Champions	13650 Schroeder Road	Houston	TX	77070	281-890-4190
15562	Moufid Rabieh	CARSTAR Elite Collision	17130 FM 529	Houston	TX	77095	281-856-8484
15663	Moufid Rabieh	CARSTAR Windfern Collision	12470 Windfern Road	Houston	TX	77064	832-620-9471
15272	John Royer, Karla Royer & Stephen Smith	CARSTAR Little Elm	1819 W. FM 720 West El Dorado Pkwy	Little Elm	TX	75068	972-294-1774
15630	Jose Cantu	CARSTAR Collision Specialists of Los Fresnos	30916 Highway 100	Los Fresnos	TX	78566	956-537-2742

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15472	Firas “Frank” Odeh & Osama “Sean” Deiri	CARSTAR Mansfield Paint & Body	780 W. Debbie Lane #102	Mansfield	TX	76063	817-473-8864
15321	David Cantu & Jose Cantu	CARSTAR Collision Specialists	3705 N. 10th Street	McAllen	TX	78501	956-682-1999
15625	Carlos Guzman & Ricardo Mendez	CARSTAR Superior Collision Natalia	17910 FM-463	Natalia	TX	78059	210-942-6628
15661	T. Sam Naimat	CARSTAR UCF Collision Pflugerville	4674 Priem Lane #206	Pflugerville	TX	78660	512-489-4100
15629	Jose Cantu	CARSTAR Collision Specialists of Pharr	4911 N. Cage Boulevard	Pharr	TX	78577	956-537-2742
15201	Bradley Adams	SheerMetal CARSTAR	903 J Place	Plano	TX	75074	972-422-1234
15275	Larry King & Patti King	CARSTAR of Port Arthur	4545 Twin City Highway	Port Arthur	TX	77642	409-962-8383
15668	Daniel Serna & Jose Alejandro Serna	CARSTAR of Longhorn	11008 Iota Drive	San Antonio	TX	78217	210-718-0278
15623	Carlos Guzman & Ricardo Mendez	CARSTAR Superior Collision 90W	12734 US-90W	San Antonio	TX	78245	210-742-7689
15624	Carlos Guzman & Ricardo Mendez	CARSTAR Superior Collision Broadway	8914 Broadway Street	San Antonio	TX	78217	210-829-5636
15679	Carlos Guzman	CARSTAR Superior Park Village	4702 Center Park Boulevard	San Antonio	TX	78218	210-332-5200
15638	Eddie Donhauser & Shannah Donhauser	CARSTAR Shanafelt	955 W. Kingsbury Street	Seguin	TX	78155	830-379-5878
15169	Don Ward	A1 Auto’s CARSTAR Collision	8882 Louetta Road	Spring	TX	77379	832-717-4977
15470	Tereg Salamat & Ajay Gaddipati	CARSTAR Fort Bend Collision Center	15644 Ennis Road	Sugar Land	TX	77498	281-767-7051
15514	John Williams	CARSTAR Roger Williams Collision Center	1405 Fort Worth Highway	Weatherford	TX	76086	817-596-0050
15718	Jose “Joe” Cantu	CARSTAR King of Kolors	1903 Joe Stephens Boulevard	Weslaco	TX	78599	956-405-3180
15137	Matt Hagen, Mark Hagen, & Russell Hagen	Hagen Collision CARSTAR	3285 W. 12600 S.	Riverton	UT	84065	801-446-9766
15374	Bobby Seenath	CARSTAR RS Collision of Alexandria	620 South Pickett Street	Alexandria	VA	22304	703-746-9212
15573	Nedal Khatib	CARSTAR Centreville Collision Center	14805 Willard Road	Chantilly	VA	20151	703-657-0070
15574	Nedal Khatib	CARSTAR Chantilly Auto Body	4530 Stonecroft Boulevard	Chantilly	VA	20151	703-263-9599
15575	Nedal Khatib	CARSTAR Fairfax Collision Center	4211 Henninger Court	Chantilly	VA	20151	703-378-0222
15497	Alan Conner	CARSTAR Alan Conner Collision Center Chester	10360 Chester Road	Chester	VA	23831	804-748-3694
15578	Nedal Khatib	CARSTAR Quantico Collision Center	18265 Jefferson Davis Highway	Dumfries	VA	22026	703-221-1577
15576	Nedal Khatib	CARSTAR Metro Collision of Fairfax	8427 Hilltop Road	Fairfax	VA	22031	703-712-7575

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15555	Paul Koszeghy	CARSTAR Champion Body Works	7906 Hill Park Court	Lorton	VA	22079	703-339-9325
15375	Mehmat "Matt" Gokce	CARSTAR Manassas Collision Center	9114 Owens Drive	Manassas	VA	20111	703-981-9743
15557	Alan Conner	CARSTAR Alan Conner Collision Center Mechanicsville	8061 Mechanics-ville Turnpike	Mechanicsville	VA	23111	804-746-2590
15571	Nedal Khatib	CARSTAR Wood's Automotive	1070 E. Washington Street	Petersburg	VA	23803	804-862-2700
15572	Nedal Khatib	CARSTAR Collision Purcellville	625 W. Main Street	Purcellville	VA	20132	540-619-0100
15421	Alan Conner	CARSTAR Alan Conner Collision Center	2584 Gayton Centre Drive	Richmond	VA	23238	804-754-3754
15556	Ronald Kody	CARSTAR Richmond Collision Center	4604 W. Broad Street	Richmond	VA	23230	804-254-9268
15577	Nedal Khatib	CARSTAR Metro Collision of Springfield	6981 Industrial Road	Springfield	VA	22151	703-354-5701
15579	Nedal Khatib	CARSTAR Rick's Auto Body	5383 Telephone Road	Warrenton	VA	20187	540-347-3922
15412	Michael Barefoot	CARSTAR Collision Center Yorktown	205 Redoubt Road	Yorktown	VA	23692	757-872-4647
15117	Eagle Merchant Partners	CARSTAR Collision Clinic Bellevue	13212 NE Bellevue-Redmond	Bellevue	WA	98005	425-454-4090
15180	Eagle Merchant Partners	CARSTAR Bothell Auto Rebuild	17111 Bothell Way NE	Bothell	WA	98011	425-485-6388
15601	Tyler Griffiths	CARSTAR Hub City Collision	212 W. Center Street	Centralia	WA	98531	360-736-0805
15121	Eagle Merchant Partners	CARSTAR Collision Clinic Edmonds	22327 Highway 99	Edmonds	WA	98026	425-775-0333
15123	Eagle Merchant Partners	ARA CARSTAR Everett	10721 Evergreen Way South, Ste D	Everett	WA	98204	425-355-3002
15126	Bob Bjorneby & Linda Bjorneby	Bob Bjorneby's CARSTAR Federal Way Collision	1750 S. 327th, #A-1	Federal Way	WA	98003	253-874-9330
15199	Eagle Merchant Partners	Complete Collision CARSTAR	34627 16th Avenue S.	Federal Way	WA	98003	253-838-4433
15282	Eagle Merchant Partners	CARSTAR Hi-Tech Collision Graham	22320 92nd Avenue East	Graham	WA	98338	253-442-2005
15163	Eagle Merchant Partners	Fred's Autobody CARSTAR	415 Ontario Street	Hoquiam	WA	98550	360-533-2881
15147	Eagle Merchant Partners	CARSTAR Kenmore	7324 NE 175th Street B	Kenmore	WA	98028	425-482-4342
15528	Bob Bjorneby	CARSTAR at 272nd	27030 Pacific Highway South	Kent	WA	98032	206-651-7816
15128	Eagle Merchant Partners	Exhibition Automotive CARSTAR	606 Washington Avenue N.	Kent	WA	98032	253-854-3850
15223	Eagle Merchant Partners	CARSTAR Northwest Collision Center	11731 120th Avenue NE, Suite A	Kirkland	WA	98034	425-823-8888
15296	Eagle Merchant Partners	CARSTAR Hi Tech Collision Lakewood - Satellite	12930 Pacific Highway	Lakewood	WA	98499	253-444-5858

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15124	Eagle Merchant Partners	ARA CARSTAR North	1325 8th Street	Marysville	WA	98270	360-651-0302
15250	Sadie Earsley & Matthew Earsley	Premier Collision CARSTAR Olympia	2720 Martin Way E.	Olympia	WA	98506	402-667-3285
15523	Kyle Murray, Thomas Murray, Patrick Murray & Wendy Murray	CARSTAR Port Orchard	2005 Sidney Avenue	Port Orchard	WA	98366	360-536-4792
15505	Emily Swain & Joel Hanson	CARSTAR John's Body Shop	5795 NE Minder Road	Poulsbo	WA	98370	360-981-7480
15380	Eagle Merchant Partners	Cornforth Campbell CARSTAR North	407 East Main Avenue	Puyallup	WA	98372	253-845-1721
15166	Eagle Merchant Partners	Cornforth-Campbell CARSTAR	305 2nd Street SE	Puyallup	WA	98372	253-848-7139
15174	Eagle Merchant Partners	Ballard Collision CARSTAR	1553 NW Leary Way	Seattle	WA	98107	206-784-3368
15316	Eagle Merchant Partners	CARSTAR ARA Collision Seattle	946 N. 127th Street	Seattle	WA	98133	206-365-2053
15156	Patrick Murray, Wendy Murray, Thomas Murray, & Carryl Murray	Murray's CARSTAR Collision	22001 Pacific Highway South	Seattle	WA	98198	206-824-1400
15379	Cary Magruder	CARSTAR Snohomish	512 Pine Avenue	Snohomish	WA	98290	360-568-3751
15654	Eagle Merchant Partners	CARSTAR Mountain Highway	21621 Mountain Highway	Spanaway	WA	98387	253-434-2909
15129	Eagle Merchant Partners	Hi-Tech CARSTAR	16822 Pacific Avenue	Spanaway	WA	98387	253-531-1226
15191	Eagle Merchant Partners	Hi-Tech CARSTAR Eastside	6454 #B McKinley Avenue	Tacoma	WA	98404	253-474-7656
15221	Eagle Merchant Partners	Hi-Tech CARSTAR 6th Avenue	4808 6th Avenue	Tacoma	WA	98406	253-752-1000
15179	Eagle Merchant Partners	Parkland Collision CARSTAR	160 South 108th Street	Tacoma	WA	98444	253-537-6303
15175	Matthew Earsley	Premier Collision CARSTAR	111 N. G Street	Tacoma	WA	98403	253-722-5225
15119	Jerry Jacobus & David Jacobus	Jacobus CARSTAR	6710 NE Street Johns Road	Vancouver	WA	98661	360-693-2118
15288	Matt Earsley	Premier Collision CARSTAR Yelm	103 N 1st Street N.	Yelm	WA	98597	360-458-2599
15707	Gregg Young	CARSTAR Collision Abrams	2612 County Highway East EE	Abrams	WI	54101	920-826-4141
15259	Donald Trapp & Candace Trapp	Utzig CARSTAR Collision Service - Evansville - Satellite	204 Water Street, Suite C	Evansville	WI	53536	608-882-0807
15041	Mariusz Stanisz	Greenfield Auto Body CARSTAR	4739 S. 27th Street	Greenfield	WI	53221	414-282-8580
15706	Gregg Young	CARSTAR All World Collision	N2484 Greenville Drive	Hortonville	WI	54944	833-849-4867
15019	Michael Buggs	City CARSTAR	14 N. Locust	Janesville	WI	53545	608-752-1768
15018-01	Donald Trapp & Candace Trapp	Utzig CARSTAR Collision Service	1715 W. Court Street	Janesville	WI	53548	608-752-7727

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE NUMBER
15260	Donald Trapp & Candace Trapp	Utzig CARSTAR Collision Service - Milton - Satellite	635 Greenman Street	Milton	WI	53563	608-931-9531
15438	Yaser Shaiban	CARSTAR Miller Auto Body	3818 W. Mitchell Street	Milwaukee	WI	53215	414-269-8384
15669	Aubrey Wesner	Wesner Auto Body CARSTAR	2025 Dickinson Avenue	OshKosh	WI	54904	920-379-9393
15276	Larry Alan King & Patti Dawn King	CARSTAR Huntington	1301 3rd Avenue	Huntington	WV	25701	304-529-1414

NON-OPERATIONAL CARSTAR FRANCHISEES

As of December 30, 2023

FRANCHISE AGREEMENTS SIGNED BUT CARSTAR FACILITY NOT YET OPEN (73)

FACILITY NO.	OWNER(S)	CITY	STATE	PHONE NUMBER
15415	Lane Griffin & Craig Griffin	El Dorado	AR	870-863-7112
15702	Lindsey Smart	Fayetteville	AR	Unknown
15611	Gregg Young	Surprise	AZ	Unknown
15478	Daniel Panduro, Sandy Panduro & Brian Frame	Los Angeles	CA	Unknown
15479	Daniel Panduro, Sandy Panduro & Brian Frame	Los Angeles	CA	Unknown
15480	Daniel Panduro, Sandy Panduro & Brian Frame	Los Angeles	CA	Unknown
15425	Craig Borja	Murrieta	CA	Unknown
15281	Bahman Valagohar	San Diego	CA	404-384-6465
15522	Jim Malamatenios	San Francisco	CA	Unknown
15657	Michael Chilton	San Francisco	CA	650-851-9218
15617	Victor Sirhan	San Francisco	CA	Unknown
15509	Victor Sirhan, Nader Ghattas & Jad Mubayed	San Francisco	CA	Unknown
15273	Joselito Borunda & Ramiro Arrizon	Santa Rosa	CA	760-300-7946
15274	Sheila Samuel-Lefor & Jeff Samuel	Denver	CO	Unknown
15491	Frederick Haberl & Marguerite Haberl	Tampa	FL	Unknown
15591	Walter Lee	Atlanta	GA	Unknown
15558	Alan Conner	Charlottesville	GA	804-598-4819
15590	Walter Lee	Macon	GA	Unknown
15609	Gregg Young	Indianola	IA	Unknown
15610	Gregg Young	Newton	IA	Unknown
15298	Gregory Solesbee	Boise City	ID	208-704-2807
15708	Carlos Raul Ortiz	Chicago	IL	Unknown
15709	Carlos Raul Ortiz	Chicago	IL	Unknown
15710	Carlos Raul Ortiz	Chicago	IL	Unknown
15705	Ramon Caraballo	Chicago	IL	773-851-1233
15407	Todd Dralle	Chicago	IL	Unknown
15694	Jason Dougherty & Jennifer Dougherty	Garden City	KS	Unknown
15673	Raymond Rose & Andrew Pickering	Wichita	KS	Unknown
15674	Raymond Rose & Andrew Pickering	Wichita	KS	Unknown
15642	Ricky Avaare	Lexington	KY	Unknown
15643	Ricky Avaare	Lexington	KY	Unknown
15320	Mark Wierenga, James Engen & Ryan Engen	Grand Rapids	MI	616-990-1835
15690	Jason Zerwas & Erika Zerwas	Kasson	MN	612-747-3501

FACILITY NO.	OWNER(S)	CITY	STATE	PHONE NUMBER
15634	Jason Zerwas & Erika Zerwas	Rogers	MN	612-747-3501
15326	Steve Hahn	Kansas City	MO	Unknown
15327	Steve Hahn	Kansas City	MO	Unknown
15547	MJ Alagha	Lenexa	MO	816-213-3365
15495	Michael T. Black	Greensboro	NC	Unknown
15386	Michael T. Black & Lisa A. Black	Greenville	NC	Unknown
15291	Gregory Petersen, Robert Keith, & Tim Jensen	Omaha	NE	402-238-2697
15684	Jeff Stalp	Omaha	NE	Unknown
15715	Fernando Rebelo & Rosemary Marques	Belleville	NJ	980-839-0488
15659	Solomon Cramer	Bridgewater	NJ	717-773-2075
15660	Solomon Cramer	Bridgewater	NJ	717-773-2075
15714	Fernando Rebelo & Rosemary Marques	Roselle	NJ	980-839-0488
15693	Kevin McGrath & Michael McGrath	Waldwick	NJ	Unknown
15488	Charles Fox	Las Vegas	NV	Unknown
15680	Michael Manning	Catskill	NY	Unknown
15570	Prince Baby & Binu Baby	New York	NY	Unknown
15309	Tom Kelly	Amherst	OH	Unknown
15268	Fred Beans	Oklahoma City	OK	Unknown
15269	Fred Beans	Oklahoma City	OK	Unknown
15502	Gregg Matthiesen	Tulsa	OK	360-446-5186
15503	Gregg Matthiesen	Tulsa	OK	360-446-5186
15582	Jeffrey Taylor & Jeffrey Ferris	Lancaster	PA	Unknown
15496	Michael Black	Myrtle Beach	SC	Unknown
15652	Erik Molina	Dallas	TX	Unknown
15588	Frank Odeh & Osama Deiri	Dallas	TX	Unknown
15589	Frank Odeh & Osama Deiri	Dallas	TX	Unknown
15276	Larry King & Patti King	Houston	TX	409-860-3251
15277	Larry King & Patti King	Houston	TX	409-860-3251
15278	Larry King & Patti King	Houston	TX	409-860-3251
15279	Larry King & Patti King	Houston	TX	409-860-3251
15295	Mohamed Abushaaban	Houston	TX	713-952-3777
15640	Mercy Kaimba & Demola Soyinka	Katy	TX	405-209-3592
15720	Jose “Joe” Cantu	Rio Grande City	TX	956-537-2742
15470	Tereg Salamat & Ajay Gaddipati	Sugar Land	TX	Unknown
15688	John Royer & Karla Royer	Van Alstyne	TX	Unknown
12561	Kyle Kandrick & Zachary Kandrick	Leesburg	VA	301-992-7360
12917	Travis Ward	Newport News	VA	757-472-2202
12722	Frank Felle	Richmond	VA	804-748-9872
15336	Scott Fabel	Appleton	WI	920-378-2723
15337	Scott Fabel	Appleton	WI	920-378-2723

EXHIBIT H

LIST OF FORMER FRANCHISEES

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

TERMINATED FOR CAUSE (30)

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	CITY	STATE	ZIP CODE	PHONE NUMBER
15382	David Sanchez	CARSTAR Intrepid Collision	Colton	CA	92324	dsanchez@intrepidcollision.com
15482	Brian Frame, Daniel Panduro & Sandy Panduro	CARSTAR North Glendale	Glendal	CA	91208	dtrojanman@yahoo.com
15441	Richard Aleixo	CARSTAR The Professional Auto Body Works	Modesto	CA	95356	209-968-7974
15481	Brian Frame, Daniel Panduro & Sandy Panduro	CARSTAR Montrose	Montrose	CA	91020	dtrojanman@yahoo.com
15444	James Randolph	CARSTAR Lou Saare Body Shop	Santa Rosa	CA	95407	J.Randolph@gmail.com
15483	Brian Frame, Daniel Panduro & Sandy Panduro	CARSTAR Sun Valley	Sun Valley	CA	91352	dtrojanman@yahoo.com
15443	Jeff Yokum	CARSTAR Ukiah-Yokum's Body Shop	Ukiah	CA	95482	707-459-9385
15637	Mario Rodriguez	CARSTAR Auto Collision Experts	Whittier	CA	90605	562-946-1527
15155	John P O'Hara	R & R Collision CARSTAR Center	Apopka	FL	32703	N/A
15154	Mathew Lawson	Gullotta's CARSTAR Collision Center	Englewood	FL	34224	Matt4srt4@yahoo.com
15207	Virginia Patel	ACE CARSTAR Collision	Atlanta	GA	30341	N/A
15076	Uwe Schulze & Agustin Vargas	A-CARR'S CARSTAR	Chicago	IL	60618	N/A
15228	James Irmen	CARSTAR Ideal Auto Body	Mount Prospect	IL	60005	N/A
15078	Steve Hahn	CARSTAR Metcalf	Stilwell	KS	66085	mizzohahn@gmail.com

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	CITY	STATE	ZIP CODE	PHONE NUMBER
15113	Albert "Chip" Scuderi, Jr.	Scuderi CARSTAR Auto Body	Rockville	MD	20855	N/A
15079	Michael Hobick	CARSTAR Blue Springs	Blue Springs	MO	64015	N/A
15139	Trista Parmentier & Jon Parmentier	CARSTAR of Overland	Saint Louis	MO	63114	314-795-2862
15356	Trista Parmentier & Jon Parmentier	CARSTAR Wentzille	Wentzville	MO	63385	314-795-2862
15345	Gerald Rhyne	CARSTAR Jerry Rhynes Collision Albemarle	Albemarle	NC	28001	jerry@jerryrhynescollision.com
15300	Linda Wasmuth	CARSTAR CarSmart Collision Chapel Hill	Chapel Hill	NC	27517	919-548-4643
15346	Gerald Rhyne	CARSTAR Jerry Rhynes Collision Charlotte	Charlotte	NC	28227	jerry@jerryrhynescollision.com
15347	Gerald Rhyne	CARSTAR Jerry Rhynes Collision Pineville	Pineville	NC	28134	jerry@jerryrhynescollision.com
15457	Jon Davidson	CARSTAR Davidson Collision of Liverpool	Liverpool	NY	13090	315-281-9091
15313	Tony Perrino	CARSTAR Chardon Square	Chardon	OH	44024	N/A
15070	Tony Perrino	Action CARSTAR Auto Body & Frame	Euclid	OH	44117	N/A
15068	Anthony DiNapoli	CARSTAR Tamco Collision	Norwood	PA	19074	610-876-1600
15544	Kenneth Depper	CARSTAR Myrtle Beach	Myrtle Beach	SC	29577	Depper99@aol.com
15147	Cary Magruder	CARSTAR Collision Specialties II	Kenmore	WA	98028	Magruder7@msn.com
15226	Kevin Wilson	Wilson CARSTAR Green Bay West	Green Bay	WI	54303	906-221-5336
15225	Kevin Wilson	Wilson CARSTAR Niagara	Niagara	WI	54151	906-221-5336

NOT RENEWED (2)

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	CITY	STATE	ZIP CODE	PHONE NUMBER
15410	Mark Wasmuth	CARSTAR CarSmart Collision Pittsboro	Pittsboro	NC	27312	markw@carsmartcollision.com
15187	Martin Russell	Pinnacle CARSTAR Auto Body	Tomball	TX	77375	N/A

TRANSFERS (8)

FACILITY NO.	OWNER(S)	NAME OF CARSTAR FACILITY	CITY	STATE	ZIP CODE	PHONE NUMBER
15367	James Davis & Mary Davis	CARSTAR McLaren Lake Forest	Lake Forest	CA	92630	Mary.davis113@gmail.com
15465	Marcos Jacinto Mejia	CARSTAR UCar Auto Rebuilders	Chicago	IL	60632	N/A
15331	Dennis Adamski	CARSTAR Auto Care Collision Center	Hermantown	MN	55811	dennis@autocarecollision.com
15302	Robert Peter Polgar	CARSTAR Balch Springs	Balch Springs	TX	75180	516-476-1968
15332	Robert Allen Massey & Steve Davis	CARSTAR Campbell's Auto Body	Burleson	TX	76028	817-524-5976
15472	Robert Allen Massey & Steve Davis	CARSTAR Mansfield Paint & Body	Mansfield	TX	76063	817-524-5976
15117	Bruce Lingle	CARSTAR Collision Clinic Bellevue	Bellevue	WA	98005	N/A
15121	Bruce Lingle	CARSTAR Collision Clinic Edmonds	Edmonds	WA	98026	N/A

CEASED OPERATIONS – OTHER REASONS (0)

None.

REACQUIRED BY FRANCHISOR (0)

None.

EXHIBIT I

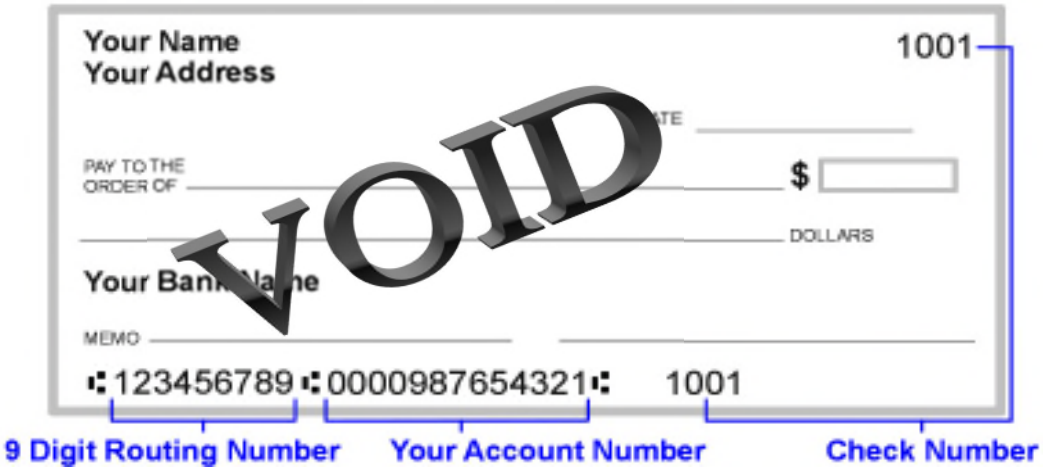
ACH TRANSACTION AUTHORIZATION

CARSTAR FRANCHISOR SPV LLC &
CARSTAR CANADA SPV LP
Automatic Bank Draft Authorization

I hereby authorize the appropriate subsidiary of Driven Brands, Inc. (e.g., CARSTAR Franchisor SPV LLC, CARSTAR Franchise Systems, Inc., Carstar Canada SPV LP) to draft any fees/payments (including any late penalties that may apply) relating to the franchise agreement, sublease, or software license agreement, from the bank account specified below:

_____	_____
Name of Bank	Franchisee Entity Name
_____	_____
Bank Routing Number	Center Number
_____	_____
Bank Account Number	Center Address

Please e-mail a copy of the voided check to: _____



_____	_____
Authorized Signature	Print Name
_____	_____
Start Date	**Date**
_____	_____
Point of Sale System	Preferred E-mail Address

TERMS AND CONDITIONS

Effective Date of Draft: The draft will occur on the payment due date, or first business day thereafter should the specified draft date fall on a holiday or weekend, unless otherwise agreed upon by Maker and the appropriate Driven Brands' subsidiary.
Change in Bank Account: Maker must send written notification to Driven Brands' subsidiary of any changes in the bank account information specified above at least 20 days prior to the date on which you wish the changes to take effect. Send updated form to cash@drivenbrands.com.
Insufficient Funds: If the automatic withdrawal is returned as insufficient funds Driven Brands' subsidiary may assess a $35 fee.
Amount of Draft: For weekly royalty/advertising, Driven Brands' subsidiary will withdraw the amount calculated for the week per the franchise agreement. For rent and other payments, Driven Brands' subsidiary will withdraw the amount relating to the franchise agreement, lease agreement, or maintenance agreement, as applicable.
Notification: An e-mail notification will be sent to the e-mail address specified when a draft for fees occurs from your account. If at any time you wish to change the e-mail address for notifications, contact the Collections Department at (704) 377-8855 (USA) or 1-800-701-9452 (CA).

EXHIBIT J

OPERATIONS PLAYBOOK TABLE OF CONTENTS

Driven Brands Collision Operations Playbook

Table of Contents

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EXHIBIT K

MITCHELL END USER LICENSE AGREEMENT

MASTER SOFTWARE LICENSE AND HOSTED SERVICES AGREEMENT

This Master Software License and Hosted Services Agreement ("**Agreement**") is entered into as of the Effective Date (as defined in Section 6) by and between Mitchell International, Inc., a Delaware corporation (**"Mitchell"**) and the customer identified on the signature page ("**Customer**"). This Agreement consists of these terms and conditions and one or more order form schedules("**Order Form(s)**").

1. License; Use; Restrictions.

1.1 Subject to the terms and conditions of this Agreement, including Customer's payment obligations, Mitchell grants to Customer a non-transferable, non-sublicensable, and non-exclusive license to use the software product(s) specified in any **Order Form**. Such license includes a license to use any related documentation and other related items (the software products, documentation, and other items are collectively referred to as "**Software**").

1.2 Subject to the terms and conditions of this Agreement, including Customer's payment obligations, Mitchell grants to Customer a non-transferable, non-sublicensable, and non-exclusive license to access the hosted software product(s) specified in any **Order Form**. Such license to access includes the right to access and use any related documentation and other related items (the hosted software product(s), documentation, and other items are collectively referred to as "**Hosted Software**").

1.3 Subject to the terms and conditions of this Agreement, including Customer's payment obligations, Mitchell agrees to sell and Customer agrees to purchase the hardware and/or services specified in any **Order Form** (the hardware and/or services are collectively referred to as "**Services**" and together with Software and Hosted Software, are collectively referred to as "**Products**".

1.4 Customer may elect to license certain add-on applications that interact with the Mitchell RepairCenter product (" **3rd Party Application(s)**)"). Customer may license 3rd Party Applications without the use of an **Order Form** by clicking the appropriate item within the Mitchell RepairCenter product or Mitchell's website, or by calling Mitchell's sales department. Any license of 3rd Party Applications is subject to the terms of the agreement between Customer and the 3rd Party Application provider, and Customer agrees that Mitchell has no liability or support obligations for such 3rd Party Application(s).

Any 3rd Party Application that is billed by Mitchell is subject to the payment terms of this Agreement.

1.5 Products are licensed or provided to Customer solely for Customer's own internal business purposes. Customer is not permitted to use the Products to provide products or services to other businesses for a fee. The Products may be used solely: (i) by the number of users designated on the applicable **Order Form**, all of whom must be employees of Customer, and (ii) solely at the location(s) described on the applicable **Order Form** ("**Authorized Location(s)**"). Customer must not, without Mitchell's prior written approval (which may be withheld at Mitchell's sole discretion), use the Product at any location other than an Authorized Location(s). Certain Products set forth on an **Order Form** include a license to Mitchell's OEM Estimating System Data, which is subject to the terms of the End User License Agreement contained within such Product.

1.6 Except for a single backup copy of Software and limited excerpts of data provided orally or in written documents created in the ordinary course of Customer's business, Customer is not authorized to sell, market, assign, pledge, sublicense, or permit any other distribution or use of the Products (or any information contained therein or derived therefrom) without Mitchell's prior written consent.

1.7 Mitchell reserves the right to modify the rules of operation, security measures, accessibility, procedures, types of terminal equipment, types of system equipment, system programming languages, and any other matters relating to the Products. Customer acknowledges that such modifications may require Customer to modify its associated hardware and 3rd party software at its own expense.

2. **Price and Payment Terms.**

2.1 Customer agrees to pay the fees set forth on any **Order Form** as consideration for the purchase or license of the Products referenced therein. The fees specified on **Order Form** are exclusive of applicable shipping, handling, processing fees, services charges and any applicable sales, use, excise or similar taxes assessed now or hereafter imposed, and Customer must pay to Mitchell such fees, charges and taxes upon receipt of an invoice from Mitchell.

Any deposits, pre-payments, and fees for installation, training, or implementation specified on any **Order Form** are non-refundable.

2.2 All fees under this Agreement are payable in advance (unless otherwise indicated) and are due and payable upon receipt of an invoice. Fees will commence on the date specified on the applicable **Order Form** and will continue for the duration of the product term on the applicable **Order Form**.

2.3 Invoices not paid within thirty (30) days of the due date indicated on the invoice will be subject to a late charge equal to the lesser of (i) one and one-half percent (1.5%), or (ii) the maximum rate allowable by law. If Customer's check is returned to Mitchell for insufficient funds, the Customer will pay the face value of the check and a service charge of the lesser of thirty-five dollars ($35.00) or the maximum allowed by law. Subsequent returned checks will be subject to a charge of the lesser of fifty dollars ($50.00) or the maximum allowed by law. Mitchell reserves the right to apply any payments made by Customer to Customer's oldest balance due.

2.4 Customer agrees that its obligation to make all payments under this Agreement is absolute and unconditional, and is not be subject to abatement, reduction, set-off, defense, or counterclaim. If Customer is in default of any provision of this Agreement, including its payment obligations, Mitchell is permitted, without further notice to Customer, to suspend delivery of any Product updates, Product support, and/or Product communication capabilities and to remotely suspend use of the Product by Customer. IF MITCHELL COMMENCES LEGAL ACTION TO COLLECT AMOUNTS DUE UNDER THIS AGREEMENT, CUSTOMER AGREES THAT IT WILL BE LIABLE FOR AND WILL PAY MITCHELL'S REASONABLE ATTORNEYS' FEES AND OTHER COSTS INCURRED BY MITCHELL IN CONNECTION WITH SUCH LEGAL ACTION.

2.5 In instances where Customer purchases hardware or other equipment ("**Equipment**") from Mitchell, Customer hereby conveys and grants to Mitchell a purchase money security interest in all of Customer's right, title, and interest in and to such Equipment and in any proceeds therefrom as collateral for the payment of all amounts due and owing by Customer to Mitchell for such Equipment. Upon request by Mitchell, Customer will execute any document required to perfect such security interest. Mitchell is authorized to file or record, without Customer's signature, this Agreement, or copy hereof, or any applicable financing statement showing Mitchell's interest in such Equipment. Upon any default by Customer of its payment obligations with respect to any Equipment, Mitchell will be entitled to exercise all rights of a secured creditor with respect to such Equipment under the Uniform Commercial Code or under any applicable law. Further, if Customer purchases Equipment on an installment basis and is in default of this Agreement, all remaining installments will become immediately due and payable upon notification to Customer of such default. In instances where Mitchell is servicing the manufacturer's warranty on hardware purchased by Customer, and Mitchell provides loaner hardware to Customer to use during any such warranty repair, Customer is required to return the loaner hardware upon Mitchell's demand. Customer will be charged fifty dollars ($50.00) per day for delinquent return of loaner hardware.

2.6 Mitchell reserves the right to increase the fees identified on any **Order Form** on an annual basis and upon thirty (30) days prior notice to Customer. Any such fee increase will be calculated at a rate of no more than one-hundred percent (100%) of the average inflation rate since the last increase applied by Mitchell, as stated by the Consumer Price Index (CPI-U, U.S. City Average, all items, 1982-84=100) ("**CPI Rate**"). No fee increase will be applied by Mitchell unless the CPI Rate exceeds one percent (1%).

3. Training and Installation.

Mitchell will provide the training and installation services specifically set forth on the applicable **Order Form**. Certain Products have required training, and Customer agrees to purchase and receive such training. If Customer fails to attend or purchase any required training, Mitchell reserves the right to deny access to technical support or to impose a charge for such technical support. In the event that Customer requests additional customized training, Customer may contract with Mitchell for such customized training and the fees for such customized training will be agreed upon by the parties.

4. Maintenance of Equipment and Software.

Customer must obtain, maintain, and operate at its own expense all hardware, equipment, internet connectivity, and non-Mitchell software required to interface properly with the Products. Customer agrees to use computer systems that meet Mitchell's hardware requirements as currently in effect (and as modified from time to time and posted on Mitchell's website or provided to Customer). Customer acknowledges that some hardware and operating environments may not readily accept the current or future functionality of the Software. Customer agrees to make necessary changes or upgrades in hardware, software, memory, memory management, and operating system environment to interface properly with the Software at its own expense. In the event that Customer requests Mitchell to provide technical support for a problem that Mitchell reasonably determines is the result of Customer's use of the Products with incompatible hardware or operating systems, or insufficient internet connectivity, Mitchell reserves the right to impose its standard support charge for such technical support. If Customer utilizes any interface program to interface with the Products, Customer must look solely to the supplier of such interface program with respect to any losses or damages caused by such interface program.

5. Updates and Technical Support.

5.1 During the term of this Agreement, provided Customer has paid all fees due and owing, Mitchell will provide Customer periodic database and/or software updates to the Software

and Hosted Software("**Updates**") as and when published. At Mitchell's request, Customer will immediately return all superseded Products to Mitchell. Customer agrees not to transfer, sell, or assign any prior version of the Products or any superseded data to any third party. Updates are not guaranteed to be published every month, and Customer's payment(s) will be due regardless of whether an Update is released in any given month. Mitchell may from time-to-time offer new versions of or additional modules to the Products. Such new version or additional modules will be offered to Customer at Mitchell's then current list price and may be licensed at the option of Customer. Mitchell reserves the right to discontinue support of non-current versions of the Software upon notice to Customer. During the term, provided Customer has paid all fees due and owing, Mitchell will provide technical support for the Software and Hosted Software in the form of toll-free telephonic support. Please refer to Mitchell.com for Mitchell's current support hours and contact information.

5.2 Mitchell may elect to end-of-life any Product(s) at any time during the term. In such case, Mitchell will provide a replacement product of substantially equivalent (or increased) functionality at no additional charge to Customer.

5.3 Customer authorizes Mitchell to gather information (either electronically or from Customer's employees) pertaining to end user hardware and software configuration for the purposes of determining installation requirements and providing technical support.

6. Term, Renewals.

6.1 This Agreement is effective as of the date set forth below Customer's signature (the "**Effective Date**") and will continue in full force and effect for as long as any product term specified on an **Order Form** remains in effect unless earlier terminated as permitted in this Agreement.

6.2 EACH PRODUCT IDENTIFIED ON AN **ORDER FORM** WILL AUTOMATICALLY RENEW FOR SUCCESSIVE RENEWAL TERMS OF A DURATION EQUAL TO THE INITIAL TERM, UNLESS TERMINATED BY MITCHELL OR CUSTOMER AT THE END OF THE THEN-CURRENT TERM BY GIVING THE OTHER PARTY AT LEAST THIRTY (30) DAYS WRITTEN NOTICE PRIOR TO THE END OF SUCH TERM. IF MITCHELL DOES NOT RECEIVE SUCH NOTICE FROM CUSTOMER, CUSTOMER WILL BE DEEMED TO HAVE RENEWED THIS AGREEMENT FOR AN ADDITIONAL TERM. THIS SECTION DOES NOT APPLY TO FINANCED HARDWARE PRODUCTS OR TO THE FASTPHOTO PRODUCT. THE FEES PAYABLE BY CUSTOMER DURING ANY RENEWAL TERM WILL REMAIN THE SAME AS SPECIFIED ON THE APPLICABLE **ORDER FORM** UNLESS MITCHELL PROVIDES CUSTOMER WITH AT LEAST NINETY (90) DAYS PRIOR WRITTEN NOTICE OF ANY CHANGES TO THE FEES.

6.3 CUSTOMER REPRESENTS THAT THIS AGREEMENT IS NOT DEPENDENT UPON CUSTOMER'S RELATIONSHIP WITH ANY INSURANCE CARRIER OR ANY OTHER THIRD PARTY, AND AGREES THAT THIS AGREEMENT IS NOT SUBJECT TO TERMINATION OR MODIFICATION BECAUSE OF CHANGES IN ANY SUCH RELATIONSHIPS.

7. Proprietary Rights; Confidentiality.

Customer acknowledges that (a) the Products and all portions, reproductions, corrections, modifications, Updates, new versions or modules, and improvements thereof provided to Customer, (b) the terms, conditions, and pricing contained in this Agreement and any **Order Form**, and (c) any ancillary documentation or support information provided by Mitchell to Customer are: (i) considered by Mitchell to be trade secrets; (ii) provided to Customer in confidence; and (iii) are the exclusive and proprietary property of Mitchell and/or its third party licensors. Title and full ownership rights in the Products and all related patent rights, copyrights, trade secrets, trademarks, service marks, related goodwill, and other confidential and proprietary information are reserved to and will remain with Mitchell and/or its third party licensors.
Customer's rights are those of a licensed end user only and are conditioned upon Customer's compliance with the terms of this Agreement. No transfer of any right, title, or interest in or to the Products other than the limited license set forth herein is intended or made. Customer must not reverse engineer, de-compile, or disassemble the Software or Hosted Software, nor attempt to discover any source code or derive the algorithms or know-how underlying the Software or Hosted Software. Customer must not alter, modify, or prepare derivative works of the Software or Hosted Software. Customer agrees that no portion of the information constituting the Products may be disclosed to others, copied, reproduced, compiled, interfaced with any systems or used for any purpose or purposes other than as specifically provided in this Agreement. Customer will exercise all reasonable precautions to protect the Products and to prevent their dissemination to unauthorized persons. Customer agrees that it will permit Mitchell access to Customer's premises during normal business hours to verify compliance with the terms of this Agreement.

8. Warranties; Limitation of Liability.

8.1 Mitchell warrants that the disk/disc(s) on which the Software is recorded are free from defects in materials or faulty workmanship; provided, however, that Mitchell's sole obligation under this warranty is to send Customer a replacement disk promptly upon receipt of the defective disk. EXCEPT FOR THE WARRANTY DESCRIBED IN THE PRECEDING SENTENCE, MITCHELL PROVIDES THE PRODUCTS ON AN "AS-IS" BASIS AND MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND

UNINTERRUPTED OR ERROR-FREE OPERATION ARE EXPRESSLY DISCLAIMED. MITCHELL OBTAINS ITS INFORMATION FROM SOURCES IT CONSIDERS RELIABLE, HOWEVER, MITCHELL AND ITS THIRD PARTY DATA SOURCES WILL HAVE NO LIABLITY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE DATA OR THE RESULTS OBTAINED THROUGH USE OF THE PRODUCTS. Customer acknowledges that Mitchell is not the manufacturer or distributor of the automotive repair parts referenced in the Products, and does not make any representations or warranties with respect to the quality or availability of such parts.

8.2 IN NO EVENT WILL MITCHELL AND/OR ITS LICENSORS, THEIR AGENTS, OR EMPLOYEES BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR LOSS OF PROFITS, REVENUE OR DATA, COST OF SUBSTANTIALLY SIMILAR SOFTWARE, LOSS OF USE, LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, OR ANY OTHER INCIDENTAL, CONSEQUENTIAL, INDIRECT, CONTINGENT, SECONDARY, OR SPECIAL DAMAGES OR EXPENSES OF ANY NATURE HOWSOEVER ARISING, EVEN IF MITCHELL HAS BEEN ADVISED OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES. CUSTOMER AGREES THAT THE TOTAL AGGREGRATE LIABLITY OF MITCHELL AND/OR ITS LICENSORS UNDER THIS AGREEMENT, WHETHER ARISING OUT OF CONTRACT, NEGLIGENCE, STRICT LIABILTY IN TORT, OR WARRANTY, WILL NOT EXCEED TWELVE (12) TIMES THE MONTHLY AVERAGE AMOUNT ACTUALLY PAID BY CUSTOMER TO MITCHELL FOR THE PRODUCT(S) RELATING TO THE EVENT GIVING RISE TO SUCH LIABILITY. THIS LIMIT IS CUMULATIVE AND ALL PAYMENTS UNDER THIS SECTION 8.2 ARE AGGREGATED TO CALCULATE SATISFACTION OF THIS LIMIT. THE EXISTENCE OF MULTIPLE CLAIMS DOES NOT ENLARGE THIS LIMIT.

9. Default and Remedies.

9.1 An event of default will occur if Customer: (i) fails to pay any fees or other payment when due; (ii) becomes insolvent or bankrupt, makes any assignment for the benefit of creditors, or consents to the appointment of a receiver or trustee for Customer of Customer's assets; (iii) takes actions to dissolve or close its business; or (iv) breaches the terms of this Agreement or any **Order Form**, and does not cure such breach within ten (10) days after receipt of written notice of default by Mitchell.

9.2 Upon the occurrence of any event of default and at any time thereafter, Mitchell may, in its sole discretion, take any one or more of the following actions: (i) upon notice to Customer, terminate this Agreement, any Other Agreement (as defined below), or any **Order Form**; (ii) declare immediately due and payable, and require Customer to pay, all amounts that are past due, currently due, or will become due during the balance of the term of each impacted product as identified on the applicable **Order Form**; (iii) take legal action to enforce the terms of this Agreement and/or to recover damages for breach of this Agreement.

9.3 In the event that Customer and Mitchell are or become parties to agreements other than this Agreement ("**Other Agreement**") and Customer breaches such Other Agreement in a manner that could give rise to termination of such Other Agreement, Mitchell will have the right to: (i) terminate this Agreement or any **Order Form** by providing Customer with written notice of Mitchell's election to do so; (ii) refuse to provide further product Updates, support, or other services in connection with this Agreement or any **Order Form** until such breach is cured; and (iii) setoff any amounts due and owing by Mitchell to Customer against amounts due by Customer to Mitchell under an Other Agreement.

9.4 Upon the termination of this Agreement for any reason, the license granted to Customer and all rights of Customer to the Products will immediately cease, and Customer will immediately: (i) return to Mitchell the physical medium on which any Software is contained, or destroy the physical medium on which the Software is contained and certify such destruction; (ii) purge all copies of the Software from all designated CPUs and from any computer storage device or medium on which Customer has placed any copies of the Software; and (iii) provide Mitchell a written certification that through its best efforts and to the best of its knowledge, Customer has complied with all of its obligations under this Section. Termination will not affect Customer's payment or other obligations to Mitchell arising prior to termination. Mitchell reserves the right to notify any affected insurance carrier of termination of this Agreement or any **Order Form**

9.5 If this Agreement is terminated and Mitchell subsequently agrees with Customer to reinstate this Agreement, the then current term of the Agreement will be extended by the length of time between such termination and reinstatement dates.

10. Notices.

Any notices provided pursuant to this Agreement must be in writing and must be delivered by hand or sent by courier service, express or overnight mail, or by registered or certified mail, postage prepaid and return receipt requested or, if to Customer, by electronic mail, addressed to the party to be notified as follows: If to Mitchell: Mitchell International, Inc., 6220 Greenwich Drive, San Diego, CA 92122, Attn: Customer Service, with a copy to the Legal Department at the same address; If to Customer: to the contact name and address specified in the "Bill To" field on the applicable **Order Form** or to Customer's electronic mail address on file with Mitchell. All notices will be deemed given when delivered to the address indicated. Either party may change its contact and/or address specified in this Section by providing written notice to the other party in accordance with this Section.

11. Mitchell Diagnostics Specific Provisions.

In the event that Customer licenses Mitchell Diagnostics, the following provisions apply.

11.1 Mitchell may terminate this Agreement, and any applicable Order Form, as it relates to Mitchell Diagnostics upon one hundred eight (180) days prior written notice to Customer.

11.2 Mitchell Diagnostics MD-200 and MD-350 are covered by Bosch Automotive Service Solutions' ("Bosch") Limited Warranty. MD-OEM is covered by Drew's Technology, Inc.'s ("Drew") Equipment as a Service Agreement. Mitchell Diagnostics Equipment will be deemed accepted by Customer unless Customer notifies:

- Bosch Automotive Service Solutions with regards to MD-200 or MD-350 ("Bosch"); or
- Drew Technologies, Inc. ("Drew") with regards to MD-OEM

in writing of obvious defects or lack of conformity with the warranty that are reasonably discoverable through visual inspection within thirty (30) days after receipt of the Equipment.

11.3 Upon Customer's registration of the Mitchell Diagnostics Equipment, Mitchell, Bosch and/or Drew will access, collect and transfer internationally, and may process and use, the following types of data: (i) Customer name, address, phone number and email, (ii) information about the Mitchell Diagnostics Equipment including, but not limited to, type/model and serial number, and (iii) technical information about the Mitchell Diagnostics Equipment, Software and any peripherals (collectively "Registration Information").

11.4 When using Mitchell Diagnostics Equipment to perform diagnostic scans of a vehicle, Mitchell, Bosch and/or Drew will access, collect and transfer internationally, and may process and use, the following types of information about the vehicle: (i) make, model, year of manufacture, equipment features, vehicle identification number, odometer reading, and (ii) repair, maintenance and wear related data generated during use and repair (collectively "Vehicle Data").

11.5 Bosch, Drew and Mitchell may use Vehicle Data for any purpose including, without limitation, the following purposes: (i) to perform their obligations under this Agreement or an Order Form, (ii) to improve their products and services, (iii) to develop new products and services, (iv) to manufacture, sell and distribute products and services utilizing Vehicle Data, (v) to aggregate Vehicle Data, and (vi) to reproduce, distribute, sell, license and/or otherwise commercialize Vehicle Data. Customer will provide notice to, and acquire consent from, each of its customers to Mitchell's, Bosch's and/or Drew's accessing, collecting, processing, transferring internationally, and use of the Vehicle Data as set forth in this Section 11.5.

12. ABS-Specific Provisions.

In the event that Customer licenses the ABS™ product (not ABS Enterprise) and compatible programs that interface with ABS, the following provisions apply. Unless otherwise indicated, the ABS program is licensed on a perpetual basis (providing Customer with a perpetual license without additional fees once the agreed upon fees have been paid in full); provided, however, that in order to continue to receive updates and support or maintenance for the ABS program, Customer must continue to purchase support and maintenance from Mitchell. In the event that Customer is licensing any package that is identified as "ABS-E" or "ABS Subscription," the foregoing language does not apply. Certain rights of Customer with respect to programs that interface with ABS may be subject to additional conditions of third party sources, as set forth by separate addendum(s) to this Agreement or by a separate agreement between Customer and the third party. Customer will utilize all such data solely for its internal business use. Customer will hold Mitchell harmless from and against all unauthorized access or improper use of such data. Customer must utilize its own software programs and/or connectivity technology, or programs/technology it has licensed from sources other than Mitchell to achieve any remote access. All support provided by Mitchell for ABS database repair is charged on a per Incident basis. An "**Incident**" is defined as a Single Support Issue and the commercially reasonable effort needed to resolve it. A "**Single Support Issue**" is a problem that cannot be broken down into subordinate issues. If a problem consists of subordinate issues, each will be considered a separate Incident. Support requests to resolve damaged ABS databases will be handled during Mitchell's normal business hours of 5 A.M. to 5 P.M. Pacific Time, Monday-Friday. There will be no charge for the first Incident. All other Incidents will be charged at a rate of $125.00 per hour. If the Single Support Issue behind a specific Incident is determined by Mitchell to be the result of a defect in the Software, Customer will not be charged for that Incident. This Section does not apply to the Mitchell ABS Enterprise product.

13. Additional Provisions.

13.1 *Entire Agreement*. This Agreement includes these terms and conditions and any **Order Form(s)**, and sets forth the entire agreement and understanding between the parties as to the subject matter of this Agreement, and supersedes all prior discussions or agreements, oral or written, including any electronic or internet-based agreements between the parties, concerning the subject of this Agreement. **Notwithstanding anything herein to the contrary, these terms and conditions expressly supersede the terms and conditions of any similar agreement Customer has with Mitchell, provided, however, that the term length, pricing, and payment terms of the product exhibits (including, without limitation, those labeled Exhibit A to an End User License Agreement) to such terms and conditions remain unchanged and are deemed to have been added as Order Form(s) to this Agreement.** THIS AGREEMENT MAY NOT BE AMENDED OR MODIFIED EXCEPT (i) BY A WRITTEN AMENDMENT SIGNED BY CUSTOMER AND AN AUTHORIZED REPRESENTATIVE OF MITCHELL OR (ii) BY AN ELECTRONIC AGREEMENT

ACCEPTED BY CUSTOMER WHICH STATES THAT IT WILL EXPRESSLY SUPERSEDE THIS AGREEMENT.

13.2 *Severability*. In the event that one or more provisions of this Agreement is determined by a court of law to be invalid, void, or unenforceable, such provision will be deemed modified in such a way so as to retain the intent of the provision but be enforceable under applicable law. The remaining provisions of this Agreement will be unaffected and will remain in full force and effect.

13.3 *Waiver*. Failure of either party to enforce any term of this Agreement will not be a waiver of that party's right thereafter to enforce each and every term of this Agreement.

13.4 *Force Majeure*. With the exception of payment obligations, neither party will be in default in performance of any obligations if performance of such obligations is prevented or delayed by acts of God or government, acts of terrorism, failure or delay of transportation, a ransomware cyber-attack or by any other similar cause or causes beyond its reasonable control.

13.5 *Assignment*. Customer may not assign its rights or delegate its duties hereunder, whether by operation of law or otherwise, without the prior written consent of Mitchell, which may be withheld in Mitchell's sole discretion. Any attempted assignment by Customer without Mitchell's written consent will be deemed void.

13.6 *Applicable Law*. THIS AGREEMENT IS DEEMED TO HAVE BEEN MADE, EXECUTED, AND DELIVERED IN THE STATE OF CALIFORNIA AND WILL BE GOVERNED AND CONSTRUED FOR ALL PURPOSES IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PROVISIONS. CUSTOMER AND MITCHELL AGREE THAT THE STATE AND FEDERAL COURTS IN SAN DIEGO COUNTY, CALIFORNIA WILL HAVE THE EXCLUSIVE JURISDICTION TO HEAR AND RESOLVE ALL DISPUTES ARISING HEREUNDER. NO RIGHTS OR REMEDIES SET FOR IN ARTICLE 2A OF THE UNIFORM COMMERICAL CODE ARE CONFERRED ON CUSTOMER UNLESS EXPRESSLY GRANTED BY MITCHELL IN WRITING. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, MITCHELL IS PERMITTED, BUT NOT REQUIRED, TO BRING A COLLECTION ACTION AGAINST CUSTOMER IN CUSTOMER'S LOCAL JURISDICTION.

13.7 *Author of Agreement*. The parties acknowledge that this Agreement was drafted by Mitchell. Customer acknowledges and represents that it has had the opportunity to review the content and meaning of this Agreement with its counsel or has voluntarily elected not to do so. In no event will any ambiguity in this Agreement be construed against Mitchell as the drafter.

SIGNATURES APPEAR ON NEXT PAGE

13.8 *Conflict Between Agreement and Exhibits*. In the event of a conflict between the terms of this Agreement and the terms of any Exhibit to this Agreement or an Order Form, the terms of the Exhibit or Order Form, as applicable, are to be controlling. In the event of a conflict between this Agreement and a "click-to-accept" end user license agreement associated with a particular product, the terms of this Agreement will control, unless such "click-to-accept" end user license agreement specifies that it expressly supersedes any written agreement. To the extent that a "click-to-accept" end user license agreement associated with a particular product does not conflict with this Agreement, the terms of that end user license agreement are binding on Customer as though they were incorporated herein.

13.9 *Data Use*. Mitchell reserves the right to use non-identifiable Customer data processed by or stored within the Products to generate industry statistical intelligence. Generic information that relates to the collision repair process (e.g. part utilization rates, number and types of procedures, etc.) or information that relates to operations done to a specifically identifiable vehicle may be used by Mitchell for any purpose. Notwithstanding the foregoing, any information which can be identified as originating with Customer or which identifies any of Customer's customers may not be utilized under this Section 13.9 without Customer's prior written consent. To the extent that Customer licenses a 3rd Party Application for use with RepairCenter, Customer hereby authorizes Mitchell to grant such 3rd Party Application provider access to Customer's data stored within the RepairCenter product. Use of any such data by the 3rd Party Application provider is subject to the agreement between Customer and such 3rd Party Application provider and is not subject to Mitchell's Data Use Policy.

13.10 *Counterparts; Electronic Signature*. This Agreement may be signed in two (2) or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. This Agreement may be signed using an electronic signature service, which Customer agrees will have the same force and effect as a physical signature. Further, this Agreement may be archived on a web page and (i) referenced on an **Order Form** signed by Customer or (ii) linked on a Mitchell web page where Customer is placing an order for a Mitchell Product, with (a) Customer's signature on the applicable **Order Form** or (b) Customer's completion of an order on the Mitchell web page, expressing Customer's acceptance of these terms and conditions, with such acceptance having the same force and effect as though Customer had physically signed these terms and conditions.

The person executing this Agreement on behalf of Customer hereby represents and warrants that he/she is duly authorized by Customer to enter into this Agreement on behalf of Customer. Execution of this Agreement by Customer confirms that Customer has received and was provided an opportunity to review the entire Agreement (all pages and Exhibits).

CUSTOMER

X_____

(Signature of Owner or Authorized Signatory)

_____

(Print Name)

_____

(Title)

_____

(Date)

(Print Full Legal Business Name)

AND

X_____

(Signature of Owner or Authorized Signatory)

_____

(Print Name)

_____

(Title)

_____

(Date)

(Print Full Legal Business Name)

MITCHELL INTERNATIONAL INFORMATION SERVICES INC.

X_____

(Authorized Signature)

THIS AGREEMENT TAKES EFFECT ONLY UPON SIGNATURE BY AN AUTHORIZED REPRESENTATIVE OF MITCHELL. MITCHELL'S TERRITORY REPRESENTATIVES AND THEIR AGENTS DO NOT HAVE THE AUTHORITY TO BIND MITCHELL, WHETHER IN WRITING OR ORALLY.

EXHIBIT L

CCC AUTOMOTIVE SERVICES MASTER LICENSE AGREEMENT

AUTOMOTIVE SERVICES MASTER LICENSE AGREEMENT

This Automotive Services Master License Agreement ("Agreement") is made as of _____, 20__, (the "Effective Date") by and between CCC Information Services Inc., with principal offices at 222 Merchandise Mart Plaza, Suite 900, Chicago, Illinois 60654-1005 ("CCC"), its successors and assigns, and the customer that is identified on the Product Schedule ("CUSTOMER").

1. **Definitions.** For the purposes of this Agreement, the definitions set forth in this Section shall apply to the respective capitalized terms:

1.1 "CCC Portal" means the portal through which the Services are accessed.

1.2 "Collision Estimating Database" means the electronic database containing the "Motor Crash Estimating Guides Collision Estimating Database" published by Motor Information Systems, a unit of Hearst Business Publishing, Inc. ("Hearst").

1.3 "Devices" means the CCC minimum hardware required to operate the Programs (including all model conversions, elements and accessories).

1.4 "Documentation" means those instructions and help manuals pertaining to the Programs and/or Services furnished or made accessible by CCC, as may be updated and revised from time-to-time by CCC.

1.5 "Enhancement(s)" means computer program modifications, updates or additions, other than Maintenance Modifications that may be integrated with the Programs and/or Services that are generally made available to CCC customers without charge; provided, however, that Enhancements do not include new Program and/or Services features which will be made available to CUSTOMER at CCC's then current published prices.

1.6 "Error(s)" means a defect in a Program and/or Service that prevents it from functioning in substantial conformity with the Documentation.

1.7 "Franchise Agreement" means the franchise agreement between CUSTOMER and CARSTAR Franchise Systems, Inc. ("CARSTAR").

1.8 "Maintenance Modification(s)" means computer software changes to be integrated with the Programs and/or Services to correct any Errors therein, but that do not alter the functionality of the Programs and/or Services or add new functions thereto.

1.9 "Marketing Agreement" means the marketing agreement between CCC and CARSTAR dated December 1, 2014, as amended.

1.10 "Product Schedule" means one (1) or more product schedules that are attached hereto and by reference incorporated herein**.**

1.11 "Program" means a software application licensed to CUSTOMER under this Agreement, as reflected on a Product Schedule.

1.12 "Proprietary or Confidential Information" means, with respect to a party hereto, all information or material which is either (a) marked "Confidential," "Restricted" or "Proprietary Information" or other similar marking, or (b) known by the parties to be considered confidential and proprietary. Proprietary or Confidential Information includes, but is not limited to, the Programs, the Collision Estimating Database and any trade secrets related thereto. In addition, each of the terms and conditions of this Agreement, including pricing, shall constitute Proprietary or Confidential Information. Neither party shall have any obligation with respect to Proprietary or Confidential Information which: (i) is or becomes generally known to the public by any means other than a breach of the obligations of a receiving party; (ii) was previously known to the receiving party or rightly received by the receiving party from a third party; or (iii) is independently developed by the receiving party without reference to information derived from the other party; and (iv) subject to disclosure under court order or other lawful process.

1.13 "Services" means those software applications residing on servers owned or operated by or for the benefit of CCC to which CUSTOMER is given access under this Agreement, as reflected on a Product Schedule.

2. **License Grant; Collision Estimating Database Sublicense and Authorization.**

2.1 Grant – Programs. Subject to the terms and conditions of this Agreement, during the term hereof, CCC hereby grants to CUSTOMER a limited, nontransferable, nonassignable, nonexclusive, royalty-bearing, limited term license to use the Programs solely for CUSTOMER's internal business and may be accessed only by one (1) person at a time at one (1) Site unless licensed for additional users listed on any Product Schedule and/or licensed for use Off-Site under this Agreement.

2.2 Grant – Services. Subject to the terms and conditions of this Agreement, during the term hereof, CCC hereby grants access to CUSTOMER to use the Services solely for CUSTOMER's internal business and access to the Services from the CUSTOMER's Devices.

2.3 Collision Estimating Database Sublicense. To the extent incorporated in a Program, CCC hereby grants, and CUSTOMER hereby accepts, on the terms and conditions contained herein, a nonexclusive, nontransferable sublicense to use or access the Collision Estimating Database (collectively, to the extent the Collision Estimating Database is incorporated into a Program,

such combination shall be deemed to be a "Program"). CCC represents and warrants that it is authorized and empowered under license agreements with Hearst to grant the rights to use or access the Collision Estimating Database described herein. The Collision Estimating Database is intended to be used in conjunction with the CCC ONE Total Repair Platform ("CCC ONE") licensed hereunder, or any successor product, as an alternative electronic information source of data, inclusive or exclusive of diagrams, contained in Hearst's published printed periodicals. CUSTOMER agrees that its Collision Estimating Database sublicense shall be expressly subject and subordinate to the terms of CCC's license agreements with Hearst. Any modification hereto which affects the rights or obligations of Hearst, specifically, Hearst's right of ownership in the Collision Estimating Database, Hearst's right to restrict the use, copying, modification, distribution and transfer of its Collision Estimating Database and the term of the agreement between CCC and Hearst, shall require the written consent of Hearst, and Hearst shall not be deemed to have waived any term or provision hereof or consented to any breach of this Agreement, unless such waiver or consent shall be in writing and signed by Hearst. WITH RESPECT TO THE COLLISION ESTIMATING DATABASE, EACH UPDATING MEDIA WILL AUTOMATICALLY ERASE THE PRIOR PERIOD'S COLLISION ESTIMATING DATABASE BY VERIFYING THE USER AND SERIAL NUMBER OF EACH CCC ONE UNIT. IF THE USER AND SERIAL NUMBER ARE NOT CURRENT OR ARE INVALID, THE CCC ONE UNIT MAY RENDER BOTH THE CURRENT COLLISION ESTIMATING DATABASE AND THE COLLISION ESTIMATING DATABASE WITHIN CCC ONE INOPERATIVE. ALSO, SUPERSEDED DATA SHOULD NOT BE USED ON ANY OTHER COMPUTER AS IT MAY CAUSE DAMAGE TO SOFTWARE AND HARDWARE.

2.4 Further Limitations. As further limitations to the limited licenses granted hereunder, CUSTOMER acknowledges and agrees that it may not do any of the following:

(a) Copy, translate, port, modify, or make derivative works of the Programs and/or Services or Documentation;

(b) Electronically transmit the Programs from one computer to another or over a network, including the Internet;

(c) Rent, sell, assign, lease, sublicense or otherwise transfer or provide access to the Programs and/or Services and Documentation or use them in any manner not expressly authorized by this Agreement;

(d) Derive or attempt to derive the source code, source files, or structure of all or any portion of the Programs and/or Services (or any applications or code used to provide the Services) by reverse engineering, disassembly, decompilation or any other means;

(e) Provide a front-end or otherwise access the Programs through equipment, locations, software or applications not authorized hereunder;

(f) compile estimate data for the purpose of creating a database; or

(g) Access or use the Programs or Services outside of the United States and its protectorates.

2.5 Intellectual Property Protection. The Programs, Services and Documentation contain material that is protected by United States copyright law and trade secret law, and by international treaty provisions. All rights not expressly granted to CUSTOMER under this Agreement are expressly reserved by CCC and its licensors. CUSTOMER may not remove or modify any proprietary notice of CCC from any copy of the Programs, Services or Documentation.

2.6 Ownership. All copyrights, patents, patent rights, trade secrets, trademarks, service marks, trade names, moral rights and other intellectual property and proprietary rights in the Programs, Services, content on the CCC Portal and Documentation are and shall remain the sole and exclusive property of CCC and its licensors. Without limiting the foregoing, CUSTOMER acknowledges CCC's (or CCC's licensors') exclusive ownership of any modification, translation or adaptation of the Programs and Documentation and any other improvement or development based thereon, which is suggested, developed, supplied, installed or paid for by or on behalf of CUSTOMER. CUSTOMER agrees that it will not claim or assert title to the Programs, Services or Documentation or attempt to transfer any title to any third parties. CUSTOMER acknowledges that the Collision Estimating Database is, and contains material that is, confidential and proprietary and owned by Hearst and certain materials within the Collision Estimating Database are owned by other CCC licensors. CUSTOMER agrees that Hearst and other CCC licensors shall retain exclusive ownership of such portion of the Collision Estimating Database, including, without limitation, all literary property rights, copyrights, trademarks, trade secrets, trade names or service marks, including goodwill, and that Hearst, CCC's other licensors and/or CCC may enforce such rights directly against CUSTOMER in the event the pertinent terms of this Agreement are violated.

2.7 Program or Service Discontinuance. CCC RESERVES THE RIGHT TO DISCONTINUE PROVIDING ANY PROGRAM OR SERVICE UPON SIXTY (60) DAYS PRIOR WRITTEN NOTICE TO CUSTOMER; PROVIDED, HOWEVER, CCC WILL REPLACE ANY SUCH PROGRAM OR SERVICE WITH A PROGRAM OR SERVICE SIMILAR TO THE PROGRAM OR SERVICE BEING REPLACED, AT NO ADDITIONAL CHARGE TO CUSTOMER, FOR THE REMAINDER OF THE TERM OF THIS AGREEMENT.

2.8 Authorization. CUSTOMER sends CCC auto physical damage claim and CUSTOMER data to CCC via CCC's products and services (the "Data"). CUSTOMER hereby authorizes CCC to provide to CARSTAR and authorizes CARSTAR to receive the Data from or on behalf of CUSTOMER. CUSTOMER understands and agrees that the Data, which will be transmitted to CARSTAR, may contain nonpublic personal information. CUSTOMER further understands and agrees that the

Data shall be used by CARSTAR as allowed under the terms of the Franchise Agreement between CUSTOMER and CARSTAR. CUSTOMER shall indemnify, defend and hold CCC harmless against any action, costs or expense asserted against CCC, including reasonable attorneys' fees, to the extent that such action, costs or expenses arise out of the transmission of the Data to CARSTAR or CARSTAR's use of the Data. In no event shall CCC be liable for any damages arising out of or relating to CCC's transmission of the Data to CARSTAR or CARSTAR's use of the Data, including, without limitation, direct, compensatory, special, incidental, consequential or punitive damages. CCC shall have the right to cease transmitting the Data to CARSTAR (a) automatically in the event that CUSTOMER ceases to license the CCC ONE Perform package or CCC ONE Innovate package from CCC; or (b) upon prior written notice to CUSTOMER at any time for any reason. CUSTOMER shall have the right to revoke this authorization at any time for any reason upon prior written notice to CCC. This authorization shall immediately terminate on the date that this Agreement or the CARSTAR Agreement expires or terminates, whichever is earlier.

3. **Devices.** CUSTOMER shall obtain at its own expense computer and telecommunications assets sufficient to satisfy the CCC minimum technical requirements. CUSTOMER shall make all necessary modifications to the Devices to ensure that the Programs and/or Services function properly. Operation of and maintenance for the Devices are the sole responsibility of CUSTOMER.

4. **Fees; Payment.** The fees under this Agreement are set forth on the Product Schedule, unless otherwise set forth in an amendment to this Agreement. CARSTAR shall invoice CUSTOMER and CUSTOMER agrees to pay CARSTAR the fees set forth in any Product Schedule for the license and/or sale of the Programs and Services. **CCC may increase any fees after the initial term specified herein or on the Product Schedule and on an annual basis thereafter**. Fees are exclusive of all shipping costs and applicable sales, use, excise or similar taxes assessed now or hereafter imposed. CUSTOMER agrees that its obligation to make all payments due shall be absolute and unconditional and not subject to any abatement, reduction, refund, set-off, defense or counterclaim whatsoever. Certain Programs and/or Services will be billed in advance and certain Programs and/or Services will be billed in arrears, as set forth on the Product Schedule. Unless specified otherwise in the Product Schedule, all fees are due thirty (30) days after the invoice date. Any past due amounts will be assessed a late fee accruing at the greater of 1.5% per month or the maximum rate allowable by law.

5. **Confidentiality of Information; Protection and Security.**

5.1.1 Nondisclosure; Non-use. The parties agree, both during the term of this Agreement and after the expiration or termination of this Agreement to hold each other's Proprietary or Confidential Information in confidence. The parties agree not to make each other's Proprietary or Confidential Information available in any form to any third party or to use each other's Proprietary or Confidential Information for any purpose other than as specified in this Agreement. Each party agrees to take all reasonable steps so that Proprietary or Confidential Information of either party is not disclosed or distributed by its employees, agents or consultants in violation of the provisions of this Agreement.

5.2 Equitable Relief. Each party acknowledges that any use or disclosure of the other party's Proprietary or Confidential Information, other than as specifically provided for in this Agreement and other written agreements between CCC and CUSTOMER, may result in irreparable injury and damage to the non-using or nondisclosing party. Accordingly, each party hereby agrees that, in the event of use or disclosure by the other party, other than as specifically provided for in this Agreement and in other written agreements between the parties, the non-using or nondisclosing party may be entitled to equitable relief as granted by any appropriate judicial body.

6. **Expenses.** It is expressly understood and agreed that CCC is under no obligation to reimburse CUSTOMER for any expenses or costs incurred by CUSTOMER in the performance of its responsibilities under this Agreement. Any costs or expenses incurred by CUSTOMER shall be at CUSTOMER's sole risk and upon its independent business judgment that such costs and expenses are appropriate.

7. **Training, Maintenance and Support.** CCC shall provide CUSTOMER's employees with its standard implementation and training regarding the operation of the Programs. Such training shall be conducted at mutually agreeable times and at mutually agreeable locations. In addition, CCC shall provide CUSTOMER telephone support for the Programs. CCC's telephone support is available Monday through Friday 6:00 a.m. to 9:00 p.m. Central time and Saturday 7:00 a.m. to 4:00 p.m. Central time (except CCC holidays). CCC's telephone support hours are subject to change at any time without notice. CCC shall provide CUSTOMER with any Maintenance Modifications and Enhancements for the Programs. CCC shall not be responsible for ensuring proper production and storage of daily backup media or processes. CUSTOMER is responsible for (a) preparing and maintaining the location of the Devices in accordance with the specifications provided by CCC; (b) providing adequate personnel to assist CCC in carrying out its duties under this Agreement; and (c) installing any Enhancements or Maintenance Modifications to the Programs and/or Services.

8. **Data.** CUSTOMER hereby grants CCC full right and authority to use data supplied by CUSTOMER: (a) to be incorporated or used with the Programs and/or Services under this Agreement; (b) for the purpose of creating and providing reports and analysis to the CUSTOMER; (c) for any internal industry, market, and trend analysis, product improvement, and research and development by, or on behalf of, CCC and its affiliates; and (d) in de-identified form, within CCC's and its affiliates' products and services. Such use of this data may continue after the expiration or termination of this Agreement.

9. **Disclaimer of Warranties.** EXCEPT AS PROVIDED IN SECTION 2.3 OF THIS AGREEMENT, THE PROGRAMS, SERVICES AND DOCUMENTATION ARE PROVIDED BY CCC "AS IS," WITH ALL FAULTS, AND WITHOUT WARRANTY OF ANY KIND. CCC EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND TITLE/NONINFRINGEMENT. CCC DOES NOT WARRANT THAT THE PROGRAMS, SERVICES AND DOCUMENTATION WILL MEET CUSTOMER'S REQUIREMENTS OR THAT THE OPERATION OF THE PROGRAMS OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. CCC DOES NOT WARRANT OR MAKE ANY REPRESENTATION REGARDING THE USE OR THE RESULTS OF THE USE OF THE PROGRAMS, SERVICES OR THE DOCUMENTATION IN TERMS OF THEIR CORRECTNESS, ACCURACY, QUALITY, RELIABILITY, APPROPRIATENESS FOR A PARTICULAR TASK OR APPLICATION, OR OTHERWISE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY CCC OR CCC'S AGENTS SHALL CREATE A WARRANTY.

10. **Limitation of Liability**. IN NO EVENT SHALL CCC, HEARST OR OTHER LICENSORS OF CCC BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES FOR LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF GOODWILL OR BUSINESS REPUTATION, BUSINESS INTERRUPTION, LOSS OF DATA, OR LOSS OF BUSINESS INFORMATION) ARISING OUT OF OR CONNECTED IN ANY WAY WITH THIS AGREEMENT, OR FOR ANY CLAIM BY ANY THIRD PARTY (INCLUDING FOR INTELLECTUAL PROPERTY INFRINGEMENT), EVEN IF CCC, HEARST OR OTHER LICENSOR OF CCC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL LIABILITY OF CCC AND HEARST AND OTHER LICENSORS OF CCC TO CUSTOMER FOR ALL DAMAGES, LOSSES, AND CAUSES OF ACTION (WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE) SHALL NOT EXCEED THE AMOUNTS PAID BY CUSTOMER TO CCC DURING THE PRECEDING TWELVE MONTHS FOR THE PROGRAMS AND/OR SERVICES GIVING RISE TO SUCH LIABILITY.

11. **Indemnification.**

11.1 CCC Intellectual Property Indemnification. CCC agrees to defend CUSTOMER and CUSTOMER's officers, employees and authorized successors in interest from and against any third party action, proceeding or other such claim (each a "Third Party Claim") to the extent based on, and indemnify and hold harmless such persons and entities from any liability, loss, damage, cost or expense, including, without limitation, reasonable attorneys' fees awarded to a third party ("Losses") that are finally awarded in connection with any Third Party Claim to the extent caused by, the infringement or misappropriation of any United States copyright, trade secret, patent, trademark or service mark of a third party by CUSTOMER's use of the Programs and/or Services in a manner permitted hereunder (collectively, "Infringement Claim(s)"). CUSTOMER agrees that if its use of the Programs and/or Services or any part thereof becomes, or in CCC's opinion may become, the subject of an Infringement Claim(s), CCC will either procure the right for CUSTOMER to continue to use the Programs and/or Services, or part thereof, or replace or modify the Programs and/or Services, or part thereof, with another non-infringing item of comparable quality and performance capabilities. If neither of such alternatives is commercially reasonable, the infringing items shall be returned to CCC and CCC's sole liability to CUSTOMER shall be to refund the amounts pre-paid by CUSTOMER, if any. Notwithstanding the foregoing, CCC assumes no liability or indemnity obligation for Infringement Claim(s) arising from: (a) use of the Programs and/or Services in combination with non-CCC approved third party products, including hardware and software; (b) modifications or maintenance of the Programs and/or Services by a party other than CCC; (c) misuse of the Programs and/or Services; and (d) failure of CUSTOMER to implement any Maintenance Modifications or Enhancements to the Programs and/or Services, if the Infringement Claim(s) would have been avoided by the use of the Maintenance Modifications or Enhancements.

11.2 Responsibilities. CUSTOMER will provide CCC with prompt notice of any Third Party Claim for which it seeks indemnification, provided that the failure to do so will not excuse CCC of its indemnification obligations except to the extent prejudiced by such failure or delay. CCC will defend any such Third Party Claim and have the sole right to control the defense and settlement of such Third Party Claim. CUSTOMER will provide reasonable cooperation to CCC in defending any Third Party Claim. CUSTOMER may, at its sole expense, obtain counsel of its own choosing to monitor any Third Party Claim.

12. **Term and Termination.**

12.1 Term. This Agreement will commence on the Effective Date. Unless earlier terminated as provided herein, this Agreement shall terminate upon thirty (30) days' notice to CUSTOMER in the event that (a) CUSTOMER's Franchise Agreement is terminated for any reason; or (b) the Marketing Agreement expires or is terminated for any reason.

12.2 Termination. This Agreement shall terminate:

(a) In the event CUSTOMER is in default of this Agreement. An event of default shall occur if CUSTOMER fails to pay any fees or other payments required hereunder when due or perform or observe any other term or condition contained in this Agreement. Upon the occurrence of any event of default and at any time thereafter, CCC may, in its sole discretion, do any one or more of the following: (i) terminate access to the Programs and/or Services until CUSTOMER pays all outstanding fees, interest and/or other payments due hereunder; (ii) upon notice to CUSTOMER, terminate this Agreement; (iii) declare immediately due and payable, and require CUSTOMER to pay, all amounts that are past due, currently due and to become due during the balance of the then current term of the Agreement; (iv) by written notice to CUSTOMER, demand that

CUSTOMER (and CUSTOMER agrees that it shall) pay to CCC (as liquidated damages for loss of a bargain and not as a penalty) on the date specified in such notice an amount (plus interest thereon at the rate of 12% per annum from said date to the date of actual payment) equal to all unpaid fees then due and to become due and payable for the balance of the then current term of the Agreement; or (v) proceed by arbitration to enforce the terms of this Agreement or to recover damages for the breach hereof. In addition, CUSTOMER shall be liable for all legal fees and other costs and expenses resulting from CUSTOMER's defaults and exercise of CCC's remedies. No remedy shall be exclusive, and all remedies shall be cumulative and in addition to any other remedy referred to above or otherwise available to CCC at law or in equity. To the extent permitted by applicable law, CUSTOMER hereby waives any rights, now or hereafter, conferred by statute or otherwise which may limit or modify any of CCC's rights or remedies under this Section; or

(b) Upon notice by either party, immediately, if (i) a receiver is appointed for the other party or its property; (ii) the other party becomes insolvent or unable to pay its debts as they mature in the ordinary course of business or makes a general assignment for the benefit of its creditors; or (iii) any proceedings (whether voluntary or involuntary) are commenced against the other party under any bankruptcy or similar law and such proceedings are not vacated or set aside within sixty (60) days from the date of commencement thereof.

12.3 Post-Termination. From and after termination, (a) all licenses granted herein shall terminate automatically and CUSTOMER shall have no further right to use the Programs, Services, CCC Proprietary or Confidential Information or Documentation and (b) CUSTOMER shall destroy or return to CCC all copies of the Programs, CCC Proprietary or Confidential Information and Documentation, and certify in writing that all known copies, including backup copies, have been destroyed.

13. **Compliance with Law.** CUSTOMER shall comply with all applicable laws and regulations of governmental bodies or agencies in its performance under this Agreement.

14. **Assignment.**

14.1 Assignment by CUSTOMER. CUSTOMER represents that it is acting on its own behalf and is not acting as an agent for or on behalf of any third party, and further agrees that it may not assign its rights or obligations under this Agreement without the prior written consent of CCC. CUSTOMER acknowledges that any attempt to assign this Agreement without such consent from CCC will be void.

14.2 Assignment by CCC. CCC may assign its rights to payments from CUSTOMER, and/or any contracted third party of CUSTOMER, to any third party. CCC may assign this Agreement to any entity acquiring or merging with CCC, or to whom CCC transfers all or substantially all of its assets, or to any entity that CCC executes a contract with that provides for such an assignment.

15. **Choice of Law/Binding Arbitration/Class Action Waiver.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois to the exclusion of its conflict of laws rules. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods (1980) is specifically excluded from application to this Agreement. Any dispute, claim, case or controversy, whether in tort, contract, statute or otherwise, arising out of or relating to this contract, including any question regarding its existence, validity, or termination or arising out of or relating to the relationship between CUSTOMER and CCC or any of the respective agents, partners, contractors or employees thereof shall be resolved by binding arbitration. **This Agreement does not permit class arbitration or any claims brought as a plaintiff or class member in any class or representative arbitration proceeding. No arbitration will be combined with another without the prior written consent of all parties to all affected arbitrations or proceedings.** Any disputes regarding arbitrability, the scope of arbitration or the arbitrator's jurisdiction will be decided by the arbitrator. The arbitration will be administered by either (a) the American Arbitration Association under its Commercial Arbitration Rules or (b) JAMS Dispute Resolution Experts under its Comprehensive Arbitration Rules. The arbitration will be conducted by a single arbitrator in English in Chicago, Illinois. The award of the arbitrator shall be accompanied by a statement of the reasons upon which the award is based. This agreement is governed by the Federal Arbitration Act, and any award shall be subject to judicial confirmation in any court having jurisdiction. If any part of this paragraph is deemed illegal, unenforceable or invalid, then that portion will be severed and it shall not operate to invalidate any other portion of this paragraph.

BY AGREEING TO THIS ARBITRATION PROVISION, THE PARTIES UNDERSTAND THAT THEY ARE WAIVING ANY RIGHT TO SUE IN COURT AND HAVE A JURY TRIAL AS WELL AS ANY RIGHT TO PARTICIPATE IN A CLASS ACTION OR IN CLASS ACTION PROCEEDINGS.

16. **Survival.** Sections 2.3 (except the first three sentences), 2.4, 2.5, 2.6, 2.8 (the fourth and fifth sentences), 4, 5, 6, 8, 9, 10, 11, 12.2, 12.3, 13 – 23, 25 (the last five sentences), 26 (the last six sentences), 27 (the last three sentences), 28.3, 28.5 (the third and last sentences) and 28.6, 29.2 (a), 29.2 (d), 29.3 (the second sentence), 29.4, 29.5 (the second and last sentences), 29.6, 29.7 (the second, third and last sentences), 29.8, 29.9 and 29.10 (the third, fourth, sixth and seventh sentences) of this Agreement shall survive termination of this Agreement.

17. **No Waiver.** Neither party shall by mere lapse of time without giving notice or taking other action hereunder be deemed to have waived any breach by the other party of any of the provisions of this Agreement. Further, the waiver by either party of a particular breach of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such breach, or of other breaches of the same or other provisions of this Agreement.

18. **Force Majeure.** Neither party will be liable for any failure or delay in performance under this Agreement which is due to any event beyond the reasonable control of such party, including, without limitation, fire, explosion, unavailability of utilities or raw materials, unavailability of components, labor difficulties, war, riot, act of God, export control regulation, laws, judgments or government instructions.

19. **Severability.** If any provision of this Agreement shall be held illegal, unenforceable or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions hereof shall not be affected thereby.

20. **Conflict.** In the event of a conflict between the terms and conditions contained in this Agreement and the terms and conditions contained in a Product Schedule, the terms and conditions contained in this Agreement shall prevail unless a provision of a Product Schedule expressly states that it is meant to supersede a provision of this Agreement and specifically references the provision of this Agreement which is to be superseded.

21. **Agreement Drafted by Both Parties.** This Agreement is the result of arm's length negotiations between the parties and shall be construed to have been drafted by both parties such that any ambiguities in this Agreement shall not be construed against either party.

22. **Entire Agreement/No Third Party Beneficiaries.** Each of the parties hereto acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. The parties further agree that this Agreement is the complete and exclusive statement of agreement and supersedes all proposals (oral or written), understandings, representations, conditions, warranties, covenants, and all other communications between the parties relating thereto. Only a writing that refers to this Agreement and is signed by both parties, or an electronic click-through agreement provided by CCC to CUSTOMER that CUSTOMER accepts, may amend this Agreement. CCC may amend the terms of this Agreement by posting a notice in the CCC ONE platform or by notifying CUSTOMER by email. Unless provided otherwise, the amended Agreement will be effective immediately, and CUSTOMER's continued use of the Programs and/or Services after agreeing to the amended Agreement will confirm CUSTOMER's acceptance of the changes. This Agreement is for the sole benefit of the parties hereto and except as set forth in Section 2.6 of this Agreement nothing herein, express or implied, shall give or be construed to give any rights hereunder to any third party.

23. **Counterparts/Facsimile.** This Agreement and Product Schedule may be signed in two (2) or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument and may be executed by a signature page delivered by facsimile, in which case CUSTOMER shall promptly thereafter deliver its originally executed signature page to CCC. However, the failure to deliver original signature pages shall not affect the binding nature of CUSTOMER's signature. Facsimile, PDF or other electronic documents and electronic signatures shall be deemed originals. CUSTOMER waives any objections to the admissibility of such in any court of law or equity.

24. **Notices.** All notices shall be in writing and delivered by hand or sent by express or overnight mail, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the party to be notified as follows: ***If to CCC:*** General Manager, Automotive Market CCC Information Services Inc., 222 Merchandise Mart, Suite 900, Chicago, IL 60654, with a copy to the attention of the Legal Department at the same address and with a copy to the attention of CARSTAR at 4200 West 115th Street, Suite 300, Leawood, Kansas 66211; ***If to CUSTOMER:*** the contact name and address set forth in the Product Schedule. All notices shall be deemed given when received by the intended recipient. Either party may change its contact and/or address specified in this Section by providing notice to the other party in accordance with this Section.

25. **EMS Extract**. If made available by CCC, CUSTOMER may use and disclose information extracted from an estimate which has been prepared by CUSTOMER ("EMS") by using the EMS extract feature of CCC ONE Estimating solely for the following purposes: (a) to transmit EMS from CCC ONE Estimating for internal use within a management system that CUSTOMER has licensed from a third party; (b) to transmit EMS to a third party as expressly permitted in writing in advance by the contracting entity for whom the estimate was created, including, but not limited to, the insurance company for whom the estimate was prepared or by the consumer for whose vehicle the estimate was created. In the event that CUSTOMER is transmitting the EMS pursuant to paragraph (b) above, CUSTOMER agrees to keep all written agreements from insurance companies and consumers authorizing the use and disclosure of EMS and the identity of all third parties to whom EMS is disclosed to by CUSTOMER. During the term of this Agreement and for a period of twelve (12) months following the expiration or termination of this Agreement, CCC shall have the right to cause an audit and/or inspection to be made of such records in order to verify CUSTOMER's compliance with this Section. CUSTOMER hereby represents and warrants that CUSTOMER will not share EMS without obtaining the requisite authorizations and hereby agrees to indemnify and hold CCC harmless against all liability to third parties and expenses (including reasonable attorneys' fees and costs) arising from the extraction, use or disclosure of all or any part of EMS. CCC may, at its option, conduct and control the defense and all related settlement negotiations in any such third party action as described herein, and CUSTOMER promises to fully cooperate with such defense at its own expense. The parties agree that Sections 2.7 and 24 do not apply to this Section. CCC RESERVES THE RIGHT TO DISCONTINUE PROVIDING EMS FOR ANY REASON AND AT ANY TIME, WITHOUT NOTICE.

26. **CCC Secure Share Network** ("Secure Share"). Via Secure Share, CUSTOMER will be able to configure CCC ONE Estimating to enable CUSTOMER to share certain data extracted from estimates that have been prepared by CUSTOMER ("BMS") with a third party via that third party's successfully registered Secure Share software application. CUSTOMER agrees

that it will only enable transmission of BMS to third parties as expressly permitted in writing in advance by the contracting entity for whom the estimate was created, including, but not limited to, the insurance company for whom the estimate was prepared, or the consumer for whose vehicle the estimate was created. CUSTOMER agrees to retain all written agreements from the third party authorizing the transmission of BMS. During the term of this Agreement and for a period of twelve (12) months following the expiration or termination of this Agreement, CCC shall have the right to cause an audit and/or inspection to be made of such records in order to verify CUSTOMER's compliance with this Section. CUSTOMER hereby represents and warrants that CUSTOMER will not share BMS without obtaining the requisite authorizations and agrees to indemnify and hold CCC harmless against all liability to third parties and expenses (including reasonable attorneys' fees and costs) arising from the extraction, use or disclosure of all or any part of BMS. CCC may, at its option, conduct and control the defense and all related settlement negotiations in any such third party action, and CUSTOMER promises to fully cooperate with such defense at its own expense. Sections 2.7 and 24 do not apply to this Section. CCC reserves the right determine or change, at its sole discretion, the data elements and the format in which BMS is provided. CCC RESERVES THE RIGHT TO DISCONTINUE PROVIDING SECURE SHARE TO CUSTOMER AND/OR TO ANY THIRD PARTY APPLICATION FOR ANY REASON AND AT ANY TIME.

27. **CCC ONE Indicators** (Applicable if CCC ONE Indicators is licensed as specified in a Product Schedule). CCC will provide CUSTOMER with reports containing (i) certain estimate data from estimates written by CUSTOMER using the communicating versions of, CCC ONE Estimating or a CEICA compliant estimating system and (ii) aggregated industry data (collectively, the "Estimatic Reports"). Estimatic Reports shall be available via CCC ONE Estimating solely to CUSTOMER's employees at each repair facility location that licenses CCC ONE Estimating (the "Authorized Users"). CUSTOMER may merge the Estimatic Reports solely with CUSTOMER'S internal operational data (the "Co-mingled Data"). CUSTOMER may provide copies of the Estimatic Reports and the Co-mingled Data solely to its employees and may not provide copies of the Estimatic Reports and Co-Mingled Data to any other individuals. Notwithstanding the foregoing, CUSTOMER may provide an insurance company solely with the data regarding that particular insurance company, but may not under any circumstances provide data regarding an insurance company to another insurance company. All copies shall contain and state the same copyright notices and confidential or proprietary notices or legends that are contained on the Estimatic Reports. CUSTOMER shall advise all employees who receive the Estimatic Reports of the use restrictions contained in this Section. CUSTOMER may use the Estimatic Reports and the Co-mingled Data solely for internal analysis, and for no other purpose whatsoever. CUSTOMER agrees that CCC owns all rights, titles and interests in and to the Estimatic Reports and Estimatic Reports data. Rights in and to the Co-mingled Data are expressly subject to CCC's ownership of the Estimatic Reports and Estimatic Reports data. CUSTOMER expressly agrees that it shall defend, indemnify and hold CCC fully harmless from and against any loss, damages, claims or expenses arising out of CUSTOMER's use of the Estimatic Reports and the data contained therein.

28. **CCC ONE Total Repair Platform** (Applicable if CCC ONE is licensed as specified in a Product Schedule)

28.1 Scope of Access and Use. Access to and use of CCC ONE is granted solely to the number of CUSTOMER's employees falling within the range from one (1) to the number specified on the Product Schedule (individually, the "CCC ONE Authorized User" and collectively, the "CCC ONE Authorized Users"). **Each CCC ONE Authorized User may access and use CCC ONE (a) solely at the CUSTOMER repair facility location where the CCC ONE Authorized User is located (the "Site"); (b) only for CUSTOMER's internal business in order to evaluate, process and settle claims and damage and repair estimates for that Site and (c) for repair management if expressly authorized in a Product Schedule. Notwithstanding the foregoing, each CCC ONE Authorized User may access and use CCC ONE remotely ("Off-Site"), but may not write estimates and supplements Off-Site**. In the event that CUSTOMER desires to write estimates and supplements Off-Site, CUSTOMER must enter into a separate license agreement with CCC.

28.2 Collision Estimating Database. The Collision Estimating Database included with CCC ONE (and any Enhancements or Maintenance Modifications thereto) may only be installed by CUSTOMER on one (1) computer located at either CUSTOMER's headquarters or at one (1) location identified in the Product Schedule (the "Computer"). The CCC ONE Authorized Users shall access the Collision Estimating Database from the Computer, but may not download the Collision Estimating Database on to their computers.

28.3 Risks of Use. CUSTOMER acknowledges and agrees that it is solely responsible for all risks associated with the access and use of CCC ONE. Without limiting the foregoing, CUSTOMER is solely responsible for adequate protection of software and hardware used in connection with CCC ONE, and CCC will not be liable for any loss or damage to CCC ONE, other software or hardware that CUSTOMER may suffer in connection with installing or using CCC ONE.

28.4 Confidential Credential and Passwords. A confidential invitation key (the "Credential") will be given to CUSTOMER. CUSTOMER shall use the Credential solely to set up the initial CCC ONE Authorized User (the "Initial User"). The Initial User shall set up any other CCC ONE Authorized Users and give each CCC ONE Authorized User temporary passwords (the "Temporary Password"), which may not be transferred to any other individual or entity. CUSTOMER shall ensure that each CCC ONE Authorized User replaces the Temporary Password with his/her own password immediately upon receipt of the Temporary Password. CUSTOMER is solely responsible for (a) assuring the appropriateness of each CCC ONE Authorized User; (b) the level of access each CCC ONE Authorized User should be afforded and (c) immediately deactivating any CCC ONE Authorized User that is no longer employed by CUSTOMER. CUSTOMER shall immediately notify CCC of any

confidentiality or security breach, including but not limited to any time CUSTOMER believes a Credential, Temporary Password or password has been compromised. If at any time CCC believes a Credential, Temporary Password or password has been compromised, CCC can change any or all Credentials, Temporary Passwords or passwords. CUSTOMER is responsible for maintaining the secrecy of its CCC ONE Authorized User names, passwords, Credential and any account information and shall instruct each CCC ONE Authorized User not to disclose or transfer the foregoing to any individual or entity.

28.5 Work Files. "Work Files" include both Opportunity Work Files (found in both the CCC ONE Estimating and CCC ONE Repair Workflow products) and Repair Order Work Files (found in only the CCC ONE Repair Workflow product) and, as the term is used herein, include electronic copies of documents, such as estimates, reports, images, and supplements. Repair Order Work Files, as distinguished from Opportunity Work Files, may also include purchase orders, invoices, credit memos, labor assignments and receipts. Provided CCC uses commercially reasonable efforts to protect Work Files from being damaged or misappropriated, CCC shall have no liability for lost or damaged Work Files. Opportunity Work Files will be stored by CCC for a minimum of six (6) months from the date of the last Opportunity Work File activity, except as otherwise set forth in this Section, and may thereafter be purged from CCC's system. Repair Order Work Files will be stored by CCC for a minimum of two (2) years from the date of the last Repair Order Work File activity, except as otherwise set forth in this Section and may thereafter be purged from CCC's system. Upon request from CUSTOMER within thirty (30) days after the date of termination or expiration of this Agreement, CCC shall provide access to CCC ONE for a period not to exceed 30 days at no charge for the sole purpose of permitting CUSTOMER to print any available Work Files, Work File related documents and/or reports, and CUSTOMER agrees it shall not access CCC ONE after the date of termination or expiration of this Agreement for any other purpose whatsoever. Accessing CCC ONE for any other purpose shall be grounds for immediate termination of CUSTOMER's access. CCC shall not be liable to CUSTOMER for CUSTOMER's failure to request access to the Work Files as set forth herein.

28.6 Audit. During the term of this Agreement and for one (1) year thereafter, CUSTOMER will maintain all appropriate books and records, including, but not limited to, documents related to the delivery and use of CCC ONE (the "Records") and CCC shall have a right to conduct an audit of such Records to determine CUSTOMER's compliance with the terms set forth in Section 26 of this Agreement. Such audit may be conducted by CCC and/or a third party designated by CCC. CUSTOMER will provide CCC with access to its Records and any additional information reasonably requested by CCC. Prompt adjustment and payment will be made by CUSTOMER to compensate CCC for any errors or omissions identified by the audit.

29. **CCC ONE UPDATEPLUS** (Applicable if CCC ONE UpdatePlus is licensed as specified in a Product Schedule)

29.1 Scope of Access and Use. With CCC ONE UpdatePlus CUSTOMER can send electronic messages to its customers (the "Clients") via e-mail, text, telephone or other electronic means notifying the Clients of appointments, the status of work being performed, promoting CUSTOMER's good will or other legitimate business interest, as well as send customer satisfaction surveys (the "Surveys") to Clients and receive Surveys from Clients via e-mail, text, telephone or other electronic means.

29.2 CUSTOMER Conduct and Responsibilities.

(a) CUSTOMER understands and agrees that all information of whatever nature which is transmitted or accessed using CCC ONE UpdatePlus, whether by CUSTOMER, Clients or third parties (the "Content") is CUSTOMER's sole responsibility. CCC exercises no control over the Content. CUSTOMER agrees not to use CCC ONE UpdatePlus to distribute, link to, or solicit Content that (i) is unlawful, harmful to minors, threatening, abusive, defamatory, vulgar, obscene, libelous, invasive of another's privacy, or racially, ethnically or otherwise offensive; (ii) includes personally identifiable information about children; (iii) infringes someone else's intellectual property or other rights; (iv) advocates or solicits violence or other criminal conduct; (v) violates any law, regulation, or contract; or (vi) contains software viruses or any other computer code, files, or programs that are designed or intended to disrupt, damage, or limit the functioning of any software, hardware, or telecommunications equipment.

(b) CUSTOMER agrees to comply with all local rules regarding online conduct and acceptable content. Additionally, CUSTOMER further agrees to comply with all applicable laws regarding the transmission of technical data exported from the country of CUSTOMER's residence.

(c) CUSTOMER shall be exclusively responsible for the supervision, management, and control of its use of CCC ONE UpdatePlus, including, but not limited to, hardware, equipment, and software. CUSTOMER is responsible for and must provide all phones, phone services, computers, software, hardware, and other devices and services necessary to access CCC ONE UpdatePlus, which may involve third party fees (such as Internet service provider or airtime charges).

(d) CUSTOMER represents and warrants that CUSTOMER shall use CCC ONE UpdatePlus only for lawful purposes and in accordance with the terms of this Agreement and all valid federal, state, and local laws, and regulations governing the use of e-mail, text messages and the Internet, whether or not specifically prohibited elsewhere in this Agreement. In addition,

CUSTOMER represents and warrants that any employee to whom CUSTOMER grants access to Account Information (defined in Section 27.3 below) will be at least eighteen (18) years of age.

(e) CUSTOMER agrees not to disrupt the functioning of CCC ONE UpdatePlus, solicit another user's Account Information or otherwise act in a manner that interferes with other users' use of CCC ONE UpdatePlus. Further, CUSTOMER agrees not to post or distribute any computer program that damages, detrimentally interferes with, surreptitiously intercepts, or expropriates any system, data or personal information.

(f) Failure to abide by the terms of this Section shall be grounds for immediate termination of CUSTOMER's CCC ONE UpdatePlus license.

29.3 Account Information. Each employee of CUSTOMER who requires access to CCC ONE UpdatePlus will receive a unique password and user name designation (collectively, the "Account Information") upon completing the CCC ONE UpdatePlus registration process. CUSTOMER is responsible for maintaining the confidentiality of the Account Information and is fully responsible for all activities that occur under the Account Information and strictly liable for all damages that result from any disclosure of the Account Information. CCC may immediately terminate the CCC ONE UpdatePlus license in the event of any such disclosure. If at any time CCC believes the Account Information has been compromised, CCC can change any or all of the Account Information. CUSTOMER shall instruct each CCC ONE UpdatePlus user not to disclose or transfer the Account Information to any individual or entity. CUSTOMER is solely responsible for (a) assuring the appropriateness of each employee it authorizes to use CCC ONE UpdatePlus; (b) the level of access each employee should be afforded and (c) immediately deactivating any employee of CUSTOMER authorized by CUSTOMER to use CCC ONE UpdatePlus who is no longer employed by CUSTOMER. CUSTOMER shall immediately notify CCC of any confidentiality or security breach, including, but not limited to, any time CUSTOMER believes the Account Information has been compromised.

29.4 Content. CCC has no obligation to store any Content and does not pre-screen or monitor Content, but reserves the right to edit, move, or delete any Content for any reason. Notwithstanding the foregoing, CCC may preserve and disclose Content or CUSTOMER information if required to do so by law or in the good faith belief that doing so is necessary to: (a) comply with legal processes or requirements; (b) enforce the terms of this Agreement, (c) respond to claims that any Content violates the rights of third parties or otherwise violates Section 29.2 a); (d) protect the rights, property, or personal safety of CCC, its other users, or the public, or (e) administer CCC ONE UpdatePlus. CCC shall not be responsible for any failure to remove, or delay in removing, harmful, inaccurate, unlawful, or otherwise objectionable Content.

29.5 Integrity of Data. CCC will utilize commercially reasonable efforts to protect the integrity of Content. However, CCC shall not be liable for any loss or damage resulting from total or partial loss of Content. Content can get lost or become corrupt as a result of a number of causes, including, but not limited to, hardware failures, software failures or bugs, viruses or communications failures. CUSTOMER agrees to periodically back-up its Content onto another file that is not automatically synchronized with CCC ONE UpdatePlus. CCC assumes no liability for the unlawful use, disruption or theft of the Content.

29.6 Material. Any material obtained through the use of CCC ONE UpdatePlus is done at CUSTOMER's own discretion and risk, and CUSTOMER will be solely responsible for any damages to its computer system or loss of data that results from the download of any such material.

29.7 Termination. CCC reserves the right to terminate CUSTOMER's access to CCC ONE UpdatePlus for any or no reason with thirty (30) days prior notice. CCC will not be liable or responsible for any loss or damage resulting from such termination, including, but not limited to, CUSTOMER's failure to copy data within such thirty (30) day period. Additionally, in its sole discretion, CCC may remove and discard any Content transmitted via CCC ONE UpdatePlus if CCC believes that CUSTOMER has violated or acted inconsistently with the terms contained in this Section. CUSTOMER acknowledges and agrees that CCC may immediately deactivate or delete CUSTOMER's Account Information and all related information and files in CUSTOMER's account in the event of any termination of CUSTOMER's CCC ONE UpdatePlus license. Further, CUSTOMER agrees that CCC shall not be liable to CUSTOMER or any third party for any termination of CUSTOMER's access to CCC ONE UpdatePlus.

29.8 Limitation of Liability. SECTION 10 OF THE AGREEMENT SHALL NOT APPLY TO CCC ONE UPDATE PLUS. CUSTOMER EXPRESSLY UNDERSTANDS AND AGREES THAT CCC SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA, DISRUPTION, ERRORS OR OMISSIONS IN ANY CONTENT, INABILITY TO ACCESS DATA, OR OTHER INTANGIBLE LOSSES (EVEN IF CCC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING OR ARISING FROM THE USE OR THE INABILITY TO USE CCC ONE UPDATEPLUS.

29.9 Customer Indemnity. CUSTOMER agrees to indemnify and hold harmless CCC, its parent, subsidiaries, affiliates and contractors and their respective directors, officers, employees and agents (the "Indemnitees") from and against any and all claims, actions, demands, damages, costs, liabilities, losses and expenses, including reasonable attorney's fees (the "Claims"),

and to defend the Indemnitees against any Claims relating to or arising out of CUSTOMER's use of CCC ONE UpdatePlus and the Content.

29.10 Authorization. In the event that CUSTOMER (a) participates in one (1) or more insurance company direct repair programs ("DRP's"); or (b) configures CCC ONE UpdatePlus via CCC ONE Estimating to share information transmitted or accessed using Content with non-DRP insurance companies, CUSTOMER hereby authorizes CCC to provide the Content to the insurance companies and authorizes the insurance companies to receive and use the Content. Additionally, CUSTOMER hereby authorizes CCC to provide the Content to CCC's vendor, Flash of Genius, Inc. ("Flash," d/b/a UpdatePromise). CUSTOMER hereby grants the insurance companies identified in (a) and (b) above, CCC and Flash perpetual, royalty-free licenses to use the Content. Notwithstanding the licenses above, neither CCC nor Flash will make the Content publicly available in de-aggregated form without CUSTOMER's or its Client's express authorization within CCC's and Flash's products. CUSTOMER understands and agrees that the Content may contain nonpublic personal information. CUSTOMER represents and warrants that it has full right and authority to provide the authorization and licenses contained herein and shall, at its own expense, indemnify, defend and hold CCC fully harmless against any action, costs or expenses asserted against CCC, including reasonable attorneys' fees, to the extent that such action, costs or expenses arise out of the transmission of the Content or use of the Content by CUSTOMER and Insurance Companies hereunder, including for failure to obtain the requisite authorizations. In no event shall CCC be liable for any damages arising out of or relating to CCC's provision of the Content to insurance companies hereunder, including, without limitation, direct, compensatory, special, incidental, consequential or punitive damages. CCC shall have the right to cease transmitting the Content at any time for any reason upon prior written notice to CUSTOMER. CUSTOMER shall have the right to revoke the authorization set forth in this Section herein at any time for any reason by reconfiguring CCC ONE UpdatePlus.

30. Hertz Authorization. CUSTOMER hereby authorizes CCC to provide to Hertz Corporation ("Hertz") and authorizes Hertz to receive the Data from or on behalf of CUSTOMER via an interface between CCC and Hertz (the "Hertz Authorization"). CUSTOMER understands and agrees that the Data, which will be transmitted to Hertz, may contain nonpublic personal information. CUSTOMER further understands and agrees that the Data forwarded to Hertz via CCC under this Hertz Authorization shall be used by Hertz internally in its Hertz Rental Management products and services, specifically for: (a) determining what vehicle repair estimates are rental eligible; (b) calculating an estimate of the rental days associated with vehicle repair estimates; (c) establishing where each vehicle subject is to be repaired; (d) managing rental days with regard to the vehicle repair estimates; (e) updating rental days to assist in its rental extension approval process; and (f) rental management reporting to the insurance customer. CUSTOMER shall, at its own expense, indemnify, defend and hold CCC fully harmless against any action, costs or expense asserted against CCC, including reasonable attorneys' fees, to the extent that such action, costs or expenses arise out of the transmission of the Data to Hertz or Hertz's use of the Data. In no event shall CCC be liable for any damages arising out of or relating to CCC's transmission of the Data to Hertz, including, without limitation, direct, compensatory, special, incidental, consequential or punitive damages. CCC shall have the right to cease transmitting the Data to Hertz at any time for any reason upon prior written notice to CUSTOMER. CUSTOMER shall have the right to revoke this Hertz Authorization at any time for any reason upon prior written notice to CCC. Except as set forth herein, this Hertz Authorization shall immediately terminate on the date that this Agreement expires or terminates.

31. Enterprise Authorization. CUSTOMER hereby authorizes CCC to provide to Enterprise Holdings, Inc. ("Enterprise") and authorizes Enterprise to receive the Data from or on behalf of CUSTOMER via an interface between CCC and Enterprise (the "Enterprise Authorization"). CUSTOMER understands and agrees that the Data, which will be transmitted to Enterprise, may contain nonpublic personal information. CUSTOMER further understands and agrees that the Data forwarded to Enterprise via CCC under this Enterprise Authorization shall be used by Enterprise internally in its Arms® products and services, specifically for: (a) determining what vehicle repair estimates are rental eligible; (b) calculating an estimate of the rental days associated with the vehicle repair estimate; (c) establishing where each vehicle is to be repaired; (d) managing rental days with regard to the vehicle repair estimates; and (e) updating rental days to assist in its rental extension approval process. CUSTOMER shall, at its own expense, indemnify, defend and hold CCC fully harmless against any action, costs or expense asserted against CCC, including reasonable attorneys' fees, to the extent that such action, costs or expenses arise out of the transmission of the Data to Enterprise or Enterprise's use of the Data. In no event shall CCC be liable for any damages arising out of or relating to CCC's transmission of the Data to Enterprise, including, without limitation, direct, compensatory, special, incidental, consequential or punitive damages. CCC shall have the right to cease transmitting the Data to Enterprise at any time for any

reason upon prior written notice to Customer. Customer shall have the right to revoke this Enterprise Authorization at any time for any reason upon prior written notice to CCC. Except as set forth herein, this Enterprise Authorization shall immediately terminate on the date that this Agreement expires or terminates.

IN WITNESS WHEREOF, the CUSTOMER has caused this Agreement to be duly executed by its authorized representative as set forth below:

CUSTOMER:

By: _____

Title: _____

Date: _____

PRODUCT SCHEDULE TO AUTOMOTIVE SERVICES MASTER LICENSE AGREEMENT

CUSTOMER CONTACT INFORMATION	Order Date:	
Full Legal Business Name of CARSTAR Franchisee	❑ Priority Order ❑ New Order ❑ Generic Install Federal ID #: On File ❑ Add-On Sale ❑ Revision ❑ Ownership Change ❑ Retain Billing ID ❑ Name Change ❑ New Billing ID	
Doing Business As	Billing ID:	Deposit amount:
	License #:	Deposit Check #:
Contact Name	RBM:	RBM ID:
	RAM:	RAM ID:
Street Address		
City	State	63901 Zip
E-mail	Phone	Fax

CCC ONE PRODUCT SELECTION

CCC ONE Package	Total Number of CCC ONE Authorized Users	Monthly Subscription Fees Payable in Advance	PRODUCTS INCLUDED
☐ Perform			Estimating, Aftermarket, Tire, Recall, Paintless Dent Repair, Review, Frame, Advisor, Estimatic Indicators
☐ Innovate			Estimating, Aftermarket, Tire, Recall, Paintless Dent Repair, Review, Frame, Workflow - Pro, Advisor, Estimatic Indicators
Additional Products			**Product Notes**
☐ UpdatePlus			
☐ CCC ONE Contact Center			
☐ Central Review			
☐ Repair Methods			
☐ CCC Engage			
☐ CCC Mobile Estimating			
☐ CARSTAR Preferred Bundle			CARSTAR Preferred Bundle includes: UpdatePlus, Contact Center, Central Review, Engage, and Repair Methods.
TOTAL MONTHLY CCC ONE FEES:			
☐ Perform Package One-Time			
☐ Innovate Package One-Time			

☐

SIGNATURES

The first two (2) months' license fees, implementation fees and shipping charges will be added to the initial invoice. Applicable taxes will be added to all invoices. This Product Schedule is (i) subject to approval by an authorized officer

CUSTOMER (either an officer OR an owner)	Title (Officer or Owner)	Date
CCC Information Services Inc.	Title (Officer or Owner)	Date

Notes (For Office Use Only) _____

EXHIBIT M

DEALERSHIP ADDENDUM TO THE FRANCHISE AGREEMENT

CARSTAR FRANCHISOR SPV LLC

DEALERSHIP ADDENDUM TO THE FRANCHISE AGREEMENT

THIS DEALERSHIP ADDENDUM TO THE FRANCHISE AGREEMENT (this "Addendum") is made and entered into this ____ day of_____, 20__, by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and _____, a ____ _____ corporation (or limited partnership or limited liability company) or _____, an individual, having a principal place of business at _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have simultaneously herewith entered into a certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement") whereby Franchisee is granted a Franchise to operate a CARSTAR Facility (the "Facility") identified by the Licensed Marks and to utilize Franchisor's System in connection therewith (all initial capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Franchise Agreement);

WHEREAS, prior to entering into the Franchise Agreement, Franchisee owned and operated and, as of the Effective Date, continues to own and operate a Dealership from the Location of the Facility. As used in this Addendum, a "Dealership" is a business that sells new or used vehicles at retail and may also provide maintenance services for vehicles. Franchisee may operate the Dealership independently or pursuant to the terms of an agreement (the "Dealership Agreement") with an automaker (or a subsidiary thereof) ("Automaker"); and

WHEREAS, Franchisor and Franchisee wish to make certain additions and modifications to the Franchise Agreement to reflect Franchisee's ownership and operation of a Dealership at the Location.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and, intending to be legally bound hereby, the parties agree as follows:

1. INCORPORATION OF TERMS OF FRANCHISE AGREEMENT

A. This Addendum shall amend and supplement the Franchise Agreement. The terms, covenants and conditions of this Addendum are incorporated into the Franchise Agreement, and with respect to any conflict between the Franchise Agreement and this Addendum, the terms of this Addendum shall be controlling with respect to the subject matter thereof.

B. Except as expressly set forth in this Addendum, the rights, duties and obligations of the parties with respect to the Facility shall be the same as the rights, duties and obligations of the parties with respect to the Facility described in the Franchise Agreement.

2. RENEWAL

A. The first sentence of Section 2.D. of the Franchise Agreement is deleted and replaced with the following:

> As a condition precedent to the renewal of this Agreement, Franchisee (and Owners, if Franchisee is an Entity) must execute the then-current form of franchise

agreement and dealership addendum (if then applicable) and any related agreements Franchisor customarily uses in the grant of Franchises for the ownership and operation of a CARSTAR Facility at the time of renewal, which may contain terms and provisions that are materially different from those contained in this Agreement (with appropriate modifications to reflect the fact that the agreement relates to the renewal of a Franchise).

3. DEFINITION OF GROSS SALES

A. Section 4.E. of the Franchise Agreement is deleted and replaced with the following:

E. "Gross Sales" means all money and other consideration of every kind and nature received by Franchisee or the Facility, including, without limitation, consideration for labor, parts, mechanical services related to collision repair, refinishing and all sublet billings and for all other products and services sold or performed by or for Franchisee or the Facility, in, upon, or from the Location, or through or by means of the business conducted pursuant to this Agreement, whether for cash or credit, including the proceeds of any insurance claims. Notwithstanding the foregoing, Gross Sales shall not include:

(1) sales or service taxes collected from customers and paid to the appropriate taxing authority;

(2) tow charges;

(3) rental car sales;

(4) new or used vehicle sales; or

(5) any revenue generated from performing required warranty services in connection with the operation of the Dealership.

In addition, with respect to Franchisee's servicing of the Dealership's fleet of vehicles, no money shall be allocated to Gross Sales.

4. IMAGE PROGRAM AND MAINTENANCE OF FACILITY

A. The following is added to the end of Section 6.C. of the Franchise Agreement:

Notwithstanding the foregoing, Franchisor and Franchisor have agreed, prior to entering into this Agreement, to certain modifications to the Image Program only as it relates to the Facility to reflect Franchisee's operation of the Dealership at the Location. Those modifications are included as attached Exhibit J (the "Modified Image Program"). For so long as Franchisee operates a Dealership at the Location, all references in this Agreement to Image Program shall mean and refer to the Modified Image Program. Notwithstanding anything to the contrary in this Agreement, including, but not limited to, this Section 6.C., Franchisee shall implement the Modified Image Program within six (6) months after the Effective Date.

5. LICENSED MARKS

A. The following is added to the end of the second paragraph of Section 8.B. of the Franchise Agreement:

> Franchisee shall not use the name of Automaker in its fictitious name used in connection with the operation of the Facility.

6. INDEMNIFICATION

A. The following is added to the end of Section 19.C. of the Franchise Agreement:

> Franchisee also agrees to indemnify and hold the Franchisor Indemnitees harmless against, and to reimburse them for, any and all Losses and Expenses incurred in connection with defending any claim brought against any of them or any action in which any of them is named as a party brought or received from or by and third party, including, but not limited to, Automaker, relating to Franchisee's operation of the Dealership, whether occurring prior or subsequent to Franchisee's execution of this Agreement.

7. MODIFIED IMAGE PROGRAM

New Exhibit J to the Franchise Agreement, which is the Modified Image Program to which Franchisor and Franchisee have agreed, is attached to this Addendum.

8. NO CONFLICT

Franchisee represents and warrants to Franchisor that: (a) Franchisee's execution of the Franchise Agreement does not and will not conflict or interfere, directly or indirectly, intentionally or otherwise, with the terms of any agreement between Franchisee or any of Franchisee's Principals, Owners or affiliates and any third party, including, but not limited to, the Dealership Agreement, if applicable; and (b) nothing in the Dealership Agreement or any related agreement, if applicable, will restrict or prevent Franchisee, in any manner, from fully complying with its obligations under the Franchise Agreement. Franchisee acknowledges and agrees that, in entering into the Franchise Agreement, Franchisor has relied on the foregoing representations.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Addendum as of the date recited in the first paragraph.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name:_____	Print Name: _____
Title:_____	Title: _____
Date: _____	Date: _____

Attest: _____

EXHIBIT J
TO THE FRANCHISE AGREEMENT

MODIFIED IMAGE PROGRAM

CARSTAR®
Auto Body Repair Experts

FRANCHISE PARTNER BRAND SOLUTIONS - ***Dealership Branding***

THE EXTERIOR EXPERIENCE | *A minimum of **two preferred elements** must be selected for compliant branding*

Branding Elements

a) Flag Banner (optional)
b) Entrance Awning (optional)
c) Door Cling (preferred)
d) Hard Banner Signage (preferred)
e) Garage Door Logo Cling (preferred)
f) Wall Mounted Directional Signage (preferred)

2 CARSTAR Dealership Brand Guidelines

Branding Elements *A minimum of **two** elements must be selected for compliant branding*

a) Wall Mounted Directional Signage (preferred)
b) Hard Banner Signage (preferred)
c) Garage Door Logo Cling (preferred)

THE EXTERIOR EXPERIENCE | *A minimum of **two preferred elements** must be selected for compliant branding*

Branding Elements

a) Entrance Awning (optional)
b) Door Cling (preferred)
c) Hard Banner Signage (preferred)
d) Wall Mounted Directional Signage (preferred)

4 CARSTAR Dealership Brand Guidelines

THE EXTERIOR EXPERIENCE | *A minimum of **two preferred elements** must be selected for compliant branding*

Branding Elements

a) Entrance Awning (optional)
b) Door Cling (preferred)
c) Wall Mounted Directional Signage (preferred)
d) Garage Door Logo Cling (preferred)
e) Hard Banner Signage (preferred

5 CARSTAR Dealership Brand Guidelines

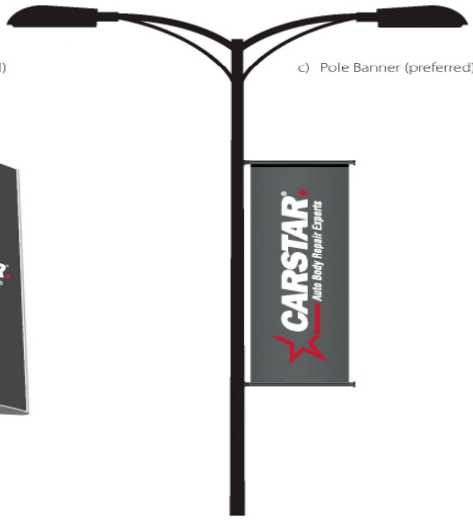
THE EXTERIOR EXPERIENCE | *A minimum of **two preferred elements** must be selected for compliant branding*

Entrance Signage

a) Entrance Pylon (preferred)

b) Pole Sign (optional)

c) Pole Banner (preferred)



6 CARSTAR Dealership Brand Guidelines

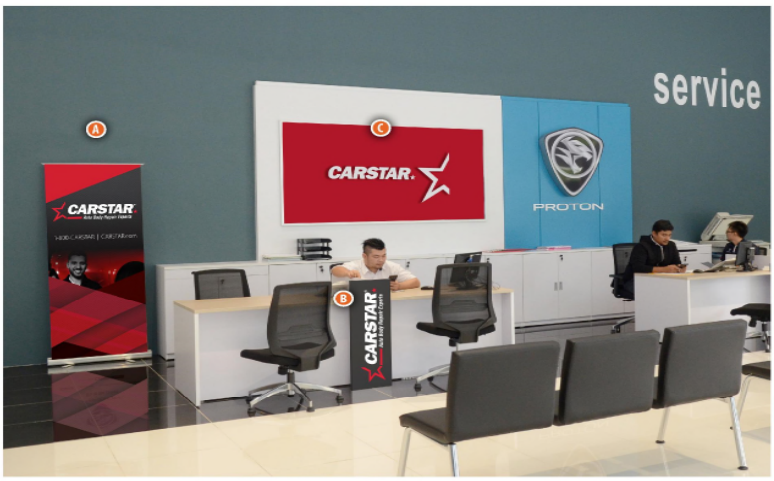
Window Treatments

a) Window wraps (preferred)

b) Entrance Pylon (preferred)

Branding Elements *A minimum of **two** elements must be selected for compliant branding*

a) Portable Banner Bug (optional)
b) Desk Signage (preferred)
c) Red Feature Wall Splash Graphic (preferred)



THE INTERIOR EXPERIENCE | *A minimum of **two preferred elements** must be selected for compliant branding*

Branding Elements

a) Red Feature Wall Splash Graphic (preferred)
b) Desk Signage (preferred)
c) CARSTAR Desk Mat (preferred)

THE INTERIOR EXPERIENCE | *A minimum of **two preferred elements** must be selected for compliant branding*

Branding Elements

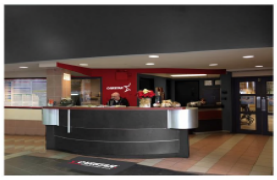
a) Pole Hanging Sign (optional)
b) Red Feature Wall Splash Graphic (preferred)
c) Desk Signage (preferred)

THE INTERIOR EXPERIENCE SAMPLES

Interior Signage

Original desk

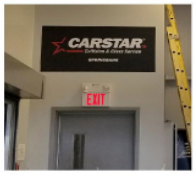
CARSTAR sign


Red feature wall + floor mat

Red feature wall + floor mat + sign

Interior Signage

Red feature wall



Interior shop sign

11 CARSTAR Dealership Brand Guidelines

EXHIBIT N

FORM OF GENERAL RELEASE

CARSTAR FRANCHISOR SPV LLC

GRANT OF FRANCHISOR CONSENT AND RELEASE BY FRANCHISEE

CARSTAR FRANCHISOR SPV LLC ("Franchisor") and the undersigned franchisee, _____ ***[insert name of franchisee entity]*** ("Franchisee"), currently are parties to a Franchise Agreement dated _____ (the "Franchise Agreement") for the operation of a CARSTAR Facility at _____. Franchisee has asked Franchisor to _____ ***[insert relevant detail]***. Franchisor currently has no obligation under the Franchise Agreement or otherwise to _____ ***[repeat relevant detail]***, or Franchisor has the right under the Franchise Agreement to condition its approval on Franchisee's and its owners signing a release of claims. Franchisor is willing to _____ ***[repeat relevant detail]*** if Franchisee and its owners give Franchisor the release and covenant not to sue provided below in this document. Franchisee and its owners are willing to give Franchisor the release and covenant not to sue provided below in consideration for Franchisor's willingness to _____ ***[repeat relevant detail]***.

Consistent with the previous introduction, Franchisee, on behalf of itself and its successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge Franchisor and its past and present, direct or indirect, parent and other affiliated entities, and its and their respective current and former officers, directors, members, managers, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the "CARSTAR Parties") from any and all claims, damages, demands, debts, causes of action, suits, duties, liabilities, costs, and expenses of any nature and kind, whether presently known or unknown, vested or contingent, suspected or unsuspected (all such matters, collectively, "Claims"), that Franchisee and any other Releasing Party now has, ever had, or, but for this document, hereafter would or could have against any CARSTAR Party (1) arising out of or related in any way to the CARSTAR Parties' performance of or failure to perform their obligations under the Franchise Agreement before the date of Franchisee's signature below, (2) arising out of or related in any way to Franchisor's offer and grant to Franchisee of its CARSTAR Facility franchise, or (3) otherwise arising out of or related in any way to Franchisee and the other Releasing Parties' relationship, from the beginning of time to the date of Franchisee's signature below, with any of the CARSTAR Parties.

The released Claims include, but are not limited to, any Claim alleging violation of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules, or regulations. Franchisee and the other Releasing Parties acknowledge that Franchisee and they may after the date of the signatures below discover facts different from, or in addition to, those facts currently known to Franchisee and them, or which Franchisee and they now believe to be true, with respect to the Claims released by this document. Franchisee and the other Releasing Parties nevertheless agree that the release set forth in this document has been negotiated and agreed on despite such acknowledgment and despite any federal or state statute or common law principle which may provide that a general release does not extend to claims which are not known to exist at the time of execution.

Franchisee, on behalf of itself and the other Releasing Parties, further covenants not to sue any CARSTAR Party on any Claim released by this paragraph and represents that Franchisee has not assigned any Claim released by this paragraph to any individual or entity that is not bound by this paragraph.

Franchisor also is entitled to a release and covenant not to sue from Franchisee's owners. By his, her, or their separate signatures below, Franchisee's owners likewise grant to Franchisor the release and covenant not to sue provided above.

****

The following language applies only to transactions with California franchisees

[Each of the parties granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

> **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

Each party granting a release and its authorized signatories hereto recognize that he, she, or it may have some claim, demand, or cause of action against the released parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this document. Each party granting a release and its authorized signatories hereby waive and relinquish every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.]

****

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law

The release provided above will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. You may commence a lawsuit against us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law that are not released.

****

The following language applies only to transactions governed by the Washington Franchise Investment Protection Act

This general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[Signature Page Follows]

FRANCHISOR:

CARSTAR FRANCHISOR SPV LLC

Signature: _____

Print Name:_____

Title:_____

Date: _____

FRANCHISEE:

NAME

Signature: _____

Print Name: _____

Title: _____

Date: _____

Attest: _____

_____

[Name of Owner]

_____

[Signature and Date]

EXHIBIT O

GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, **DRIVEN SYSTEMS LLC**, a Delaware limited liability company located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of **CARSTAR FRANCHISOR SPV LLC**, located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2024 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Cumming, Georgia on the 22nd day of May, 2024.

GUARANTOR:

DRIVEN SYSTEMS LLC

By: Scott O'Melia

Name: Scott O'Melia

Title: Executive Vice President and Secretary

EXHIBIT P

STATE-SPECIFIC ADDITIONAL DISCLOSURES AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES TO THE
MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF
CARSTAR FRANCHISOR SPV LLC

The following are additional disclosures for the Franchise Disclosure Document of CARSTAR Franchisor SPV LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

CALIFORNIA

A copy of the unaudited balance sheet of CARSTAR Franchisor SPV LLC as of March 30, 2024 immediately follows.

CARSTAR FRANCHISOR SPV LLC
BALANCE SHEET
UNAUDITED

(in thousands)		**March 30, 2024**
Assets		
Intangible assets, net	$	11,858
Total assets	$	11,858
Liabilities and members' equity		
Accounts payable	$	1,299
Deferred franchise revenue		1,358
Total liabilities		2,657
Members' equity		9,201
Total members' equity		9,201
Total liabilities and members' equity	$	11,858

MARYLAND

1. The following paragraph is added at the end of Item 5:

The Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until we complete our pre-opening obligations under the Franchise Agreement.

2. The following is added to the end of the "Summary" sections of Item 17(c), entitled Requirements for franchisee to renew or extend, and Item 17(m), entitled Conditions for franchisor's approval of transfer:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the "Summary" section of Item 17(h), entitled "Cause" defined – non-curable defaults:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.), but we will enforce it to the extent enforceable.

4. The following sentence is added to the end of the "Summary" section of Item 17(v), entitled Choice of forum:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law to the extent required by the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" section of Item 17(w), entitled Choice of law, is amended to read as follows:

Except as otherwise required by the Maryland Franchise Registration and Disclosure Law, North Carolina law applies.

6. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

MINNESOTA

The following is added at the end of Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document and Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NORTH DAKOTA

1. The following is added to the end of the "Summary" sections of Item 17(c), entitled Requirements for franchisee to renew or extend, and Item 17(m), entitled Conditions for franchisor's approval of transfer:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The "Summary" section of Item 17(i), entitled Franchisee's obligations on termination/non-renewal, is amended by adding the following:

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

3. The following is added to the end of the "Summary" section of Item 17(r), entitled Non-competition covenants after the franchise is terminated or expires:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. The following is added to the end of the "Summary" section of Item 17(v), entitled Choice of forum:

; except that to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The "Summary" section of Item 17(w), entitled Choice of law, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, North Carolina law applies.

WASHINGTON

1. The following is added to the end of the "Summary" section of Item 17(d), entitled Termination by franchisee:

You also may terminate the Franchise Agreement on any grounds available by law.

2. The following additional disclosures are added to the Franchise Disclosure Document:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

****

ASSURANCE OF DISCONTINUANCE
STATE OF WASHINGTON

To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our other franchisees and/or our employees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify our franchisees about the entry of the AOD. In addition, the State of Washington did not assess any fines or other monetary penalties against us.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE CARSTAR FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER (this "Rider") is made by and entered into this ____ day of_____, 20__, by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and __ _____, a _____corporation (or limited partnership or limited liability company) or _____ _____, an individual, having a principal place of business at _____ _____ ("Franchisee").

1. **BACKGROUND**. The Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in Maryland, and/or (b) the CARSTAR Facility that Franchisee will operate under the Franchise Agreement will be located in Maryland.

2. **FEE DEFERRAL**. The following sentence is added to the end of Section 3.A. of the Franchise Agreement:

> The Maryland Securities Commissioner requires Franchisor to defer payment of the Initial Franchise Fee and other initial payments owed by Franchisee to Franchisor until Franchisor has completed its pre-opening obligations under this Agreement.

3. **LIMITATIONS OF CLAIMS**. The following sentence is added to the end of Section 23 of the Franchise Agreement:

> Franchisee must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the Franchisor grants Franchisee the Franchise.

4. **RELEASES**. The following sentence is added to the end of Sections 2.D. and 14.B. of the Franchise Agreement:

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

5. **INSOLVENCY**. The following sentence is added to the end of Section 15.A(11) of the Franchise Agreement:

> This Section 15.A(11) may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.).

6. **GOVERNING LAW**. The following sentence is added to the end of Section 23.G. of the Franchise Agreement:

> However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 23.L. of the Franchise Agreement:

> Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law to the extent required by the Maryland Franchise Registration and Disclosure Law.

8. **ACKNOWLEDGMENTS**. The following sentence is added to the end of Section 23 of the Franchise Agreement:

> All representations requiring Franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Rider as of the date recited in the first paragraph.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Attest: _____

RIDER TO THE CARSTAR FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER (this "Rider") is made by and entered into this ____ day of_____, 20__, by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and __ _____, a _____ corporation (or limited partnership or limited liability company) or _____ _____, an individual, having a principal place of business at _____ _____ ("Franchisee").

1. **BACKGROUND**. The Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the CARSTAR Facility that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **RELEASES**. The following is added to the end of Sections 2.D. and 14.B.(3) of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL AND TERMINATION**. The following is added to the end of Sections 2.C., 15.A. and 15.B. of the Franchise Agreement:

> However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. **LIQUIDATED DAMAGES**. The following language is added to the end of Section 16.G. of the Franchise Agreement:

> Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

5. **GOVERNING LAW**. The following is added to the end of Section 23.G. of the Franchise Agreement:

> Nothing in this Agreement will abrogate or reduce any of Franchisee's rights under Minnesota Statutes Chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. **INJUNCTIVE RELIEF**. The following is added to the end of Section 23.I. of the Franchise Agreement:

> Franchisee agrees that its only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if a bond is required.

7. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 23.L. of the Franchise Agreement:

> Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of Franchisee's rights under Minnesota statutes Chapter 80C or Franchisee's rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. If and then only to the extent required by the Minnesota Franchises Law, the first paragraph of Section 23.M. and Section 23.N. of the Franchise Agreement are deleted.

9. **LIMITATION OF CLAIMS**. The following is added to the end of Section 23 of the Franchise Agreement:

> Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Rider as of the date recited in the first paragraph.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Attest: _____

RIDER TO THE CARSTAR FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER (this "Rider") is made by and entered into this ____ day of_____, 20__, by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and __ _____, a _____ corporation (or limited partnership or limited liability company) or _____ _____, an individual, having a principal place of business at _____ _____ ("Franchisee").

1. **BACKGROUND**. The Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of North Dakota and the CARSTAR Facility that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES**. The following is added to the end of Sections 2.D. and 14.B.(3) of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE**. The following is added to the end of Section 16.I. of the Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, Franchisor will enforce the covenants to the maximum extent the law allows.

4. **LIQUIDATED DAMAGES**. The following language is added to the end of Section 16.G. of the Franchise Agreement:

> Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

5. **GOVERNING LAW**. Section 23.G. of the Franchise Agreement is deleted and replaced with the following:

> Except as required by North Dakota law, this Agreement and the offer and sale of the Franchise is governed by the substantive laws (and expressly excluding the choice of law) of the State of North Carolina.

6. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 23.L. of the Franchise Agreement:

To the extent required by the North Dakota Franchise Investment Law, Franchisee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, the first paragraph of Section 23.M. and Section 23.N. of the Franchise Agreement are deleted.

8. **LIMITATIONS OF CLAIMS**. The following is added to the end of Section 23 of the Franchise Agreement:

The statutes of limitations under North Dakota Law apply with respect to claims arising under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Rider as of the date recited in the first paragraph.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Attest: _____

RIDER TO THE CARSTAR FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER (this "Rider") is made by and entered into this ____ day of_____, 20__, by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and __ _____, a _____ corporation (or limited partnership or limited liability company) or _____ _____, an individual, having a principal place of business at _____ _____ ("Franchisee").

1. **BACKGROUND**. The Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in Washington; and/or (b) the CARSTAR Facility that Franchisee will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, this Agreement shall be modified as follows:

In the event of a conflict of laws, the provisions of the Act, Chapter 19.100 RCW, will prevail.

RCW 19.100.180 may supersede this Agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of Franchisee's Franchise. There may also be court decisions which may supersede this Agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of Franchisee's Franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by this Agreement, Franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

A release or waiver of rights executed by Franchisee may not include rights under the Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimate or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of Franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting Franchisee from (i) soliciting or hiring any employee of a franchisee of Franchisor, or (ii) soliciting or hiring any employee of Franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Rider as of the date recited in the first paragraph.

FRANCHISOR:	**FRANCHISEE:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Attest: _____

RIDER TO THE CARSTAR FRANCHISOR SPV LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER (this "Rider") is made by and entered into this ____ day of_____, 20__, by and between CARSTAR Franchisor SPV LLC, a Delaware limited liability company having its principal place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and __ _____, a _____ corporation (or limited partnership or limited liability company) or _____ _____, an individual, having a principal place of business at _____ _____ ("Developer").

1. **BACKGROUND**. The Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20___ (the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) Developer is domiciled in Washington; and/or (b) the CARSTAR Facilities that Developer will develop under the Area Development Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Area Development Agreement occurred in Washington.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Area Development Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, this Agreement shall be modified as follows:

In the event of a conflict of laws, the provisions of the Act, Chapter 19.100 RCW, will prevail.

RCW 19.100.180 may supersede this Agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of Franchisee's Franchise. There may also be court decisions which may supersede this Agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of Franchisee's Franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by this Agreement, Franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

A release or waiver of rights executed by Franchisee may not include rights under the Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimate or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of Franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting Franchisee from (i) soliciting or hiring any employee of a franchisee of Franchisor, or (ii) soliciting or hiring any employee of Franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Rider as of the date recited in the first paragraph.

FRANCHISOR:	**DEVELOPER:**
CARSTAR FRANCHISOR SPV LLC	**NAME**
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Attest: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	May 24, 2024 (Exempt)
Illinois	May 24, 2024 (Exempt)
Indiana	Pending
Maryland	Pending (Exempt)
Michigan	May 24, 2024
Minnesota	Pending
New York	May 24, 2024 (Exempt)
North Dakota	Pending (Exempt)
Rhode Island	Pending (Exempt)
South Dakota	Pending
Virginia	Pending (Exempt)
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If CARSTAR Franchisor SPV LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. [Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If CARSTAR Franchisor SPV LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit A.

The franchisor is CARSTAR Franchisor SPV LLC located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. Its telephone number is (704) 377-8855.

Issuance date: May 24, 2024

The franchise sellers for this offering are listed below. Their principal business address and telephone number is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202, (704) 377-8855. Please check the box beside the name of the franchise seller(s) with whom you discussed the franchise offering:

□ Jeanette Frazier	□ Aaron Rodrigue
□ Brian Newberry	□ Carol Smith
□ Steve Frye	□ _____
□ Ted Rippey	□ _____

We authorize the respective state agents identified on Exhibit A to receive service of process for us in the particular states. I have received a disclosure document from CARSTAR Franchisor SPV LLC dated as of May 24, 2024, that included the following Exhibits:

A. State Agencies/Agents for Service of Process
B. Financial Statements
C. Area Development Agreement
D. Franchise Agreement
E. New Development Addendum to the Franchise Agreement
F. Bylaws of (DMA) CARSTAR Business Group
G. List of Current Franchisees
H. List of Former Franchisees
I. ACH Transaction Authorization
J. Operations Playbook Table of Contents
K. Mitchell End User License Agreement and System
L. CCC Automotive Services Master License Agreement
M. Dealership Addendum to the Franchise Agreement
N. Form of General Release
O. Guarantee of Performance
P. State-Specific Additional Disclosures and Agreement Riders

_____ _____

Date Prospective Franchisee [Print Name]

(Date, Sign, and Return to Us by Fax (704) 358-4706) _____

Prospective Franchisee [Signature]

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If CARSTAR Franchisor SPV LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. [Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If CARSTAR Franchisor SPV LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit A.

The franchisor is CARSTAR Franchisor SPV LLC located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. Its telephone number is (704) 377-8855.

Issuance date: May 24, 2024

The franchise sellers for this offering are listed below. Their principal business address and telephone number is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202, (704) 377-8855. Please check the box beside the name of the franchise seller(s) with whom you discussed the franchise offering:

□ Jeanette Frazier	□ Aaron Rodrigue
□ Brian Newberry	□ Carol Smith
□ Steve Frye	□ _____
□ Ted Rippey	□ _____

We authorize the respective state agents identified on Exhibit A to receive service of process for us in the particular states. I have received a disclosure document from CARSTAR Franchisor SPV LLC dated as of May 24, 2024, that included the following Exhibits:

A. State Agencies/Agents for Service of Process
B. Financial Statements
C. Area Development Agreement
D. Franchise Agreement
E. New Development Addendum to the Franchise Agreement
F. Bylaws of (DMA) CARSTAR Business Group
G. List of Current Franchisees
H. List of Former Franchisees
I. ACH Transaction Authorization
J. Operations Playbook Table of Contents
K. Mitchell End User License Agreement and System
L. CCC Automotive Services Master License Agreement
M. Dealership Addendum to the Franchise Agreement
N. Form of General Release
O. Guarantee of Performance
P. State-Specific Additional Disclosures and Agreement Riders

_____
Date

(Date, Sign, and Return for Your Own Records)

_____
Prospective Franchisee [Print Name]

_____
Prospective Franchisee [Signature]