FRANCHISE DISCLOSURE DOCUMENT

Take 5 Franchisor SPV LLC
a Delaware limited liability company
440 S. Church Street, Suite 700
Charlotte, North Carolina 28202
(704) 644-8130
Franchising@Take5OilChange.com
www.take5oilchange.com

The franchise offered is to operate a motor vehicle center under the "TAKE 5®" name and other trademarks that offers quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products.

The total investment necessary to begin operation of a new (ground-up) Take 5 Oil Change Center franchise is $749,292 to $2,033,733. This includes $121,977 to $152,388 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a conversion Take 5 Oil Change Center franchise is $232,794 to $779,888. This includes $95,794 to $165,388 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation under the Area Development Agreement is $46,000 to $342,500. This includes $45,000 to $337,500 that must be paid to the franchisor or an affiliate.

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

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

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. Information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit 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: 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 or Exhibit G.
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 E 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 Take 5 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 Take 5 franchisee?	Item 20 or Exhibit G 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 its home state (currently, 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 its home state (currently, North Carolina) than in your own state.

2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

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

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EXHIBITS

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The franchisor is Take 5 Franchisor SPV LLC ("we," "us," "our" or "Take 5"). "You" means the person or entity acquiring a franchise. If you are a corporation, limited liability company or other entity, your owners must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement (Exhibit B), which means that all provisions of the Franchise Agreement also will apply to your owners.

We are a Delaware limited liability company organized on February 23, 2018. We do business under the name "Take 5®" and "Take 5 Oil Change®." Our principal business address is 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202. Our agents for service of process, as applicable, are set forth in Exhibit A.

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"). Driven Systems and Driven Brands Funding share our principal business address. As stated in Item 21, Driven Systems guarantees the performance of Take 5.

We are an indirect, wholly-owned subsidiary of Driven Brands, Inc., a Delaware corporation ("Driven Brands"). Driven Brands shares our principal business address. Driven Brands also is the parent company of Take 5 Franchising LLC, a North Carolina limited liability company ("Take 5 Franchising"). Take 5 Franchising offered franchises for Take 5 Oil Change Centers (defined below) from April 2017 until the closing of the Secured Financing Transaction (defined below). Take 5 Franchising shares our principal business address.

Our affiliate, Take 5 Properties SPV LLC, a Delaware limited liability company that shares our principal business address ("Take 5 Properties"), owns and operates 644 Take 5 Oil Change Centers. Take 5 Properties does not offer franchises in any line of business or provide products or services to our franchisees.

Our affiliate, Spire Supply, LLC ("Spire Supply"), a Delaware limited liability company, may sell to our franchisees the FF&E Package (defined in Item 5), Opening Inventory (defined in Item 5), and certain ongoing inventory (including filters, chemicals, and wiper blades) for the operation of Take 5 Oil Change Centers. Spire Supply shares our principal business address. Spire Supply has not offered franchises in any lines of business or operated any business of the type being offered under this disclosure document.

Our affiliate, Driven Product Sourcing LLC ("Driven Product Sourcing"), a Delaware limited liability company, may sell certain products to our franchisees for use in operating their Take 5 Oil Change Centers. Driven Product Sourcing owns and operates an online platform through which our franchisees (and any other third parties to which Driven Product Sourcing

grants access, including the franchisees of some or all of the Driven Holdings affiliates described below) may purchase certain products (the "DrivenAdvantage Platform"). For any products for which we designate Driven Product Sourcing as the designated supplier or an approved supplier, you will generally be required to purchase those products through the DrivenAdvantage Platform. Driven Product Sourcing shares our principal business address. Driven Product Sourcing has not offered franchises in any lines of business or operated any business of the type being offered under this disclosure document.

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

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 30, 2023, there were 455 franchised CARSTAR facilities and no company-owned facilities 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 Oil Change Centers and seven company-owned Take 5 Oil Change Centers 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 Take 5 Oil Change Center 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 April 2018 (the "Secured Financing Transaction"), we became the franchisor of all existing and future Take 5 franchise and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Take 5 Oil Change Centers in the U.S. were also transferred to us. Take 5 Properties remains the owner of certain Take 5 Oil Change Centers as part of the Secured Financing Transaction.

Under a management agreement with Driven Brands, Driven Brands provides the required support and services to Take 5 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 Take 5 Franchising, the former franchisor of Take 5 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

We grant franchise rights to develop and operate motor vehicle centers identified by the Marks (defined below) that provide quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products to customers who remain in their cars. In this disclosure document, we call these centers "Take 5 Oil Change Centers"; we call the Take 5 Oil Change Center you will operate under the Franchise Agreement the "Center." Take 5 Oil Change Centers operate under our methods, including the guidelines, standards, specifications, rules, requirements, and directives we periodically establish for the operation of a Take 5 Oil Change Center, including interior and exterior design and décor and equipment (the "Standards") and the Manuals (defined in Item 11); our marketing programs and materials; our operations and administrative systems; our training programs; and the trademarks, trade names, service marks and related logo(s), including designs, stylized letters, and colors, that we periodically designate (the "Marks"), including the trade and service mark "Take 5 Oil Change®" (all of which is collectively referred to as the "System"). We also will consider opportunities for franchisees to purchase existing oil change outlets that operate under other brands and convert those outlets to Take 5 Oil Change Centers.

We also grant multi-unit development rights to qualified franchisees, who will have the right to develop multiple Take 5 Oil Change Centers 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 (Exhibit C). You must commit to developing a minimum of 2 Take 5 Oil Change Centers under the Area Development Agreement. If you sign the Area 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 for each Take 5 Oil Change Center developed under the Area Development Agreement. Each then current form of franchise agreement may differ from the version of Franchise Agreement attached to this disclosure document.

We have offered franchises and development rights for Take 5 Oil Change Centers since April 2018. We have no other business activities and have not offered franchises in other lines of business. We have never operated a Take 5 Oil Change Center, although our affiliate currently operates Take 5 Oil Change Centers as described in this disclosure document. Take 5 Properties' predecessor entered into franchise agreements with a franchisee for the operation of three Take 5 Oil Change Centers prior to the acquisition of the Take 5 Oil Change system by Driven Brands.

Market and Regulations

The automobile lubrication and oil change industry is mature and competitive. You will face national, regional and local competition, including company-owned and franchised chains as well as independent automobile dealerships, national or regional automotive centers and local body repair shops. You also might compete with other "Take 5 Oil Change®" company-owned, affiliate-owned or franchisee-owned locations or other businesses. However, we believe that the combination of speed, customers remaining in their vehicle, and offering of competitively priced products in a clean environment differentiate Take 5 Oil Change Centers from the competition.

Your business might be impacted by many factors, including the time of year, local economic and market conditions, your experience and business knowledge, competition, and the geographic location of your Center within your market.

Some states might have laws that apply specifically to the industry in which Take 5 Oil Change Centers operate. For example, some state laws require operators of automotive businesses to obtain a state license. There are a variety of laws and regulations that govern the use, generation, storage and disposal of hazardous materials, and which may require you to file periodic reports and comply with a variety of operating restrictions and duties, and obtain environmental risks insurance. These laws might apply to Take 5 Oil Change Centers. You also must comply with laws that apply generally to all businesses. You should investigate these laws.

Item 2

BUSINESS EXPERIENCE

Jonathan Fitzpatrick: Manager and Chief Executive Officer of Take 5; Director, Chief Executive Officer and President of Driven Brands

Mr. Fitzpatrick has been a Manager and Chief Executive Officer of Take 5 since January 2017. 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.

Scott O'Melia: Manager, Executive Vice President, and Secretary of Take 5; Director, Executive Vice President, General Counsel, and Secretary of Driven Brands

Mr. O'Melia has served as Manager, Executive Vice President, and Secretary of Take 5 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.

Joel Arnao: Interim Chief Financial Officer of Take 5 and Driven Brands and Senior Vice President, FP&A, Treasury, and Investor Relations of Driven Brands

Mr. Arnao has been Interim Chief Financial Officer of Take 5 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.

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

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.

Mo Khalid: Executive Vice President and Group President, Maintenance for Driven Brands

Mr. Khalid has served as Executive Vice President and Group President, Maintenance for Driven Brands since February 2023. From October 2017 to February 2023, Mr. Khalid held various positions with Great Wolf Resorts, Inc., located in Chicago, Illinois, including Senior Vice President, Field Operations and Vice President, Operations, Eastern Region.

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

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

Jorge Juan Primo Planta: Senior Vice President of Development for Driven Brands

Mr. Planta has been Senior Vice President of Development for Driven Brands since April 2023. From April 2020 to April 2023, Mr. Planta was Vice President of Development for Driven Brands. From May 2017 to April 2020, Mr. Planta was Director, Capital Planning and Analysis for Driven Brands.

Mike DeTrana: Vice President, Marketing for Driven Brands

Mr. DeTrana has been Vice President, Marketing for Driven Brands since January 2024. From January 2022 to December 2023, Mr. DeTrana was Associate Vice President, Marketing for Driven Brands. From April 2021 to December 2021, Mr. DeTrana was Senior Director, Marketing for Driven Brands. From October 2020 to March 2021, Mr. DeTrana was Director, Consumer Insights and Business Analytics for SC Johnson & Son, Inc. ("SC Johnson") in Chicago, Illinois. From May 2019 to September 2020, Mr. DeTrana was Manager, Consumer Insights and Business Analytics for SC Johnson.

Jennings Huntley: Director, Business Development for Driven Brands

Mr. Huntley has been Director, Business Development for Driven Brands since July 2023. From December 2021 to June 2023, Mr. Huntley was Senior Manager, Business Development for Driven Brands. From January 2021 to November 2021, Mr. Huntley was Manager, Business Development for Driven Brands. From June 2019 to December 2020, Mr. Huntley was an Investment Banking Analyst for Wells Fargo Securities in Charlotte, North Carolina.

Eric Wollenhaupt: Senior Vice President of Franchise Operations for Take 5

Mr. Wollenhaupt has been Senior Vice President of Franchise Operations for Take 5 since February 2024. From January 2020 to January 2024, Mr. Wollenhaupt was Vice President of Operations and Training, Franchise for Take 5. From November 2018 to December 2019, Mr. Wollenhaupt served as the Director of Operations for Take 5.

Item 3

LITIGATION

Pending 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). On 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 Take 5's Manager and Chief Executive Officer), Jonathan G. Fitzpatrick, and Driven Brands Holdings' former Chief Financial Officer (and Take 5's former Executive Vice President and Chief Financial Officer), 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.

Pending Actions Against Take 5 Affiliate

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 Take 5's Manager and Chief Executive Officer), Mr. Fitzpatrick, Take 5 Canada's franchise broker, Mr. Piva, and a former Take 5 Canada (and Take 5) 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.

Laurence Chua v. 2084492 Ontario Inc. o/a Pro Oil Management Inc., XYZ Company, Take 5 Oil Change LLC a/k/a Take 5 LLC, Driven Brands, Inc., Maurice Filion & Jamie Taylor, and Take 5 Canada SPV LP, Case No. CV-20-00074799-0000, in the Superior Court of Justice of the Province of Ontario. On December 18, 2020, Laurence Chua, a franchisee having a territory located in Ontario, Canada ("Chua"), filed a Statement of Claim against the above-listed defendants, excluding Take 5 Canada. Chua alleges that, although he entered into a franchise agreement on December 22, 2011 with Pro Oil Management Inc. granting him an exclusive territory within Ontario, Canada that included the area of Keswick, a location for his Pro Oil business within this territory was never designated by the franchisor. Chua further alleges that a location within his territory was improperly given to another franchisee, who is currently operating the location as either a Pro Oil or a Take 5 business. On April 13, 2022, Chua filed an Amended Statement of Claim, whereby Chua added Take 5 Canada as a defendant in the case. Chua seeks declarations that certain provisions of the franchise agreement are void and unenforceable, that the franchise agreement contravenes the Arthur Wishart Act (Franchise Disclosure), 2000, and that Take 5 Canada and certain of the other defendants breached their duty of good faith and fair dealing. Chua alleges that certain of the defendants conspired to engage in unlawful conduct that resulted in injury to Chua, encouraged or assisted the other defendants to breach their fiduciary duties and duties of confidentiality owed to Chua and unlawfully interfered with Chua's economic interests. Chua also seeks an order enjoining Take 5 Canada and the other defendants from terminating the franchise agreement. The Statement of Claim asks the court to award payment of CAN$10,000,000 in damages, at least CAN$10,000,000 in lost sales and profits, CAN$500,000 in punitive, exemplary and aggravated damages, interest, legal fees and taxes, and other relief that the court might consider appropriate. On June 30, 2022, the defendants filed a Statement of

Defence denying the allegations against them and asking that the case be dismissed with costs. 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 (our affiliate), 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 N' Tune® 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 these actions, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

Franchise Agreement

You must pay us an initial franchise fee for your Take 5 Oil Change Center franchise. The initial franchise fee is $45,000 and is payable at the time that you sign the Franchise Agreement. The initial franchise fee is non-refundable. During fiscal year 2023, franchisees paid an initial franchise fee ranging from $0 to $35,000.

You must pay us or our affiliate in lump sum a nonrefundable registration and initial set-up fee for the point of sale software and business intelligence software licensed from our designated suppliers and sublicensed to you under the Software License Agreement (Exhibit K) (the "Software Installation Fee"), which, as of the date of this disclosure document, is $3,000. We may increase the amount of the Software Installation Fee to reflect changes to the Brand Technology (defined in Item 11) and the software licensed under the Software License Agreement. The Software Installation Fee is part of your overall costs for the required Brand Technology and is due and payable to us at the time that you sign the Software License Agreement. (The Software License Agreement and Franchise Agreement are signed at the same time.) We and our affiliate will use the fee to provide installation, training, support and configuration services for the software that you will use in the operation of the Center.

You must pay us $20,000 that we will apply toward the opening marketing program for the Center during the opening period that we designate and a marketing kit for use in opening the Center (the "Grand Opening Contribution"). The Grand Opening Contribution is due at the time that you sign the Franchise Agreement and is payable in lump sum and non-refundable. After we receive your Grand Opening Contribution, we may, at our option, pay the total Grand Opening Contribution to a vendor we designate that you must use to assist you in developing and implementing the grand opening activities for the Center. In that case, you and the vendor must prepare and submit to us for approval a proposed opening marketing program. Your proposed grand opening marketing program must cover marketing, advertising and operational activities at least 3 months before and 3 months after the date you open the Center, and may span up to 90 days around the date you open the Center. This time period is subject to change based on the particular market area or other unique circumstances of the Center. Furthermore, we may delay the roll out of certain portions of your grand opening marketing program if the Center does not meet certain requirements detailed in the Manuals, including those requirements related to post-opening customer service index scores and bay times. You must make the changes to the program that we specify and execute the program as we have approved it (with the vendor's assistance, as applicable). If we do not elect to engage a vendor for your Center's opening, then the Take 5 marketing team will conduct grand opening marketing for the Center (including expenditure of the balance of the Grand Opening Contribution). We may contribute any unspent portion of the Grand Opening Contribution to the Marketing Funds (defined in Item 11) or spend the amount on local or regional advertising or promotion as we consider appropriate.

If you operate more than one Take 5 Oil Change Center, you may request that we provide our initial training program to your manager and other Center personnel locally at the Center. If

we agree to provide local training, we will determine the composition of our training personnel and the duration of their stay at the Center in our sole judgment. You must pay our then applicable charges, including reasonable training fees and our personnel's per diem charges and any travel and living expenses. Currently, we charge $10,000 per trainer for local training.

As detailed in Item 7, at least 30 days prior to opening your Center, you must purchase from us, Spire Supply, and/or another affiliate (which may include Driven Product Sourcing) furniture, fixtures, equipment, other fixed assets and an operations kit (which includes signage for service, safety, and security, training supplies, SDS files, menu boards, and miscellaneous operational items that we require for the Center) (collectively, the "FF&E Package") and an opening inventory and supplies package (the "Opening Inventory") for your Center. The cost of the FF&E Package is $30,997 to $39,388 for a new (ground-up) Take 5 Oil Change Center and $4,794 to $52,388 for a conversion Take 5 Oil Change Center. The cost of the Opening Inventory is $23,000 to $35,000 for a newly-developed and for a conversion Take 5 Oil Change Center. These amounts are non-refundable.

Area Development Agreement

You must pay us a nonrefundable development fee within 2 business days after you sign the Area Development Agreement. The development fee is 50% of the aggregate initial franchise fees due under the franchise agreements for the number of Take 5 Oil Change Centers you agree to develop under the Development Schedule. We will insert this fee in the Area Development Agreement before signing it. With respect to each Take 5 Oil Change Center you must develop under the Area Development Agreement, we will apply the portion of the development fee applicable to the Center toward the initial franchise fee owed under the applicable franchise agreement, and the balance of the initial franchise fee will be due and payable as described above.

Incentive Programs

We may periodically implement incentive programs to encourage franchise system growth. Under the incentive programs, we may, among other things, waive or reduce the initial franchise fee and/or modify the payment timing of that fee. We may modify or discontinue any incentive program we implement at any time.

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Item 6

OTHER FEES

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee	7% of Gross Sales[2] [3]	On the day of each week we periodically specify (the "Payment Day"), currently each Friday, on Gross Sales of the Center for the preceding week ending on Saturday	We may modify the Payment Day and corresponding reporting period at any time.
Non-Recorded Payment	For each occurrence, the greater of $1,500 or 120% of the Royalty Fees transferred from the Account for the last reporting period for which Gross Sales of the Center were recorded	As incurred	Payable if you have not recorded Gross Sales of the Center for any reporting period
Marketing Funds contributions	5% of Gross Sales	On the Payment Day, currently each Friday, on Gross Sales of the Center for the preceding week ending on Saturday	Item 11 discusses Marketing Funds. See Note 3. We may modify the Payment Day and corresponding reporting period at any time.
Replacement Managing Director or Manager training	Our then current training fee (Currently, $5,000; we may increase this fee and charge up to $7,500.)	As incurred	Due for any successor managing director or manager for the Center who must undergo training.

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Supplemental and refresher training	Our then current charges (Currently, we charge up to $400 per person, per day for supplemental and refresher training provided at our headquarters; or up to $600 per person, per day, plus travel expenses and room and board for our employees, for onsite supplemental and refresher training.)	As incurred	Payable if we require your Managing Director (defined in Item 15), manager and other personnel to complete supplemental and refresher training programs, workshop and educational seminars. You must pay all travel and living expenses attendees incur during supplemental and refresher training.
Additional guidance or support	Our then current charges (Currently, we charge up to $400 per person, per day for additional guidance and support provided at our headquarters; or up to $600 per person, per day, plus travel expenses and room and board for our employees, for onsite additional guidance and support.)	As incurred	We may charge you for forms and other materials we supply and for operating assistance made necessary by your failure to comply with any provision of the Franchise Agreement or Standard, or if you request additional operating assistance.
Annual/regional conference fees	Our then current registration fee for all attendees (Currently, $0; we may increase this fee and charge up to $500 per attendee.)	As incurred; 30 days before conference	
Training and transfer fee	50% of then current initial franchise fee (Currently, $17,500)	50% due (and nonrefundable) when you request transfer approval; balance due before transfer completed	Payable on proposed transfer of the Franchise Agreement, the Center or its assets, or any ownership interest in you.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Resale assistance fee	10% of the purchase price for the Center	Upon transfer	Payable only if we obtain a purchaser for the Center on proposed transfer and do not elect to exercise our right of first refusal under the Franchise Agreement.
Successor franchise fee	50% of our then current initial franchise fee (Currently, $17,500)	When you sign the successor franchise agreement	
Relocation fee	Our then current relocation fee (currently, $2,500), plus costs and expenses	As incurred	Payable if you relocate the Center to a new site with our approval.
Software License Fee	Currently, $200 per month; however, if you choose to use video surveillance software with your point of sale system (the "POS System Surveillance Software"), the Software License Fee is currently $367 per month.	As incurred	Payable to compensate us or our affiliate for costs and expenses to keep your point of sale system up and running. See also Note 4.
Credit card fees	Approximately 1% to 3% of Gross Sales	As incurred	Payable to us or merchant account vendors.
Inspection fee	Our then current inspection fee (Currently, $0, but we may charge up to $3,000, plus travel expenses and room and board for our employees.)	As incurred	Payable to compensate us for our costs and expenses during any follow-up inspection to confirm that you corrected deficiencies and are otherwise complying with the Franchise Agreement and all Standards, or for any evaluation that you request.
Management fee	3% of Gross Sales	As incurred	Due when we appoint a manager to operate the Center after your

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			or your owner's death or permanent incapacity and our determination that the existing Managing Director is not competent and trained to manage the Center.
Conversion fees	Purchase price we paid for the Non-System Center (defined in Item 12) or fair market value (payable in cash), plus costs and expenses we incurred to acquire the Non-System Center (prorated if we acquired the Non-System Center as part of a multiple center purchase)	As detailed in purchase agreement	If we acquire, or obtain the rights to acquire any Non-System Center within your Territory (defined in Item 12), you will have the option after we notify you to purchase the Non-System Center and convert it to a Take 5 Oil Change Center. You will pay us the cash equivalent of the consideration we paid for the Non-System Center if we purchased the Non-System Center within 180 days before we notified you of our intent to convert the Non-System Center to a Take 5 Oil Change Center. Otherwise, the purchase price is fair market value of the Non-System Center.
Customer complaint reimbursement	Out-of-pocket cost reimbursement	As incurred	You must reimburse us if we resolve a customer complaint because you do not do so; amount depends on extent of your non-compliance.

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Non-approved opening	$2,500 for each day your Center is open without our approval	When billed	Due if you open the Center for business before we give our approval.
Interest	Highest legal rate (or in the absence of such rate, 2% per month)	When billed	Due on all overdue amounts.
Administrative fee	$500	As incurred	Due on each overdue payment (or for each dishonored payment) to cover the increased costs and expenses we incur as a result of your failure to pay the amounts when due.
Insurance reimbursement	Premiums plus our costs, expenses and charges	As incurred	Due only if you fail to maintain (or prove you have) insurance and we, at our option, obtain insurance for you.
Lease	Varies based on the Center's market area	Monthly	Payable if you lease the Premises (defined in Item 12) from us or our affiliate.
Sublease	Varies based on the Center's market area	Monthly	Payable if you sublease the Premises from us or our affiliate.
Public offering fee	Out-of-pocket cost reimbursement	As incurred	We may charge you a fee for reviewing the materials you prepare for any public offering of your securities.
Audit expenses	Cost of audit, including fees of independent accountants and/or third-party vendors and the travel, room, board and compensation of our employees and authorized agents or representatives	15 days after billing	Payable if the audit is made necessary by your failure to submit reports, supporting records, or other information, as required by the Franchise Agreement, or if the audit reveals an understatement of

Column 1 Type of Fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			Gross Sales for any period or periods greater than 1%
Liquidated damages upon termination	See Note 5	Within 30 days after termination	Due if Franchise Agreement terminates before its term expires.
National Warranty Program	Net debit balances	As incurred	We may charge you for warranty services performed by another Take 5 Oil Change Center on customer warranties you issue for the national warranty program. You must pay us any net debit balances with respect to the national customer warranty program.
Costs and attorneys' fees	Will vary under circumstances	As incurred	Payable if we incur costs as a result of your non-compliance with Franchise Agreement or Area Development Agreement.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us and our affiliates if we or they are held liable for claims arising from your Center's development or operation or your breach of the Franchise Agreement or Area Development Agreement.

Explanatory Notes

(1) Except as described above, all fees are imposed and collected by and payable to us and are non-refundable. These fees are uniform for franchisees signing the Franchise Agreement included in this disclosure document.

We may periodically implement incentive programs to encourage franchise system growth, including the development incentive described in Note 3 below. Under the incentive programs, we may, among other things, waive or reduce the Royalty Fee and/or Marketing Funds contribution payable by a franchisee for a limited period of time. We may modify or discontinue any incentive program we implement at any time.

(2) "Gross Sales" means and includes all revenue received or otherwise derived from operating the Center, whether for cash, check, credit and debit card, barter, exchange, trade credit, or other credit transactions without exception for any bad/write downs or write-offs, and without deduction for any processing or administrative fees of any kind whatsoever. Gross Sales will be calculated upon all motor vehicle services and products of all kinds purchased by customers of the Center, whether these purchases are made in, upon, or from the Premises. "Gross Sales" excludes sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority and refunds to customers. If you receive any proceeds from any business interruption insurance applicable to the loss of sales at the Center, we will add to Gross Sales an amount equal to the imputed Gross Sales that the insurer used to calculate those proceeds.

(3) You must participate in an electronic funds transfer program under which Royalty Fees and Marketing Funds contributions are deducted or paid electronically from your bank account. We may permit you to initiate payments via a system we establish or approve, or at our option, require you to authorize us to initiate debit and/or credit entries and/or credit correction entries to the Center bank operating account (the "Account") for payment of Royalty Fees, Marketing Funds contributions, and products and other items purchased through us or our affiliates on forms we prescribe. If you are required to authorize us to initiate debit entries, you must make the funds available in the Account for withdrawal by electronic transfer no later than 6:00 a.m. on the Payment Day (currently, Friday), or such prior business day should the Payment Day fall on a bank holiday. The amount actually transferred from the Account to pay Royalty Fees, Marketing Funds contributions, and products and other items purchased through us or our affiliates will be based on the Gross Sales recorded for the preceding week. If you have not recorded Gross Sales of the Center for any reporting period, we will be authorized to debit the Account in an amount equal to the Non-Recorded Payment (see above). If at any time we determine that you have underpaid Royalty Fees or Marketing Funds contributions due under the Franchise Agreement, we will be authorized to initiate immediately a debit to the Account in the appropriate amount, including interest as provided for in the Franchise Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after we and you determine that such credit is due.

(4) We may increase the amount of the Software License Fee based on changes in the Index (defined below) ("Annual Increase"). Beginning on the anniversary date of the effective date of the Software License Agreement, you may be subject to an Annual Increase based on the base Software License Fee plus the Index. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index. An Annual Increase will be determined by adding 2% to the most recent Index and will not exceed 5% annually. We also reserve the right to increase the Software License Fee, even beyond the Annual Increase, to reflect any increases in any third

party's charges to us and/or any modifications to the Brand Technology and the software licensed under the Software License Agreement.

(5) The amount of liquidated damages varies depending on when the Franchise Agreement terminates. If the Franchise Agreement terminates after the effective date of the Franchise Agreement, you must pay us, as liquidated damages for the loss of the benefit of the bargain we are entitled to receive, and not as a penalty, a lump-sum payment equal to the Royalty Fees you owed us during the 36 months before the termination date. If less than 36 months have lapsed between the effective date of the Franchise Agreement and the termination date, the liquidated damages will be the average monthly Royalty Fees during the time between the effective date and the termination date, multiplied by 36.

Item 7

ESTIMATED INITIAL INVESTMENT

Franchise Agreement

YOUR ESTIMATED INITIAL INVESTMENT

NEW (GROUND-UP) TAKE 5 OIL CHANGE CENTER[1]

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	$45,000	Lump sum	At the time that you sign the Franchise Agreement	Us
Building work[2]	$230,398 - $689,709	Installments	As contractor or funding source requires	Contractors
General site work[3]	$161,278 - $517,282	Installments	As contractor or funding source requires	Contractors
General conditions and fees[4]	$69,119 - $344,854	Installments	As contractor or funding source requires	Contractors
Due diligence, permits, design and plans[5]	$40,000 - $180,000	Installments	As contractor or funding source requires	Contractors
FF&E Package[6]	$30,997 - $39,388	Lump sum	30 days prior to opening	Us, Spire Supply, and/or another affiliate (which may

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
				including Driven Product Sourcing)
Software Installation Fee[7]	$3,000	Lump sum	At the time that you sign the Software License Agreement	Us or affiliate
Used oil system[8]	$7,000 - $15,000	As incurred	As contractor or funding source requires	Supplier
Signage	$25,000 - $45,000	Installments	50% upon order placement, remaining 50% on order completion	Sign company
Opening Inventory[9]	$23,000 - $35,000	Lump sum	30 days prior to opening	Us, Spire Supply, and/or another affiliate (which may include Driven Product Sourcing)
3 months' rent and security deposit[10]	$20,000	As we or landlord requires	As we or landlord requires	Us or landlord
Training fees, salaries and expenses during training[11]	$15,000 - $20,000	As incurred	Before opening	Employees, third parties, and us
Grand Opening Contribution	$20,000	Lump sum	At the time that you sign the Franchise Agreement	Us
Insurance	$7,500	As incurred	As incurred	Insurance broker

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
Additional funds – 3 months[12]	$52,000	As incurred	As incurred	Employees, suppliers, and other third parties
TOTAL (excluding real estate costs)[13]	**$749,292 - $2,033,733**			

YOUR ESTIMATED INITIAL INVESTMENT

CONVERSION TAKE 5 OIL CHANGE CENTER[1]

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	$45,000	Lump sum	At the time that you sign the Franchise Agreement	Us
Building work[2]	$20,000 - $250,000	Installments	As contractor or funding source requires	Contractors
General site work[3]	$0 - $120,000	Installments	As contractor or funding source requires	Contractors
General conditions and fees[4]	$0 - $40,000	Installments	As contractor or funding source requires	Contractors
Due diligence, permits, design and plans[5]	$0 - $55,000	Installments	As contractor or funding source requires	Contractors
FF&E Package[6]	$4,794 - $52,388	Lump sum	30 days prior to opening	Us, Spire Supply, and/or another affiliate (which may include Driven Product Sourcing)

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
Software Installation Fee[(7)]	$3,000	Lump sum	At the time that you sign the Software License Agreement	Us or affiliate
Used oil system[(8)]	$0 - $15,000	As incurred	As contractor or funding source requires	Supplier
Signage	$22,500 - $45,000	Installments	50% upon order placement, remaining 50% on order completion	Sign company
Opening Inventory[(9)]	$23,000 - $35,000	Lump sum	30 days prior to opening	Us, Spire Supply, and/or another affiliate (which may include Driven Product Sourcing)
3 months' rent and security deposit[(10)]	$20,000	As we or landlord requires	As we or landlord requires	Us or landlord
Training fees, salaries and expenses during training[(11)]	$15,000 - $20,000	As incurred	Before opening	Employees, third parties, and us
Grand Opening Contribution	$20,000	Lump sum	At the time that you sign the Franchise Agreement	Us
Insurance	$7,500	As incurred	As incurred	Insurance broker
Additional funds – 3 months[(12)]	$52,000	As incurred	As incurred	Employees, suppliers, and other third parties
TOTAL (excluding real estate costs)[(13)]	**$232,794 - $779,888**			

Except for security or utility deposits, none of these expenditures is refundable.

Explanatory Notes

(1) *New (Ground-Up) and Conversion Centers.* A new (ground-up) Take 5 Oil Change Center refers to a Take 5 Oil Change Center constructed after the execution of a ground lease. A conversion Take 5 Oil Change Center refers to a Take 5 Oil Change Center converted from a pre-existing quick lube or repair and maintenance operating automotive service center to our Take 5 branding and operational standards.

(2) *Building Work.* These figures cover the costs to construct, build-out, remodel, and decorate (as applicable, depending on whether your Center will be a new (ground-up) or conversion Take 5 Oil Change Center) your Center according to our Standards. The amounts vary depending primarily on the Center's size, location and condition.

With respect to a conversion Take 5 Oil Change Center, because you currently operate an oil change service center at the applicable location, the scope of construction/remodeling required to conform the site to our Standards and specifications will be limited. The low end assumes that the site generally meets our Standards and specifications. The high end assumes that you will have to undertake significant remodeling and decorating to conform the site to our Standards and specifications.

(3) *General Site Work.* These estimates cover the costs for the part of the construction project that does not involve the physical building, including items such as utility connections, demolition and/or concrete around the building. In our experience, we have found that this amount may be capped in exchange for a higher lease rate with the landlord.

With respect to a conversion Take 5 Oil Change Center, because you currently operate an oil change service center at the applicable location, the scope of construction/remodeling required to conform the site to our Standards and specifications will be limited. The low end assumes that the site generally meets our Standards and specifications. The high end assumes that you will have to undertake significant remodeling and decorating to conform the site to our Standards and specifications.

(4) *General Conditions and Fees*. This estimate includes costs for supervision, labor, and fees charged by the general contractor.

With respect to a conversion Take 5 Oil Change Center, because you currently operate an oil change service center at the applicable location, the scope of construction/remodeling required to conform the site to our Standards and specifications will be limited. The low end assumes that the site generally meets our Standards and specifications. The high end assumes that you will have to undertake significant remodeling and decorating to conform the site to our Standards and specifications.

(5) *Due Diligence, Permits, Design and Plans.* This estimate includes costs for due diligence related to the construction project, necessary permits for a given jurisdiction, and architectural and civil engineering plans.

With respect to a conversion Take 5 Oil Change Center, because you currently operate an oil change service center at the applicable location, the scope of construction/remodeling required

to conform the site to our Standards and specifications will be limited. The low end assumes that the site generally meets our Standards and specifications. The high end assumes that you will have to undertake significant remodeling and decorating to conform the site to our Standards and specifications.

(6) *FF&E Package*. This figure covers holding tanks for oil, cabinets, tools, Brand Technology (described in Item 11), excluding the Software Installation Fee (described in Item 5), office and shop supplies, and miscellaneous items like oil tank remote monitoring devices, safes, air compressors, eye wash stations, an operations kit (which includes signage for service, safety, and security, training supplies, SDS files, menu boards, and miscellaneous operational items that we require for the Center), and other equipment and furnishings that we periodically require for the Center.

With respect to a conversion Take 5 Oil Change Center, because you currently operate an oil change service center at the applicable location, we expect that you will have some of the furniture, fixtures, and equipment necessary to operate the Center. 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 that you may have some of these items but will need to purchase or lease a significant number of items to meet our Standards.

(7) *Software Installation Fee*. As stated in Item 5, we may increase the Software Installation Fee to reflect changes to the Brand Technology and the software licensed under the Software License Agreement.

(8) *Used Oil System*. This estimate covers the cost of a system to collect and recycle oil. With respect to a conversion Take 5 Oil Change Center, because you currently operate an oil change service center at the applicable location, we anticipate that you will already have a used oil system. The low end assumes that your used oil system meets our current Standards. The high end assumes that you will have to purchase a new used oil system that meets our current Standards.

(9) *Opening Inventory*. This figure includes amounts for initial oil inventory and other sellable inventory (such as air filters, oil filters, and wiper blades) and supplies.

(10) *3 Months' Rent and Security Deposit*. A standard Take 5 Oil Change Center typically occupies approximately 1,800 square feet of space and includes three bays. The typical location is on high-traffic streets with high convenience and density factors, such as ease of access, facing the street, proper elevation and proximity to high-frequency destinations. Rent depends on geographic location, size, local rental rates, businesses in the area, the landlord's contribution to your leasehold improvements, and other factors, varies from market to market, and could be higher in large metropolitan areas than in suburban markets and smaller metropolitan areas. 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 Center's location ultimately will dictate when your rental payments will begin.

We expect you to rent the Center's location. It is possible, however, that you will choose to purchase, rather than rent, real estate on which a building suitable for the Center already is

constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables affecting the value of a particular piece of real estate, this initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the Center. With respect to a conversion Take 5 Oil Change Center, because you currently operate an oil change service center at the applicable location, you will not incur any additional expenses for purchase of the location.

(11) *Training.* We describe training in Item 11. Although we do not impose a fee for the initial training program, this figure includes amounts for your personnel's salaries, lodging, transportation, and meals during training. The estimates are for three individuals attending our initial training program at our franchise training location at 5221 South Boulevard, Charlotte, North Carolina 28217. The costs in Charlotte vary greatly based on the time of year and choices you make for hotels, restaurants, etc. The higher end of the range estimates that we provide local training at your Center (e.g., an additional $10,000 for a local trainer, as described in Item 5).

(12) *Additional Funds.* This estimates the funds needed to cover your operating expenses for the first three months of operation (other than the items identified separately in the table), including miscellaneous supplies, inventory, payroll costs (but not any draw or salary for you), utilities and other miscellaneous costs. This is only an estimate, and you might need additional working capital during the first three months you operate your Center and for a longer time period after that.

(13) We relied on our affiliates' experience in operating Take 5 Oil Change Centers since 2000 to compile these estimates (including the estimate of additional funds). You should review these figures carefully with a business advisor before deciding to acquire the franchise. If you acquire another franchise from us or one of our affiliates that you develop concurrently with, and at the same location as (or in close proximity to), the Center, you may realize certain cost savings from co-development as compared to the costs you would incur to develop each concept separately, including reduced general site work expenses, general conditions and fees, and permit and other rent/real estate costs. We and our affiliates 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. The estimate does not include any finance charge, interest, or debt service obligation. 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.

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Area Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Development fee[(1)]	$45,000 - $337,500	Lump sum	Within two business days after signing Area Development Agreement	Us
Additional funds – 3 months[(2)]	$1,000 - $5,000	As incurred	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT[(3)]	$46,000 - $342,500			

None of these expenditures is refundable.

Explanatory Notes

(1) You must pay us a development fee within two business days after you sign the Area Development Agreement. The development fee is 50% of the aggregate initial franchise fees due under the franchise agreements for the number of Take 5 Oil Change Centers you agree to develop under the Development Schedule. The minimum number of Take 5 Oil Change Centers to be opened under the Area Development Agreement is two. Typically, however, our franchisees commit to developing from five to 15 Take 5 Oil Change Centers under the Area Development Agreement, but some have committed to developing as many as 24. We will insert this fee in the Area Development Agreement before signing it. The development fee is non-refundable. With respect to each Take 5 Oil Change Center you must develop under the Area Development Agreement, we will apply the portion of the development fee applicable to the Center toward the initial franchise fee owed under the applicable franchise agreement. The low end of the range of the estimated initial investment for an Area Development Agreement represents the expenditures for the development of two Take 5 Oil Change Centers, and the high end of the range of the estimated initial investment for an Area Development Agreement represents the expenditures for the development of 15 Take 5 Oil Change Centers.

(2) This estimates your initial start-up expenses for the first months of operating under the Area Development Agreement, which may include costs to begin looking for sites, business plan preparation and related expenses. You will incur costs and expenses for each Take 5 Oil Change Center you develop under the Area Development Agreement, the current estimates of which are listed in the first two charts in this Item 7.

(3) There is no additional initial investment for training, real property, equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, decorating costs, inventory, security deposits, utility deposits or business licenses required under the Area Development Agreement. We and our affiliates do not offer financing for any part of the initial investment. No part of this initial investment is refundable.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchise Agreement

Standards

You must operate the Center according to our Standards, which may regulate, among other things, the quality and source of products used and methods and procedures relating to motor vehicle services; the safety, maintenance, cleanliness, sanitation, function and appearance of the Premises and its equipment, furniture, fixtures and signs; uniforms to be worn by and general appearance of Center employees; use of the Marks; minimum staffing levels for the Center, including the presence of a certified shop and assistant manager (who may be the Managing Director) at the Center covering full shifts each week (as specified in the Manuals), manager training, and uniform dress code; hours during which the Center will be open for business; customer complaint resolution procedures and prompt reimbursement if we resolve a customer complaint because you fail to do so as or when we require; use of standard formats, use and retention of service agreements and other standard forms; use and illumination of signs, posters, displays, standard formats and similar items; and your identification as the owner of the Center. To maintain the quality of the goods and services that Take 5 Oil Change Centers offer and the reputation of the Take 5 Oil Change franchise network, all motor vehicle oil, lubricants and other products, materials and supplies sold and used in the operation of the Center must be a brand we designate and, if we require, purchased only from suppliers or distributors that we designate or approve (which may include or be limited to us or our affiliates).

We issue and modify our Standards based on our, our predecessor's, and our affiliates' experience in licensing, franchising and/or operating Take 5 Oil Change Centers. We will notify you in our Manuals of our Standards and names of designated and approved suppliers. We also provide our relevant Standards and specifications to some approved suppliers. Currently, the purchases and leases that you must make from us or our affiliates, from approved suppliers, or according to our Standards represent approximately 90% to 100% of your total purchases and leases in establishing and operating your Center.

Approved Brands, Suppliers and Distributors

All motor vehicle oil, lubricants and other products, materials and supplies sold and used in the operation of the Center will be a brand designated by us and, if we require, purchased only from suppliers or distributors that we designate or approve (which may include or be limited to us or our affiliates) through any manner or method we designate. You currently must buy oil bearing a brand we designate and only from suppliers that we designate or approve. Additionally, you

currently must buy oil filters, air filters, wiper blades, coolant flush, and other materials and supplies (including merchant accounts) only from suppliers that we designate or approve, which suppliers may include us and/or our affiliates. Currently, we, Spire Supply, and/or another affiliate (which may include Driven Product Sourcing) are the exclusive suppliers of the Opening Inventory for your Center. We, Spire Supply, Driven Product Sourcing, and/or another affiliate are approved suppliers of your ongoing inventory of oil filters, air filters, wiper blades, and other ancillary items, but currently you can acquire these items from other approved or designated suppliers. As stated in Item 1, Driven Product Sourcing operates the DrivenAdvantage Platform, through which you may purchase certain products for use in operating your Center. Through the DrivenAdvantage Platform, Driven Product Sourcing provides you the opportunity to benefit from Driven Product Sourcing's purchasing power, expertise, and supplier network. For any products for which we designate Driven Product Sourcing as the designated supplier or an approved supplier, you will generally be required to purchase those products through the DrivenAdvantage Platform. Except for these products, neither we nor any of our affiliates currently are approved suppliers or the only approved suppliers for any products or services that Take 5 Oil Change Center franchisees use or sell. None of our officers currently own an interest in any non-affiliated, third-party suppliers that comprise the existing supply base for the Take 5 Oil Change franchise system. We restrict your sources of items and services to protect trade secrets and other intellectual property rights, help assure quality, help assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control third parties' use of the Marks, and monitor the manufacture, packaging, processing, and sale of these items.

If you propose to use in the operation of the Center any brand of motor vehicle oil, lubricants or other products, materials and supplies which we have not yet approved as meeting our specifications, or purchase or lease any motor vehicle oil, lubricants or other products, materials and supplies from a supplier or distributor that we have not yet approved, you must first notify us and upon our request submit samples and other information as we reasonably require to determine whether such product and/or supplier or distributor meets our specifications and standards. We may condition our approval of a supplier or distributor or a product, material, or supply on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), any adverse economic impact on us, our affiliates, or the Take 5 Oil Change Center franchise network, quality and performance of then-approved products, materials, and supplies or suppliers/distributors (as applicable), and/or other criteria. We will notify you within a reasonable time (not to exceed 60 days) whether we approve such products, supplier and/or distributor. We may charge a reasonable fee to make the evaluation. We may periodically re-inspect the products and services of any approved supplier or distributor and revoke our approval of any supplier, distributor, product or service that does not continue to meet our criteria. You may not sell or use any brand of any such products which we have designated as not being of equivalent quality to our designated brand of such product. In addition, any such product we approve for sale or use should have the designated logo attached to the product and/or the package for such product in the manner we designate. The Center must at all times maintain an inventory of motor vehicle oil, lubricants and other products, materials and supplies, sufficient in variety and quantity to satisfy customer demand and operate efficiently.

You must use forms, uniforms, materials and supplies bearing the Marks as we periodically prescribe. You may not use the Marks in connection with any forms, uniforms or other materials which we have not approved or prescribed. You must buy or lease uniforms only from suppliers that we designate or approve.

Equipment, Fixtures, Furniture and Signs

You must use in the operation of the Center only those brands and models of equipment, fixtures, furniture, and signs that we have approved for a Take 5 Oil Change Center as meeting our specifications and Standards for, among other elements, design, function, performance, serviceability and warranties. You must display and maintain at the Premises (interior and exterior) only those signs, emblems, lettering, logos and display materials that we periodically approve in writing. We will specify the color, size, design and location of these signs. You must, at our request and your sole expense, replace and/or modify the Center's signage to reflect the then current image of Take 5 Oil Change Centers and update the Center's menu board to reflect changes in suppliers and/or pricing. You may not place additional signs or posters on the Premises without our written consent.

You may purchase or lease approved brands and models of equipment, fixtures, furniture and signs from any supplier, but we may designate one or more approved suppliers for these items, which may include or be limited to us or any one or more of our affiliates. Currently, you must buy all plastic bulk oil storage tanks, bay system cabinetry and other automotive shop equipment, lube equipment, alarm and surveillance system products, oil tank remote monitoring devices, telephones, and Brand Technology hardware and software only from suppliers that we designate or approve. We, Spire Supply, and/or another affiliate (which may include Driven Product Sourcing) are the exclusive suppliers of the FF&E Package for your Center. Currently, we or our affiliate licenses the point of sale software and business intelligence software for the Brand Technology from our designated suppliers and sublicenses that software to you under a Software License Agreement. Except as described above, neither we nor any of our affiliates currently are approved suppliers or the only approved suppliers for any of the above equipment, fixtures and furniture.

If you propose to purchase or lease any brand and/or model of equipment, fixture, furniture or sign which we have not yet approved, you must first notify us and submit upon our request sufficient specifications, photographs, drawings and/or other information or samples so that we may determine whether such brand and/or model of equipment, fixture, furniture or sign complies with our specifications and Standards. We will make our determination and communicate it to you within a reasonable time (not to exceed 60 days).

Lease and Sublease

You must present the terms of any lease or sublease (whether prepared by us for your use or mandated by the landlord of the Premises) for the Center's site to us for acceptance before you sign it. The lease or sublease must contain the terms we require in all leases or subleases. If we (or our affiliate) own the Premises and lease it to you, we (or our affiliate) and you will sign the Lease (Exhibit H). We also may require that the landlord lease the Premises directly to us (or our affiliate) under a form of lease we find satisfactory and, in turn, we (or our affiliate) will sublease

the Premises to you under the Sublease (Exhibit I). If we (or our affiliate) and you do not enter into the Lease or Sublease, at our option, you must sign, and obtain the landlord's consent to, the Collateral Assignment of Lease (Exhibit J) under which you will collaterally assign the lease to us as security for your timely performance of all Franchise Agreement obligations.

Lowe's Real Estate Program

Driven Brands has entered into an agreement with Lowe's Companies, Inc. ("Lowe's") under the terms of which Driven Brands purchases from Lowe's outparcels from Lowe's Home Improvement Stores for the development and operation of Take 5 Oil Change Centers (the "Lowe's Real Estate Program"). If you desire to develop a Take 5 Oil Change Center at one of these outparcels, Driven Brands and you will enter into a Purchase Agreement for that outparcel on the same terms and conditions as the purchase agreement between Lowe's and Driven Brands, except for price and deadlines. The current form of Purchase Agreement used in connection with the Lowe's Real Estate Program is attached as Exhibit N. Driven Brands and/or Take 5 may enter into similar arrangements with other retailers and real estate developers.

Except as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Center that you currently must buy or lease from us (or our affiliate) or from designated or approved suppliers. In the future, we may designate other products and services that you must buy only from us, our affiliates, or designated or approved suppliers.

Revenue from Required Franchisee Purchases and Leases; Payments from Designated Suppliers from Franchisee Purchases

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 Take 5 Oil Change Center 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 our 2023 fiscal year, we and our affiliates received $342,214 in rebates from suppliers based on franchisee purchases, and our affiliate received $233,255 in rental income from subleasing Take 5 Oil Change Center premises to franchisees. In addition, during our 2023 fiscal year, Spire Supply received $18,414,423 in revenue from selling or leasing lubricant (oil)-related ancillary parts (such as oil filters, wiper blades, cabin air filters, and coolant) to franchisees for resale to Take 5 Oil Change Center customers. Additionally, our affiliate's revenue from the sale of lubricants (oil) to franchisees in 2023 was $50,303,287. We derived these figures from our affiliates' internally prepared financial statements. Except as described in this Item 8, during the 2023 fiscal year, neither we nor our affiliates (1) derived any revenues or other material consideration from franchisees' direct purchases or leases or (2) received any payments from designated and approved suppliers on account of franchisee purchases or leases of required and approved items from those suppliers.

Purchasing Arrangements

There currently are no purchasing or distribution cooperatives. We reserve the right to arrange for the ordering, billing and payment of products purchased by franchisees for use in their Take 5 Oil Change Center businesses through, among other things, vendor purchasing programs we periodically establish. We and our affiliates currently negotiate purchase arrangements with suppliers (including price terms) for the items and services described earlier in this Item that you may obtain only from designated sources. In doing so, we and our affiliates seek to promote the overall interests of the franchise system and affiliate-owned operations and our interests as the franchisor. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Insurance

During the Franchise Agreement's term, you must maintain in force at your sole expense the insurance coverage for the Center in the amounts, covering the risks, and containing only the exceptions and exclusions that we periodically specify. The current requirements include: (a) comprehensive, commercial, general liability policy currently in the amount of $1,000,000 per occurrence; (b) garage keepers liability insurance policy currently in the amount of $120,000; (c) product and automobile liability insurance; (d) general casualty insurance, fire and extended coverage, vandalism and malicious mischief insurance, for the replacement value of your Center and its contents; (e) employer's liability insurance; (f) pollution insurance; and (g) other insurance policies, such as business interruption insurance, we periodically require. All of your insurance carriers must be rated A or higher by A.M. Best Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an "occurrence" basis, except for the employment practices liability insurance coverage, which is on a "claims made" basis. All policies must apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. All general liability and workers compensation coverage must provide for waiver of subrogation in favor of us and our affiliates. We may periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name us and our affiliates as additional insureds and provide for 30 days' prior written notice of termination, expiration or cancellation.

Local Marketing Materials

Before using them, you must send to us, for our approval, descriptions and samples of all proposed local marketing materials that we have not prepared or previously approved within the preceding 6 months. If you do not receive written notice of approval from us within 15 days after we receive the materials, they are considered disapproved. You may not conduct or use any local marketing that we have not approved or have disapproved. At our option, you must contract with one or more suppliers that we designate or approve to develop and/or implement local marketing.

Center Upgrades

We may periodically require you to refurbish or remodel the Center (in addition to regular maintenance and repair) at your expense, within six months of your receipt of our notice, to maintain or improve the appearance and efficient operation of the Center and/or increase its sales potential or to comply with the Standards. Additionally, once during the period beginning on the 6th anniversary of the Franchise Agreement's effective date and ending on the 9th anniversary of the Franchise Agreement's effective date, we may require you to substantially alter the Center's appearance, branding, layout and/or design, and/or replace a material portion of its equipment, fixtures, furniture and signs, in order to meet our then current requirements for new similarly situated Take 5 Oil Change Centers. You must incur any necessary costs. You must complete all work within the time period that we reasonably specify. However, we will not require you to make aggregate expenditures for refurbishing or remodeling in excess of $100,000 during the franchise term or, except in connection with your right to acquire a successor franchise, to effect any refurbishing or remodeling of the Center during the last 12 months of the franchise term.

Area Development Agreement

The Area 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 Area Development Agreement. However, you must give us information and materials we request concerning each site at which you propose to operate a Take 5 Oil Change Center 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.

Obligations	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	6 and 7 of Franchise Agreement; 5 of Area Development Agreement; Lease; Sublease; Purchase Agreement	7, 8, 11 and 12
b. Pre-opening purchases/leases	8.1, 8.2 and 13.9 of Franchise Agreement; Lease; Sublease; Purchase Agreement	5, 7, 8 and 11
c. Site development and other pre-opening requirements	8 of Franchise Agreement	7, 8 and 11
d. Initial and ongoing training	12.1, 12.2, 12.3, 12.4 and 12.5 of Franchise Agreement	5, 6, 7 and 11

Obligations	Section in agreement	Disclosure document item
e. Opening	8.3 of Franchise Agreement	11
f. Fees	3.5, 4.2, 6, 9, 11.1(c), 12.1, 12.3, 12.4, 12.5, 13.6, 13.9, 13.12, 16.2, 17.1, 19.1, 19.2, 20.4(h), 20.4(j), 20.7, 20.10, 22.6, and 22.10 of Franchise Agreement; 8 and Exhibit B of Area Development Agreement; 3, 4, 9, 14, 18, 23(c), 30 and 32 of Lease; 4, 5.2(a) and (c), 11 and 12 of Sublease; B and Exhibit A of Software License Agreement; 3 and Terms and Conditions (paragraphs 2 and 14) of Purchase Agreement	5, 6, 7, 8 and 11
g. Compliance with standards and policies/Operating Manual	13.5, 13.8 and 14 of Franchise Agreement	6, 8 and 11
h. Trademarks and proprietary information	14, 15 and 18 of Franchise Agreement	13 and 14
i. Restrictions on products/services offered	13.4 and 13.7 of Franchise Agreement	8, 11 and 16
j. Warranty and customer service requirements	11 of Franchise Agreement	11 and 16
k. Territorial development and sales quotas	3.2 of Franchise Agreement; 4 of Area Development Agreement	8, 11 and 12
l. On-going product/service purchases	12.6 and 13.6 of Franchise Agreement	8, 11 and 16
m. Maintenance, appearance and remodeling requirements	13.1, 13.2, and 13.3 of Franchise Agreement; 6, 8, 14 and 21 of Lease; 2, 5.2(d) and 17 of Sublease	8 and 11
n. Insurance	13.12 of Franchise Agreement; 11 of Lease; 5.2(b) of Sublease	6, 7 and 8
o. Advertising	16 of Franchise Agreement	6, 7, 8 and 11
p. Indemnification	12.2, 18.4 and 26 of Franchise Agreement; 20 of Area Development Agreement; 12 and 25(d) of Lease; 12 and 26 of Sublease; Terms and Conditions (paragraph 16) of Purchase Agreement	6
q. Owner's participation/ management/ staffing	10 of Franchise Agreement; 7 of Area Development Agreement	11 and 15

Obligations	Section in agreement	Disclosure document item
r. Records and reports	17 of Franchise Agreement	6 and 11
s. Inspections and audits	19 of Franchise Agreement	6
t. Transfer	20 of Franchise Agreement; 13, 14, and 15 of Area Development Agreement; 20 of Lease; 7 of Sublease; F of Software License Agreement; Terms and Conditions (paragraph 19) of Purchase Agreement	6 and 17
u. Renewal	4 of Franchise Agreement; 2 of Lease; 3 of Sublease	6 and 17
v. Post-termination obligations	22 of Franchise Agreement; 9.3, 10 and 12.2 of Area Development Agreement; G.3 of Software License Agreement; Terms and Conditions (paragraph 20) of Purchase Agreement	6 and 17
w. Non-competition covenants	10.3, 22.7 and 23 of Franchise Agreement; 12 of Area Development Agreement	17
x. Dispute resolution	24.6 of Franchise Agreement; 23 of Area Development Agreement; 23(c)(iv) of Lease	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 Take 5 franchisees. Driven Brands may delegate certain of these responsibilities to Take 5 Franchising, 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 Area Development Agreement.

Before you open the Center, we will do the following:

(1) Accept a site for the Center that meets our criteria. You are solely responsible for identifying potential site(s) for the Center. If you do not have an approved site for the Center as of the Franchise Agreement's effective date, you have 90 days after the Franchise Agreement's effective date to obtain our written acceptance of a site at which to operate a Take 5 Oil Change Center within the market area specified in Exhibit A to the Franchise Agreement. If you do not, we may terminate the Franchise Agreement. You will submit all information that we request when you propose a site. We will use reasonable efforts to review and approve or disapprove the sites you propose within 30 days after we receive all requested information and materials. We will not unreasonably withhold our approval of a site that meets our then current criteria for sites of Take 5 Oil Change Centers (including population density and other demographic characteristics, visibility, proximity to existing Take 5 Oil Change Centers, traffic count and speed, competition, accessibility, parking, size, and other physical and commercial characteristics). However, we have the absolute right to disapprove any site that does not meet these criteria. Upon approving a proposed site, we will list the approved site's location as the Center's address in Exhibit A of the Franchise Agreement. (Franchise Agreement – Sections 3.1 and 6)

(2) Accept or reject the lease for the Center. You must present to us for our written acceptance any lease or sublease (whether prepared by us for your use or mandated by the landlord of the Premises) that will govern your occupancy and lawful possession of the Center before you intend to sign it. These obligations apply even if we have accepted the Center's site before signing the Franchise Agreement. We have no obligation to provide you guidance or assistance relating to the lease or its negotiation. You must receive our written acceptance of the lease before you sign it. The lease or sublease must contain the terms we require in all leases or subleases, as we describe in the Manuals. We generally do not own the Premises and lease it to you. However, if we do, we and you will sign the Lease. We also may require that the landlord lease the Premises directly to us or our affiliate under a form of lease we find satisfactory and, in turn, we or our affiliate will sublease the Premises to you under the Sublease. If we (or our affiliate) and you do not enter into the Lease or Sublease, at our option, you must sign, and obtain the landlord's consent to, the Collateral Assignment of Lease under which you will collaterally assign the lease to us as security for your timely performance of all Franchise Agreement obligations. (Franchise Agreement – Sections 7.1 and 7.2)

(3) Provide you with standard plans and specifications for a Take 5 Oil Change Center, including requirements for dimensions, exterior design, interior layout, parking facilities and drive-ways, building materials, equipment, signs and color scheme. You must prepare and submit to us for approval any proposed modifications to our standard plans and specifications which may be modified only to the extent necessary to comply with applicable laws and lease or deed requirements and restrictions associated with the Premises. It is your responsibility to obtain all required building, utility, sign, health, sanitation and business permits and licenses and any other required permits and licenses and to construct all required improvements to the Premises and decorate the Premises in strict compliance the plans and specifications we approved and all applicable ordinances,

building codes, permit requirements and lease or deed requirements and restrictions. We do not provide any equipment, fixtures, furniture, signs, products, materials, supplies, other items for the Center's development directly or deliver or install items. (Franchise Agreement – Section 8.1)

(4) Provide your Managing Director, Center's manager, assistant managers and other personnel (if applicable) with an initial training program, which we describe in detail later in this Item. (Franchise Agreement – Section 12.1)

(5) Approve your financing. If you or any related entity undertakes financing of the real property, fee or leasehold, and/or improvements for the Center, whether for the Center under the Franchise Agreement, or for multiple Take 5 Oil Change Centers you or any related entity owns or leases, you must provide us not less than 15 days' prior notice of all material terms and conditions of the financing. If we determine, in our reasonable discretion, that the financing will generate an occupancy cost in excess of a Take 5 Oil Change Center's normal operating costs, we will have the right to disapprove the financing. You must provide us with the financial information we require to make that determination. (Franchise Agreement – Section 8.5)

(6) Provide you access to, for use in operating the Center during the Franchise Agreement's term, one copy of our standard operating manuals and/or other manuals (collectively, the "Manuals"), which may include digital media and/or other written or intangible materials and which we may make available to you by various means. The Manuals contain the Standards and information regarding your other obligations under the Franchise Agreement. We may add to or modify the Manuals periodically to reflect changes in authorized services and products and/or standards of product quality or service for the operation of a Take 5 Oil Change Center. You must keep your copy of the Manuals current and up-to-date. If there is a dispute over its contents, our master copy of the Manuals controls. The contents of the Manuals are confidential, and you may not disclose the Manuals to any person other than Center employees who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals, except as we periodically authorize for training and operating purposes. As of the date of this disclosure document, the Manuals contain 216 pages. The table of contents for our Manuals is attached as Exhibit D to this disclosure document.

At our option, we may post the Manuals on the Learning Management System (part of the Website (defined below)) or another restricted website to which you will have access. You must periodically monitor the Learning Management System for any updates to the Manuals. Any passwords or other digital identifications necessary to access the Manuals on our Learning Management System will be considered to be part of our Confidential Information (defined in Item 14).

To the extent that the Manuals or our guidelines or standards contain employee-related policies or procedures that might apply to your employees, those policies and procedures are provided for informational purposes only and do not represent mandatory policies and procedures you must implement. You must determine to what extent, if any, these policies and procedures may be applicable to the operations at the Center. We neither

dictate nor control labor or employment matters for franchisees, and you are solely responsible for dictating the terms and conditions of employment for your employees, including training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. We have no relationship with your employees, and you have no relationship with our employees. (Franchise Agreement – Sections 14 and 25)

(7) Approve your grand opening marketing program and provide you a marketing kit in connection with the opening of the Center. (Franchise Agreement – Section 16.3)

If you sign the Area Development Agreement, before you begin operating under that Agreement, we will complete the Development Schedule, which includes a specified number of Take 5 Oil Change Centers that you must open at sites that we accept within your Development Area and the dates by which you must sign a lease, sublease, or purchase agreement for the site of, sign the franchise agreement for, and open each Take 5 Oil Change Center you commit to develop under the Area Development Agreement. (Area Development Agreement – Sections 3, 4 and 5, and Exhibit B)

During your operation of the Center, we will do the following:

(1) Advise you regarding the Center's operation based on your reports or our evaluations and inspections. We may guide you on methods and procedures we develop for Take 5 Oil Change Centers in connection with motor vehicle oil changes, lubrication and other motor vehicle products and services; additional products and services authorized for Take 5 Oil Change Centers as we may periodically develop or approve; purchasing motor vehicle oil, lubricant, motor vehicle materials and supplies used in the operation of Take 5 Oil Change Centers; and formulating and implementing marketing and promotional programs and providing merchandising, marketing and advertising research data and advice we may periodically develop and consider helpful in the operation of a Take 5 Oil Change Center. We may guide you in our Manuals, in bulletins or other written materials, by electronic messages, Internet or extranet sites, by telephone consultation, and/or at our office, the Center, or another place we consider appropriate. (Franchise Agreement – Section 12.3)

(2) Provide additional, supplemental and refresher training programs. (Franchise Agreement – Section 12.1)

(3) Issue Standards relating to the operation of a Take 5 Oil Change Center, including Standards related to cleanliness, sanitation and customer service. (Franchise Agreement – Sections 13.5 and 13.8)

(4) Develop and sponsor group purchasing programs for motor vehicle products and supplies. (Franchise Agreement – Section 12.6)

(5) Administer national customer warranty and guarantee programs for the System. (Franchise Agreement – Section 11)

(6) Continue to provide you access to our Manuals. (Franchise Agreement – Section 14)

(7) Let you use our Marks. (Franchise Agreement – Section 18)

(8) Let you use certain Confidential Information, some of which constitutes trade secrets under applicable law, relating to the development and operation of Take 5 Oil Change Centers. (Franchise Agreement – Section 15)

(9) At our option, establish and administer Marketing Funds for the advertising, marketing and public relations programs and materials that we consider appropriate. (Franchise Agreement – Sections 16.1 and 16.2) We describe the Marketing Funds and other aspects of our advertising, marketing and promotional programs later in this Item.

If you sign the Area Development Agreement, during the term of the Agreement, subject to certain conditions, we will grant you franchises for Take 5 Oil Change Centers if we approve your completed application and proposed site. You must sign our then current form of franchise agreement and related documents for each Take 5 Oil Change Center, the terms of which may differ substantially from those in the Franchise Agreement attached to this disclosure document. (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 Take 5 Oil Change Center.) (Area Development Agreement – Sections 5 and 6)

Advertising, Marketing, and Promotion

Grand Opening Marketing Program

You must pay us a Grand Opening Contribution. We may, at our option, pay the total Grand Opening Contribution to a vendor we designate that you must use to assist you in developing and implementing the grand opening activities for the Center. In that case, you and the vendor must prepare and submit to us for approval a proposed opening marketing program. Your proposed grand opening marketing program must cover marketing, advertising and operational activities at least three months before and three months after the date you open the Center, and may span up to 90 days around the date you open the Center. This time period is subject to change based on the particular market area or other unique circumstances of the Center. Furthermore, we may delay the roll out of certain portions of your grand opening marketing program if the Center does not meet certain requirements detailed in the Manuals, including those requirements related to post-opening customer service index scores, bay times and other operational measurements. You must make the changes to the program that we specify and execute the program as we have approved it (with the vendor's assistance, as applicable). If we do not elect to engage a vendor for your Center's opening, then the Take 5 marketing team will conduct grand opening marketing for the Center (including expenditure of the balance of the Grand Opening Contribution). We will also provide you a marketing kit in connection with the opening of the Center, the cost of which is covered by the Grand Opening Contribution. We may contribute any unspent portion of the Grand Opening Contribution to the Marketing Funds or spend the amount on local or regional advertising or promotion as we consider appropriate. (Franchise Agreement – Section 16.3)

Marketing Funds

We or our designee will from time to time formulate, develop, produce and conduct marketing and promotional programs in the form and media as we or our designee determines to be most effective. You must participate in all marketing and promotions as we determine to be appropriate for the benefit of the System. We reserve the right, in our sole discretion, to determine the composition of all geographic territories and market areas for the development and implementation of marketing and promotion programs we conduct. We may designate all or a portion of the marketing contributions you pay to be spent on local marketing we conduct or, at our election, by you. All costs of the formulation, development and production of any such marketing and promotion (including costs and fees associated with the testing of processes, ideas, products or message-delivery mechanisms; costs and fees associated with the development, refinement and programming of business intelligence tools and reporting in furtherance of evaluation of franchised Take 5 Oil Change Centers; and the proportionate compensation of our and our affiliates' employees who devote time and render services in the formulation, development and production of marketing and promotion programs or the administration of the funds), will be paid from an account we maintain and administer (the "Marketing Funds"). You will pay 5% of the weekly Gross Sales of the Center to the Marketing Funds. Your contribution to the Marketing Funds must be paid at the same time and in the same manner as the Royalty Fees or in any other manner we periodically specify. Excluding the grand opening marketing program, all Take 5 Oil Change Centers that we or our affiliates own will contribute to the cost of such marketing and promotion programs on at least the same basis as the majority of franchisees in the same designated market area. We will not use the Marketing Funds principally to solicit new franchise sales. We will submit to you upon request an annual, unaudited statement of collections and expenditures of the Marketing Funds. We reserve the right to engage the services of a marketing source or sources to formulate, develop, produce and conduct the marketing and promotion programs, the cost of such services to be payable from the Marketing Funds. During the fiscal year ended December 30, 2023, we spent the Marketing Funds as follows: 0.9% on creative and production, 1.4% on consumer research, 1.3% on website and SEO media, 1.3% on local marketing, 1.4% on the CRM platform, 82.9% on media (mail, digital media, and mass media), and 10.8% on administrative expenses.

Unless we designate that all or a portion of the Marketing Funds contributions you pay will be spent on local marketing, the Marketing Funds expenditures are intended to maximize general public recognition and patronage of the Marks and System in the manner we and our affiliates determine to be most effective, and neither we nor our affiliates undertake any obligation in developing, implementing or administering these programs to ensure that expenditures which are proportionate or equivalent to your contributions are made for the market area of the Center or that any Take 5 Oil Change Center will benefit directly or pro rata from the placement of advertising or from other promotional programs.

You will have no proprietary interest in any marketing monies or the Marketing Funds. Marketing Funds contributions will be considered general funds of the entity to which such fees are paid, and will not be considered to be trust funds. We have no obligation to spend on marketing or promotion amounts in excess of those funds actually collected from franchisees.

We will control all advertising and listings for you and other franchisees in online directories, which may include Google My Business, Yelp, and Facebook, in order to maintain proper search engine optimization practices. We may grant you editable rights in the content of the online advertising and listings upon your written request. All telephone numbers, including toll-free and local numbers, used at the Center or in advertising the Center will belong to us and be maintained in the name and for the use we designate. You are responsible for all maintenance and other charges related to each telephone number used by the Center and authorize us to automatically debit such amounts from your account(s), according to the procedures stated in the Manuals. Without our prior written approval, you will (a) not employ and/or publish any other telephone number for customer use in connection with the Center and (b) use only roll-overs or other forwarding functions we authorize. We will have the exclusive use and control of all of these telephone numbers immediately upon expiration or earlier termination of the Franchise Agreement. You must sign and deliver to us our standard form of Conditional Assignment of Telephone Numbers and Listings and Internet Addresses. (Franchise Agreement – Sections 16.1 and 16.2)

Local Marketing

You must, at your expense, participate in all advertising, marketing, promotional, customer relationship management, fleet account development, social responsibility, public relations and other brand-related programs that we periodically designate for the Center. You must ensure that all of your advertising, marketing, promotional, customer relationship management, social responsibility, public relations and other brand-related programs and materials that you develop or implement relating to the Center are completely clear, factual and not misleading, comply with all applicable laws and regulations, and conform to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you must send to us, for our approval, descriptions and samples of all proposed local marketing that we have not prepared or previously approved within the preceding six months. If you do not receive written notice of approval from us within 15 days after we receive the materials, they are considered disapproved. You may not conduct or use any local marketing that we have not approved or have disapproved. At our option, you must contract with one or more suppliers that we designate or approve to develop and/or implement local marketing. (Franchise Agreement – Section 16.4)

Advertising Councils

There currently are no franchisee advertising councils that advise us on advertising and marketing policies and programs.

Local and Regional Advertising Cooperatives

We reserve the right to require that you participate in local and regional advertising cooperatives in connection with the advertising and marketing program we administer or by other Take 5 Oil Change Centers. Each cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine. We may change, dissolve and merge cooperatives. Each cooperative's purpose is, with our approval, to develop, administer or implement advertising, marketing and promotional materials and programs for the area that the cooperative covers. If, as of the Franchise Agreement's effective date, we have established a

cooperative for the geographic area in which the Center is located, or if we establish a cooperative in that area during the franchise term, you must sign the documents that we require to become a member of the cooperative and to participate in the cooperative as those documents require. In addition to the Marketing Funds contributions, you must contribute to the cooperative the amounts that the cooperative determines, subject to our approval.

All material decisions of any cooperative, including contribution levels (which also require our approval), will require the affirmative vote of more than 50% of all Take 5 Oil Change Centers participating in the cooperative (including, if applicable, those we or our affiliates operate), with each Take 5 Oil Change Center receiving one vote. You must send us and the cooperative any reports that we or the cooperative periodically requires. A cooperative and its members may not use any advertising, marketing or promotional programs or materials that we have not approved. (Franchise Agreement – Section 16.5)

System Website

We will reference the Center on the website we develop for the System (the "Website") so long as you are in full compliance with the Franchise Agreement. At our request, you will provide us true, complete and correct information relating to the Center for inclusion on the Website. We will have final approval rights over all information on the Website. We will own all intellectual property and other rights in the Website, all information contained on it and all information generated from it (including the domain name or URL, the log of "hits" by visitors and any personal or business data that visitors supply). If you are in default of any obligations under the Franchise Agreement, we may, in addition to our other remedies, temporarily remove references to the Center from the Website and reroute phone numbers as we consider appropriate. We may, at our option, discontinue any or all of the Website at any time. All local marketing that you develop for the Center must contain notices of the URL of the Website in the manner that we periodically designate.

You may not without our prior written approval (i) register a domain name to be used in connection with the Center or that contains the Marks or any words or designations similar to the Marks, (ii) establish a separate website to advertise, market or promote the Center, or to conduct commerce or directly or indirectly offer or sell any products or services, using any domain name that contains the Marks or any words or designations similar to the Marks, or (iii) use a search engine keyword or metatag in connection with the Center or operation of the Center, or (iv) register an e-mail address that contains the Marks or any words or designations similar to the Marks. If we do consent to your establishment of a website, you must submit to us samples of your website format and information in the form and manner we reasonably require, and you must comply with the Standards for websites as we may periodically prescribe. We will register, or at our direction you will register, all domain names, e-mail addresses, or websites that contain the Marks or any words or designations similar to the Marks. We may license use of the registered item back to you under a separate agreement. You must pay all costs and any fees we may charge for registration, maintenance and renewal of domain name(s) and website(s). We retain the right to pre-approve your use of linking and framing between your web pages and all other websites. If we do consent to your establishment of a website, the information you provide on your website must not be false, inaccurate or misleading; infringe any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; violate any applicable laws; be

defamatory, trade libelous, unlawfully threatening or unlawfully harassing; be obscene or contain a sexually explicit image; contain any viruses or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information; or create liability for us or cause us to lose the loyalty of customers of Take 5 Oil Change Centers. We may, at any time, modify our policies concerning domain names and websites. (Franchise Agreement – Section 16.6)

Brand Technology

You must use in the development and operation of the Center the management system and computer hardware and software and related technology we designate, including features such as high speed broadband connectivity, high speed broadband monitoring, methods and means of encryption and access to our network resources, and other brand technology and peripheral devices that we periodically specify (collectively, the "Brand Technology"). Brand Technology will include any software updates, modifications or new versions as we may periodically require in our discretion. You may only use the items and services we specify for the Brand Technology. The Brand Technology performs point of sale/cash register, inventory ordering and analytical reporting on your marketing, sales activities and tools to generate financial statements. You must provide the assistance required to connect your Brand Technology to our computer system. You must acquire the point of sale software and business intelligence software used for analytical reporting from our designated vendors.

It will cost about $3,000 to $6,000 to acquire the Brand Technology's hardware and software components (included in the FF&E Package for all new Take 5 Oil Change Centers), plus the Software Installation Fee, which, currently, is $3,000, but may be increased as described in Items 5 and 7. The low end of the range is for a Take 5 Oil Change Center operating with two bays, and the high end of the range contemplates a Take 5 Oil Change Center operating with four bays. The Brand Technology includes: (a) four computers (one for the Center's Managing Director/manager, two within the bay terminals, and a fourth that serves as a front desk/point of sale server) and corresponding monitors; (b) a laser printer and static sticker printer; (c) one scanner; (d) network switches, wireless access points with mounting hardware, uninterruptible power supply, and cables; and (e) related computer software, including the point of sale software and business intelligence software.

We may require you to enter into a license exclusively with us or our affiliates to use proprietary software we develop. We have the right to charge reasonable fees for software or systems modifications and enhancements specifically made for us or the Take 5 Oil Change franchise network that third parties license to you and other maintenance and support services that we or our affiliates provide to you related to the Brand Technology. Currently, we or our affiliate licenses the point of sale software and business intelligence software from our designated suppliers and sublicenses that software to you under a Software License Agreement, which you will sign at the same time as the Franchise Agreement. We or our affiliate will provide required maintenance, updating, upgrading and support for the sublicensed software, for which we or our affiliate currently charge a monthly Software License Fee of $200 or, if you choose to use our POS System Surveillance Software, $367, which fee is subject to increase, as described in Item 6. You need not obtain, and no party has any obligation to provide, any specific maintenance, repairs, updating, upgrading or support contracts for other parts of the Brand Technology.

We may modify periodically any and all aspects and the components of the Brand Technology, and our modifications may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Brand Technology during the Franchise Agreement's term. If we do, you must incur those costs in connection with obtaining the Brand Technology (including software licenses) (or additions, substitutions, replacements or modifications), which may not be fully amortizable over the remaining term of the Franchise Agreement. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse your costs. Because of varying market conditions and types of maintenance and support contracts, we are unable to estimate the annual cost of any optional maintenance, updating, upgrading or support contracts.

We have unlimited, independent access through monitoring programs or otherwise to data on your Brand Technology, including Customer Data (defined in Item 14), sales, staffing, purchasing and inventory figures. There are no contractual limitations on our right or timing to access this information and data. We and our affiliates may use this information and data, together with any records and reports that you are required to provide to us under the Franchise Agreement, for any purpose and in any form as we and they periodically determine, including to conduct marketing and cross-promotional campaigns and to compile on an aggregated basis statistical and performance information relating to our (or our affiliates') services and products, Take 5 Oil Change Centers, and/or other automotive businesses franchised and owned by us and our affiliates.

Opening

We estimate that the time between your signing the Franchise Agreement (which is when you will first pay us consideration for the franchise) and opening the Center for business is about 10 months if you have located an accepted site before you sign the Franchise Agreement or about 14 months if you still are looking for an acceptable site when you sign the Franchise Agreement. The precise timing depends on the time it takes you to locate an accepted site and sign an accepted lease or purchase agreement; the site's location and condition; the work needed to develop the Center according to our Standards; completing training; obtaining financing; obtaining insurance; and complying with local laws and regulations.

You must open the Center for business and begin operations on or before the date which is 14 months after the Franchise Agreement's effective date (however, if you develop the Center pursuant to the Area Development Agreement, as stated above, the Development Schedule will dictate the Center's opening deadline). We may terminate the Franchise Agreement if you do not comply with the specified opening deadline. You may not open the Center for business without notifying us in writing of your intention to do so at least five days in advance of your planned opening. You may not open the Center for business until you receive our approval to do so.

Training

Before you open the Center, we will provide you and your personnel with a training program on the operation of a Take 5 Oil Change Center at our franchise training location at 5221 South Boulevard, Charlotte, North Carolina 28217. Your Managing Director, Center's manager, assistant managers and other personnel that we periodically require must enroll in and complete the training program to our satisfaction at least 14 days (but not more than 90 days) before you

open the Center. You must pay for all travel, lodging and per diem expenses your Managing Director, Center's manager, and assistant managers (or other Center personnel) incur while enrolled in the training program. Our training program for the Managing Director and the Center's manager lasts four weeks, while the training program for assistant managers lasts two weeks. We plan to be flexible in scheduling training to accommodate our personnel, your Managing Director, Center's manager, assistant managers or other personnel; however, we will not modify curriculum to accommodate any scheduling request. Our Manuals and other handouts comprise the instructional materials for our training program.

The following chart describes our training program as of the date of this disclosure document:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Week 1: Courtesy, Hood, Pit and Safety Tech Training	10	20	Franchise Training Facility 5221 South Boulevard Charlotte, North Carolina 28217
Week 2: Service Writer Training. Intro to Lead Tech Training	10	20	Franchise Training Facility 5221 South Boulevard Charlotte, North Carolina 28217
Week 3: ASM Phase Training. Intro to Floor Management	10	20	Franchise Training Facility 5221 South Boulevard Charlotte, North Carolina 28217
Week 4: Manager Phase Training	10	20	Franchise Training Facility 5221 South Boulevard Charlotte, North Carolina 28217
Additional Courses: Certified Tech, Lead Tech, ASM, MIT training on Rally Point	5	10	Franchise Training Facility 5221 South Boulevard Charlotte, North Carolina 28217
Additional Courses: Franchise Play Book Overview, KPI (QLIK), Employee Scheduling, Inventory, Ordering, Outlier Management, P&L	10	30	Franchise Training Facility 5221 South Boulevard Charlotte, North Carolina 28217
Total Hours per Week	15	30	Training will be built out to 45-hours per week
Grand Total Hours	**55**	**120**	

Any successor managing director or manager for the Center (or other Center personnel we designate) must complete all training programs we prescribe at your expense. We may charge you our then current training fee for such training (currently, $5,000).

Eric Wollenhaupt oversees our training programs. Mr. Wollenhaupt has been our Senior Vice President of Franchise Operations since February 2024. He has over 24 years of experience in the franchise industry.

If you operate more than one Take 5 Oil Change Center, you may request that we provide the initial training program to your manager and other Center personnel locally at the Center. If we agree to provide local training, we will determine the composition of our training personnel and the duration of their stay at the Center. You must pay our then applicable charges, including reasonable training fees and our personnel's per diem charges and any travel and living expenses, for all local training (currently, $10,000 per trainer).

Ongoing Training

We may require the Managing Director, Center's manager or any other personnel we designate complete supplemental and refresher training programs, workshops and any other educational seminars during the franchise term, and we may charge a reasonable fee for those courses or programs. Currently, we charge up to $400 per person, per day for supplemental and refresher training provided at our headquarters, and up to $600 per person, per day, plus travel expenses and room and board for our employees, for onsite supplemental and refresher training. You must pay all travel and living expenses incurred by the Managing Director, Center's manager (and other Center personnel) while enrolled in a supplemental or refresher training program.

Your Managing Director must attend any regional and/or annual franchise conferences that we schedule. Additional owners may attend these conferences as long as they register. You will be responsible for the registration fee and all travel and living expenses incurred by your Managing Director and other owners in attending any conferences.

Item 12

TERRITORY

Franchise Agreement

If the Center's site is unknown when we and you sign the Franchise Agreement, then you must obtain our written approval of a site within the market area specified on Exhibit A of the Franchise Agreement. The address of the accepted site where you operate the Center is called the "Premises."

You may operate the Center only at the Premises and you may not relocate the Center to a new site without our prior written consent, which we may grant or deny in our sole discretion. We may condition our approval of your relocation request on (i) the new site and its lease being acceptable to us; (ii) your paying us a reasonable relocation fee; (iii) your reimbursing any costs we incur during the relocation process; (iv) your confirming that the Franchise Agreement remains

in effect and governs your operation of the Center at the new site with no change in the franchise term or, at our option, your signing the then current form of franchise agreement to govern your operation of the Center at the new site for a new franchise term (in either case, we may change the definition of the Territory); (v) subject to applicable laws, your signing a general release, in a form satisfactory to us, of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents; (vi) your continuing to operate the Center at its original site until we authorize its closure; and (vii) your taking, within the timeframe we specify and at your own expense, all action we require to de-brand and de-identify the former Premises so that it no longer is associated in any manner (in our opinion) with the System.

The Franchise Agreement will grant you certain territorial protections in an area we call the "Territory." We will describe your Territory in the Franchise Agreement before we and you sign it (if you already have found an acceptable site for the Center). If you have not found an acceptable site for the Center before signing the Franchise Agreement, we will describe the Territory in the Franchise Agreement after the Center's site is found. The Territory surrounding the Center generally will be a two-mile aerial radius from the Center's front door, but we may grant a smaller Territory depending on the particular market in which you locate the Center. With two exceptions, we may not change the Territory's size or boundaries during the franchise term. One exception is if you commit a default under the Franchise Agreement and, in lieu of exercising our right to terminate the Franchise Agreement, we temporarily or permanently reduce the size of the Territory. We also may modify the Territory if the Center relocates. Otherwise, we may not alter your Territory or territorial rights.

If you are fully complying with the Franchise Agreement and any other franchise agreement between us and/or our affiliates and you, we and our affiliates will not during the franchise term own or operate, or allow another franchisee or licensee to own or operate, another Take 5 Oil Change Center that has its physical location within the Territory. We and our affiliates retain all other rights we do not expressly grant to you under the Franchise Agreement, and we or our affiliates may, among other things, on any terms and conditions we and they consider advisable:

(a) establish and operate, and grant to others the right to establish and operate, Take 5 Oil Change Centers at any location outside the Territory regardless of the proximity of such Take 5 Oil Change Centers to the Territory or whether any such Take 5 Oil Change Centers are assigned a territory that overlaps with a portion of the Territory (if there is territory overlap, no other Take 5 Oil Change Center will be physically located in the Territory except as described below);

(b) establish and operate, and grant to others the right to establish and operate, retail businesses or any other business, other than a Take 5 Oil Change Center, at any location (including within the Territory) that operate under any other trademarks, service marks or trade dress and pursuant to such terms and conditions as we consider appropriate, including businesses that compete with you and the Center;

(c) solicit and sell products or services to customers and prospective customers residing within the Territory, including by direct advertising over the Internet or other electronic means;

(d) merge with, acquire, establish or become associated with any businesses or locations of any kind under other systems and/or other trademarks, which businesses and locations may offer or sell items, products and services that are the same as or similar to the services and products offered at or from the Center and which may be located anywhere within or outside the Territory; and

(e) engage in any other business activities not expressly prohibited by the Franchise Agreement, both within and outside the Territory.

We need not compensate you if we engage in these activities.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we, our affiliate, another franchisee or a third party may only conduct business in your Territory as described below.

If we acquire, or obtain the rights to acquire, any automotive center operating under different trademarks that sells the same, similar or different products and services as those offered and sold by Take 5 Oil Change Centers (each, a "Non-System Center") within the Territory and we desire to convert the Non-System Center to a Take 5 Oil Change Center operating under the Marks, we will send you written notice of our intent to convert (each, a "Conversion Notice"). You will have the option, within 15 days after receipt of our Conversion Notice, to purchase the Non-System Center and convert it to a Take 5 Oil Change Center operating under the Marks by notifying us in writing. If you elect to purchase and convert the Non-System Center, you must complete the purchase and sign our then current franchise agreement and pay our then current initial franchise fee (or, at our option, sign an amendment to the Franchise Agreement and pay our then current initial franchise fee) within 30 days from the date of your notice to us of your election to purchase and convert. If we purchased the Non-System Center during the 180 days before we delivered the Conversion Notice to you, the purchase price you must pay will be the cash equivalent of the consideration we paid for the Non-System Center (or, if we purchased the Non-System Center in a transaction which was for more than one Non-System Center, the cash equivalent of our proportionate per Non-System Center cost, as we determine in our sole discretion). In addition to the purchase price, you must reimburse us for the costs and expenses we incurred relating to our acquisition of the Non-System Center (prorated if we acquired the Non-System Center as part of a multiple Non-System Center purchase). If we did not purchase the Non-System Center during the 180 days before we delivered the Conversion Notice to you, the purchase price, paid in cash, will be the fair market value of the Non-System Center as determined by an independent appraiser we select. If you do not elect to purchase and convert the Non-System Center, we may convert the Non-System Center to a Take 5 Oil Change Center operating under the Marks without incurring any liability to you. Additionally, if we are not able to purchase the Non-System Center, or the Non-System Center otherwise is not subject to a Conversion Notice because the Non-System Center operates pursuant to a franchise agreement with another franchisor, or for other reasons we determine in our sole discretion, the Non-System Center will not violate your territorial rights, provided the Non-System Center is not operated as a Take 5 Oil Change Center. Your rights with respect to the Non-System Center are conditioned on you, as of the date we intend to issue the Conversion Notice, being in compliance with all of the provisions of the Franchise Agreement and no default, or event which with the giving of notice or passage of

time or both would become a default, existing under the Franchise Agreement or any other agreement between you and us or any of our affiliates.

Unless you sign an Area Development Agreement, and unless otherwise described above, you have no options, rights of first refusal, or similar rights to acquire additional franchises.

You may not sell products or services identified by the Marks through any other channels or methods of distribution (including the Internet or any other form of electronic commerce) or to any other person or entity for resale or further distribution.

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.

Area Development Agreement

If you sign the Area Development Agreement, you will develop multiple Take 5 Oil Change Centers within the Development Area. We and you will identify the Development Area in the Area 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 Take 5 Oil Change Centers 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, which will identify the specified number of Take 5 Oil Change Centers that you must develop to keep your development rights and the dates by which you must sign a lease, sublease, or purchase agreement for the site of, sign the franchise agreement for, and open, each Take 5 Oil Change Center. We and you then will complete the Development Schedule in the Area Development Agreement before signing it.

During the term of the Area Development Agreement, neither we nor our affiliates will grant a franchise for the operation of a Take 5 Oil Change Center to anyone else in the Development Area, except for any franchised Take 5 Oil Change Center in operation or under lease, construction, or other commitment to open in the Development Area as of the effective date of the Area Development Agreement, if you: (a) timely comply with the Development Schedule;

and (b) otherwise materially comply with the terms and provisions of the Area 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 Area Development Agreement, any business under any name in any geographic area, regardless of the proximity to or effect on the Take 5 Oil Change Centers developed under the Area Development Agreement or otherwise operated by you 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 Take 5 Oil Change Centers using marks other than the Marks, without providing any rights or compensation to you. We and our affiliates may, and may authorize others to, engage in many business activities, and these business activities may compete with Take 5 Oil Change Centers.

After the Area Development Agreement expires or terminates, regardless of the reason, we and our affiliates may franchise others to establish and operate Take 5 Oil Change Centers in the Development Area, subject only to your rights under franchise agreements with us then in effect.

There are no other restrictions on us or our affiliates under the Area Development Agreement. You may not develop or operate Take 5 Oil Change Centers outside the Development Area. We may terminate the Area Development Agreement if you do not satisfy your development obligations according to the Development Schedule, or alternatively, (a) reduce the number of Take 5 Oil Change Centers subject to the Development Schedule, (b) withhold evaluation or approval of site proposal packages for new Take 5 Oil Change Centers, (c) extend the Development Schedule, (d) without removing your obligation to maintain the Development Schedule, terminate any exclusivity rights to the Development Area, and/or (e) accelerate the payment of the balance (as applicable) of the initial franchise fees. Except as described above, continuation of your territorial rights in the Development Area 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.

Item 13

TRADEMARKS

We grant you the non-exclusive right under the Franchise Agreement to use and display the Marks in operating, marketing, and advertising your Center. We or our affiliates and their predecessors have registered, or have applied to register, the following principal Marks on the principal register of the United States Patent and Trademark Office (the "USPTO"):

Mark	Registration or Application Number	Date Registered or Application Filed	Registration Renewed?
5 MINUTE OIL CHANGE	3,519,522	10/21/2008	5/1/2019
DRIVE IN. SIT BACK. DONE.	5,969,013	1/21/2020	Not Yet Due

Mark	Registration or Application Number	Date Registered or Application Filed	Registration Renewed?
FASTEST OIL CHANGE ON THE PLANET!	4,759,018	6/23/2015	Not Yet Due
TAKE 5	5,830,327	8/6/2019	Not Yet Due
	5,830,332	8/6/2019	Not Yet Due
TAKE 5 OIL CHANGE	3,259,301	7/3/2007	8/1/2017
WE CHANGE YOUR OIL - NOT YOUR SCHEDULE!	4,114,895	3/20/2012	10/19/2022
	90/516,549	2/7/2021	Not Applicable
	90/700,871	5/10/2021	Not Applicable
TAKE 5 REWARDS	98/196,421	09/25/2023	Not Applicable
	98/196,426	09/25/2023	Not Applicable

Mark	Registration or Application Number	Date Registered or Application Filed	Registration Renewed?
	98/196,425	09/25/2023	Not Applicable

We do not have federal registrations for principal Marks with application numbers 90/516,549, 90/700,871, 98/196,421, 98/196,426 and 98/196,425. Therefore, these Marks do not have as many legal benefits and rights as a federally registered trademark. If our right to use these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have filed all required affidavits of use. As noted in Item 1, in April 2018, we became the owner of the then-registered Marks. No agreement limits our right to use or sublicense any of the Marks.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, any state trademark administrator, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the Marks. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks.

You must notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark. You may not communicate with any person other than us, our affiliates, and our and our affiliates' attorneys, and your attorneys, regarding any infringement, challenge or claim. We or our affiliates may take the action that we or they consider appropriate (including no action) and control exclusively any litigation, USPTO proceeding or other proceeding relating to any infringement, challenge or claim or otherwise concerning any Mark. You must sign any documents and take any reasonable actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our and our affiliate's interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our and our affiliates' interests in the Marks. At our option, we or our affiliates may defend and control the defense of any litigation or proceeding relating to any Mark.

We will reimburse you for all damages and expenses you incur or for which you are liable in any proceeding challenging your right to use any Mark, but only if your use is consistent with the Franchise Agreement, the Manuals and Standards and you have timely notified us of, and comply with our directions in responding to, the proceeding.

If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you

must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the Center's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

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

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. We claim copyrights in the Manuals, marketing, training and promotional materials, and similar items used in operating the franchise. We have not registered these copyrights with the U.S. Registrar of Copyrights but need not do so at this time to protect them. You may use these materials only as we specify while operating your Center and must modify or discontinue using them as we direct.

There currently are no effective determinations of the USPTO, United States Copyright Office or any court regarding any of the copyrighted materials. No agreement limits our right to use or license the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your using the copyrighted materials. We need not protect or defend copyrights or take any action if notified of infringement, and you have no obligation to notify us of any infringement. We may take the action we consider appropriate (including no action) and exclusively control any proceeding involving the copyrights. No agreement requires us to participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or claims arising from your use of copyrighted items.

We will disclose certain Confidential Information to you during the Franchise Agreement's term. "Confidential Information" includes: (i) the Standards and Manuals; (ii) pricing information and models; (iii) materials describing the franchise network and System; (iv) plans, layouts, designs and specifications for a prototypical Take 5 Oil Change Center; (v) the sources (or prospective sources) of supply and all related information, including the identity and pricing structures with suppliers; (vi) the training materials; (vii) our marketing plans and development strategies; (viii) all data and other information generated by, or used or developed in, operating the Center, including Customer Data, and any other information contained periodically in the Center's Brand Technology or that visitors (including you) provide to the Website; and (ix) all other information we give you in confidence. However, Confidential Information does not include information, knowledge or know-how that is or becomes generally known in the automotive maintenance industry (without violating an obligation to us or our affiliates) or that you knew from previous business experience before we provided it to you or before you began training or operating the Center.

The Confidential Information is proprietary and includes our trade secrets. You and your owners (a) may not use any Confidential Information in any other business or capacity, whether during or after the Franchise Agreement's term; (b) must keep the Confidential Information

absolutely confidential, both during Franchise Agreement's term and after for as long as the information is not generally known in the automotive maintenance industry; (c) may not make unauthorized copies of any Confidential Information disclosed in written or other tangible or intangible form; (d) must adopt and implement all reasonable procedures that we periodically designate to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Center personnel and others needing to know the Confidential Information to operate the Center, and using confidentiality and non-competition agreements with those having access to Confidential Information. We may regulate the form of agreement that you use and be a third party beneficiary of that agreement with independent enforcement rights; and (e) may not sell, trade or otherwise profit in any way from the Confidential Information, except during the Franchise Agreement's term using methods we approve.

You must comply with our 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 Brand Technology 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 Center'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.

You must promptly disclose to us all ideas, concepts, techniques or materials relating to a Take 5 Oil Change Center that you or your owners, employees or contractors create ("Innovations"). Innovations are our sole and exclusive property, part of the System, and works made-for-hire for us. If any Innovation does not qualify as a work made-for-hire for us, you assign ownership of that Innovation, and all related rights to that Innovation, to us and must sign (and cause your owners, employees and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person for any Innovations. You may not use any Innovation in operating the Center or in any other way without our prior approval.

The Area 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 we outline above.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Franchise Agreement

We authorize only you to operate the Center. You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the rights we grant you under the Franchise Agreement. Standards may regulate the Center's minimum staffing levels, manager training, and uniform dress code, as further specified in the Manuals. We will not be considered to have any control or authority over your labor relations, including, among other things, employee selection, training, promotion, termination, discipline, hours worked, rates of pay, benefits, work assigned, or working conditions, or any other control over your employment practices. Center employees are under your control at the Center. You must communicate clearly with Center employees in your employment agreements, human resources manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Take 5 Oil Change Centers, are not their employer.

We will list an individual in the Franchise Agreement who will serve as your "Managing Director." Your Managing Director will have full managerial responsibility and authority for the operation of the Center. If your Managing Director dies or becomes disabled, you must appoint a substitute managing director acceptable to us who meets our qualifications within six months from the date of death or disability. If your Managing Director resigns, you must appoint a substitute managing director acceptable to us who meets our qualifications within 60 days of the date of resignation.

The Managing Director must devote his or her entire time (exclusive of reasonable vacation periods), which must be no less than 40 hours per week, to the management of the Center or other Take 5 Oil Change Centers pursuant to franchise agreements with us. The Center must be under the direct, on-premises supervision of the Managing Director; however, if the Managing Director is a managing director for more than one Take 5 Oil Change Center, each Take 5 Oil Change Center must be under the direct, on-premises supervision of a certified shop and assistant manager: (a) whose identity you have disclosed to us; (b) who has completed our training program to our satisfaction; and (c) who has signed, at our request, an agreement in the form we specify agreeing not to divulge any Confidential Information, including the contents of the Manuals.

If you are an entity, your owners (direct and indirect) and any other individual or entity we specify must sign an agreement in the form we designate undertaking personally to be bound, jointly and severally, by all provisions of the Franchise Agreement and any ancillary agreements. This "Guaranty and Assumption of Obligations" is attached to the Franchise Agreement as Exhibit B. Your owners' spouses are not required to personally guarantee your performance under the Franchise Agreement.

Area Development Agreement

If you sign the Area Development Agreement, you must hire and train a Managing Director, whom we approve, prior to the opening date of your first Take 5 Oil Change Center. The Managing Director must devote his or her full time and efforts to the management and/or supervision of Take 5 Oil Change Centers 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 Area Development Agreement. This "Guaranty and Assumption of Obligations" is attached to the Area Development Agreement as Exhibit C. Your owners' spouses are not required to personally guarantee your performance under the Area Development Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Center must offer for sale all motor vehicle services and products that we periodically authorize for a Take 5 Oil Change Center. The Center must not, without our prior written approval, offer any other services or products. Unless authorized through a fleet program we sanction, all products and services offered by the Center must be sold at retail only, and the Center must not engage in any wholesale operation or activities. There are no limits on any of our rights to modify the products and services that your Center may or must provide.

We and our affiliates have developed, and we manage and control, a national, regional, and/or local accounts program with various fleet and commercial accounts (the "Fleet Program"). Under the Fleet Program, we will select qualified Take 5 Oil Change Centers that meet our Standards and criteria to provide services to our fleet and commercial accounts. At our option, all services you may provide under the Fleet Program (if your Center is a participating Take 5 Oil Change Center) will be centrally billed through Take 5 or its designated vendor.

We have established uniform warranties and guarantees for the System, and you must provide every customer of the Center all warranties and guarantees we specify on forms we provide.

You must honor valid customer claims presented under warranties and guarantees made by you and other Take 5 Oil Change Center franchisees without demanding reimbursement from the customer. If you honor a warranty or guarantee issued by another Take 5 Oil Change Center, you must be reimbursed by the franchisee that originally performed the work. The reimbursement must be in an amount not to exceed the current nationally recommended warranty rates for a Take 5 Oil Change Center. In the event of a dispute between you and any customer of the Center over any warranty issued by the Center or any other Take 5 Oil Change Center, we will evaluate the dispute and make a determination of the manner in which the dispute will be resolved. You will be bound by our determination.

You must reimburse any other franchisee who satisfies any warranty or guarantee you issue, in an amount we describe above, within 5 days after receipt of an invoice for the reimbursement. We may charge for warranty services performed by another Take 5 Oil Change

Center on customer warranties you issue, and credit you for warranty services performed on customer warranties issued by another Take 5 Oil Change Center, as we determine to be appropriate for the national customer warranty program. You must pay us any net debit balances, and we will pay you any net credit balances, with respect to the national customer warranty program at the times and on any conditions we periodically determine.

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	3.1 of Franchise Agreement; 3 of Area Development Agreement; 2 of Lease; 3, 6 and 20 of Sublease	Franchise Agreement expires 15 years from the opening date of the Center or, if shorter, the expiration date of the lease for the Premises. Area Development Agreement expires on the earlier of: (1) the final opening deadline in the Development Schedule; or (2) the date on which the last Center required to be developed under the Area Development Agreement opens for business. Lease term is as negotiated and listed in the Lease. Sublease term expires when the prime lease or Franchise Agreement expires or terminates, whichever is sooner.
b. Renewal or extension of the term	4.1 of Franchise Agreement; 2 of Lease; 3 of Sublease	You may acquire a successor franchise for 1 additional term of 15 years following the end of the Franchise Agreement's term, or if shorter, the expiration date of the renewal lease for the Premises if you satisfy our requirements. There is no renewal or extension right under the Area Development Agreement. Lease term extends if Franchise Agreement extends or renews. If the landlord extends the term of the prime lease for the Premises, and during the extended

Provision	Section in franchise or other agreement	Summary
		period of the prime lease term the Franchise Agreement is in effect, then the Sublease term will extend and end on the day before the date on which the term of the prime lease ends.
c. Requirements for franchisee to renew or extend	4.1 and 4.2 of Franchise Agreement	Sign our then current form of franchise agreement (which may be materially different from the Franchise Agreement) and other agreements; no default under Franchise Agreement and other agreements; substantial compliance with your obligations under the Franchise Agreement and other agreements; agree to remodel, renovate and/or upgrade the Center to comply with then current standards for new Take 5 Oil Change Centers; provide notice; maintain possession of the Premises; pay successor franchise fee equal to 50% of our then current initial franchise fee; and sign release (if state law allows). "Renewal" means signing our then current franchise agreement, which could contain materially different terms (including fees).
d. Termination by franchisee	9.1 of Area Development Agreement; 16 of Sublease; Terms and Conditions (paragraph 17) of Purchase Agreement	You may not terminate the Franchise Agreement. We and you may terminate the Area Development Agreement by mutual agreement. You may terminate the Sublease by providing written notice to us if you are ousted from possessing the Premises by reason of any defect in our title under the lease or lack of authority or legal capacity to make the lease, and possession and quiet enjoyment are not restored to you within 120 days of ouster. You may cancel the Purchase Agreement if Driven Brands commits a default and does not cure the default within 10 business days from receipt of notice (or 3 business days from receipt of notice if the default occurs on the day of closing).
e. Termination by franchisor without cause	Not Applicable	Not Applicable

Provision	Section in franchise or other agreement	Summary
f. Termination by franchisor with cause	21.1 and 21.2 of Franchise Agreement; 9.2 of Area Development Agreement; 23 of Lease; 11 of Sublease; Terms and Conditions (paragraph 17) of Purchase Agreement	We or our affiliate (as applicable) may terminate the Franchise Agreement, Area Development Agreement, Lease, and Sublease if you commit any one of several violations. Driven Brands may terminate the Purchase Agreement if you commit any one of several violations.
g. "Cause" defined – curable defaults	21.2 of Franchise Agreement; 9.2 and 10 of Area Development Agreement; 14 and 23 of Lease; 11 and 16 of Sublease; G.1 and G.2 of Software License Agreement; Terms and Conditions (paragraph 17) of Purchase Agreement	Under the Franchise Agreement, you have seven days to cure payment defaults or defaults relating to the use of any Mark and 30 days to cure other defaults not listed in (h.) below; upon your default, we may (i) reduce the size of the Territory; (ii) remove information about the Center from the Website; (iii) reroute telephone calls and fleet account business to neighboring Take 5 Oil Change Centers; (iv) suspend your participation rights in Marketing Fund programs; (v) refuse to provide operational support or other services; (vi) require collateral assignment of the lease for the Premises; or (vii) assume or appoint a third party to assume management of the Center. Under the Area Development Agreement, you have 30 days to cure defaults not listed in (h.) below. Upon your failure to meet the Development Schedule, and in lieu of termination, we may (i) reduce the number of Take 5 Oil Change Centers on the Development Schedule; (ii) withhold evaluation or approval of site proposal packages for new Take 5 Oil Change Centers; (iii) extend the Development Schedule; (iv) without removing your obligation to maintain the Development Schedule, terminate any exclusivity rights to the Development Area; and/or (e) accelerate the payment of the balance (as applicable) of the initial franchise fees. Under the Lease, you have five days to cure payment defaults; 15 days to cure failure to

Provision	Section in franchise or other agreement	Summary
		repair or restore Premises in event of damage or destruction due to fire, act of God, or other cause; and 30 days to cure defaults not listed in (h.) below. With or without terminating the Lease, we or our affiliate may terminate your right of possession, reenter and repossess the Premises by detainer suite, summary proceedings or other lawful means. Under the Sublease, you have 10 days to cure payment defaults and 20 days to cure defaults not listed in (h.) below. The Software License Agreement will terminate if the Franchise Agreement terminates or expires for any reason or if you breach any provision of the Software License Agreement and fail to cure the breach within seven days (unless the breach is incurable). We or our affiliate may block your access to databases and programs customarily accessible through the software until you cure the breach or, if not cured, the termination of the relevant agreement. Driven Brands may cancel the Purchase Agreement if you commit a default and do not cure the default within 10 business days from receipt of notice (or three business days from receipt of notice if the default occurs on the day of closing).
h. "Cause" defined – non-curable defaults	21.1 of Franchise Agreement; 9.2 of Area Development Agreement; 15 and 23 of Lease; 11 and 24 of Sublease	Non-curable defaults under the Franchise Agreement include failure to sign lease or purchase agreement or open Center on time; unauthorized opening; failure to satisfactorily complete training; insolvency; bankruptcy-related events; abandonment or failure to actively operate; cancellation or failure to renew lease or sublease or maintain possession of the Premises; failure to comply with the Manuals on three or more occasions during any one-year period; conviction of or pleading no contest to felony, any dishonest, unethical or illegal conduct that adversely impacts

Provision	Section in franchise or other agreement	Summary
		reputation or goodwill of Marks; health or safety hazards; violation of laws or regulations; unauthorized transfer; unauthorized use or materially impair the goodwill of the Marks; failure to maintain or cancellation of insurance; violation of confidentiality restrictions; and termination of another franchise or other agreement (other than an area development agreement). Non-curable defaults under the Area Development Agreement include failure to meet any deadline to secure a site for a Take 5 Oil Change Center or open a Center as required by the Development Schedule; failure to have open and operating at least the cumulative number of Take 5 Oil Change Centers required by the Development Schedule; termination of franchise agreement signed under Area Development Agreement; insolvency; bankruptcy-related events; conviction of or pleading no contest to felony, any dishonest, unethical or illegal conduct that adversely impacts reputation or goodwill of the System and Marks; abandonment or failure to actively operate; violation of laws or regulations; unauthorized transfer; and violation of non-compete or confidentiality restrictions. Non-curable defaults under the Lease include taking of entire Premises; partial taking of Premises; insolvency; bankruptcy-related events; abandonment of Premises; false statements or reports; repeated defaults; Franchise Agreement defaults. Non-curable defaults under the Sublease include insolvency; bankruptcy-related events; unauthorized use of Premises; repeated defaults; false statements or reports; and invalidity of material Sublease term.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligations on termination/ non-renewal	7.3 and 22 of Franchise Agreement; 8, 20(b), 21, and 23 of Lease; 11 and 18 of Sublease; G.3 of Software License Agreement; Terms and Conditions (paragraph 20) of Purchase Agreement; 9.3 of Area Development Agreement	Under the Franchise Agreement, pay amounts due (including liquidated damages), stop identifying as our franchisee or using Marks or similar marks, de-identify Center, notify telephone company and all listing agencies and/or transfer phone numbers, no communication or statements to media or financial analysts, and return and cease using Manuals (see also (o.) and (r.) below).We or our designee have the right to assume your status and replace you as lessee under the lease. You must execute an assignment of your interest in the lease upon our request. Under the Lease, surrender the Premises and pay all amounts owed; remove any alterations, improvements or additions and restore the Premises to its original condition, making any repairs at your expense; and remove all signs, equipment, trade fixtures or other personal property from the Premises. If the Franchise Agreement expires and we (or our affiliate) do not terminate the Lease, you may sublet the Premises upon our written approval. Under the Sublease, surrender the Premises and pay all amounts owed, including fees, repairs and alterations so that we (or our affiliate) may relet the Premises. Upon termination or expiration of the Software License Agreement, immediately deliver the software, documentation for the software, all data generated by use of the software and all other materials or information which relate to the software and its operation. Under the Purchase Agreement, neither party has any further obligations to the other upon termination or expiration, except for the indemnification and confidentiality obligations.

Provision	Section in franchise or other agreement	Summary
		Under the Area Development Agreement, cease using Confidential Information and return confidential materials to us.
j. Assignment of contract by franchisor	20.1 of Franchise Agreement; 13 of Area Development Agreement; Terms and Conditions (paragraph 19) of Purchase Agreement	We may assign the Franchise Agreement and Area Development Agreement without restriction. Driven Brands has the express right to assign or transfer its interest in the Purchase Agreement to a parent company, affiliate, subsidiary or related company.
k. "Transfer" by franchisee - defined	20.2 of Franchise Agreement; 14 of Area Development Agreement; F of Software License Agreement	Includes transfer of any interest in the franchise or any direct or indirect ownership interest in you or the Center or its assets. You may not transfer the license to use the software except in conjunction with a transfer of the Franchise Agreement.
l. Franchisor approval of transfer by franchisee	20.2 and 20.3 of Franchise Agreement; 14 of Area Development Agreement; 20(a) of Lease; 7 of Sublease; Terms and Conditions (paragraph 19) of Purchase Agreement	No transfers under the Franchise Agreement or Area Development Agreement without our approval, except for transfers to a trust, a grant of a security interest in the Premises or assets, and, with respect to the Area Development Agreement, certain transfers among your owners. Under the Lease and Sublease, you may not assign the Lease/Sublease, sublet the Premises or permit any other party to occupy or use the Premises without our (or our affiliate's) prior written approval. Under the Purchase Agreement, you may not assign the Purchase Agreement or any right granted in the Purchase Agreement without Driven Brands' written consent; however, you are expressly permitted to assign to an entity of which you hold a majority or controlling interest.
m. Conditions for franchisor approval of transfer	20.4 of Franchise Agreement; 14 of Area Development Agreement; 20(a) of Lease	Conditions are full compliance with Franchise Agreement and other agreements; transferee meets standards; transferee assumes obligations; you pay all amounts due; transferee appoints acceptable substitute managing director who completes training

Provision	Section in franchise or other agreement	Summary
		program; transferee signs then current form of franchise agreement and other agreements, which could contain materially different terms (including fees); price and payment terms do not adversely affect operation; you or transferee pay training and transfer fee equal to 50% of our then current initial franchise fee; you and your owners sign release (if state law allows); if we obtain a purchaser of the Center for you (and we do not exercise our rights in (n)), you must pay us an amount equal to 10% of the purchase price for the Center. If we consent to a transfer of the Franchise Agreement, we will not unreasonably withhold our consent to an assignment of the Lease, except that as a condition of our consent, we will amend the Lease to remove any rent abatement or other concessions or exceptions to our standard policies that we granted to you. You may only transfer the Area Development Agreement with a transfer of all Take 5 Oil Change Centers that you and, if applicable, your affiliates own and operate. We will consent to the assignment of the Area 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 Take 5 Oil Change Centers; you and the entity satisfy our then-current transfer conditions; you hold all ownership 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 Area Development Agreement.

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	20.9 of Franchise Agreement	We may match any offer for your Center or an ownership interest in you.
o. Franchisor's option to purchase franchisee's business	22.5 of Franchise Agreement	We may purchase the Center's assets and Premises for fair market value when the Franchise Agreement expires or terminates. If you own the Premises, and we elect not to purchase the Premises, we or our designee will have the option to enter into a lease for the Premises.
p. Death or disability of franchisee	20.5 and 20.7 of Franchise Agreement	Must transfer to an approved transferee within 12 months. We may manage the Center if it is not being properly managed.
q. Non-competition covenants during the term of the franchise	10.3 of Franchise Agreement; Section 12.1 of Area Development Agreement	Generally, no owning interest in a Competing Business or any Related Business. A "Competing Business" means any other automotive business offering products or services similar to those offered at a Take 5 Oil Change Center; however, the following, for purposes of the Franchise Agreement and the Area Development Agreement, is not a Competing Business: (1) any other Take 5 Oil Change Center operated under a franchise agreement entered into between you and us, or (2) any other automotive business franchised by Driven Brands Holdings or its subsidiaries. A "Related Business" means any business that is the same as or similar to any then-existing business that is owned and operated, or franchised or licensed, by us or Driven Brands Holdings or any of its subsidiaries, including any car wash business.
r. Non-competition covenants after the franchise is terminated or expires	22.7 of Franchise Agreement; Section 12.2 of Area Development Agreement	Generally, for three years, no owning interest in a Competing Business or Related Business at the Premises, within five miles of the Premises, or within five miles of any other Take 5 Oil Change Center. Under the Area Development Agreement, however, the restrictions in this subsection (r) apply to Competing Businesses or Related Businesses located in the Development Area;

Provision	Section in franchise or other agreement	Summary
		within five miles of the border of the Development Area; or within a five-mile radius of the premises of any Take 5 Oil Change Center that is then operating or under development.
s. Modification of the agreement	23.10 of Franchise Agreement; 17 of Area Development Agreement; 38 of Lease; 25 of Sublease	Modifications only by written agreement of the parties, but we may change the Manuals, Standards, System and the software that we license to you under the Software License Agreement.
t. Integration/merger clause	23.11 of Franchise Agreement; 38 of Lease; 25 of Sublease; Terms and Conditions (paragraph 31(f)) of Purchase Agreement	Only terms of the agreements are binding (subject to state law). Any representations or promises made outside of the disclosure document and those agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	23.6 of Franchise Agreement; 23 of Area Development Agreement	Litigation is in state or federal court in the city or county in which our principal office is then located (currently Charlotte, North Carolina), subject to state law.
w. Choice of law	23.5 of Franchise Agreement; 22 of Area Development Agreement; 21 of Sublease; Terms and Conditions (paragraph 31(d)) of Purchase Agreement	Except for Lanham (Trademark) Act, law of North Carolina applies under the Franchise Agreement and Area Development Agreement (subject to state law). Under the Sublease, the law where the Premises is located applies. Under the Purchase Agreement, the law where the Premises is located applies.

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.

I. SALES TO COST ANALYSIS

Part I of this financial performance representation reflects the historical average and historical median of the Gross Sales, certain expenses, and EBITDA of certain affiliate-owned Take 5 Oil Change Centers for the period January 1, 2023 through December 30, 2023, representing a normal fiscal year for us (the "2023 Fiscal Year"). We included 242 Take 5 Oil Change Centers open at least one full year as of December 30, 2023, and excluded the 57 "Ground-Up Centers" (defined as Take 5 Oil Change Centers that are constructed after lease execution) that were open less than one full year, the one Take 5 Oil Change Center that was reacquired from a franchisee during the 2023 Fiscal Year, and the 344 Acquired Centers (six of which were open less than one full year). (No affiliate-owned Take 5 Oil Change Centers closed during the 2023 Fiscal Year.) "Acquired Centers" are those Take 5 Oil Change Centers that were pre-existing quick lube or repair and maintenance operating automotive service centers that we or our affiliates acquired and then converted from the old facility and operating model to our Take 5 branding and operational standards. Acquired Centers are generally part of larger, multi-unit chains located in multiple markets and, therefore, do not reflect the real estate, purchase and conversion economics for Ground-Up Centers, which form the basis of the franchise opportunity that we offer in this disclosure document.

The 242 affiliate-owned Take 5 Oil Change Centers that are included are characteristic of a typical Take 5 Oil Change Center operating for more than one full year. Of the 242 total Take 5 Oil Change Centers, there are: 89 in Texas, 39 in Louisiana, 31 in Florida, 15 in Arkansas, 14 in Oklahoma, 11 in Virginia, eight in Georgia, seven in Alabama, seven in Arizona, seven in North Carolina, seven in Ohio, two in Mississippi, two in Tennessee, two in South Carolina, and one in Michigan. The 4-Wall EBITDA numbers in the below Franchisee Adjusted Income Statement have been adjusted to reflect the incremental operating costs to a franchisee, including Royalty Fees, Marketing Funds contributions, point of sale fees, increase in COGS, and adjustments made for insurance.

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Franchisee Adjusted Income Statement		
	Average	*% of Gross Sales*
Gross Sales	**1,419,693**	***100.0%***
COGS	392,156	*27.6%*
Gross Profit	1,027,537	*72.4%*
Variable Expenses		
Payroll	285,175	*20.1%*
Marketing Fund	70,985	*5.0%*
Misc. Variable	76,062	*5.4%*
Total Variable Expenses	432,221	*30.4%*
Fixed Expenses		
Occupancy	91,656	*6.5%*
Insurance	9,488	*0.7%*
Total Fixed Expenses	101,144	*7.1%*
Royalty	99,379	*7.0%*
4-Wall EBITDA	**394,793**	***27.8%***

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Additionally, we separated these 242 Take 5 Oil Change Centers into the top performing 50% and bottom performing 50% based on 2023 Gross Sales and gave those averages and medians for Gross Sales and expenses below.

Franchisee Adjusted Income Statement						
	Bottom 50%	Top 50%	Median	Average	# Met or Exceeded Average	% Met or Exceeded Average
Store in Analysis	121	121	nm	nm		
Gross Sales	**995,192**	**1,844,194**	**1,389,069**	**1,419,693**	113	47%
COGS	282,054	502,258	385,147	392,156	62	26%
Gross Profit	**713,138**	**1,341,936**	**1,003,921**	**1,027,537**		
% of Gross Sales	*71.7%*	*72.8%*	*72.3%*	*72.4%*		
Variable Expenses						
Payroll	227,651	342,700	272,111	285,175	101	42%
Marketing Fund	49,760	92,210	69,453	70,985	nm	nm
Misc. Variable	61,866	90,257	71,462	76,062	105	43%
Total Variable Expenses	**339,276**	**525,167**	**413,027**	**432,221**		
% of Gross Sales	*34.1%*	*28.5%*	*29.7%*	*30.4%*		
Fixed Expenses						
Occupancy	88,739	94,573	92,671	91,656	117	48%
Insurance	9,488	9,488	9,488	9,488	nm	nm
Total Fixed Expenses	**98,227**	**104,061**	**102,159**	**101,144**		
% of Gross Sales	*9.9%*	*5.6%*	*7.4%*	*7.1%*		
Royalty Fee	69,663	129,094	97,235	99,379	nm	nm
% of Gross Sales	*7.0%*	*7.0%*	*7.0%*	*7.0%*		
4-Wall EBITDA	**205,971**	**583,615**	**391,501**	**394,793**	113	47%
% of Gross Sales	*20.7%*	*31.6%*	*28.2%*	*27.8%*		

	Bottom 50%	Top 50%	All Centers
Average Gross Sales	$995,192	$1,844,194	$1,419,693
Lowest Gross Sales	265,177	1,390,026	265,177
Highest Gross Sales	1,388,111	3,325,622	3,325,622
Median Gross Sales	1,044,413	1,683,021	1,389,069
# Met/Exceeded Average	68	41	113
% Met/Exceeded Average	56%	34%	47%

Footnotes:

1) "Gross Sales" means and includes all revenue received or otherwise derived from operating the Take 5 Oil Change Center, whether for cash, check, credit and debit card, barter, exchange, trade credit, or other credit transactions without exception for any bad/write downs or write-offs, and without deduction for any processing or

administrative fees of any kind whatsoever. Gross Sales is calculated upon all motor vehicle services and products of all kinds purchased by customers of the Take 5 Oil Change Center, whether these purchases are made in, upon, or from the premises of the Take 5 Oil Change Center. "Gross Sales" excludes sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority and refunds to customers. If the Take 5 Oil Change Center receives any proceeds from any business interruption insurance applicable to the loss of sales, there will be added to Gross Sales an amount equal to the imputed Gross Sales that the insurer used to calculate those proceeds. Gross Sales is the basis for calculating Royalty Fees and Marketing Funds contributions due under the Franchise Agreement.

2) "COGS" or "Cost of Goods" is the franchisee-adjusted purchase cost for oil, air filters, oil filters, wiper blades, additives and other products. We have made adjustments to account for the franchisor markup charged on products sold to franchised Take 5 Oil Change Centers.

3) "Payroll" includes all Center-level labor costs but does not account for any draw or salary for the franchisee. This item includes contract services, health insurance, manager bonuses, state and federal taxes, Social Security, and other labor-related costs.

4) "Marketing Fund" represents the total Marketing Funds contributions paid by franchisees under the Franchise Agreement.

5) "Misc. Variable" includes expenses relating to supplies, including all additional purchased materials that are not sellable inventory (e.g., invoice paper, paper clips, water, soda, candy, etc.); uniform costs for employees; and bank and credit card fees, which are primarily merchant account fees, along with any other bank service-related charges. This item also includes repair expenses related to rework performed on customers' vehicles under the Take 5 warranty program. Most of this work is done off site at auto repair facilities and dealerships. Finally, other miscellaneous controllable expenses are included, including testing for all new hires, employee meals at Center meetings and other miscellaneous expenses. It also includes adjustments based upon cash register overages or shortages and any changes upon receipt of bank statements.

6) "Occupancy" costs are costs that include leases, rent, alarms, utilities such as electric, gas, water, and trash service, real property tax, personal property tax, business license fees, and the costs of building repairs and maintenance. Occupancy costs also include expenses for telephone, fax, Internet, and the $200 per month, per Center, point of sale fees payable under our Software License Agreement. (As franchisees are not required to use the POS System Surveillance Software, the cost of that software is not reflected in Occupancy costs.) We believe the average Occupancy costs shown here may not reflect current market rates given how long our affiliate has had some of these leases in place. It is our typical practice to lease land only and build Ground-Up Centers, but franchisees may decide to (i) enter into ground-up leases, (ii) purchase land for a Take 5 Oil Change Center, or (iii) convert an existing building by purchasing an existing oil change or automotive service facility and converting it into a Take 5 Oil Change

Center. In our experience, the conversion approach has lower initial build-out costs than a Ground-Up Center or land purchase.

7) "Insurance" means the estimated cost of a franchisee's insurance policies (general liability and property). Speaking to our franchisees with open Take 5 Oil Change Centers, they gave us average insurance cost per Take 5 Oil Change Center at $9,488 for the 2023 Fiscal Year. The costs of health insurance is included in the "Payroll" line item.

8) "Royalty Fee" means the total Royalty Fee contributions paid by franchisees under the Franchise Agreement. These fees and contributions are not payable by affiliate-owned Take 5 Oil Change Centers but are presented in the Franchisee Adjusted Income Statement to provide a more complete summary of the average cost that a franchisee will experience. The Royalty Fee reflected in the Franchisee Adjusted Income Statement is the standard Royalty Fee of 7% of Gross Sales paid by a franchisee operating one Take 5 Oil Change Center.

9) "4-Wall EBITDA" means the amounts that remain when all expenses listed in the statement are subtracted from Gross Sales. "EBITDA" stands for "Earnings Before Interest, Taxes, Depreciation and Amortization."

   i. We have not included depreciation, amortization and debt service related to the remodel and build-out costs most Centers have.

   ii. Franchisees may have depreciation/amortization deductions from certain equipment and costs to acquire their Take 5 Oil Change Centers.

   iii. We have not made any provisions in the table for debt service related to these or other items.

   iv. This table does not include an allowance for general administrative costs such as bookkeeping, accounting, collections, and maintenance because franchisees personally may perform all or some of these services. This table does not include any draw or distribution to the owner (i.e., franchisee) of the Center.

   v. This table does not include an allowance for District Managers or Managing Director salaries, bonuses and other payroll-related expense for "above shop" employees a franchisee may decide to hire to help run its Take 5 Oil Change Centers. It is our experience running affiliate Centers to employ one District Manager per eight to 10 Take 5 Oil Change Centers.

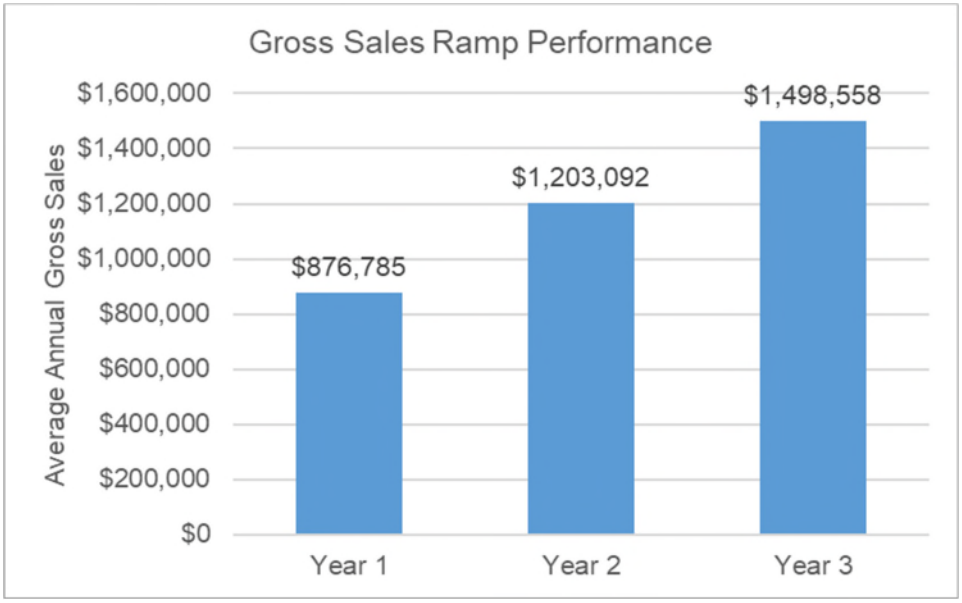
II. FRANCHISEE GROSS SALES AND CARS PER DAY

A. Gross Sales and Cars Per Day Ramp for Years 1-3

Part II.A of this financial performance representation reflects the historical average and historical median ramp of annual Gross Sales and number of cars per day ("CPD") serviced by the Take 5 Oil Change Centers owned and operated by our franchisees over the first three years

of operation. We included in the charts below the results of all 222 Take 5 Oil Change Centers that have opened since we and our predecessor began offering franchises for Take 5 Oil Change Centers (with the first franchised Take 5 Oil Change Center opening on December 5, 2017) through December 31, 2022. The Take 5 Oil Change Centers included in this financial performance representation use the prototypical business format and operating procedures for a Take 5 Oil Change Center that form the basis of the franchise opportunity that we offer in this disclosure document.

We did not include the results of the 100 Take 5 Oil Change Centers that opened in the 2023 Fiscal Year because they had not operated for one full year by December 30, 2023. We also excluded: (a) the one franchised Take 5 Oil Change Center in Georgia that opened during the reporting period and was converted to an affiliate-owned Take 5 Oil Change Center during the 2023 Fiscal Year (which Center had operated for more than 12 months); (b) the one franchised Take 5 Oil Change Center that opened during the reporting period, but closed during the 2023 Fiscal Year; and (c) the three franchised Take 5 Oil Change Centers in South Carolina that operate pursuant to franchise agreements entered into with Take 5 Properties' predecessor, because these Take 5 Oil Change Centers opened and operated prior to the acquisition of the Take 5 Oil Change system by Driven Brands. The beginning and ending dates of "Year 1," "Year 2," and "Year 3" in this financial performance representation differ for each Take 5 Oil Change Center because each Center opened for business on a different date.



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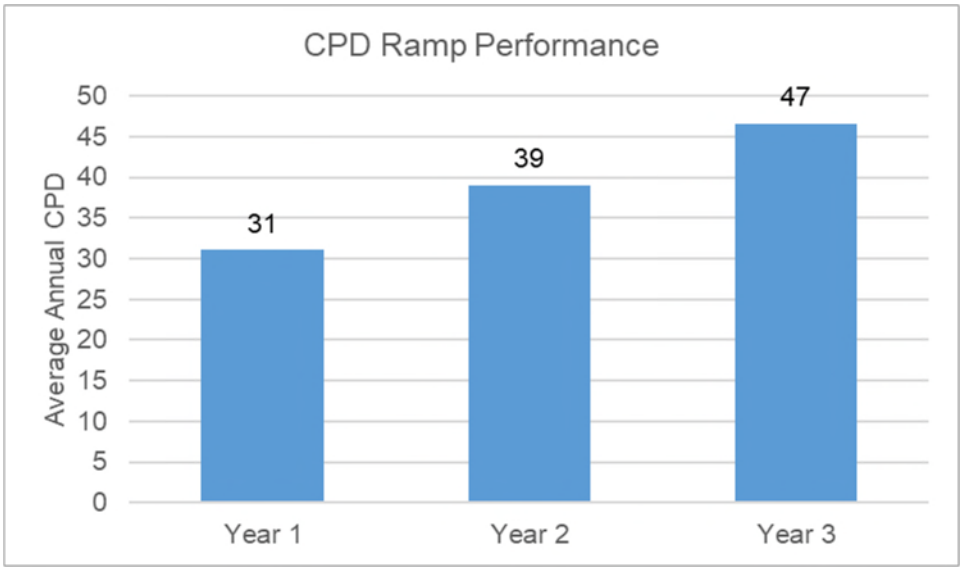


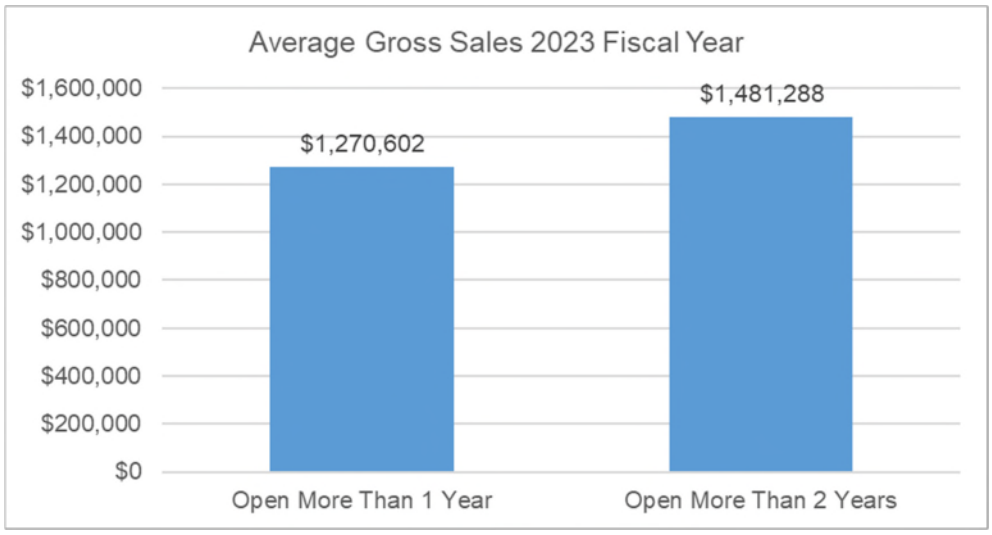
Gross Sales			
	Year 1	Year 2	Year 3
Center Count	222	129	60
Average	$876,785	$1,203,092	$1,498,558
Lowest	$255,888	$303,893	$527,181
Highest	$1,770,189	$2,228,401	$2,829,308
Median	$862,163	$1,201,527	$1,471,689
# Met/Exceeded Average	106	64	29
% Met/Exceeded Average	48%	50%	48%

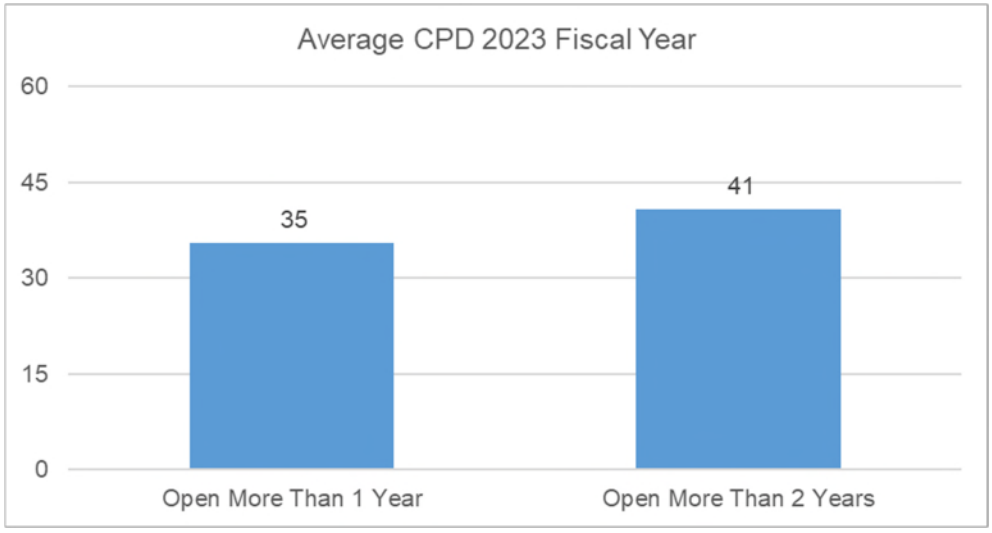
CPD			
	Year 1	Year 2	Year 3
Center Count	222	129	60
Average	31	39	47
Lowest	10	10	16
Highest	74	81	80
Median	30	37	47
# Met/Exceeded Average	104	61	32
% Met/Exceeded Average	47%	47%	53%

B. Gross Sales and Cars Per Day for the 2023 Fiscal Year

Disclosed in the charts below in Part II.B of this financial performance representation are the historical average and historical median Gross Sales and number of CPD serviced by certain franchised Take 5 Oil Change Centers for the 2023 Fiscal Year. The charts compare the results of the 225 franchised Take 5 Oil Change Centers that were open at least one full year as of December 30, 2023, and the results of the 132 franchised Take 5 Oil Change Centers that were open at least two full years as of December 30, 2023. Of the 225 franchised Take 5 Oil Change Centers that were open for at least one full year as of December 30, 2023, which are included in this financial performance representation, there are: 36 in Georgia, 29 in North Carolina, 26

in South Carolina, 25 in Tennessee, 21 in Florida, 20 in Indiana, 13 in Illinois, 10 in Mississippi, seven in Virginia, six in Missouri, six in Texas, four in Arizona, four in Utah, three in Minnesota, three in Colorado, two in Kansas, two in Michigan, one in Connecticut, one in Louisiana, one in Oklahoma, one in Nevada, one in Iowa, one in Alabama, one in California, and one in New Mexico. We excluded one franchised Take 5 Oil Change Center in Georgia that was converted to an affiliate-owned Take 5 Oil Change Center during the 2023 Fiscal Year and one Take 5 Oil Change Center that closed during the 2023 Fiscal Year. These 225 Take 5 Oil Change Centers had operated for an average of 2.5 years as of the end of the 2023 Fiscal Year.





Gross Sales		
	Open More Than 1 Year	Open More Than 2 Years
Center Count	225	132
Average	$1,270,602	$1,481,288
Lowest	$341,492	$341,492
Highest	$3,331,375	$3,331,375
Median	$1,161,512	$1,395,620
# Met/Exceeded Average	94	61
% Met/Exceeded Average	42%	46%

CPD		
	Open More Than 1 Year	Open More Than 2 Years
Center Count	225	132
Average	35	41
Lowest	10	10
Highest	110	110
Median	32	39
# Met/Exceeded Average	95	59
% Met/Exceeded Average	42%	45%

* * * * * * * * * *

We will provide written substantiation of the data used to prepare these financial performance representations at our office or another Take 5-related location we designate upon your reasonable request.

The above financial performance representations do not reflect all of the categories of costs and expenses associated with Take 5 Oil Change Centers that a franchisee incurs in operating a Take 5 Oil Change Center. You should conduct an independent investigation of the sales, costs and expenses you are likely to experience in operating a Take 5 Oil Change Center. Franchisees listed in this disclosure document may be one source of this information.

Some Take 5 Oil Change Centers have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Take 5 Oil Change Center, however, we may provide you with the actual records of that Take 5 Oil Change Center. 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 S. Church Street, Suite 700, Charlotte, North Carolina 28202, (704) 377-8855, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

All numbers appearing in Tables 1 through 5 below are as of our fiscal year ends of December 30, 2023, December 31, 2022, and December 25, 2021. Take 5 Properties operates the Take 5 Oil Change Centers listed as "company-owned."

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	64	134	+70
	2022	134	227	+93
	2023	227	325	+98
Company-Owned	2021	482	534	+52
	2022	534	580	+46
	2023	580	644	+64
Total Outlets	**2021**	**546**	**668**	**+122**
	2022	**668**	**807**	**+139**
	2023	**807**	**969**	**+162**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2021 to 2023

Column 1 States	Column 2 Year	Column 3 Number of Transfers
Florida	2021	0
	2022	0
	2023	0
Total	**2021**	**0**
	2022	**0**
	2023	**0**

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 Reason	Col. 9 Outlets at End of Year
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Arizona	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
	2023	4	3	0	0	0	0	7
California	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	2	1	0	0	0	3
Colorado	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	2023	3	2	0	0	0	0	5
Connecticut	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Florida	2021	7	9	0	0	0	0	16
	2022	16	6	0	0	1	0	21
	2023	21	9	0	0	0	0	30
Georgia	2021	9	10	0	0	0	0	19
	2022	19	18	0	0	0	0	37
	2023	37	6	0	0	1	0	42
Idaho	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
Illinois	2021	0	5	0	0	0	0	5
	2022	5	8	0	0	0	0	13
	2023	13	8	0	0	0	0	21
Indiana	2021	6	5	0	0	0	0	11
	2022	11	9	0	0	0	0	20
	2023	20	3	0	0	0	0	23

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 Reason	Col. 9 Outlets at End of Year
Iowa	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Kansas	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	2	0	0	0	0	4
Louisiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Michigan	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Minnesota	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	2023	3	2	0	0	0	0	5
Mississippi	2021	5	3	0	0	0	0	8
	2022	8	2	0	0	0	0	10
	2023	10	1	0	0	0	0	11
Missouri	2021	1	1	0	0	0	0	2
	2022	2	4	0	0	0	0	6
	2023	6	6	0	0	0	0	12
Montana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Nebraska	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Nevada	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3

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 Reason	Col. 9 Outlets at End of Year
New Mexico	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	3	0	0	0	0	4
North Carolina	2021	14	11	0	0	0	0	25
	2022	25	4	0	0	0	0	29
	2023	29	8	0	0	0	0	37
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oregon	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
South Carolina	2021	15	7	0	0	0	0	22
	2022	22	4	0	0	0	0	26
	2023	26	7	0	0	0	0	33
South Dakota	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Tennessee	2021	5	9	0	0	0	0	14
	2022	14	11	0	0	0	0	25
	2023	25	3	0	0	0	0	28
Texas	2021	0	3	0	0	0	0	3
	2022	3	3	0	0	0	0	6
	2023	6	2	0	0	0	0	8
Utah	2021	0	2	0	0	0	0	2
	2022	2	2	0	0	0	0	4
	2023	4	2	0	0	0	0	6
Virginia	2021	0	3	0	0	0	0	3
	2022	3	4	0	0	0	0	7
	2023	7	7	0	0	0	0	14

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 Reason	Col. 9 Outlets at End of Year
Washington	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
Wyoming	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Totals	**2021**	**64**	**70**	**0**	**0**	**0**	**0**	**134**
	2022	**134**	**94**	**0**	**0**	**1**	**0**	**227**
	2023	**227**	**100**	**1**	**0**	**1**	**0**	**325**

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 the Year	Col. 4 Outlets Opened	Col. 5 Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
Alabama	2021	6	0	0	0	0	6
	2022	6	2	0	0	0	8
	2023	8	2	0	0	0	10
Arizona	2021	1	2	0	0	0	3
	2022	3	4	0	0	0	7
	2023	7	7	0	0	0	14
Arkansas	2021	5	6	0	0	0	11
	2022	11	7	0	0	0	18
	2023	18	1	0	0	0	19
Florida	2021	96	12	0	0	0	108
	2022	108	6	1	4	0	111
	2023	111	1	0	0	0	112
Georgia	2021	10	0	0	0	0	10
	2022	10	0	0	0	0	10
	2023	10	1	1	0	0	12

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
Illinois	2021	11	0	0	0	0	11
	2022	11	0	0	0	0	11
	2023	11	0	0	0	0	11
Indiana	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
Iowa	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Kentucky	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
Louisiana	2021	40	6	0	0	0	46
	2022	46	2	0	1	0	47
	2023	47	6	0	0	0	53
Michigan	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	1	0	0	0	2
Mississippi	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
North Carolina	2021	7	0	0	0	0	7
	2022	7	0	0	0	0	7
	2023	7	1	0	0	0	8
Ohio	2021	47	2	0	0	0	49
	2022	49	6	0	0	0	55
	2023	55	8	0	0	0	63
Oklahoma	2021	12	4	0	0	0	16
	2022	16	1	0	0	0	17
	2023	17	7	0	0	0	24

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
South Carolina	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Tennessee	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Texas	2021	182	19	0	0	0	201
	2022	201	21	0	0	0	222
	2023	222	24	0	0	0	246
Virginia	2021	10	0	0	0	0	10
	2022	10	1	0	0	0	11
	2023	11	1	0	0	0	12
Wisconsin	2021	38	0	0	0	0	38
	2022	38	0	0	0	0	38
	2023	38	3	0	0	0	41
Totals	**2021**	**482**	**52**	**0**	**0**	**0**	**534**
	2022	**534**	**50**	**1**	**5**	**0**	**580**
	2023	**580**	**63**	**1**	**0**	**0**	**644**

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
Alabama	0	3	1
Arizona	0	2	12
Arkansas	0	0	2
California	1	5	0
Colorado	0	6	0
Connecticut	0	2	0
Florida	2	12	11

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
Georgia	1	4	0
Idaho	0	1	0
Illinois	0	3	0
Indiana	0	5	0
Kansas	0	2	0
Kentucky	1	1	0
Louisiana	0	0	3
Massachusetts	0	1	0
Maryland	0	1	0
Michigan	0	2	1
Minnesota	0	0	0
Mississippi	0	2	0
Missouri	0	5	0
Montana	0	2	0
Nebraska	0	0	0
Nevada	0	4	0
New Jersey	0	1	0
New Mexico	1	1	0
New York	0	15	0
North Carolina	0	13	0
North Dakota	0	1	0
Ohio	0	0	10
Oklahoma	0	0	6
Oregon	0	0	0
Pennsylvania	0	5	0
South Carolina	0	4	0
South Dakota	1	1	0
Tennessee	0	3	1
Texas	0	2	23
Utah	1	3	0
Virginia	0	4	1
Washington	0	4	0
Wisconsin	0	0	0
Wyoming	0	0	0
Totals	**8**	**120**	**71**

Exhibit G is a list of our franchisees as of December 30, 2023 and the addresses and telephone numbers of their Take 5 Oil Change Centers. The names and last known addresses and telephone numbers of every Take 5 Oil Change franchisee who had a franchise terminated,

canceled, not renewed, or otherwise voluntarily or involuntarily ceased doing business under a franchise agreement or area development agreement during our last fiscal year, or who has not communicated with us within 10 weeks of this disclosure document's issuance date are also set forth in Exhibit G. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses restricting them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the Take 5 Oil Change franchise system.

Item 21

FINANCIAL STATEMENTS

Attached as Exhibit E 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 Take 5. A copy of the guarantee of Driven Systems is attached as Exhibit F.

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 E 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 Area Development Agreement we sign with franchisees, nor does it guarantee our obligations under the Franchise Agreement or Area 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 do other securitization/financing transactions in the future). Certain indirect subsidiaries of Driven Brands, including Take 5, 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 E for more information about these transactions.

Item 22

CONTRACTS

The following agreements are exhibits to this disclosure document:

1. Franchise Agreement – Exhibit B
2. Area Development Agreement – Exhibit C
3. Lease – Exhibit H
4. Sublease – Exhibit I
5. Collateral Assignment of Lease – Exhibit J
6. Software License Agreement – Exhibit K
7. State Riders to Agreements – Exhibit M
8. Form of Purchase Agreement – Exhibit N
9. Form of General Release – Exhibit O

Item 23

RECEIPT

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

EXHIBIT A

LIST OF 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
(360) 902-8760

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 41200
Olympia, Washington 98504-1200
(360) 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

FRANCHISE AGREEMENT

TAKE 5 FRANCHISOR SPV LLC

FRANCHISE AGREEMENT

CENTER No._____

_____

Franchisee

_____

Effective Date

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EXHIBITS

TAKE 5 FRANCHISOR SPV LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on _____, 20__ (the "Effective Date"), by and between **TAKE 5 FRANCHISOR SPV LLC**, a Delaware limited liability company with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor"), and _____, a(n) _____ with its principal address at _____ ("Franchisee").

1. BACKGROUND.

Franchisor and its Affiliates have developed and own certain unique and specialized training, management and marketing techniques and other procedures and methods used in connection with the development, operation and promotion of Take 5 Oil Change Centers.

Franchisor grants to qualified persons franchises to own and operate Take 5 Oil Change Centers offering the products and services authorized and approved by Franchisor and utilizing its business systems, formats, methods, specifications, standards, operating procedures and operating assistance. Franchisee has applied for a franchise to own and operate a Take 5 Oil Change Center, and such application has been approved by Franchisor in reliance upon all of the representations made therein.

Franchisee hereby acknowledges that Franchisee 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 Take 5 Oil Change Centers.

2. DEFINITIONS.

Unless otherwise specifically noted in this Agreement, the following terms have the indicated meanings:

Account shall have the meaning assigned to it in Section 9.5.

Affiliates means Franchisor's parents, subsidiaries, and affiliates and their respective directors, officers, owners, shareholders, partners, members, representatives, employees, agents, attorneys, contractors, predecessors, successors, heirs and assigns of each of the forgoing (in their corporate and individual capacities).

Applicable Laws means all relevant or applicable national, state and local laws, including statutes, rules, regulations, ordinances, directives, and codes.

Brand Technology shall have the meaning assigned to it in Section 13.9.

Center means the Take 5 Oil Change Center developed and operated by Franchisee pursuant to this Agreement.

Competing Business means any other automotive business offering products or services similar to those offered at a Take 5 Oil Change Center, provided that the following, for purposes of this Agreement, will not be deemed a Competing Business: (i) any other Take 5 Oil Change Center operated under a franchise agreement heretofore or hereafter entered into between Franchisee and Franchisor, or (ii) any other automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries.

Confidential Information means any information related to the System that Franchisor discloses to Franchisee and that Franchisor designates as confidential, or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of "Confidential Information," all the following will be conclusively presumed to be Confidential Information whether or not Franchisor designates them as such: (i) the Standards and Manuals; (ii) pricing information and models; (iii) materials describing the franchise network and System; (iv) plans, layouts, designs and specifications for a prototypical Take 5 Oil Change Center; (v) the sources (or prospective sources) of supply and all information related to or concerning the same, including the identity of and pricing structures with suppliers; (vi) the training materials; (vii) Franchisor's marketing plans and development strategies; (viii) all data and other information generated by, or used or developed in, operating the Center, including Customer Data, and any other information contained from time to time in the Center's Brand Technology or that visitors (including Franchisee) provide to the Website; and (ix) all other information Franchisor gives to Franchisee in confidence. "Confidential Information" does not include information, knowledge or know-how that is or becomes generally known in the automotive maintenance industry (without violating an obligation to Franchisor or its Affiliates) or that Franchisee knew from previous business experience before Franchisor provided it to Franchisee (directly or indirectly) or before Franchisee began training or operating the Center. If Franchisor designates any information or materials as Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

Conversion Notice shall have the meaning assigned to it in Section 3.5.

Customer Data means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to the Center's customers and prospective customers.

Data Security Incident shall have the meaning assigned to it in Section 15.2.

Entity means 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 25.

Franchise shall have the meaning assigned to it in Section 3.1.

Franchisor Indemnitees shall have the meaning assigned to it in Section 25.

Grand Opening Contribution shall have the meaning assigned to it in Section 16.3.

Gross Sales means and includes all revenue received or otherwise derived from operating the Center, whether for cash, check, credit and debit card, barter, exchange, trade credit, or other credit transactions without exception for any bad/write downs or write-offs, and without deduction for any processing or administrative fees of any kind whatsoever. Gross Sales shall be calculated upon all motor vehicle services and products of all kinds purchased by customers of the Center, whether such purchases are made in, upon, or from the Premises. "Gross Sales" shall exclude sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority and refunds to customers. If Franchisee receives any proceeds from any business interruption insurance applicable to the loss of sales at the Center, there shall be added to Gross Sales an amount equal to the imputed Gross Sales that the insurer used to calculate those proceeds.

Guarantor shall have the meaning assigned to it in Section 3.6.

Guarantor Net Worth Threshold shall have the meaning assigned to it in the Guaranty (defined below).

Guaranty shall have the meaning assigned to it in Section 3.6.

Initial Franchise Fee shall have the meaning assigned to it in Section 9.1.

Innovations shall have the meaning assigned to it in Section 15.3.

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.

Managing Director means the following individual: _____.

Manuals means the library of standard operating manuals, which may include written or intangible materials and which may be made available to Franchisee by various means, including digitally, and which Franchisor may add to, delete from, or modify from time to time.

Marketing Funds shall have the meaning assigned to it in Section 16.1.

Marks means the trademarks and trade names together with the related logo(s), including designs, stylized letters, and colors, that Franchisor permits Franchisee to use at the Center and in marketing for the Center, including the trade and service mark "Take 5 Oil Change®," and any other additional or substituted trademarks, trade names, trade dress, service marks or logos that Franchisor later adopts and authorizes Franchisee in writing to use.

Non-Recorded Payment shall have the meaning assigned to it in Section 9.5.

Non-System Center shall have the meaning assigned to it in Section 3.5.

Opening Date means the date Franchisee commences operations at the Center after receiving Franchisor's approval to do so.

Opening Deadline shall have the meaning assigned to it in Section 8.3.

Owner means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in Franchisee.

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 or a manager or managing member interest in a limited liability company), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Center, the Entity or its business.

Payment Day shall have the meaning assigned to it in Section 9.2.

Premises means the address where Franchisee shall operate the Center pursuant to the terms of this Agreement.

Purchased Assets shall have the meaning assigned to it in Section 22.5.

Related Business means any business that is the same as or similar to any then-existing business that is owned and operated, or franchised or licensed, by Franchisor or Driven Brands Holdings Inc. or any of its subsidiaries, including any car wash business.

Royalty Fee shall have the meaning assigned to it in Section 9.2.

Standards means the guidelines, standards, specifications, rules, requirements, and directives Franchisor establishes from time to time for the operation of a Take 5 Oil Change Center, including interior and exterior design and décor and equipment.

Successor Franchise shall have the meaning assigned to it in Section 4.1.

System means, collectively, Franchisor's methods of operating a Take 5 Oil Change Center, including the Standards and the Manuals; Franchisor's marketing programs and materials; Franchisor's operations and administrative systems; Franchisor's training programs; and the Marks.

Take 5 Oil Change Centers means motor vehicle centers offering quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products operating under the Marks, the System and the Standards.

Term shall have the meaning assigned to it in Section 3.1.

Territory shall have the meaning assigned to it in Section 3.2.

Third-Party Claim shall have the meaning assigned to it in Section 25.

Website shall have the meaning assigned to it in Section 16.6.

3. GRANT OF RIGHTS.

3.1 Grant of Franchise. Franchisee has applied for a franchise to own and operate a Take 5 Oil Change Center. Subject to the provisions of this Agreement, Franchisor hereby grants to Franchisee a franchise (the "Franchise") to operate one (1) Take 5 Oil Change Center at the Premises and to use the Marks and System in the operation thereof, for an initial term commencing on the Effective Date and ending fifteen (15) years from the Opening Date or, if shorter, the expiration date of the lease for the Premises (the "Term").

3.2 Territorial Protection. Provided Franchisee is in compliance with this Agreement and any other franchise agreement between Franchisor and/or its Affiliates and Franchisee, Franchisor agrees that neither it nor its Affiliates will during the Term establish either a company-owned or franchised Take 5 Oil Change Center within the area designated in Exhibit A attached hereto (the "Territory"), except as may be permitted under Section 3.5.

3.3 Restrictions on Franchisee's Rights. The Franchise granted herein is limited to the right to operate the Center at the Premises, and Franchisee may not:

(a) sell products or services identified by the Marks through any other channels or methods of distribution (including the Internet or any other form of electronic commerce) or to any other person or Entity for resale or further distribution;

(b) subfranchise, sublicense, assign or transfer the rights under this Agreement, except as otherwise specifically provided herein; or

(c) use the Premises or any part of the Premises for any purpose other than the Center established pursuant to this Agreement.

3.4 Reservation of Rights. Franchisee acknowledges and agrees that Franchisor and its Affiliates retain all rights not expressly granted to Franchisee under this Agreement and that Franchisor or its Affiliates may, among other things, on any terms and conditions Franchisor and its Affiliates deem advisable:

(a) establish and operate, and grant to others the right to establish and operate, Take 5 Oil Change Centers at any location outside the Territory regardless of the proximity of such Take 5 Oil Change Centers to the Territory or whether any such Take 5 Oil Change Centers are assigned a territory that overlaps with a portion of the Territory (if there is territory overlap, no other Take 5 Oil Change Center will be physically located in the Territory except pursuant to Section 3.5);

(b) establish and operate, and grant to others the right to establish and operate, retail businesses or any other business, other than a Take 5 Oil Change Center, at any location (including within the Territory) that operate under any other trademarks, service marks or trade dress and pursuant to such terms and conditions as Franchisor deems appropriate, including businesses that compete with Franchisee and the Center;

(c) solicit and sell products or services to customers and prospective customers residing within the Territory, including by direct advertising over the Internet or other electronic means;

(d) merge with, acquire, establish or become associated with any businesses or locations of any kind under other systems and/or other trademarks, which businesses and locations may offer or sell items, products and services that are the same as or similar to the services and products offered at or from the Center and which may be located anywhere within or outside the Territory; and

(e) engage in any other business activities not expressly prohibited by this Agreement, both within and outside the Territory.

3.5 Conversion of Non-System Automotive Center. If Franchisor acquires, or obtains the rights to acquire, any automotive center operating under different trademarks that sells the same, similar or different products and services as those offered and sold by Take 5 Oil Change Centers (each, a "Non-System Center") within the Territory and Franchisor desires to convert such Non-System Center to a Take 5 Oil Change Center operating under the Marks, Franchisor shall deliver to Franchisee a written notice of such intent to convert (each, a "Conversion Notice"). Franchisee shall have the option, exercisable within fifteen (15) days after receipt of such Conversion Notice, to purchase the Non-System Center and convert

it to a Take 5 Oil Change Center operating under the Marks by notifying Franchisor in writing. If Franchisee elects to purchase and convert the Non-System Center, Franchisee must consummate such purchase and execute Franchisor's then current franchise agreement and pay Franchisor's then current initial franchise fee (or, at Franchisor's option, execute an amendment to this Agreement and pay Franchisor's then current initial franchise fee) within thirty (30) days from the date of Franchisee's notice to Franchisor of Franchisee's election to purchase and convert. If Franchisor purchased the Non-System Center during the one hundred eighty (180) days prior to Franchisor's delivery of the Conversion Notice to Franchisee, the purchase price to be paid by Franchisee shall be the cash equivalent of the consideration paid by Franchisor for the Non-System Center (or, if Franchisor purchased the Non-System Center in a transaction which was for more than one Non-System Center, the cash equivalent of Franchisor's proportionate per Non-System Center cost, as determined by Franchisor in its sole discretion). In addition to the purchase price payable under this Section 3.5, Franchisee shall reimburse Franchisor for the costs and expenses Franchisor incurred in connection with its acquisition of the Non-System Center (prorated if the Non-System Center was acquired as part of a multiple Non-System Center purchase by Franchisor). Franchisee acknowledges that the value of the Non-System Center may diminish during the one hundred eighty (180)-day period after Franchisor's acquisition of the Non-System Center. If Franchisor did not purchase the Non-System Center during the one hundred eighty (180) days prior to Franchisor's delivery of the Conversion Notice, the purchase price, which shall be paid in cash, will be the fair market value of the Non-System Center as determined by an independent appraiser selected by Franchisor. If Franchisee does not elect to purchase and convert the Non-System Center, Franchisor may convert the Non-System Center to a Take 5 Oil Change Center operating under the Marks without incurring any liability to Franchisee. Additionally, if Franchisor is not able to purchase the Non-System Center, or the Non-System Center otherwise is not subject to a Conversion Notice hereunder because the Non-System Center operates pursuant to a franchise agreement with another franchisor, or for other reasons Franchisor determines in its sole discretion, such Non-System Center shall not violate Franchisee's rights under Section 3.2, provided the Non-System Center is not operated as a Take 5 Oil Change Center. Notwithstanding the foregoing, Franchisee's rights under this Section 3.5 are conditioned on Franchisee, as of the date Franchisor intends to issue the Conversion Notice, being in compliance with all of the provisions of this Agreement and no default, or event which with the giving of notice or passage of time or both would become a default, existing under this Agreement or any other agreement between Franchisee and Franchisor or any of its Affiliates. If Franchisee fails to satisfy such condition, Franchisee will have waived any rights under this Section 3.5.

3.6 Business Entity Franchisee. If Franchisee is, at any time, an Entity:

(a) Upon Franchisor's request, Franchisee agrees to provide Franchisor with copies of Franchisee's governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Franchisee's formation. During the Term, Franchisee's governing documents must provide that no Ownership Interest in Franchisee may be transferred or issued, except in accordance with Sections 20.2 through 20.10 (as applicable). In addition, all certificates and other documents representing Ownership Interests in Franchisee will bear a conspicuous printed legend to that effect.

(b) Franchisee agrees and represents that Exhibit C to this Agreement completely and accurately describes all Owners and their Ownership Interests in Franchisee and Franchisee's officers and principal executives. Subject to Franchisor's rights and Franchisee's obligations under Sections 20.2 through 20.10, Franchisee and Owners agree to sign and deliver to Franchisor a revised Exhibit C to reflect any changes in the information that Exhibit C now includes. Without limiting Franchisee's obligations under this Section 3.6(b), Franchisee shall also submit to Franchisor, at any time upon Franchisor's request, a list of all Owners and their Ownership Interests in Franchisee and Franchisee's officers and principal executives.

(c) 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 in the event that this Agreement is transferred to an Entity in accordance with Section 20)), each Owner and each other individual or Entity that Franchisor specifies prior to the Effective Date (or, if Franchisee is not then an Entity, prior to the transfer to the Entity) (collectively, "Guarantors") must execute an agreement in the form Franchisor designates undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor (a "Guaranty"), the current version of which is Exhibit B to this Agreement. In addition, any individual or Entity that becomes an Owner at any time after the Effective Date, whether pursuant to Section 20 or otherwise, shall, as a condition of becoming an Owner, execute the Guaranty. Franchisee represents and warrants to Franchisor that, as of the Effective Date (or, if Franchisee is not then an Entity, as of Guarantors' execution of the Guaranty), at least one Guarantor satisfies the Guarantor Net Worth Threshold. Franchisee further represents and agrees that at least one Guarantor shall continue to satisfy the Guarantor Net Worth Threshold at all times during the Term, and Franchisee agrees to, and shall cause its Guarantors 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.

4. SUCCESSOR FRANCHISE.

4.1 Grant of Successor Franchise. Franchisee may, at its option, obtain a successor franchise for one (1) additional term of fifteen (15) years following the end of the Term, or if shorter, the expiration date of the renewal lease for the Premises (a "Successor Franchise"), provided:

(a) Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or any of its Affiliates, and has substantially complied with all the terms and conditions of such agreements during the terms thereof, including the payment of all amounts due to Franchisor and its Affiliates;

(b) Franchisee agrees to refurbish the Center at Franchisee's cost in compliance with the then applicable standards for a Take 5 Oil Change Center;

(c) Franchisee has given Franchisor written notice of its election to acquire a Successor Franchise not less than six (6) months nor more than twelve (12) months prior to the expiration of the Term;

(d) Franchisee is able to maintain possession of the Premises for the entire term of the Successor Franchise; and

(e) subject to Applicable Laws, Franchisee and its Owners agree to execute a general release, in a form then prescribed by Franchisor, of any claims arising out of this Agreement against Franchisor and its Affiliates, and their respective officers, directors, managers, agents, representatives and employees.

4.2 Successor Franchise Agreement. The Successor Franchise shall be effected by execution by Franchisor and Franchisee of Franchisor's then current form of franchise agreement and all other agreements and legal instruments and documents then customarily used by Franchisor in the grant of franchises for the ownership and operation of a Take 5 Oil Change Center, which may provide for a higher royalty and fees and for greater expenditures for marketing and promotion than are provided for

hereunder, provided Franchisee shall pay a successor franchise fee in an amount equal to fifty percent (50%) of the initial franchise fee then charged by Franchisor for a Take 5 Oil Change Center franchise.

5. NOTIFICATION OF EXPIRATION.

Provided Franchisee has properly exercised its right to obtain a Successor Franchise, Franchisor will send all agreements relating to the Successor Franchise for Franchisee's review and execution approximately four (4) months prior to the expiration of this Agreement along with a notification of the expiration of this Agreement. Franchisee's failure to return these agreements to Franchisor within sixty (60) days of receipt will be deemed an election by Franchisee not to acquire a Successor Franchise notwithstanding its early compliance with Section 4.1. The notice will also state what actions, if any, Franchisee must take to correct the deficiencies in Franchisee's operation of the Center, and what steps Franchisor will require Franchisee to take to refurbish the Center as provided in Section 4.1 above. Franchisor also will specify the time period in which these deficiencies must be corrected or by which the refurbishing of the Premises must be completed. Franchisee's right to a Successor Franchise will be conditioned on Franchisee's continued compliance with all the terms and conditions of this Agreement, including the correction of any deficiencies at and any refurbishing of the Center, and all other agreements with Franchisor and its Affiliates and all other creditors and suppliers of the Center up to the date of expiration.

6. LOCATION OF CENTER.

Franchisee may operate the Center only at the Premises specified in Exhibit A or, if Franchisee has not selected a site as of the date hereof, at the Premises approved by Franchisor within the market area specified in Exhibit A to this Agreement. During the Term, the Premises shall be used only by Franchisee and solely for the purpose of operating the Center pursuant to the terms of this Agreement. Franchisee may not relocate the Center to a new site without Franchisor's prior written consent, which Franchisor may grant or deny in its sole discretion. Franchisor may condition its approval of Franchisee's relocation request on (i) the new site and its lease being acceptable to Franchisor; (ii) Franchisee paying Franchisor a reasonable relocation fee; (iii) Franchisee reimbursing any costs Franchisor incurs during the relocation process; (iv) Franchisee confirming that this Agreement remains in effect and governs its operation of the Center at the new site with no change in the Term or, at Franchisor's option, Franchisee signing the then current form of franchise agreement to govern its operation of the Center at the new site for a new franchise term (in either case, Franchisor may change the definition of the Territory); (v) subject to Applicable Laws, Franchisee signing a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its owners, Affiliates, officers, directors, employees, and agents; (vi) Franchisee continuing to operate the Center at its original site until Franchisor authorizes its closure; and (vii) Franchisee taking, within the timeframe Franchisor specifies and at Franchisee's own expense, all action Franchisor requires to de-brand and de-identify the former Premises so that it no longer is associated in any manner (in Franchisor's opinion) with the System.

7. LEASE OR PURCHASE OF CENTER.

7.1 Form of Lease. Franchisee has secured, or will within thirty (30) days of the Effective Date secure, by purchase, lease or sublease the site for the Premises in the form and manner prescribed by Franchisor, which may include the use of a form of lease prepared by Franchisor and submitted to Franchisee 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 Premises, 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. Franchisee must provide Franchisor with a copy of the executed lease within thirty (30) days after execution by Franchisee and the landlord. In the event Franchisee does not have an

approved site for the Premises as of the date hereof, Franchisee shall have ninety (90) days to locate an approved site and, thereafter, secure the approved site through purchase, lease or sublease.

7.2 Right to Require Sublease/Collateral Assignment of Lease. Franchisor may require that the Premises secured by Franchisee be leased directly to Franchisor or its Affiliate under a form of lease satisfactory to Franchisor and subleased to Franchisee under the standard sublease then used by Franchisor for that purpose. Alternatively, at Franchisor's option, Franchisee shall cause any lease obtained by Franchisee for the Premises to be collaterally assigned by Franchisee to Franchisor or Franchisor's Affiliate in the form prescribed by Franchisor to secure the performance by Franchisee of Franchisee's obligations under this Agreement. Franchisee shall obtain consent from the applicable landlord to such collateral assignment in the form prescribed by Franchisor and provide Franchisor copies of the collateral assignment of lease and landlord's consent to collateral assignment of lease within thirty (30) days after execution by Franchisee and the landlord.

7.3 Assignment of Lease to Franchisor. Upon the termination or expiration of the Franchise for any reason, Franchisor or its designee shall have the right to assume Franchisee's status and replace Franchisee as lessee. Franchisee agrees to execute an assignment of Franchisee's interest in the lease promptly upon Franchisor's request. Upon exercise of Franchisor's or its designee's right to assume Franchisee's status as lessee, and Franchisee's compliance with the other provisions of this Section, Franchisee will be fully released and discharged from all liability for rent and all other liability under the lease (although not from any liability for unpaid rent or any other then existing liability to the lessor under the lease, including any damages to the Premises or restoration costs). Franchisor will notify Franchisee within ninety (90) days of obtaining Franchisee's written assignment of the lease of any damages to the Premises or restoration costs for which Franchisee is liable or responsible.

8. DEVELOPMENT AND OPENING OF CENTER.

8.1 Development of Center. Franchisor will furnish to Franchisee standard plans and specifications for a Take 5 Oil Change Center, including requirements for dimensions, exterior design, interior layout, parking facilities and drive-ways, building materials, equipment, signs and color scheme. Franchisee agrees, promptly after obtaining possession of the Premises, to do or cause to be done the following:

(a) prepare and submit to Franchisor for approval, any proposed modifications to Franchisor's standard plans and specifications which may be modified only to the extent necessary to comply with Applicable Laws and lease or deed requirements and restrictions associated with the Premises, all such modifications being subject to prior notification to and approval of Franchisor;

(b) obtain all required building, utility, sign, health, sanitation and business permits and licenses and any other required permits and licenses;

(c) construct all required improvements to the Premises and decorate the Premises in strict compliance with plans and specifications therefore approved by Franchisor and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;

(d) purchase or lease, and install, all equipment, fixtures, furniture, signs and inventory required for the Center; and

(e) secure all financing required by Franchisee to fully develop the Center and complete the development of the Center within one hundred eighty (180) days after obtaining possession of the Premises.

8.2 Equipment, Fixtures, Furniture and Signs. Franchisee agrees to use in the operation of the Center only those brands and models of equipment, fixtures, furniture, and signs that Franchisor has approved for a Take 5 Oil Change Center as meeting its specifications and Standards for, among other elements, design, function, performance, serviceability and warranties. Franchisee further agrees to display and maintain at the Premises (interior and exterior) only such signs, emblems, lettering, logos and display materials that are from time to time approved in writing by Franchisor. The color, size, design and location of said signs shall be as specified by Franchisor. Franchisee must, at Franchisor's request, replace and/or modify the Center's signage to reflect the then-current image of Take 5 Oil Change Centers, at Franchisee's sole expense. Franchisee shall not place additional signs or posters on the Premises without the written consent of Franchisor. Franchisee may purchase or lease approved brands and models of equipment, fixtures, furniture and signs from any supplier, provided Franchisor may designate one or more approved suppliers for any such items, which may include or be limited to the Franchisor or any one or more of its Affiliates. Franchisee acknowledges and agrees that Franchisor and/or its Affiliates may derive revenue based upon Franchisee's purchases or leases, including from charging Franchisee for products or services Franchisor or its Affiliates provide to Franchisee, from fees and other amounts that Franchisor charges to manufacturers of such items, and from promotional allowances, volume discounts and other payments made to Franchisor by suppliers and/or distributors that Franchisor designates or approves for some or all Take 5 Oil Change Center franchisees. Such amounts received by Franchisor as described in this Section 8.2 may be used without restrictions for any purpose Franchisor or its Affiliates deem appropriate. If Franchisee proposes to purchase or lease any brand and/or model of equipment, fixture, furniture or sign which is not then approved by Franchisor, Franchisee shall first notify Franchisor and shall submit to Franchisor upon its request sufficient specifications, photographs, drawings and/or other information or samples for a determination by Franchisor of whether such brand and/or model of equipment, fixture, furniture or sign complies with its specifications and Standards, which determination shall be made and communicated to Franchisee within a reasonable time.

8.3 Center Opening. Franchisee agrees to open the Center for business and commence operations on or before the date which is fourteen (14) months after the Effective Date (the "Opening Deadline"). Upon Franchisee's failure to open the Center for business to the public by the Opening Deadline, Franchisor shall have the right to terminate this Agreement, effective upon delivery to Franchisee of written notice of termination. Franchisee shall not open the Center for business without notifying Franchisor in writing of Franchisee's intention to do so at least five (5) days in advance of such planned opening. If Franchisee opens the Center for business before Franchisor notifies Franchisee in writing that Franchisee may do so, Franchisee must pay Franchisor Two Thousand Five Hundred Dollars ($2,500) for each day the Center is open without Franchisor's approval and for which Franchisee fails to pay Royalty Fees for such week. In that event, Franchisor shall also have the right to terminate this Agreement, effective upon delivery to Franchisee of written notice of termination.

8.4 Termination for Failure to Develop or Open Center. If Franchisee fails to lease the Premises or obtain all required governmental permits and approvals within ninety (90) days after execution of this Agreement, or to develop or open the Center as hereinabove provided, Franchisor shall have the right to terminate this Agreement, effective upon delivery to Franchisee of written notice of termination.

8.5 Franchisor Notice and Approval of Real Estate Financing(s). In the event Franchisee or any related Entity of Franchisee undertakes a financing of the real property, fee or leasehold, and/or

improvements for the Center, whether for the Center under this Agreement, or multiple Take 5 Oil Change Centers owned or leased by Franchisee or any related Entity, Franchisee shall provide Franchisor not less than fifteen (15) days' prior notice of all material terms and conditions of such financing. In the event Franchisor determines, in its reasonable discretion, that such financing will generate an occupancy cost in excess of a Take 5 Oil Change Center's normal operating costs, Franchisor shall have the right to disapprove such financing. Franchisee agrees to provide Franchisor with the financial information Franchisor requires to make such determination.

9. FEES AND OTHER PAYMENTS.

9.1 Initial Franchise Fee. Simultaneously with its execution of this Agreement, Franchisee shall pay to Franchisor an initial franchise fee for the Franchise in the amount of Forty-Five Thousand Dollars ($45,000) (the "Initial Franchise Fee"). The Initial Franchise Fee shall be fully earned by Franchisor upon the execution of this Agreement and not refundable under any circumstances.

9.2 Royalty Fees. Franchisee agrees to electronically (ACH/EFT) pay to Franchisor, on or before the day of each week that Franchisor periodically specifies (the "Payment Day"), a royalty fee of seven percent (7%) of the Gross Sales of the Center during the preceding week (the "Royalty Fee"). For the avoidance of doubt, Franchisor may modify the Payment Day and corresponding reporting period at any time in Franchisor's sole discretion.

9.3 Administrative Fee and Interest on Late Payments. All Royalty Fees, Marketing Funds contributions (as described in Section 16.1 below), amounts due for products and services purchased by Franchisee from Franchisor or its Affiliates and any other amounts owed to Franchisor or its Affiliates by Franchisee in connection with the operation of the Center shall bear interest after due date at the highest legal rate for open account business credit in the state in which the Center is located (or in the absence of such rate, at the rate of two percent (2%) per month). In addition, Franchisee shall pay Franchisor a Five Hundred Dollar ($500) administrative fee for each payment which Franchisee does not make to Franchisor or its Affiliates when due (or for each dishonored payment) to cover the increased costs and expenses Franchisor incurs as a result of Franchisee's failure to pay the amounts when due. Franchisee acknowledges that this Section 9.3 is not Franchisor's agreement to accept any payments after they are due or Franchisor's commitment to extend credit to, or otherwise finance Franchisee's operation of, the Center. Franchisee's failure to pay all amounts that Franchisee owes Franchisor or its Affiliates when due constitutes grounds for Franchisor terminating this Agreement under Section 21, notwithstanding this Section 9.3.

9.4 Fleet Programs. Franchisor and its affiliates have developed, and Franchisor manages and controls, a national, regional, and/or local accounts program with various fleet and commercial accounts (the "Fleet Program"). Under the Fleet Program, qualified Centers that meet Franchisor's Standards and criteria will be selected by Franchisor to provide services to Franchisor's fleet and commercial accounts. At Franchisor's option, all services provided by Franchisee under the Fleet Program will be centrally billed through Franchisor or Franchisor's designated vendor. In the event Franchisee is not current with payment of all weekly Royalty Fees, Marketing Funds contributions, and any other monies due Franchisor, Franchisor will apply all or a portion of the payment for services rendered under the Fleet Program to Franchisee's past due accounts.

9.5 Electronic Funds Transfer. Franchisee shall participate in an electronic funds transfer program under which Royalty Fees and Marketing Funds contributions are deducted or paid electronically from Franchisee's bank account. Franchisor may permit Franchisee to initiate payments via a system established or approved by Franchisor, or at Franchisor's option, require Franchisee to authorize Franchisor to initiate debit and/or credit entries and/or credit correction entries to the Center bank

operating account (the "Account") for payment of Royalty Fees, Marketing Funds contributions, and products, services and other items purchased through Franchisor or its Affiliates on forms Franchisor prescribes. In the event Franchisee is required to authorize Franchisor to initiate debit entries, Franchisee agrees to make the funds available in the Account for withdrawal by electronic transfer no later than 6:00 a.m. on the Payment Day, or such prior business day should the Payment Day fall on a bank holiday. The amount actually transferred from the Account to pay Royalty Fees, Marketing Funds contributions, and products, services and other items purchased through Franchisor or its Affiliates will be based on the Gross Sales recorded for the preceding week. If Franchisee has not recorded Gross Sales of the Center for any reporting period, Franchisor will be authorized to debit the Account in an amount equal to the greater of One Thousand Five Hundred Dollars ($1,500) or one hundred twenty percent (120%) of the Royalty Fees transferred from the Account for the last reporting period for which Gross Sales of the Center were recorded (the "Non-Recorded Payment"). If at any time Franchisor determines that Franchisee has underpaid Royalty Fees or Marketing Funds contributions due Franchisor under this Agreement, Franchisor will be authorized to initiate immediately a debit to the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due. Franchisor's use of electronic funds transfers as a method of collecting Royalty Fees, Marketing Funds contributions, and products, services and other items purchased through Franchisor or its Affiliates due Franchisor does not constitute a waiver of any of Franchisee's obligations to provide Franchisor with monthly Gross Sales reports as provided in Section 17.2 of this Agreement, nor shall it be deemed a waiver of any of the rights and remedies available to Franchisor under this Agreement.

9.6 Application of Payments and Franchisor Right of Offset. When Franchisor receives a payment from Franchisee, Franchisor has the right in its sole discretion to apply such payment as Franchisor sees fit to any of Franchisee's past due indebtedness to Franchisor or its Affiliates, whether for Royalty Fees, Marketing Funds contributions, purchases, interest, or for any other reason, regardless of how Franchisee may designate a particular payment to be applied. In addition, Franchisor may offset any amount otherwise due to Franchisee or Owners under any discount, central bill national account or rebate program, or any other amounts that Franchisor may have due to Franchisee or Owners, against any amount owed to Franchisor or its Affiliates, whether in connection with this Agreement or otherwise.

10. MANAGEMENT OF CENTER/CONFLICTING AND COMPETING INTERESTS.

10.1 Managing Director/Best Efforts. Only Franchisee is authorized to operate the Center. Franchisee must at all times faithfully, honestly and diligently perform its obligations and fully exploit the rights granted under this Agreement. Franchisee agrees that the Managing Director shall have full managerial responsibility and authority with respect to the operation of the Center and that Franchisor may rely upon any action taken or instrument executed by the Managing Director in connection with the operation of the Center or in any transaction or dealings with Franchisor. In the event of the death or disability of the Managing Director, Franchisee shall appoint a substitute managing director acceptable to Franchisor and meeting the qualifications set forth herein within six (6) months from the date of death or disability. In the event of the resignation of the Managing Director, Franchisee shall appoint a substitute managing director acceptable to Franchisor and meeting the qualifications set forth herein within sixty (60) days of the date of resignation.

10.2 Management of Center. The Managing Director must devote his or her entire time (exclusive of reasonable vacation periods), which shall be no less than forty (40) hours per week, to the management of the Center and other Take 5 Oil Change Centers pursuant to franchise agreements with Franchisor. The Center must be under the direct, on-premises supervision of the Managing Director, provided that if the Managing Director is a managing director for more than one Take 5 Oil Change

Center, each Take 5 Oil Change Center must be under the direct, on-premises supervision of a certified shop and assistant manager: (a) whose identity has been disclosed to Franchisor; (b) who has successfully completed, to the satisfaction of Franchisor, Franchisor's training program; and (c) who has executed, at the request of Franchisor, an agreement in the form satisfactory to Franchisor agreeing not to divulge any Confidential Information, including the contents of the Manuals.

10.3 No Competitive Business Venture. Franchisee will not engage in any business or other activity that will conflict with Franchisee's obligations hereunder. Furthermore, neither Franchisee, nor any Owner shall during the Term have any interest as an owner (except of publicly traded securities that are traded on a stock exchange or on the over the counter market), director, officer, employee, consultant, representative or agent, licensee or franchisee, or in any other capacity, in: (a) any Competing Business; or (b) any Related Business. The foregoing restrictions shall not be construed to prohibit the ownership by Franchisee of less than two percent (2%) of any class of securities of any company that is a Competing Business or a Related Business or has a class of securities registered pursuant to the Securities Exchange Act of 1934, as amended, provided that such ownership represents a passive investment and that neither Franchisee nor any group of persons (including employees, partners or management of Franchisee), in any way, either directly or indirectly, manages or exercises control of any such company, guarantees any of its financial obligations, consults with, advises, or otherwise takes any part in its business, other than exercising Franchisee's rights as a shareholder, or seeks to do any of the foregoing.

11. WARRANTIES AND GUARANTEES.

11.1 Standard Warranties and Guarantees. Recognizing the value of providing warranties and guarantees of the services performed hereunder to the customers of the System, and the importance of the standardization of the warranties and guarantees offered to the furtherance of the goodwill and public image of the System, the parties agree as follows:

(a) Franchisor has established uniform warranties and guarantees for the System, and Franchisee agrees to provide to every customer of the Center on forms provided by Franchisor, all warranties and guarantees as Franchisor prescribes.

(b) Franchisee agrees to honor valid customer claims presented under warranties and guarantees made by Franchisee and other Take 5 Oil Change Center franchisees without demanding reimbursement therefor from the customer. In the event that Franchisee honors a warranty or guarantee issued by another Take 5 Oil Change Center, Franchisee shall be reimbursed by the franchisee that originally performed the work. Such reimbursement shall be in an amount not to exceed the current nationally recommended warranty rates for a Take 5 Oil Change Center. In the event of a dispute between any customer of the Center and Franchisee over any warranty issued by the Center or any other Take 5 Oil Change Center, Franchisor will evaluate the dispute and make a determination of the manner in which such dispute will be resolved, and Franchisee shall be bound by this determination.

(c) Franchisee agrees to reimburse any other franchisee who satisfies any warranty or guarantee issued by Franchisee hereunder, in an amount as described in Section 11.1(b), above, within five (5) days after receipt of an invoice for such reimbursement. Franchisee authorizes Franchisor to charge for warranty services performed by another Take 5 Oil Change Center on customer warranties issued by Franchisee, and to credit Franchisee for warranty services performed on customer warranties issued by another Take 5 Oil Change Center, as Franchisor determines to be appropriate from time to time for the national customer warranty program. Franchisee agrees to pay Franchisor any net debit balances, and Franchisor

agrees to pay Franchisee any net credit balances, with respect to the national customer warranty program at such times and on such conditions as Franchisor determines from time to time.

11.2 No Other Warranties or Guarantees. Franchisee shall not issue or offer any other warranty or guarantee without Franchisor's prior written approval.

12. TRAINING AND OPERATING ASSISTANCE.

12.1 Training for Managing Director. Prior to the opening of the Center, Franchisor shall furnish at its principal office or other location designated by Franchisor a training program on the operation of a Take 5 Oil Change Center. The Managing Director, Center's manager, assistant managers and such other personnel as may be required by Franchisor shall enroll in and complete the training program before the Center opens. No compensation or other benefits will be paid to Franchisee for any services performed by the Managing Director (and manager or other Center personnel) during training at any Take 5 Oil Change Center business operated by Franchisor or its representatives. Franchisee shall be obligated to pay for all travel and lodging expenses incurred in connection with the attendees' participation in the training program. The Managing Director, Center's Manager, assistant managers (and other Center personnel) shall complete the training program to the satisfaction of Franchisor. Any successor managing director, manager for the Center or other Center personnel designated by Franchisor shall complete at the expense of Franchisee all training programs prescribed by Franchisor. Franchisor shall have the right to charge a reasonable fee for all such additional training. Franchisor shall also have the right to require the Managing Director, Center's manager or any other personnel as may be required by Franchisor complete supplemental and refresher training programs, workshops and any other educational seminars during the Term and to charge a reasonable fee for such courses or programs; such courses and programs shall be furnished at the offices of Franchisor or other location designated by Franchisor. All travel and living expenses incurred by the Managing Director, Center's manager (and other Center personnel) in connection with such supplemental or refresher training programs shall be paid by Franchisee.

12.2 Hiring and Training of Employees by Franchisee. Franchisee shall hire all employees of the Center and be exclusively responsible for the terms of their employment and compensation and the proper training of such employees in the operation of the Center. Franchisee agrees to comply with all Applicable Laws governing or regulating Franchisee's employment of its employees. Under no circumstances shall Franchisor be deemed the employer of Franchisee's employees. Franchisee shall indemnify Franchisor and hold Franchisor harmless from any claims arising out of the employment of or actions by Franchisee's employees.

12.3 Operating Assistance. Franchisor shall advise Franchisee from time to time of operating problems of the Center disclosed by reports submitted to or inspections made by Franchisor and shall furnish to Franchisee such assistance in connection with the operation of the Center as Franchisor from time to time deems necessary. Operating assistance may include guidance with respect to:

(a) methods and procedures developed by Franchisor and utilized by Take 5 Oil Change Centers in connection with motor vehicle oil changes, lubrication and other motor vehicle products and services;

(b) additional products and services authorized for Take 5 Oil Change Centers as may from time to time be developed or approved;

(c) purchasing motor vehicle oil, lubricant, motor vehicle materials and supplies used in the operation of Take 5 Oil Change Centers; and

(d) formulating and implementing marketing and promotional programs to be conducted by Franchisee and in providing such merchandising, marketing and advertising research data and advice as may be from time to time developed by Franchisor and deemed by it to be helpful in the operation of a Take 5 Oil Change Center.

Such guidance shall, in the sole discretion of Franchisor, be furnished in the form of the Manuals, bulletins or other written materials, electronic messages, Internet or extranet sites, telephonic consultations and/or consultation at the offices of Franchisor, the Center or such other place deemed appropriate by Franchisor. Franchisor shall make no separate charge to Franchisee for such operating assistance, provided that Franchisor may make reasonable charges for forms and other materials supplied to Franchisee and for operating assistance made necessary in the judgment of Franchisor as a result of Franchisee's failure to comply with any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor or operating assistance requested by Franchisee in excess of that normally provided by Franchisor, as determined by Franchisor in its sole discretion.

12.4 Annual Conference. The Managing Director is required to attend any regional and/or annual franchise conferences that Franchisor schedules. Additional Owners of Franchisee may attend such conferences as long as they register. Franchisee shall be responsible for the registration fee and all travel and living expenses incurred by its Managing Director and other Owners in attending any such conferences.

12.5 Group Purchasing. Franchisee shall have the right to participate, on the same basis as other franchisees of Franchisor, in group purchasing programs for motor vehicle products and supplies which Franchisor may from time to time develop or sponsor. Franchisor reserves the right to arrange for the ordering, billing and payment of products purchased by franchisees for use in their Take 5 Oil Change Center businesses through, among other things, vendor purchasing programs established by Franchisor from time to time.

13. CENTER IMAGE AND OPERATING STANDARDS.

13.1 Condition and Appearance of the Center. Franchisee agrees to maintain the condition and appearance of the Center consistent with the image of a Take 5 Oil Change Center as a modern, clean and efficiently operated motor vehicle service center providing high quality services and products. Franchisee agrees to fully comply with all Standards from time to time prescribed for the Center, including specifications, operating procedures and rules relating to customer service. Franchisee agrees to effect such maintenance of the Center at its sole expense as is reasonably required from time to time to maintain such condition, appearance and efficient operation, including replacing worn out or obsolete equipment, fixtures and signs (including updating the menu board to reflect changes to suppliers and/or pricing and replacing and/or modifying the Center's signage to reflect the then-current image of Take 5 Oil Change Centers), repairing the interior and exterior of the Center and its driveways and parking facilities, and redecorating. If at any time in Franchisor's sole judgment the general state of repair, appearance or cleanliness of the Premises or its equipment, fixtures, signs or décor does not meet the Standards therefor, Franchisor shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency, and Franchisee shall be obligated thereafter to undertake a bona fide program to accomplish, complete and maintain any such required maintenance within the time period specified by Franchisor.

13.2 Center Refurbishing and Remodeling. Franchisee agrees to effect such refurbishing or remodeling of the Center (in addition to regular maintenance and repair) at its sole expense, within six (6) months of its receipt of notice from Franchisor, as Franchisor from time to time requires to maintain or improve the appearance and efficient operation of the Center and/or increase its sales potential or to

comply with the Standards. Refurbishing and remodeling may include: (i) replacement of worn out or obsolete equipment, fixtures, furniture and signs; (ii) the substitution or addition of new or improved equipment, fixtures, furniture and signs (including updating the menu board to reflect changes to suppliers and/or pricing); (iii) redecorating; (iv) repair of the interior and exterior of the Premises; (v) structural modifications and remodeling of the Premises; and (vi) modifications to the color, scheme or décor of the Center to conform to Franchisor's then current Standards. In addition to Franchisee's obligations described above, once during the period beginning on the sixth (6th) anniversary of the Effective Date and ending on the ninth (9th) anniversary of the Effective Date, Franchisor may require Franchisee to substantially alter the Center's appearance, branding, layout and/or design, and/or replace a material portion of its equipment, fixtures, furniture and signs, in order to meet Franchisor's then current requirements for new similarly situated Take 5 Oil Change Centers. Franchisee acknowledges that this obligation could result in Franchisee making extensive structural changes to, and significantly remodeling and renovating, the Center, and/or in Franchisee spending substantial amounts for new equipment, fixtures, furniture and signs. Franchisee agrees to incur any capital expenditures required in order to comply with this obligation and Franchisor's requirements (even if those expenditures cannot be amortized over the remaining Term). Franchisee must complete all work within the time period that Franchisor reasonably specifies. Finally, notwithstanding the foregoing, Franchisee shall not be required to make aggregate expenditures for refurbishing or remodeling under this Section 13.2 in excess of the sum of One Hundred Thousand Dollars ($100,000) during the Term or, except in connection with Franchisee's right to acquire a Successor Franchise, to effect any refurbishing or remodeling of the Center during the last twelve (12) months of the Term.

13.3 No Alterations to Center. Franchisee shall make no material alterations to the improvements or appearance of the Center, nor shall Franchisee make any material replacements of or alterations to the equipment, fixtures, furniture or signs of the Center without prior written approval of Franchisor.

13.4 Authorized Services and Products. The presentation of a uniform image to the public and the furnishing of uniform products and services is an essential element of a successful franchise system. Franchisee therefore agrees that:

(a) The Center will offer all motor vehicle services and products that Franchisor from time to time authorizes for a Take 5 Oil Change Center;

(b) The Center will not, without prior written approval by Franchisor, offer any other services or products nor shall the Center or the Premises be used for any purpose other than the operation of a Take 5 Oil Change Center in compliance with this Agreement; and

(c) Unless authorized through a Franchisor-sanctioned fleet program, all products and services offered by the Center shall be sold at retail only, and the Center shall not engage in any wholesale operation or activities.

13.5 Standards of Service and Sanitation. The Center shall at all times give prompt, courteous and efficient service to its customers. The Center shall in all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. If a dispute develops between Franchisee and a customer, Franchisor shall have the right to evaluate the dispute and to make a determination of the manner in which such dispute shall be resolved by Franchisee, and Franchisee agrees to be bound by such determination. Franchisee, or the Managing Director, shall respond to all negative online reviews within twenty-four (24) hours of receipt per guidelines specified in the Manuals. Franchisee agrees not to deviate from the Standards relating to the cleanliness, sanitation and customer service as set by Franchisor for the operation of a Take 5 Oil Change Center.

13.6 Approved Brands, Suppliers and Distributors. The reputation and goodwill of Take 5 Oil Change Centers are based upon, and can be maintained and enhanced only by, the sale of high quality products, and the rendering of fast, efficient and high quality service. Franchisee therefore agrees that all motor vehicle oil, lubricants and other products, materials and supplies sold and used in the operation of the Center shall be a brand designated by Franchisor and, if Franchisor requires, purchased only from suppliers or distributors that Franchisor designates or approves (which may include or be limited to Franchisor or its Affiliates) through any manner or method designated by Franchisor. If Franchisee proposes to use in the operation of the Center any brand of motor vehicle oil, lubricants or other products, materials and supplies which are not then approved by Franchisor as meeting its specifications, or purchase or lease any motor vehicle oil, lubricants or other products, materials and supplies from a supplier or distributor that Franchisor has not yet approved, Franchisee shall first notify Franchisor and shall upon request by Franchisor submit samples and such other information as Franchisor reasonably requires to determine whether such product and/or supplier or distributor meets its specifications and standards. Franchisor may condition its approval of a supplier or distributor or a product, material, or supply on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), any adverse economic impact on Franchisor, its Affiliates, or the Take 5 Oil Change Center franchise network, quality and performance of then-approved products, materials, and supplies or suppliers/distributors (as applicable), and/or other criteria. Franchisor shall notify Franchisee within a reasonable time whether it approves such products, supplier and/or distributor. Franchisor may charge a reasonable fee to make the evaluation. Franchisor reserves the right periodically to re-inspect the products and services of any approved supplier or distributor and to revoke its approval of any supplier, distributor, product or service that does not continue to meet Franchisor's criteria. Franchisee agrees that Franchisee will not sell or use any brand of any such products which Franchisor has designated as not being of equivalent quality to Franchisor's designated brand of such product. In addition, any such product approved by Franchisor for sale or use by Franchisee should have the designated logo attached to the product and/or the package for such product in the manner designated by Franchisor. The Center shall at all times maintain an inventory of motor vehicle oil, lubricants and other products, materials and supplies, sufficient in variety and quantity to satisfy customer demand and operate efficiently.

Franchisor and/or its Affiliates may derive revenue based on Franchisee's purchases and leases, including from charging Franchisee (at prices exceeding its and their costs) for services and products that Franchisor or its Affiliates sell Franchisee and from promotional allowances, rebates, volume discounts, and other amounts paid to Franchisor and its Affiliates by suppliers that Franchisor designates, approves, or recommends for some or all Take 5 Oil Change Center 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.

13.7 Use of Branded Materials. Franchisee shall in the operation of the Center use forms, uniforms, materials and supplies bearing the Marks as prescribed from time to time by Franchisor. Franchisee shall not use the Marks in connection with any forms, uniforms or other materials that have not been approved or prescribed by Franchisor.

13.8 Specifications, Standards and Procedures. Franchisee agrees to comply with all mandatory Standards relating to the operation of the Center, including:

(a) quality and source of products used and methods and procedures relating to motor vehicle services;

(b) the safety, maintenance, cleanliness, sanitation, function and appearance of the Premises and its equipment, furniture, fixtures and signs;

(c) uniforms to be worn by and general appearance of Center employees;

(d) use of the Marks;

(e) minimum staffing levels for the Center, including the presence of a certified shop and assistant manager (who may be the Managing Director) at the Center covering full shifts each week (as provided in Section 10.2 above and as specified in the Manuals); manager training; and uniform dress code, provided Franchisor shall not be deemed to have any control or authority over Franchisee'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 Franchisee's employment practices. Center employees are under Franchisee's control. Franchisee must communicate clearly with Center employees in Franchisee's employment agreements, human resources manuals, written and electronic correspondence, paychecks, and other materials that Franchisee (and only Franchisee) is their employer and that Franchisor, as the franchisor of Take 5 Oil Change Centers, is not their employer;

(f) hours during which the Center will be open for business;

(g) customer complaint resolution procedures and prompt reimbursement of Franchisor if Franchisor resolves a customer complaint because Franchisee fails to do so as or when Franchisor requires;

(h) use of standard formats, use and retention of service agreements and other standard forms;

(i) use and illumination of signs, posters, displays, standard formats and similar items; and

(j) identification of Franchisee as the owner of the Center.

Mandatory Standards prescribed from time to time by Franchisor in the Manuals or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include all such mandatory Standards.

13.9 Brand Technology. Franchisee agrees to use in the development and operation of the Center the management system and computer hardware and software and related technology designated by Franchisor, including features such as high speed broadband connectivity, high speed broadband monitoring, methods and means of encryption and access to Franchisor's network resources, and other brand technology and peripheral devices that Franchisor specifies from time to time (the "Brand Technology"). As part of the Brand Technology, Franchisor may require Franchisee to obtain computer hardware and/or software Franchisor specifies from a single vendor designated by Franchisor, and Franchisor or its Affiliates may be the sole supplier of all or any part of the Brand Technology. Brand Technology will include any software updates, modifications or new versions as Franchisor may require from time to time in Franchisor's discretion. Franchisee agrees to use only such items and services as Franchisor specifies in connection with the Brand Technology. Franchisor may require that Franchisee enters into a license exclusively with Franchisor or its Affiliates to use proprietary software developed by or for Franchisor. Franchisee may also be required to enter into agreements with others for use of third-

party software incorporated or used in connection with the Brand Technology. Franchisee acknowledges and understands that Franchisor may modify any and all aspects and the components of the Brand Technology from time to time, and Franchisor's modification of such specifications or components for the Brand Technology may require Franchisee to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Brand Technology during the Term. Franchisee acknowledges that the cost to Franchisee of obtaining the Brand Technology (including software licenses) (or additions, substitutions, replacements or modifications thereto) may not be fully amortizable over the remaining term of this Agreement. Nonetheless, Franchisee agrees to incur such costs in connection with obtaining the computer hardware and software comprising the Brand Technology (or additions, substitutions, replacements or modifications thereto). Franchisee further acknowledges and agrees that Franchisor has the right to charge reasonable fees for software or systems modifications and enhancements specifically made for Franchisor that are licensed to Franchisee and other maintenance and support services that Franchisor or its Affiliates furnish to Franchisee related to the Brand Technology. Franchisee may also incur charges from third parties who render services or provide products that Franchisor requires Franchisee to purchase or use. Franchisor shall have unlimited, independent access through monitoring programs or otherwise to data on Franchisee's Brand Technology, including Customer Data, sales, staffing, purchasing and inventory figures. There are no contractual limitations on Franchisor's right or timing to access this information and data. Franchisee understands and agrees that Franchisor and its Affiliates may use such information and data, together with any records and reports required by Section 17 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 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, Take 5 Oil Change Centers, and/or other automotive businesses franchised and owned by Franchisor and its Affiliates.

13.10 Compliance with Laws and Good Business Practices. Franchisee shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Center and shall operate the Center in full compliance with all Applicable Laws, including 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 the use, storage, transmission, and disposal of data regardless of media type). Franchisee agrees to refrain from any business or marketing practice which may be injurious to the business of Franchisor and the goodwill associated with the Marks and other Take 5 Oil Change Centers. Franchisee shall 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 government instrumentality, which may adversely affect the operation or financial condition of the Center. Franchisor shall have the right to defend any action, suit or proceeding, and Franchisee shall be responsible for all costs, including attorneys' fees, incurred by Franchisor in defending such action suit or proceeding.

13.11 Pricing. Franchisor reserves the right, to the fullest extent allowed by Applicable Laws, to establish maximum, minimum, or other pricing requirements with respect to the prices Franchisee may charge for services and products, including pricing Franchisor prescribes from time to time for any national, regional or local marketing or promotions.

13.12 Insurance. Franchisee shall at all times during the Term maintain in force at Franchisee's sole expense the insurance coverage for the Center in the amounts, covering the risks, and containing only the exceptions and exclusions that Franchisor periodically specifies. All of Franchisee's insurance carriers must be rated A or higher by A.M. Best Company, Inc. (or such similar criteria as Franchisor may periodically specify). These insurance policies must be in effect on or before the deadlines Franchisor specifies. All coverage must be on an "occurrence" basis, except for the employment practices liability

insurance coverage, which is on a "claims made" basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that Franchisor or its Affiliates maintain. All general liability and workers compensation coverage must provide for waiver of subrogation in favor of Franchisor and its Affiliates. Franchisor may periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

All such liability insurance policies shall name Franchisor and its Affiliates as additional insureds and shall provide that Franchisor receive thirty (30) days' prior written notice of termination, expiration or cancellation of any such policy. Franchisee shall submit to Franchisor annually a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy. If Franchisee at any time fails or refuses to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage, on behalf of Franchisee, and Franchisee shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to Franchisor, on demand, any costs and premiums incurred by Franchisor and charges imposed by Franchisor for obtaining such insurance.

13.13 Advisory Councils. Franchisee agrees to participate in, and, if required, become a member of any advisory councils or similar organizations formed or organized by Franchisor for franchised Take 5 Oil Change Centers.

13.14 Franchisor's Rights to Vary System. Franchisor has the right from time to time to modify any components of the System and requirements applicable to Franchisee by means of supplements to the Manuals or otherwise, including altering the products, services, programs, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the products and services which Franchisee is authorized and required to offer; modifying or substituting the equipment, signs, trade dress and other characteristics of the System that Franchisee is required to adhere to (subject to any limitations set forth in this Agreement); and changing, improving, modifying or substituting the Marks. Franchisee agrees, at Franchisee's cost, to implement any such System modifications as if they were part of the System at the time Franchisee signed this Agreement.

14. THE MANUALS.

Franchisor will loan to Franchisee during the term of the Franchise one (1) copy of the Manuals, which may include digital media and/or other written or intangible materials which may be made available to Franchisee by various means. Franchisor shall have the right to add to and otherwise modify the Manuals from time to time to reflect, among other things, changes in authorized services and products and/or standards of product quality or service or the operation of a Take 5 Oil Change Center. Franchisee shall at all times ensure that Franchisee's copy of the Manuals is kept current and up-to-date, and in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor at Franchisor's principal office shall be controlling. Franchisee agrees that the contents of the Manuals shall be treated as confidential at all times during and after the Term and that Franchisee will not disclose the Manuals to any person other than Center employees who need to know its contents. Franchisee may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals, except as Franchisor periodically authorizes for training and operating purposes. At Franchisor's option, Franchisor may post the Manuals on the Website or another restricted website to which Franchisee will have access. If Franchisor does so, Franchisee must periodically monitor the website for any updates to the Manuals. Any passwords or other digital identifications necessary to access the Manuals on such a website will be deemed to be part of the Confidential Information.

Consequently, Franchisee agrees that throughout the Term, Franchisee shall operate the Center in strict accordance with the terms of this Agreement and the Manuals and will perform all obligations provided for by this Agreement and the Manuals. As an example, Franchisee agrees that the immediate recording of Gross Sales, meeting bay time requirements, inventory levels and other information as stated in the Manuals, as may be amended by Franchisor from time to time, is very important to the System and the success of the Center and the repeated failure on Franchisee's part to comply with these requirements on a timely basis or a failure to update the Center operations to comply with the Manuals will be considered a material default and just cause for termination of this Agreement.

15. CONFIDENTIAL INFORMATION.

15.1 Non-disclosure and other Restrictions. Franchisee acknowledges and agrees that by entering into this Agreement and/or acquiring the Center, Franchisee will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information that Franchisor periodically designates in operating the Center during the Term and according to the Standards and this Agreement's other terms and conditions, and that Franchisee'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. Franchisee further acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Franchisee only on the condition that Franchisee and its Owners agree, and Franchisee and they do agree, that Franchisee and its 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 maintenance 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 Center personnel and others needing to know such Confidential Information to operate the Center, and using confidentiality agreements with those having access to Confidential Information. Franchisor has the right to regulate the form of agreement that Franchisee 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.

15.2 Customer Data. Franchisee must comply with the Standards, other directions from Franchisor, prevailing industry standards (including payment card industry data security standards), and all Applicable Laws, 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 Brand Technology or otherwise in Franchisee's possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data.

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.

Franchisor and its Affiliates may, through the Brand Technology 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.

15.3 Innovations. All ideas, concepts, techniques or materials relating to a Take 5 Oil Change Center (collectively, "Innovations"), whether or not protectable intellectual property and whether created by or for Franchisee or its Owners, employees or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a work made-for-hire for Franchisor, by this Section, Franchisee assigns ownership of that Innovation, and all related rights to that Innovation, to Franchisor and agrees to sign (and to cause its Owners, employees and contractors to sign) whatever assignment or other documents Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the Innovation. Franchisor and its Affiliates have no obligation to make any payments to Franchisee or any other person with respect to any Innovations. Franchisee may not use any Innovation in operating the Center or otherwise without Franchisor's prior approval.

16. MARKETING AND PROMOTION.

16.1 Marketing Funds. Franchisor or its designee will from time to time formulate, develop, produce and conduct marketing and promotional programs in the form and media as Franchisor or its designee determines to be most effective. Franchisee agrees to participate in all marketing and promotions as Franchisor determines to be appropriate for the benefit of the System. Franchisor reserves the right, in its sole discretion, to determine the composition of all geographic territories and market areas for the development and implementation of marketing and promotion programs conducted by Franchisor. Franchisor may designate all or a portion of the marketing contributions paid by Franchisee to be spent on local marketing conducted by Franchisor or, at the election of Franchisor, by Franchisee. All costs of the formulation, development and production of any such marketing and promotion (including costs and fees associated with the testing of processes, ideas, products or message-delivery mechanisms; costs and fees associated with the development, refinement and programming of business intelligence tools and reporting in furtherance of evaluation of franchised Take 5 Oil Change Centers; and the proportionate compensation of Franchisor's and its Affiliates' employees who devote time and render services in the formulation, development and production of such marketing and promotion programs or the administration of the funds), will be paid from an account Franchisor maintains and administers (the "Marketing Funds"). Excluding any grand opening marketing programs, all Take 5 Oil Change Centers owned by Franchisor or its Affiliates will contribute to the cost of such marketing and promotion programs on at least the same basis as the majority of franchisees in the designated market area of each Take 5 Oil Change Center owned by Franchisor or its Affiliate. Franchisor will not use the Marketing Funds principally to solicit new franchise sales. Franchisor will submit to Franchisee upon request an

annual, unaudited statement of collections and expenditures of the Marketing Funds. Franchisor reserves the right to engage the services of a marketing source or sources to formulate, develop, produce and conduct the marketing and promotion programs, the cost of such services to be payable from the Marketing Funds.

Unless Franchisor designates that all or a portion of the Marketing Funds contributions paid by Franchisee be spent on local marketing as provided above, Franchisee acknowledges and understands that the Marketing Funds expenditures are intended to maximize general public recognition and patronage of the Marks and System in the manner determined to be most effective by Franchisor and its Affiliates and that neither Franchisor nor its Affiliates undertake any obligation in developing, implementing or administering these programs to ensure that expenditures which are proportionate or equivalent to Franchisee's contributions are made for the market area of the Center or that any Take 5 Oil Change Center will benefit directly or pro rata from the placement of advertising or from other promotional programs.

Franchisee further acknowledges and agrees that (i) Franchisee shall have no proprietary interest in any such marketing monies or the Marketing Funds; (ii) Marketing Funds contributions shall be deemed general funds of the Entity to which such fees are paid, and shall not be deemed to be trust funds; and (iii) Franchisor shall have no obligation to spend on marketing or promotion amounts in excess of those funds actually collected from franchisees.

Franchisor shall control all advertising and listings for Franchisee and other franchisees of Franchisor in online directories, including Google My Business, Yelp, and Facebook, in order to maintain proper search engine optimization practices. Franchisor may grant Franchisee editable rights in the content of such online advertising and listings upon written request by Franchisee. Franchisee specifically agrees that all telephone numbers, including toll-free and local numbers, used at the Center or in advertising the Center will belong to Franchisor and be maintained in the name and for the use designated by Franchisor. Franchisee shall be responsible for all maintenance and other charges related to each telephone number used by the Center and authorizes Franchisor to automatically debit such amounts from Franchisee's Account, according to the procedures stated in the Manuals. Without Franchisor's prior written approval, Franchisee will (a) not employ and/or publish any other telephone number for customer use in connection with the Center and (b) use only roll-overs or other forwarding functions authorized by Franchisor. Franchisee specifically understands and agrees that Franchisor will have the exclusive use and control of all of these telephone numbers immediately upon expiration or earlier termination of this Agreement. Franchisee must sign and deliver to Franchisor its standard form of Conditional Assignment of Telephone Numbers and Listings and Internet Addresses.

16.2 By Franchisee-Marketing Funds Contributions. Franchisee will be obligated to pay five percent (5%) of the weekly Gross Sales of the Center to the Marketing Funds. Franchisee's contributions to the Marketing Funds are due and payable at the same time and in the same manner as the Royalty Fees or in such other manner Franchisor periodically specifies.

16.3 By Franchisee-Grand Opening. Franchisee must pay Franchisor an amount equal to Twenty Thousand Dollars ($20,000) that Franchisor will apply toward the opening marketing program for the Center during the opening period that Franchisor designates and a marketing kit for use in connection with the opening of the Center (the "Grand Opening Contribution"). The Grand Opening Contribution is payable in lump sum and is non-refundable. The Grand Opening Contribution shall be payable to Franchisor upon the execution of this Agreement. Franchisor may, at Franchisor's option, pay the total Grand Opening Contribution to a vendor Franchisor designates that Franchisee must use to assist Franchisee in developing and implementing the grand opening activities for the Center. In that case, Franchisee and the vendor must prepare and submit to Franchisor for approval a proposed opening

marketing program. Franchisee's proposed grand opening marketing program must cover marketing, advertising and operational activities at least three (3) months before and three (3) months after the Opening Date, and may span up to ninety (90) days around the Opening Date. This time period is subject to change based on the particular market area or other unique circumstances of the Center. Franchisor may delay the roll out of certain portions of Franchisee's grand opening marketing program if the Center does not meet certain requirements detailed in the Manuals, including those requirements related to post-opening customer service index scores, bay times and other operational measurements. Franchisee must make the changes to the program that Franchisor specifies and execute the program as Franchisor has approved it (with the vendor's assistance, as applicable). If Franchisor does not elect to engage a vendor for the Center's opening, then Franchisor's marketing team will conduct grand opening marketing for the Center (including expenditure of the balance of the Grand Opening Contribution). Franchisee acknowledges and agrees that Franchisor is authorized to contribute any unspent portion of the Grand Opening Contribution to the Marketing Funds or to expend such amount on local or regional advertising or promotion as Franchisor deems appropriate.

16.4 By Franchisee-Local Marketing and Promotion. Franchisee agrees at its expense to participate in the manner Franchisor periodically specifies in all advertising, marketing, promotional, customer relationship management, fleet account development, social responsibility, public relations and other brand-related programs that Franchisor periodically designates for the Center subject to the limitations on expenditures as set forth above. Franchisee must ensure that all of its advertising, marketing, promotional, customer relationship management, social responsibility, public relations and other brand-related programs and materials that Franchisee develops or implements relating to the Center are completely clear, factual and not misleading, comply with all applicable laws and regulations, and conform to the highest ethical standards and the advertising and marketing policies that Franchisor periodically specifies. Before using them, Franchisee agrees to send to Franchisor, for Franchisor's approval, descriptions and samples of all proposed local marketing that Franchisor has not prepared or previously approved within the preceding six (6) months. If Franchisee does not receive written notice of approval from Franchisor within fifteen (15) days after Franchisor receives the materials, they are deemed disapproved. Franchisee may not conduct or use any local marketing that Franchisor has not approved or has disapproved. At Franchisor's option, Franchisee must contract with one or more suppliers that Franchisor designates or approves to develop and/or implement local marketing. Franchisor assumes no liability to Franchisee or any other party due to Franchisor's specifying any programs or its approval or disapproval of any local marketing.

16.5 Local and Regional Advertising Cooperatives. Franchisor reserves the right to require that Franchisee participate in local and regional advertising cooperatives in connection with the advertising and marketing program administered by Franchisor or by other Take 5 Oil Change Centers. Each cooperative will be organized and governed in a form and manner, and begin operating on a date, that Franchisor determines. Franchisor may change, dissolve and merge cooperatives. Each cooperative's purpose is, with Franchisor's approval, to develop, administer or implement advertising, marketing and promotional materials and programs for the area that the cooperative covers. If, as of the Effective Date, Franchisor has established a cooperative for the geographic area in which the Center is located, or if Franchisor establishes a cooperative in that area during the Term, Franchisee agrees to sign the documents that Franchisor requires to become a member of the cooperative and to participate in the cooperative as those documents require. In addition to the Marketing Funds contributions, Franchisee agrees to contribute to the cooperative the amounts that the cooperative determines, subject to Franchisor's approval.

All material decisions of any cooperative, including contribution levels (which also require Franchisor approval), will require the affirmative vote of more than fifty percent (50%) of all Take 5 Oil Change Centers participating in the cooperative (including, if applicable, those Franchisor or its Affiliates

operate), with each Take 5 Oil Change Center receiving one (1) vote. Franchisee agrees to send Franchisor and the cooperative any reports that Franchisor or the cooperative periodically requires. The cooperative will operate solely to collect and spend cooperative contributions for the purposes described above. A cooperative and its members may not use any advertising, marketing or promotional programs or materials that Franchisor has not approved.

16.6 Websites. Franchisor will reference the Center on the website Franchisor develops for the System (the "Website") so long as Franchisee is in full compliance with this Agreement. At Franchisor's request, Franchisee shall provide to Franchisor true, complete and correct information relating to the Center for inclusion on the Website. Franchisee acknowledges and agrees that Franchisor will have final approval rights over all information on the Website. Franchisor will own all intellectual property and other rights in the Website, all information contained on it and all information generated from it (including the domain name or URL, the log of "hits" by visitors and any personal or business data that visitors supply). If Franchisee is in default of any obligations under this Agreement, Franchisor may, in addition to its other remedies, temporarily remove references to the Center from the Website and reroute phone numbers as Franchisor deems appropriate. Franchisor may, at Franchisor's option, discontinue any or all of the Website at any time. All local marketing that Franchisee develops for the Center must contain notices of the URL of the Website in the manner that Franchisor periodically designates.

Franchisee may not without Franchisor's prior written approval (i) register a domain name to be used in connection with the Center or that contains the Marks or any words or designations similar to the Marks, (ii) establish a separate website to advertise, market or promote the Center, or to conduct commerce or directly or indirectly offer or sell any products or services, using any domain name that contains the Marks or any words or designations similar to the Marks, or (iii) use a search engine keyword or metatag in connection with the Center or operation of the Center, or (iv) register an e-mail address that contains the Marks or any words or designations similar to the Marks. If Franchisor does consent to Franchisee's establishment of a website, Franchisee agrees to submit to Franchisor samples of Franchisee's website format and information in the form and manner Franchisor may reasonably require, and Franchisee agrees to comply with the Standards for websites as Franchisor may prescribe from time to time. Franchisor will register, or at its direction Franchisee will register, all domain names, e-mail addresses, or websites that contain the Marks or any words or designations similar to the Marks. Franchisor may license use of the registered item back to Franchisee under a separate agreement. Franchisee must pay all costs and any fees Franchisor may charge for registration, maintenance and renewal of domain name(s) and website(s). Franchisor retains the right to pre-approve Franchisee's use of linking and framing between Franchisee's web pages and all other websites. If Franchisor does consent to Franchisee's establishment of a website, the information Franchisee provides on Franchisee's website shall not be false, inaccurate or misleading; infringe any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; violate any Applicable Laws; be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; be obscene or contain a sexually explicit image; contain any viruses or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information; or create liability for Franchisor or cause Franchisor to lose the loyalty of customers of Take 5 Oil Change Centers. Franchisor may, at any time, modify Franchisor's policies with regard to domain names and websites. Nothing in this Section 16.6 shall limit Franchisor's right to maintain websites other than the Website or to offer and sell products or services under the Marks from the Website, another website or otherwise over the Internet without payment or obligation of any kind to Franchisee.

17. CENTER RECORDS AND REPORTING.

17.1 Accounting and Records. Franchisee agrees to keep complete records of its business by establishing an accounting and record keeping system conforming to the requirements prescribed by Franchisor, including the use, format and retention of cash register tapes, inventory records, invoices, payroll records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursements journals, chart of accounts prescribed by Franchisor and general ledgers. Franchisee also agrees to use in the operation of the Center only numerically sequenced invoices approved by Franchisor. Franchisor may develop and furnish a complete accounting system which shall be available to Franchisee for a fee established by Franchisor from time to time. To utilize Franchisor's accounting service, Franchisee may be required to use a specialized electronic or computerized equipment and to furnish to Franchisor such information and supporting records, documents and forms, in such detail and at such times, as shall be specified by Franchisor.

17.2 Reports and Returns. Franchisee shall furnish to Franchisor in the form and manner from time to time prescribed by Franchisor:

(a) on or before the Payment Day of each week, a report of the Gross Sales of the Center for the preceding week, as requested by Franchisor;

(b) by the tenth (10^{th}) day of each month, a report of the Gross Sales of the Center for the preceding month, together with copies of such other information and supporting records as Franchisor from time to time requires, as requested by Franchisor;

(c) within thirty (30) days after such returns are filed, exact copies of the federal and state income tax returns and state sales tax returns of the Center, or exact copies of schedules pertaining to the Center included in Franchisee's returns if Franchisee is a proprietorship; and

(d) such other reports and records as reasonably required by Franchisor.

17.3 Financial Statements. Franchisee shall furnish to Franchisor in the form and manner from time to time prescribed by Franchisor:

(a) within twenty (20) days after the end of each month, profit and loss statements and statements of application of funds from the beginning of Franchisee's fiscal year to the end of the month for the Center, prepared, verified and signed by Franchisee; and

(b) within sixty (60) days after the end of each fiscal year of the Center, an unaudited annual statement of profit and loss and source and application of funds of the Center for the fiscal year and a balance sheet for the Center as of the end of the fiscal year, prepared by an independent public accountant and verified and signed by Franchisee as to the information furnished to such accountant.

If Franchisor reasonably believes that any monthly report, financial statement or tax return or schedule furnished by Franchisee understates the Gross Sales of the Center, distorts any other information or is unclear or misleading, Franchisor shall have the right to require Franchisee to furnish audited annual financial statements thereafter.

18. THE MARKS.

18.1 Ownership of the Marks. Franchisee acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement, is limited to the operation of the Center in compliance with this Agreement at the Premises and by all applicable Standards prescribed by Franchisor from time to time during the Term. Franchisee agrees that all usage of the Marks by Franchisee and any goodwill established thereby shall inure to the exclusive benefit of Franchisor and its Affiliates. Franchisee further agrees that after the termination or expiration of the Franchise, Franchisee will not directly or indirectly at any time or in any manner identify the Center or any other business as a Take 5 Oil Change Center, former Take 5 Oil Change Center, or itself as a franchisee of or otherwise associated with Franchisor, or use in any manner or for any purpose any Mark or other indicia of a Take 5 Oil Change Center.

18.2 Limitations on Franchisee's Use of the Marks. Franchisee agrees to use the Marks as the sole service mark identification of the Center. Franchisee shall not use any Mark as part of any Entity name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee hereunder), or in any modified form, or use any words confusingly similar thereto, nor may Franchisee use any Mark in connection with the sale of any unauthorized product or service or on forms, uniforms, materials and supplies not approved by Franchisor or in any other manner not explicitly authorized in writing by Franchisor.

18.3 Notifications of Infringements and Claims. Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's use of any Mark, or claim by any person of any rights in any Mark, and Franchisee shall not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor and its Affiliates shall have sole discretion to take such action as it or they deem appropriate and the right to exclusively control any litigation or U.S. Patent and Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark, and Franchisee agrees to execute any and all instruments and documents, and to do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor and its Affiliates in any such litigation or U.S. Patent and Trademark Office or other proceeding.

18.4 Indemnification of Franchisee. Franchisor agrees to indemnify Franchisee against and to reimburse Franchisee for all damages for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any Mark pursuant to and in compliance with this Agreement. Franchisor's obligations under this Section 18.4 are subject to Franchisee and the Owners (i) providing Franchisor with prompt written notice of any claim that could result in an indemnified claim under this Section 18.4, (ii) allowing Franchisor to control the defense and settlement of the indemnified proceeding, and (iii) continuing to comply with the terms and conditions of this Agreement. Franchisee and Owners will not settle any claim that could result in an indemnified claim under this Section 18.4 without the prior written consent of Franchisor, in its sole discretion.

18.5 Modification or Discontinuance of the Marks. If it becomes advisable or desirable at any time in the judgment of Franchisor for Franchisee to modify or discontinue use of any Mark, and/or use one or more additional or substitute Marks, including the primary Mark and/or color scheme under which the Center is operating, Franchisee agrees, at its expense, to do so.

19. INSPECTIONS AND AUDITS.

19.1 Quality Assurance Inspections. To determine whether Franchisee and the Center are complying with this Agreement and all Standards, Franchisor and its designated agents and

representatives may at all times, and without prior notice to Franchisee: (i) inspect the Center; (ii) examine and copy the Center's business, bookkeeping and accounting records, sales and income tax records and returns, and other records and documents; (iii) observe, photograph, record and otherwise monitor the Center's operation (including so-called "mystery shopping") for consecutive or intermittent periods as Franchisor deems necessary; (iv) phone screen and test operation/sales scripts of Center customer service personnel; and (v) interview the Center's personnel and customers. Franchisee agrees to cooperate with Franchisor and its designated agents and representatives fully. If Franchisor exercises any of these rights, Franchisor will use commercially reasonable efforts not to interfere unreasonably with the Center's operation. Franchisee agrees that Franchisee's failure to achieve the minimum quality scores (as described in the Manuals) or otherwise satisfy Standards in any quality assurance inspection Franchisor conducts at the Center is a default under this Agreement. Without limiting Franchisor's other rights and remedies under this Agreement, Franchisee agrees promptly to correct at its own expense all failures to comply with this Agreement (including any Standards) that Franchisor's inspectors note within the time period Franchisor specifies following Franchisee's receipt of Franchisor's notice. Franchisor then may conduct one or more follow-up inspections to confirm that Franchisee has corrected these deficiencies and otherwise is complying with this Agreement and all Standards. Franchisee agrees to pay all costs and expenses associated with any quality assurance programs that Franchisor periodically specifies. Franchisor may charge Franchisee an inspection fee to compensate Franchisor for its costs and expenses during any such follow-up inspection or any inspection that Franchisee requests. Franchisee also agrees to present to its customers the evaluation forms that Franchisor periodically specifies and to participate and/or request that Franchisee's customers participate in any surveys performed by or for Franchisor.

19.2 Franchisor's Right to Audit. Franchisor or its authorized agent or representative shall have the right at any time during business hours, and without prior notice to Franchisee, to audit or cause to be audited the sales reports, purchasing reports, tax returns and schedules and other forms, information and supporting records which Franchisee is required to submit to Franchisor hereunder, including all inventory records and the books and records of the Center and of any Entity which owns or operates the Center. Franchisee shall fully cooperate with representatives of Franchisor and/or independent accountants hired by Franchisor conducting any such audit. In the event any such audit shall disclose an understatement of the Gross Sales of the Center, Franchisee shall pay to Franchisor, within fifteen (15) days after receipt of the audit report, the Royalty Fees and Marketing Funds contributions due on the amount of such understatement, plus interest from the due date until the date of payment at the rate prescribed in Section 9.3. Further, in the event such audit is made necessary by the failure of Franchisee to furnish reports, supporting records, or other information, as required by this Agreement or if the audit reveals an understatement of Gross Sales for any period or periods greater than one percent (1%), Franchisee shall reimburse Franchisor for the cost of such audit, including the charges of any independent accountant and/or third-party vendor and the travel expenses, room and board and compensation of employees of Franchisor and its authorized agents or representatives. The foregoing remedies shall be in addition to all other remedies and rights of Franchisor hereunder or under Applicable Laws.

20. TRANSFER.

20.1 By Franchisor. This Agreement is fully assignable by Franchisor and shall inure to the benefit of any assignee or other legal successor to the interest of Franchisor herein.

20.2 By Franchisee. Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and its Owners and that Franchisor has granted the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee and its Owners. Therefore, neither the Franchise (except as hereinafter provided with respect to an Entity) nor any direct or indirect Ownership Interest in Franchisee or the Center or its assets may be voluntarily, involuntarily, directly or indirectly, assigned, subdivided,

subfranchised or otherwise transferred by Franchisee or its Owners (including in the event of the death of Franchisee or any Owner, by will, declaration of or transfer in trust or the laws of intestate succession) without the prior written approval of Franchisor, and any such assignment or transfer without such approval shall constitute a breach hereof.

20.3 Permitted Transfers. Franchisor's approval and the other conditions under Section 20.4 are not required, and Franchisor's right of first refusal under Section 20.9 does not apply, to any of the following transfers:

(a) Franchisee may grant a security interest in the Premises (if Franchisee owns the Premises), and/or any of the Center's assets (but not this Agreement or any direct or indirect Ownership Interest in Franchisee) to a financial institution or other party that provided or provides any financing in connection with Franchisee's acquisition, development, and/or operation of the Center, but only if that party signs Franchisor's then current form of lender consent to protect Franchisor's rights under this Agreement. Any foreclosures or other exercise of the rights granted under that security interest are subject to all applicable terms and conditions of this Section 20; and

(b) any Owner who is an individual may transfer his or her Ownership Interest in Franchisee to a trust that he or she establishes for estate planning purposes, as long as he or she is a trustee of the trust and otherwise controls the exercise of the rights in Franchisee held by the trust, Franchisee notifies Franchisor in writing of the proposed transfer at least ten (10) days before its anticipated effective date, and Franchisee and such Owner execute any documents or agreements respecting the transfer in a form approved by Franchisor. Dissolution of or transfers from any trust described in this Section 20.3 are subject to all applicable terms and conditions of this Section 20.

20.4 Conditions for Approval of Transfer. If Franchisee is in full compliance with this Agreement, Franchisor shall not unreasonably withhold its approval of an assignment or transfer, provided:

(a) the proposed transferee is of good moral character, has sufficient business experience, aptitude and financial resources to own and operate the Center, and otherwise meets Franchisor's then applicable standards for franchisees;

(b) Franchisee and its Owners are in compliance with the terms of this Agreement and have complied with their obligations under this Agreement;

(c) all obligations of Franchisee incurred in connection with this Agreement or the transaction contemplated hereby shall have been assumed by the transferee;

(d) Franchisee shall have paid such Royalty Fees, Marketing Funds contributions and all other amounts owed to Franchisor and its Affiliates through the date of any transfer or assignment;

(e) the transferee shall appoint an acceptable substitute managing director who shall have completed the training program required of managing directors;

(f) the transferee shall have executed and agreed to be bound by Franchisor's then current form of franchise agreement and such ancillary agreements as are then customarily used by Franchisor in the granting of Take 5 Oil Change Center franchises, which

shall provide for the royalty fees and Marketing Funds contributions then charged by Franchisor to its franchisees;

(g) Franchisor has determined that the purchase price and payment terms will not adversely affect the operation of the Center, and if Franchisee or its Owners finance any part of the purchase price, Franchisee and its Owners agree that all obligations under promissory notes, agreements or security interests reserved in the Center are subordinate to the transferee's obligation to pay all amounts due to Franchisor and its Affiliates and otherwise to comply with this Agreement;

(h) Franchisee or the transferee shall have paid a training and transfer fee to Franchisor in the amount of fifty percent (50%) of the initial franchise fee then charged by Franchisor for a Take 5 Oil Change Center franchise to cover Franchisor's administrative, legal and training expenses incurred in connection with such transfer or assignment;

(i) subject to Applicable Laws, Franchisee and all Owners shall have executed a general release in favor of Franchisor and its Affiliates and their respective officers, directors, owners, agents and representatives; and

(j) in the event that Franchisor obtains a purchaser of the Center for Franchisee (and Franchisor does not elect to exercise its right of first refusal as provided in Section 20.9 hereof), Franchisee shall pay Franchisor an amount equal to ten percent (10%) of the purchase price for the Center.

At Franchisor's sole option, Franchisor may review all information regarding the Center that Franchisee gives the transferee and give the transferee copies of any reports that Franchisee has given Franchisor or Franchisor has made regarding the Center. Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees (and their direct and indirect owners) and the terms of the proposed transfer, and that Franchisor's contact with potential transferees (and their direct and indirect owners) to protect Franchisor's business interests will not constitute tortious, improper or unlawful conduct. Immediately upon Franchisor's request, Franchisee shall provide Franchisor a copy of any and all transaction documents, including the sale agreement and related documents.

Franchisee acknowledges Franchisor's current requirement that franchisees and their affiliates must continue to own and operate all of the Take 5 Oil Change Centers that they own in those Take 5 Oil Change Centers' market area throughout the entire terms of their franchise agreements. Franchisor believes these requirements are important in order to (among other reasons) establish continuity and cooperation among the Take 5 Oil Change Centers in the market and protect the Take 5 Oil Change Center brand. Therefore, Franchisee and its Owners agree that if Franchisee, any of its Owners, or any affiliate seeks to enter into any transfer that would (if consummated) require Franchisor's approval pursuant to this Section 20, regardless of the form of transaction, then Franchisor may condition its approval of that transfer (in addition to any other conditions set forth in this Agreement) on the simultaneous transfer to that transferee of other rights, interests, obligations, assets, and/or Ownership Interests such that, following such transfer, Franchisee (or its affiliates) or the transferee (or its affiliates) owns and operates all of the Take 5 Oil Change Centers that Franchisee or its affiliates owned and operated in the Center's market area before the transfer.

20.5 Death or Incapacity of Franchisee. Upon the death or permanent incapacity of Franchisee, or an Owner, the executor, administrator, conservator or other personal representative of such person shall transfer his or her interest to a third party approved by Franchisor within twelve (12) months

thereof. Such transfers, including transfers by devise or inheritance, shall be subject to the same conditions as any lifetime transfer, provided that if the transfer is by devise or inheritance, the transferee will not be obligated to pay a training and transfer fee. Failure to so dispose of such interest within said period of time shall constitute a breach of this Agreement.

20.6 Effect of Consent to Transfer. Franchisor's consent to any transfer is not a representation of the fairness of the terms of any contract between Franchisee and the transferee, an agreement that Franchisor will consent to or a waiver of its rights with respect to any future transfers, a guarantee of the Center's or transferee's prospects of success, or a waiver of any claims Franchisor has against Franchisee (or its Owners) or of Franchisor's right to demand the transferee's full compliance with this Agreement's terms or conditions.

20.7 Appointment of Manager. If after the death or permanent incapacity of Franchisee or an Owner, the Center is not being managed by a competent and trained Managing Director (as determined by Franchisor in its sole discretion), Franchisor is authorized to immediately appoint a manager to maintain the operation of the Center for a period not to exceed twelve (12) months or until an approved assignee or Managing Director shall be able to assume the management and operation of the Center. All funds from the operation of the Center during the period of management by Franchisor's appointed manager shall be kept in a separate fund and all expenses of the Center, including compensation, other costs and travel and living expenses of Franchisor's appointed manager, shall be charged to such fund. As compensation for the management services provided, in addition to the Royalty Fees due hereunder, Franchisor shall charge such fund three percent (3%) of the Gross Sales of the Center during the period of management by Franchisor's appointed manager. Operation of the Center during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize its reasonable efforts in the operation of the Center and shall not be liable to Franchisee for any debts, losses or obligations incurred by the Center, or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Center during any period in which it is managed by Franchisor's appointed manager. In the event that the fund maintained by Franchisor is insufficient to pay the expenses of the Center in a reasonable business-like manner, Franchisor shall so notify Franchisee or the executor, administrator, conservator or other personal representative of Franchisee or an Owner, and such person shall within five (5) business days deposit in the fund such amount as shall be required by Franchisor to attain a reasonable balance in the fund. Franchisor will authorize from time to time disbursements from the fund to the executor, administrator, conservator or other personal representative which, in the reasonable judgment of Franchisor, are not necessary to cover expenses or other expenditures of the Center. Franchisor shall turn over all monies in the fund to the executor, administrator, conservator or other personal representative upon expiration of the aforesaid twelve (12)-month period.

20.8 Assignment to Entity. If Franchisee is in full compliance with this Agreement, Franchisee may transfer this Agreement to an Entity that conducts no business other than the Center and, if applicable, other Take 5 Oil Change Centers, provided that Franchisee and the Entity comply with the Entity requirements in Section 3.6.

20.9 Franchisor's Right of First Refusal. If Franchisee or any of its Owners shall at any time determine to sell the Center or a direct or indirect Ownership Interest in Franchisee, Franchisee or its Owners shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor, which shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, exercisable by written notice to Franchisee or its Owner or Owners, to purchase the Center or such Ownership Interest for the price and on the terms and conditions contained in such offer, provided that: (1) Franchisor may substitute cash for any form of payment proposed in the offer; (2) Franchisor's credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than sixty (60) days after notifying Franchisee of Franchisor's

election to purchase or, if later, the closing date proposed in the offer; (4) Franchisee and its Owners sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective owners, officers, directors, employees, representatives, agents, successors, and assigns; and (5) Franchisor must receive, and Franchisee and its Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or Ownership Interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) such Ownership Interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or Ownership Interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Center or the business prior to the closing of Franchisor's purchase. If Franchisor exercises its right of first refusal, Franchisee and the selling Owner(s) agree that, for two (2) years beginning on the closing date, Franchisee and the selling Owner(s) will be bound by the covenants contained in Section 22.7. If Franchisor does not exercise its right of first refusal, Franchisee or its Owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor approves the transfer as provided in this Section 20. If Franchisee does not complete the sale to the proposed buyer (with Franchisor's approval) within sixty (60) days after Franchisor notifies Franchisee that it does not intend to exercise its right of first refusal, or if there is a material change in the terms of the offer (which Franchisee must tell Franchisor promptly), Franchisor will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the sixty (60)-day period or Franchisor's receipt of notice of the material change in the offered terms, either on the terms originally offered or the modified terms, at Franchisor's option.

Franchisor may assign its right of first refusal under this Section 20.9 to any Entity (who may be an Affiliate), and that Entity will have all of the rights and obligations under this Section 20.9. If Franchisor does not exercise its right of first refusal, Franchisee or its Owners may complete the sale of the Center or such Ownership Interest pursuant to and on the terms and conditions of such offer, subject to Franchisor's approval of the purchaser as provided in Section 20.2 of this Agreement.

20.10 Public Offering. Securities in Franchisee may not be sold by public offering without Franchisor's prior written consent. If Franchisor consents to a public offering of Franchisee's securities, the following terms and conditions will apply. All materials required by federal or state law for any sale of Franchisee's securities pursuant to such registration statement must be submitted to Franchisor for review prior to being filed with any government agency. No such materials shall imply (by use of the Marks or otherwise) that Franchisor is participating as an underwriter, issuer, or offeror of Franchisee's securities. Franchisee shall not use any Mark in a public offering of its securities, except to reflect its franchise relationship with Franchisor. 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. Franchisee 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. Franchisee 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 Franchisee permit or allow any of Franchisee's securities to be owned, directly or indirectly, by any competitor of Franchisor or its Affiliates. Franchisor may charge Franchisee a fee for reviewing the materials required to be submitted to Franchisor by this Section.

21. TERMINATION OF FRANCHISE.

21.1 Immediate Termination/No Opportunity to Cure. In addition to Franchisor's right to terminate this Agreement in the event of the failure of Franchisee to obtain an approved site, to lease or purchase the Premises as provided herein or to develop or open the Center, or in connection with Franchisee's unauthorized opening of the Center, Franchisor may terminate this Agreement effective upon delivery of notice of termination to Franchisee, if:

(a) the Managing Director or manager of the Center fails to complete the training program to the satisfaction of Franchisor;

(b) Franchisee becomes insolvent by reason of Franchisee's inability to pay its debts as they become due or makes an assignment for the benefit of creditors or an admission of Franchisee's inability to pay its obligations as they become due;

(c) Franchisee files a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or admits or fails to contest the material allegations of any such pleading filed against Franchisee, or is adjudicated a bankrupt or insolvent or a receiver or other custodian is appointed for a substantial part of the assets of Franchisee or the Center, or 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 substantial part of the assets of the Center or suit to foreclose any lien or mortgage is instituted against the Center and not dismissed within ninety (90) days, or if the real or personal property of the Center is sold after levy of judgment thereupon by any sheriff, marshal or constable, or the claims of creditors of Franchisee or the Center are abated or subject to a moratorium under any law;

(d) Franchisee abandons, surrenders, transfers control or fails to actively operate the Center, unless precluded from doing so by damage to the Premises of such a nature that the Premises cannot be reasonably restored as a result of, fire or civil disturbance, natural disaster, proper government exercise of eminent domain or other event beyond Franchisee's reasonable control;

(e) Franchisee suffers cancellation of or fails to renew or extend the lease or sublease for or otherwise fails to maintain possession of the Premises;

(f) Franchisee or the Center on two (2) or more occasions during any one (1) year period fails or refuses to comply with the procedures or requirements set forth in the Manuals or otherwise fails or refuses to comply with this Agreement, whether or not such failures or refusals are corrected after notice thereof is delivered to Franchisee;

(g) Franchisee or any of its Owners 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 of the Center and the goodwill associated with the Marks;

(h) Franchisee operates the Center in a manner that presents a health or safety hazard to its customers, employees or the public;

(i) Franchisee violates any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Center, 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 Franchisee promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality;

(j) Franchisee or any Owner makes an unauthorized assignment of the Franchise or Ownership Interest in Franchisee;

(k) Franchisee misuses or makes an unauthorized use of any Mark or materially impairs the goodwill associated with any Mark;

(l) Franchisee fails to maintain or suffers cancellation of any insurance policy required hereunder;

(m) Franchisee or any Owner violates any of the covenants contained in Section 10.3 or 15 hereof; or

(n) any other franchise agreement or other agreement between Franchisor (or any of its Affiliates) and Franchisee (or any of its Owners or affiliates) is terminated before its term expires, regardless of the reason.

21.2 Termination after Opportunity to Cure. In addition to its right to terminate this Agreement as provided in Section 21.1, Franchisor shall have the right to terminate this Agreement upon written notice to Franchisee in the event Franchisee or any of its Owners fails to comply with any provision of this Agreement or any mandatory Standard, including any procedures or requirements set forth in the Manuals or any Standard relating to image or customer service or treatment, and does not correct such failure within seven (7) days if such failure relates to the use of any Mark or the payment of any money to Franchisor, its Affiliates or to any other party under this Agreement or any other agreement, otherwise within thirty (30) days after written notice of such failure to comply (which shall describe the action that Franchisee must take) is delivered to Franchisee.

21.3 Remedies upon Default. In addition to and without limiting Franchisor's other rights and remedies under this Agreement, any other agreement and Applicable Laws, upon the occurrence of any of the events that give rise to Franchisor's right to terminate this Agreement under Section 21.2, Franchisor may, at its sole option and upon delivery of written notice to Franchisee, elect to take any or all of the following actions without terminating this Agreement:

(a) temporarily or permanently reduce the size of the Territory, in which event the restrictions on Franchisor and its Affiliates under Section 3 will not apply in the geographic area that was removed from the Territory;

(b) temporarily remove information concerning the Center from the Website and/or stop Franchisee's or the Center's participation in any other programs or benefits offered on or through the Website;

(c) reroute telephone calls and fleet account business to neighboring Take 5 Oil Change Centers;

(d) suspend Franchisee's right to participate in one or more programs or benefits that the Marketing Funds provides;

(e) refuse to provide any operational support that this Agreement requires or that Franchisor has elected to provide or suspend any other services that Franchisor or its Affiliates provide to Franchisee under this Agreement or any other agreement;

(f) require that the lease obtained by Franchisee for the Premises be collaterally assigned by Franchisee to Franchisor in the form prescribed by Franchisor; and/or

(g) enter the Premises and assume the management of the Center itself or appoint a third party (which may be an Affiliate) to manage the Center. Franchisee agrees that Franchisor need not post a bond or other security to exercise its rights under this Section 21.3(g). All funds from the operation of the Center while Franchisor or its appointee assumes its management will be kept in a separate account, and all of the expenses of the Center will be charged to that account. Franchisor or its appointee may charge Franchisee (in addition to the amounts due under this Agreement) a management fee equal to three percent (3%) of the Gross Sales of the Center during the period of management, plus any direct out-of-pocket costs and expenses, including the salaries and benefits of the personnel managing the Center. Franchisor or its appointee has a duty to utilize only reasonable efforts and will not be liable to Franchisee for any debts, losses or obligations the Center incurs, or to any of Franchisee's creditors for any products or services the Center purchases, while managing it. Franchisee shall not take any action or fail to take any action that would interfere with Franchisor or Franchisor's appointee's exclusive right to manage the Center. Franchisor (or its appointee's) management of the Center will continue for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one (1) year), and Franchisor will during each interval periodically evaluate whether Franchisee is capable of resuming the Center's operation and periodically discuss the Center's status with Franchisee.

Franchisor's exercise of its rights under this Section 21.3 will not be a defense for Franchisee to Franchisor's enforcement of any other provision of this Agreement or waive or release Franchisee from any of its other obligations under this Agreement. Franchisor's exercise of these rights will not constitute an actual or constructive termination of this Agreement nor be Franchisor's sole or exclusive remedy for Franchisee's default. Franchisee must continue to pay all fees and otherwise comply with all of its obligations under this Agreement (except as set forth in Section 21.3(g)) following Franchisor's exercise of any of these rights. If Franchisor exercises any of its rights under this Section 21.3, Franchisor may thereafter terminate this Agreement without providing Franchisee any additional corrective or cure period, unless the default giving rise to Franchisor's right to terminate this Agreement has been cured to Franchisor's reasonable satisfaction.

22. FRANCHISEE'S RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

22.1 Payment of Amounts owed to Franchisor. Franchisee agrees to pay within fifteen (15) days after the effective date of termination or expiration of the Franchise such Royalty Fees, Marketing Funds contributions, amounts owed for products and services purchased by Franchisee from Franchisor or its Affiliates, interest due to Franchisor or its Affiliates on any of the foregoing and all other amounts owed to Franchisor, its Affiliates, other franchisees of Franchisor or suppliers of the Center which are then unpaid.

22.2 Return of Manuals. Franchisee further agrees that upon termination or expiration of the Franchise, Franchisee will immediately return to Franchisor all copies of the Manuals or bulletins which have been loaned to Franchisee by Franchisor and cease use of the Manuals that have been provided to Franchisee electronically.

22.3 Discontinuance of Use of Marks/Cancellation of Assumed Names/Transfer of Phone Numbers. Franchisee agrees that upon termination or expiration of the Franchise, Franchisee will return to Franchisor all signs, catalogues, marketing materials, forms, invoices and other materials containing any Mark or otherwise relating to a Take 5 Oil Change Center and that Franchisee will take such action as may be required to cancel all assumed names or equivalent registrations relating to its use of any Mark. At the option of Franchisor, and at a time established by Franchisor during business hours following termination or expiration of the Franchise, Franchisee shall, at Franchisor's option, destroy all signs, catalogues, marketing materials, forms, invoices and other materials bearing any Mark in the presence of a representative of Franchisor. Franchisee further agrees that Franchisee will notify the telephone or other company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark or with the Center and to authorize transfer of same to or at the direction of Franchisor or its Franchisee. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone numbers and directory listings associated with any Mark or the Center, and Franchisee authorizes Franchisor, and hereby appoints Franchisor and any officer of Franchisor as Franchisee's attorney in fact, to direct the telephone company and all listing agencies to transfer same to Franchisor or its designee, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

22.4 Signs and Appearance of the Premises. Unless Franchisor shall exercise its option to purchase in accordance with Section 22.5 hereof or any rights to possession under any lease or sublease for the Premises, Franchisee agrees that, upon expiration or termination of this Agreement, Franchisee will immediately make such removals or changes in signs and colors of buildings and structures as Franchisor shall reasonably request so as to distinguish effectively said Premises from their former appearance and from any other Take 5 Oil Change Center.

22.5 Franchisor's Right to Purchase Center.

(a) Upon expiration or termination of this Agreement for any reason, Franchisor shall have the option, exercisable for thirty (30) days, to purchase from Franchisee at fair market value as determined by an independent appraiser selected by Franchisor all approved equipment, fixtures, and signs and all motor vehicle products and other products, supplies, and materials used in the operation of the Center and items imprinted with any Mark (the "Purchased Assets"). In the event that Franchisee shall own the Premises, Franchisor shall also have the option, exercisable for thirty (30) days, to purchase the Premises.

(b) The purchase price shall be the fair market value as determined by an independent appraiser selected by Franchisor. Franchisor will pay the purchase price at the closing, which shall take place within one hundred twenty (120) days of the effective date of termination or expiration, although Franchisor may decide after the purchase price is determined not to complete the purchases. Franchisor is entitled to all customary representations, warranties and indemnities in its asset and Premises purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Center or Franchisee's business prior to the closing of Franchisor's purchase. At the closing, Franchisee agrees to deliver instruments transferring to Franchisor: (i) good and merchantable title to the Purchased Assets and the Premises, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and transfer taxes

paid by Franchisee; and (ii) all of the Center's licenses and permits which may be assigned or transferred. If Franchisee cannot deliver clear title to all of the Purchased Assets or Premises purchased hereunder, or if there are other unresolved issues, the sales will be closed through an escrow. Franchisor shall have the right to off-set any monies payable to Franchisee under this Section 22.5 by the amount of any monies due and owing Franchisor or its Affiliates under this Agreement or any other agreement between the parties. Franchisee and its Owners agree that, for two (2) years beginning on the closing date, Franchisee and its Owners will be bound by the covenants contained in Section 22.7. Franchisee and its Owners further agree, subject to Applicable Law, to sign general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and Franchisor's and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

(c) If Franchisee owns the Premises, and Franchisor elects not to purchase the Premises, Franchisor or its designee will have the option to enter into a lease for a term of not less than five (5) years with an option by the lessee to extend the term of the lease for an additional term of five (5) years. The lease shall contain the terms and conditions contained in the form of lease then used by Franchisor or its Affiliates in connection with Take 5 Oil Change Centers owned and operated by Franchisor or its Affiliates. The rent under the lease for the initial five (5)-year term shall be the fair rental value of the Premises as determined by an independent appraiser selected by Franchisor. The rent shall be modified during the second five (5)-year option term by the percentage that the Index has increased or decreased from the commencement date of the initial term until the last day of the initial term of the lease. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index.

22.6 Liquidated Damages. Franchisee agrees that any termination of this Agreement (excluding any termination of this Agreement in connection with a sale of the Center approved by Franchisor pursuant to the terms of this Agreement) before the expiration of the Term will deprive Franchisor of the benefit of the bargain Franchisor is entitled to receive under this Agreement. As a result, if this Agreement is terminated after the Effective Date, Franchisee will pay Franchisor, as liquidated damages for the loss of the benefit of the bargain Franchisor is entitled to receive, and not as a penalty, a lump-sum payment equal to the Royalty Fees Franchisee owed Franchisor during the thirty-six (36) months before the termination date. If less than thirty-six (36) months have lapsed between the Effective Date and the termination date, the liquidated damages will be the average monthly Royalty Fees during the time between the Effective Date and the termination date, multiplied by thirty-six (36). Franchisee will pay all amounts stated in this Section within thirty (30) days after the termination of this Agreement. Franchisee agrees, and Franchisee directs any party construing this Agreement to conclusively presume, that the damages stated in this Section: (i) are true liquidated damages; (ii) are intended to compensate Franchisor for the harm Franchisor will suffer; (iii) are not a penalty; (iv) are a reasonable estimate of Franchisor's probable loss resulting from Franchisee's defaults, viewed as of the termination date; and (v) will be in addition to all other rights Franchisor has to obtain legal or equitable relief.

22.7 Covenant Not to Compete. For a period of three (3) years following the effective date of the expiration, termination, or authorized transfer to a new franchisee of this Agreement, or the date on which Franchisee ceases to conduct business pursuant to this Agreement and/or to hold any interest prohibited below, whichever is later, neither Franchisee nor any Owner shall have any interest as an owner (except of publicly held securities that are traded on a stock exchange or on the over the counter market), partner, director, officer, employee, consultant, representative or agent, licensee or franchisee or in any other capacity, in any Competing Business or any Related Business at the Premises, within a radius

of five (5) miles of the Premises or within five (5) miles of the premises of any other Take 5 Oil Change Center.

22.8 Non-Disclosure. Except as may be required by Applicable Laws, Franchisor agrees that neither Franchisee nor its Owners, agents or employees will make any statements or communications, directly or indirectly, about Franchisor or its Affiliates, officers, employees, franchisees, businesses, properties, financial condition, sales trends, management, ownership, past or current business practices or strategies to any person, including the media, including social media, or any financial analysts, whether verbally or in writing, including any communications or statements that would reasonably be expected to adversely affect Franchisor's or its Affiliates' business or the reputation of the System or goodwill of the Marks.

22.9 Continuing Obligations. All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of the Franchise shall continue in full force and effect subsequent to and notwithstanding the expiration or termination and until they are satisfied in full or by their nature expire.

22.10 Failure to Comply with Post-Term Obligations. In addition to any other remedies which Franchisor shall have hereunder and under Applicable Laws, Franchisor shall have the right to charge Franchisee for all costs and expenses which Franchisor incurs as a result of Franchisee's failure to comply with any provision of this Section 22. All such charges shall be payable upon demand by Franchisor.

23. ENFORCEMENT.

23.1 Severability and Substitution of Valid Provisions. Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such 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, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, 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 thereto, or upon Franchisee's receipt of a notice of non-enforcement thereof from Franchisor. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement or refusal to acquire a Successor Franchise than is required hereunder or the taking of some other action not required hereunder, 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 such law or rule shall be substituted for the notice or other requirements hereof, and Franchisor shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such 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.

23.2 Waiver of Obligations. Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires Franchisor's prior approval or consent, Franchisee shall make a timely written request therefor, and such approval shall be obtained in writing. Franchisor makes no warranties

or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by granting any waiver, approval or consent to Franchisee, or by reason of any neglect, delay or denial of any request therefor. Any waiver granted by Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor, and may be revoked, in Franchisor's sole discretion, at any time and for any reason, effective upon receipt by Franchisee of ten (10) days' prior written notice. Franchisor shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including its right to demand exact compliance with every term, condition and covenant herein, to declare any breach thereof to be a default, and, upon expiration of the applicable cure period (if any), to terminate this Agreement), by virtue of any custom or practice of the parties at variance with the terms hereof; any failure by Franchisor or Franchisee to demand strict compliance with this Agreement; any waiver, forbearance, delay, failure or omission by Franchisor to exercise any right, power or option, whether of the same, similar or different nature, against other Take 5 Oil Change Centers or the acceptance by Franchisor of any payments due from Franchisee after any breach of this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder, including any mandatory specification, Standard or operating procedure, shall constitute a waiver of any provision of this Agreement.

23.3 Franchisee May Not Withhold Payments Due Franchisor. Franchisee agrees that it will not, on grounds of the alleged nonperformance by Franchisor of any of its obligations hereunder, withhold payment of any Royalty Fees, Marketing Funds contributions, amounts due to Franchisor or its Affiliates for products or services purchased by Franchisee or any other amounts due to Franchisor or its Affiliates. If there is a dispute regarding the amount of any Royalty Fee/Marketing Funds invoice, Franchisee must pay first the disputed invoice amount in full and submit in writing to Franchisor the reason and nature of dispute. Franchisor will in good faith investigate the dispute and within sixty (60) days submit back to Franchisee its findings and adjust as Franchisor deems necessary.

23.4 Specific Performance/Rights of Parties are Cumulative. The parties shall be entitled to specific performance of the provisions of this Agreement. Nothing herein contained shall bar Franchisor's or Franchisee's right to obtain injunctive relief against threatened conduct that will cause it loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. The rights of Franchisor and Franchisee hereunder are cumulative, and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by Applicable Law to enforce. If a claim for amounts owed by Franchisee to Franchisor or its Affiliates is asserted in any legal proceeding before a court of competent jurisdiction, or if Franchisor commences any legal proceeding against Franchisee for any other breach of this Agreement, Franchisor shall be entitled to its costs, including accounting and attorneys' fees, provided Franchisor is the prevailing party in such legal proceeding.

23.5 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. 1051 et seq.), this Agreement and the Franchise shall be governed by the laws of North Carolina without regard to its conflicts of law principles.

23.6 Jurisdiction and Venue. Any action arising out of or relating to this Agreement shall be commenced, litigated and concluded only in a state or federal court of general jurisdiction in the city or county in which Franchisor's principal office is then located. The parties irrevocably submit to the jurisdiction of such courts and waive any objection either party may have to either the jurisdiction or venue of such courts. The parties further irrevocably agree not to argue that such court is an inconvenient forum or to request transfer of any such action to any other court. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary

injunctive relief, in any federal or state court in the state in which Franchisee or any of its Owners resides or the Center is located.

23.7 Limitations of Claims. Except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owes Franchisor or its Affiliates, any and all claims arising out of or relating to this Agreement or Franchisor's relationship with Franchisee will be barred unless a judicial proceeding is commenced in the proper forum within eighteen months (18) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

23.8 Waiver of Punitive Damages and Jury Trial. EXCEPT FOR CLAIMS SUBJECT TO INDEMNIFICATION AS PROVIDED IN SECTION 25 OF THIS AGREEMENT OR ARISING OUT OF FRANCHISEE'S FAILURE TO COMPLY WITH THE PROVISIONS OF THIS AGREEMENT REGARDING USE OF THE MARKS, THE PARTIES TO THIS AGREEMENT HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY, UPON PROOF, OF ACTUAL DAMAGES. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

23.9 The 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 Franchisee 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 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 Franchisee's actions or requests, Franchisor has the absolute right to refuse any request that Franchisee makes or to withhold its approval of any of Franchisee's proposed, initiated or completed actions that require Franchisor's approval.

23.10 Binding Effect. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to Franchisor's rights to modify the Manuals, Standards and System, this Agreement may not be amended or modified except by a written agreement signed by both Franchisor and Franchisee.

23.11 Construction. This Agreement constitutes the entire agreement of the parties with respect to the subject matter of this Agreement, and, with the exception, if applicable, of a lease or sublease of the Premises or other written agreement between the parties, there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative. 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 "Franchisee" as used herein is

applicable to one or more persons, an Entity, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. Any policies that Franchisor adopts and implements from time to time to guide Franchisor in its decision-making are subject to change, are not a part of this Agreement and are not binding on Franchisor. This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence of this Agreement.

24. RELATIONSHIP OF THE PARTIES.

Franchisee is an independent contractor. Nothing in this Agreement, or arising from the conduct of the parties hereunder, is intended to or does in fact or law make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. Neither this Agreement, the nature of the relationship of the parties nor the dealings of the parties pursuant to this Agreement creates a fiduciary relationship between the parties. Further, Franchisor and Franchisee are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Franchisee's acts or omissions under any circumstances. Although Franchisor retains the right to establish and modify the System that Franchisee must follow, Franchisee retains the responsibility for the day-to-day management and operation of the Center and implementing and maintaining Standards at the Center. To the extent that the Manuals or Franchisor's guidelines or standards contain employee-related policies or procedures that might apply to Franchisee's employees, those policies and procedures are provided for informational purposes only and do not represent mandatory policies and procedures to be implemented by Franchisee. Franchisee must determine to what extent, if any, these policies and procedures may be applicable to the operations at the Center. Franchisor and Franchisee recognize that Franchisor neither dictates nor controls labor or employment matters for franchisees and that Franchisee, and not Franchisor, is solely responsible for dictating the terms and conditions of employment for Franchisee's employees, including training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. Franchisor has no relationship with Franchisee's employees, and Franchisee has no relationship with Franchisor's employees.

Franchisee agrees to conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of the Center and agrees to place such other notices of independent ownership at the Center and on forms, business cards, stationery, marketing and other materials as Franchisor may require from time to time.

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

25. 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 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 Center, 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).

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 25 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 25, 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 its Owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim. Franchisee and its 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 Take 5 Oil Change Centers generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of Franchisee and its 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 25 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

26. 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.

27. NOTICES – EXECUTION.

All written notices, reports and payments permitted or required under this Agreement will be deemed delivered at the time of delivery by express courier or messenger service, one (1) business day after sending by e-mail transmission and three (3) business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been advised, or to any other place designated by either party. Any required notice, payment or report that Franchisor does not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent. Franchisee agrees to provide Franchisor with its e-mail address and any changes thereto. Franchisee agrees and acknowledges that Franchisor may determine the method of document delivery and execution, including use of electronic signature programs.

28. REPRESENTATIONS AND WARRANTIES.

To induce Franchisor to sign this Agreement and grant Franchisee the rights under this Agreement, Franchisee (on behalf of itself and its Owners) represents, warrants and acknowledges to Franchisor that:

(a) none of Franchisee's (or its Owners') property or interests is subject to being blocked under, and Franchisee and its Owners otherwise are not in violation of, Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, or any other federal, state, or local law, ordinance, regulation, policy, list or other requirement of any governmental authority addressing or in any way relating to terrorist acts or acts of war;

(b) obtaining and retaining customers for the Center will require Franchisee (among other things) to make consistent marketing and promotional efforts, and to maintain a high level of customer service and strict adherence to the System and the Standards, and that Franchisee is committed to doing so;

(c) any information Franchisee has acquired from other Take 5 Oil Change Center franchisees regarding their sales, profits or cash flows is not information obtained from Franchisor, and Franchisor makes no representation about that information's accuracy; and

(d) in all of their dealings with Franchisee, its Affiliates and their respective officers, employees and agents act only in a representative, and not in an individual, capacity and that business dealings between Franchisee and them as a result of this Agreement are only between Franchisee and Franchisor.

29. ACKNOWLEDGMENTS.

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 independently investigated the Take 5 Oil Change Center franchise opportunity and recognizes that, like any other business, the nature of a Take 5 Oil Change Center business may, and probably will, evolve and change over time;

(b) an investment in a Take 5 Oil Change Center involves business risks, and Franchisee's business abilities and efforts are vital to Franchisee's success;

(c) except as set forth in Franchisor's Franchise Disclosure Document, Franchisee has not received or relied upon, and Franchisor expressly disclaims making, any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of the Center or any other Take 5 Oil Change Center;

(d) Franchisee has no knowledge of any representations made about the Take 5 Oil Change Center franchise opportunity by Franchisor or its Affiliates or any of their officers, directors, owners or agents that are contrary to the statements made in Franchisor's Franchise Disclosure Document or to the terms and conditions of this Agreement;

(e) all statements Franchisee has made and all materials Franchisee has given Franchisor in acquiring the rights under this Agreement are accurate and complete and that Franchisee has made no misrepresentations or material omissions in obtaining the rights under this Agreement;

(f) Franchisee has read this Agreement and Franchisor's Franchise Disclosure Document and understands and accepts that the terms and covenants in this Agreement are reasonable and necessary for Franchisor to maintain its high standards of quality and service, as well as the uniformity of those standards at Take 5 Oil Change Centers, and to protect and preserve the goodwill of the Marks; and

(g) Franchisee has been given the opportunity to clarify any provisions that Franchisee did not understand and to consult with an attorney or other professional advisor.

30. <u>NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES</u>.

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]

Franchisor and Franchisee have executed this Agreement as of the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**[_____]**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT A

BASIC TERMS

The Premises is _____.

If Franchisee does not have an approved Premises as of the Effective Date, the market area for the Premises shall be _____.

The Center's Territory is defined as _____

_____. (Franchisor may, in accordance with Section 6, modify the Territory in the event of the Center's relocation.)

FRANCHISOR:	**FRANCHISEE:**
TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**[_____]**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT B

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 Franchise Agreement (the "Agreement") on the Effective Date by **TAKE 5 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 _____ ("Franchisee") 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 Franchisee or its affiliates; that he, she or it will benefit significantly from Franchisor's entering into the Agreement with Franchisee; 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 Franchisee 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 Five Hundred Thousand Dollars ($500,000). Franchisor may, however, periodically increase the Guarantor Net Worth Threshold by providing Franchisee 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 Franchisee (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 Franchisee and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee 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 Franchisee 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 Franchisee or any of its Owners or guarantors, and for so long as Franchisor have any cause of action against Franchisee 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 Franchisee, 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 any Guarantor may have against Franchisee 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 Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; (ii) all rights to require Franchisor to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, 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 Franchisee; (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 Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Franchisor. Without affecting the obligations of Guarantors under this Guaranty, Franchisor may, without notice to Guarantors, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee 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 Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of

Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of Guarantor's obligations hereunder, except that Guarantor does not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

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 Guarantors 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 Franchisee 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

_____
Signature

_____
Print Name

_____
Signature

_____
Print Name

EXHIBIT C

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 Share/Units:_____
Name:_____ Address:_____	% of Total Share/Units:_____
Name:_____ Address:_____	% of Total Share/Units:_____
Name:_____ Address:_____	% of Total Share/Units:_____

5. Franchisee's officers and principal executives are as follows:

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

TAKE 5 FRANCHISOR SPV LLC

AREA DEVELOPMENT AGREEMENT

[**Developer**]

_____ _____, 20_____
Effective Date

TAKE 5 FRANCHISOR SPV LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into on _____, 20__ (the "Effective Date"), by and between **TAKE 5 FRANCHISOR SPV LLC**, a Delaware limited liability company with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor" or "Take 5"), and **[Developer]**, a [state] [limited liability company/corporation/partnership] with its principal address at [_____] ("Developer"). Each of Franchisor and Developer may be referred to herein as a "Party" and, collectively, as the "Parties."

1. BACKGROUND.

Franchisor and its Affiliates have developed and own certain unique and specialized training, management and marketing techniques and other procedures and methods used in connection with the development, operation and promotion of Take 5 Oil Change Centers.

Franchisor grants to qualified persons franchises to own and operate within a designated geographic area multiple Take 5 Oil Change Centers offering the products and services authorized and approved by Franchisor and utilizing its business systems, formats, methods, specifications, standards, operating procedures, and operating assistance. Developer has applied for development rights to own and operate Take 5 Oil Change Centers 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.

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 Take 5 Oil Change Centers.

2. DEFINITIONS.

In addition to the terms that are defined in other parts of this Agreement, the following terms have the indicated meanings:

Affiliates means Franchisor's parents, subsidiaries, and affiliates and the respective directors, officers, owners, shareholders, partners, members, representatives, employees, agents, attorneys, contractors, predecessors, successors, heirs and assigns of each of the forgoing (in their corporate and individual capacities).

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 5(e).

Competing Business means any other automotive business offering products or services similar to those offered at a Take 5 Oil Change Center, provided that, for purposes of this Agreement, the following will not be deemed a Competing Business: (i) any other Take 5 Oil Change Center operated under a franchise agreement heretofore or hereafter entered into between Developer (or an affiliated Entity (including an Approved Affiliate)) and Franchisor, or (ii) any other automotive business franchised by Driven Brands Holdings Inc. or its subsidiaries.

Confidential Information means any information related to the System that Franchisor discloses to Developer and that Franchisor designates as confidential, or that, by its nature, would reasonably be

expected to be held in confidence or kept secret. Without limiting the definition of "Confidential Information," all the following will be conclusively presumed to be Confidential Information whether or not Franchisor designates them as such: (i) the Standards and Manuals; (ii) pricing information and models; (iii) materials describing the franchise network and System; (iv) plans, layouts, designs and specifications for a prototypical Take 5 Oil Change Center; (v) the sources (or prospective sources) of supply and all information related to or concerning the same, including the identity of and pricing structures with suppliers; (vi) the training materials; (vii) Franchisor's marketing plans and development strategies; (viii) all data and other information generated by, or used or developed in, operating the Centers, including Customer Data, and any other information contained from time to time in the Centers' computer systems or that visitors (including Developer) provide to the website Franchisor develops for the System; and (ix) all other information Franchisor gives to Developer in confidence. "Confidential Information" does not include information, knowledge or know-how that is or becomes generally known in the automotive maintenance industry (without violating an obligation to Franchisor or its Affiliates) or that Developer knew from previous business experience before Franchisor provided it to Developer (directly or indirectly) or before Developer began training or operating Take 5 Oil Change Centers. If Franchisor designates any information or materials as Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

Customer Data means the names, contact information, financial information, customer vehicle information and service history, and other personal information of or relating to the Centers' customers and prospective customers.

Development Area shall have the meaning assigned to it in Section 3.1.

Development Fee shall have the meaning assigned to it in Section 8.1.

Development Rights shall have the meaning assigned to it in Section 3.1.

Development Schedule shall have the meaning assigned to it in Section 3.1.

Entity means, collectively, a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity.

Event shall have the meaning assigned to it in Section 20.

Franchise Agreement shall have the meaning assigned to it in Section 6.

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 Center.

Franchisor Indemnitees shall have the meaning assigned to it in Section 20.

Guaranty shall have the meaning assigned to it in Section 3.2.

Initial Franchise Fee shall have the meaning assigned to it in Section 8.2.

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.

Manuals means the library of standard operating manuals, which may include written or intangible materials and which may be made available to Developer by various means, including digitally, and which Franchisor may add to, delete from, or modify from time to time.

Marks means the trademarks and trade names together with the related logo(s), including designs, stylized letters, and colors, that Franchisor permits Developer to use at the Take 5 Oil Change Centers and in advertising for the Take 5 Oil Change Centers, including the trade and service mark "Take 5 Oil Change®," and any other additional or substituted trademarks, trade names, trade dress, service marks or logos that Franchisor later adopts and authorizes Developer in writing to use.

Opening Deadline means the applicable date set forth in the Development Schedule by which Developer (or its Approved Affiliate) must open a particular Center.

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.

Related Business means any business that is the same as or similar to any then-existing business that is owned and operated, or franchised or licensed, by Franchisor or any of its Affiliates, including any car wash 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 Center in accordance with Section 5(b).

Standards means the guidelines, standards, specifications, rules, requirements, and directives Franchisor establishes from time to time for the operation of a Take 5 Oil Change Center, including interior and exterior design and décor and equipment.

System means, collectively, Franchisor's methods of operating a Take 5 Oil Change Center, including the Standards and the Manuals; Franchisor's marketing programs and materials; Franchisor's operations and administrative systems; Franchisor's training programs; and the Marks.

Take 5 Oil Change Centers or Centers means motor vehicle centers offering quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products operating under the Marks, the System and the Standards.

Term shall have the meaning assigned to it in Section 3.

Third-Party Claim shall have the meaning assigned to it in Section 20.

3. GRANT OF DEVELOPMENT RIGHTS.

3.1 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 Take 5 Oil Change Centers 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: (a) the final Opening Deadline in the Development Schedule; or (b) the date on which the last Center required to be developed hereunder opens for business (the "Term"). Developer (or an Approved Affiliate) shall develop, open and maintain in operation Centers 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 Centers 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 Centers 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 Take 5 Oil Change Centers in the Development Area.

3.2 Business Entity Developer. If Developer is, at any time, an Entity:

(a) Upon Franchisor's request, Developer agrees to provide Franchisor with copies of Developer's governing documents and any other Entity documents, books, or records, including certificates of good standing from the state of Developer's formation. During the Term, Developer's governing documents must provide that no Ownership Interest in Developer may be transferred or issued, except in accordance with Section 14. In addition, all certificates and other documents representing Ownership Interests in Developer will bear a conspicuous printed legend to that effect.

(b) Developer agrees and represents that Exhibit 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 14, Developer and its 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.

(c) Upon Developer's execution of this Agreement (or, if Developer is not then an Entity, at any such time that Developer becomes an Entity (including in the event that this Agreement is assigned to an Entity in accordance with Sections 14 and/or 15 (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 14 and/or 15 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.

4. TERRITORIAL PROTECTION.

During the Term, neither Franchisor nor its Affiliates will grant a franchise for the operation of a Take 5 Oil Change Center to anyone else in the Development Area, except for any franchised Take 5 Oil Change Center 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 in any geographic area, regardless of the proximity to or effect on the Centers developed hereunder or otherwise operated by Developer and/or its affiliated Entities (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 Take 5 Oil Change Centers using marks other than the Marks, without providing any rights or compensation to Developer. Developer acknowledges and agrees that Franchisor and its Affiliates may, and may authorize others to, engage in many business activities, and these business activities may compete with Centers.

5. GRANT OF FRANCHISES.

Franchisor will grant Developer a franchise for the operation of a Take 5 Oil Change Center 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 Take 5 Oil Change Center within the Development Area is a suitable site for a Take 5 Oil Change Center 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 affiliated Entities (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 Take 5 has not issued a notice of default that has remained uncured);

(d) Developer has 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 Take 5 Oil Change Center 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 Take 5 Oil Change Center 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 Take 5 Oil Change Center 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.

6. 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 Centers within the Development Area by the dates set forth in the Development Schedule. Developer (or an Approved Affiliate) will operate each Center developed hereunder under a separate franchise agreement (and related documents) with Franchisor. With respect to each Center developed pursuant to this Agreement, no later than ten (10) days after the execution of the applicable purchase agreement, lease or sublease in accordance with Section 5(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 8.2). After Developer (or an Approved Affiliate) signs the Franchise Agreement, its terms and conditions will control the development and operation of the Center, although the opening date is controlled by the Development Schedule.

7. MANAGEMENT AND SUPERVISION OF CENTERS.

Prior to the opening date of the first Center 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 Centers within the Development Area. Developer agrees to comply with all mandatory Standards issued by Franchisor relating to minimum staffing levels for the Take 5 Oil Change Centers, including the presence of district managers (as specified in the Manuals), 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. DEVELOPMENT FEE AND INITIAL FRANCHISE FEES.

8.1 Development Fee. In exchange for the Development Rights, Developer agrees to pay Franchisor, within two (2) business days of the Effective Date, a development fee equal to fifty percent (50%) of the Initial Franchise Fee for each Center required to be developed hereunder (the "Development Fee"). The amount of the Development Fee is set forth in Exhibit B. The Development Fee is fully earned by Franchisor when paid, is not refundable, and, except as provided in Section 8.2, is not credited against any other fees to be paid to Franchisor.

8.2 Initial Franchise Fee. The initial franchise fee for each Center required to be developed hereunder (the "Initial Franchise Fee") is Forty-Five Thousand Dollars ($45,000). Upon the opening of each Center, Developer shall pay Franchisor the Initial Franchise Fee, less the portion of the Development Fee applicable to the Center (or Twenty-Two Thousand Five Hundred Dollars ($22,500)).

8.3 Other Fees as Set Forth in Franchise Agreement. Following the opening of each Center, Developer (or its Approved Affiliate) shall pay ongoing royalty fees and marketing fund contributions in accordance with the terms of each Franchise Agreement.

9. TERMINATION.

9.1 Mutual Termination. This Agreement and all rights and obligations of the Parties may be terminated at any time by the mutual agreement of the Parties.

9.2 By Franchisor. Franchisor may terminate this Agreement, effective upon delivery of written notice to Developer, if:

(a) With respect to any Center to be developed or developed hereunder, Developer (or, if applicable, an Approved Affiliate) fails to execute a purchase agreement, lease or sublease for the Center premises in accordance with Section 5(b) by the applicable Secure Deadline and/or fails to develop and open the Center by the applicable Opening Deadline;

(b) At any time during the Term, Developer and, if applicable, its Approved Affiliates fail to have open and operating at least the cumulative number of new Centers in the Development Area then required by the Development Schedule;

(c) Any franchise agreement between Developer (or, if applicable, an affiliated Entity (including an Approved Affiliate)) and Franchisor, whether executed prior or pursuant to this Agreement, is terminated by Franchisor in accordance with its terms;

(d) Developer becomes insolvent by reason of Developer's inability to pay its debts as they become due or makes an assignment for the benefit of creditors or an admission of Developer's inability to pay Developer's obligations as they become due;

(e) Developer files a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or admits or fails to contest the material allegations of any such pleading filed against Developer, or is adjudicated a bankrupt or insolvent or a receiver or other custodian is appointed for a substantial part of the assets of Developer or any Center, or a final judgment remains unsatisfied or of record for ninety (90) days or longer (unless a supersedeas bond is filed), or if execution is levied against any substantial part of the assets of Developer or a suit to foreclose any lien or mortgage is instituted against Developer and not dismissed within ninety (90) days, or if the real or personal property of Developer is sold after levy of judgment thereupon by any sheriff, marshal or constable, or the claims of creditors of Developer abated or subject to a moratorium under any law;

(f) Developer abandons, surrenders, transfers control or fails to actively operate Developer's business contemplated hereunder;

(g) Developer or any Owner is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation and the goodwill associated with the System and Marks;

(h) 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;

(i) Developer or any Owner makes an unauthorized assignment of this Agreement or an Ownership Interest in Developer;

(j) Developer or any Owner violates any of the covenants contained in Section 11 or 12 of this Agreement; or

(k) 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.

9.3 Effect of Termination. For the avoidance of doubt, in the event that this Agreement is terminated for any reason in accordance with the terms of this Agreement: (a) Developer's rights under this Agreement (including Developer's exclusive rights in the Development Area) shall terminate, and Developer shall have no further right to develop or open any new Centers in the Development Area, except that Developer will be entitled to complete and open a Center for which a Franchise Agreement has been fully executed and delivered to Developer prior to such termination; and (b) Franchisor and its Affiliates shall have the right to franchise others to establish and operate Take 5 Oil Change Centers in the Development Area. Developer shall have the right to continue to operate all Centers that were in operation or under development prior to termination of this Agreement, in accordance with, and subject to, the terms of the fully executed Franchise Agreements for such Centers. 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.

10. ALTERNATIVE REMEDIES.

Without waiving its option to terminate this Agreement under Section 9, 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 Centers that are set forth under the Development Schedule;

(b) Withhold evaluation or approval of site proposal packages for new Centers;

(c) Extend the Development Schedule;

(d) Without removing Developer's obligation to maintain the Development Schedule, terminate any exclusivity rights to the Development Area that Developer has under this Agreement; and/or

(e) Accelerate the payment of the balance (as applicable) of the Initial Franchise Fees.

On termination or expiration of the Development Rights, Developer will immediately cease to develop new Centers in the Development Area, and Franchisor will be entitled to franchise others to establish and operate Take 5 Oil Change Centers in the Development Area. Termination of this Agreement will not, by itself, terminate Developer's rights and obligations to operate Centers that are in

operation or under development under effective Franchise Agreements at the time of termination.

11. 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 Centers during the Term and according to the 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 maintenance 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 Center personnel and others needing to know such Confidential Information to operate the Center, 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.

12. RESTRICTIVE COVENANTS.

12.1 Developer's In-Term Covenants. Developer will not engage in any business or other activity that will conflict with Developer's obligations hereunder. Furthermore, neither Developer nor any Owner shall, during the Term, have any interest as an owner (except of publicly traded securities that are traded on a stock exchange or on the over the counter market), director, officer, employee, consultant, representative or agent, licensee or franchisee, or in any other capacity, in: (a) any Competing Business; or (b) any Related Business. The foregoing restrictions shall not be construed to prohibit the ownership by Developer of less than two percent (2%) of any class of securities of any company that is a Competing Business or a Related Business or has a class of securities registered pursuant to the Securities Exchange Act of 1934, as amended, provided that such ownership represents a passive investment and that neither Developer, nor any group of persons (including employees, partners or management of Developer), in any way, either directly or indirectly, manages or exercises control of any such company, guarantees any of its financial obligations, consults with, advises, or otherwise takes any part in its business, other than exercising Developer's rights as a shareholder, or seeks to do any of the foregoing.

12.2 Developer's Post-Term Covenants. For a period of three (3) years following the effective date of the expiration, termination, or authorized transfer to a new developer of this Agreement, or the date on which Developer ceases to conduct business pursuant to this Agreement and/or to hold any interest prohibited below, whichever is later, neither Developer nor any Owner shall have any interest as an owner (except of publicly held securities that are traded on a stock exchange or on the over the counter market), partner, director, officer, employee, consultant, representative or agent, licensee or franchisee, or in any other capacity, in any Competing Business or any Related Business that is (or is intended to be) located: (a) in the Development Area; (b) within five (5) miles of the border of the Development Area; or (c) within a five (5)-mile radius of the premises of any Take 5 Oil Change Center that is operating or under development at the time of such expiration, termination, or transfer.

13. 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.

14. 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 Centers owned and operated by Developer and, if applicable, its affiliated Entities (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. Notwithstanding the foregoing, Owners as of the Effective Date may transfer all or part of their Ownership Interests in Developer among themselves without obtaining Franchisor's prior written consent, provided that Developer provides Franchisor, within thirty (30) days after such transfer, written notice of the transfer and updated ownership information. Developer acknowledges and agrees that no such transfer among Owners will release any Owner from his/her obligations under the Guaranty executed pursuant to Section 3.2.

15. 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 Centers; (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 3.2. Without limiting Developer's obligations under Section 3.2(b), 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 respective Ownership Interests in Developer.

16. PUBLIC OFFERING.

Securities in Developer may not be sold by public offering without Franchisor's prior written consent. If Franchisor consents to a public offering of Developer's securities, the following terms and conditions will apply. All materials required by federal or state law for any sale of Developer's securities pursuant to such registration statement must be submitted to Franchisor for review prior to their being

filed with any government agency. No such materials shall imply (by use of the Marks or otherwise) that Franchisor is participating as an underwriter, issuer, or offeror of Developer's securities. Any review by Franchisor of the offering materials or the information included therein will be conducted solely for Franchisor's benefit and not to benefit or protect any other person. No investor should interpret such review by Franchisor as an approval, endorsement, acceptance, or adoption of any representation, warranty, covenant, or projection contained in the materials reviewed; and the offering documents shall include legends and statements as Franchisor may specify, including legends and statements which disclaim Franchisor's liability for, or involvement in, the transaction described in the offering documents. Developer and the other participants in the offering must agree in writing to fully indemnify Franchisor in connection with the offering in the form Franchisor prescribes. Developer agrees to give Franchisor written notice at least sixty (60) days prior to the date of commencement of any offer covered by this Section. In no event shall Developer permit or allow any of Developer's securities to be owned, directly or indirectly, by any competitor of Franchisor or its Affiliates. Franchisor may charge Developer a fee for reviewing the materials required to be submitted to Franchisor by this Section.

17. 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.

18. CONSTRUCTION.

This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and, with the exception of, if applicable, a lease or sublease of the premises of a Center between the Parties, 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 Franchisor made in the Franchise Disclosure Document that Franchisor furnished 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 Entities, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. This Agreement may be executed in multiple copies, each of which shall be deemed an original. **TIME IS OF THE ESSENCE OF THIS AGREEMENT.**

19. 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 any Manuals 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.

20. 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 Center, 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 Take 5 Oil Change Centers generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of 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.

21. NOTICES.

All written notices, reports and payments permitted or required under this Agreement will be deemed delivered at the time of delivery by express courier or messenger service, one (1) business day after sending by or e-mail transmission and three (3) business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the Party to be notified at: (a) if to Franchisor, Take 5 Franchisor SPV LLC, 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 (email address: _____); and (b) if to Developer, Developer at the address specified in Exhibit D. Either Party may change its notice address by giving the other Party written notice of the change. Any required notice, payment or report that Franchisor does not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent.

22. GOVERNING LAW.

The terms and provisions of this Agreement shall be interpreted in accordance with and governed by the laws of the State of North Carolina without regard to its conflicts of law principles.

23. JURISDICTION AND VENUE.

Any action arising out of or relating to this Agreement shall be commenced, litigated and concluded only in a state or federal court of general jurisdiction in the city or county in which Franchisor's principal office is then located. The Parties irrevocably submit to the jurisdiction of such courts and waive any objection either Party may have to either the jurisdiction or venue of such courts. The Parties further irrevocably agree not to argue that such court is an inconvenient forum or to request transfer of any such action to any other court.

24. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR CLAIMS SUBJECT TO INDEMNIFICATION AS PROVIDED IN SECTION 20 OF THIS AGREEMENT OR ARISING OUT OF DEVELOPER'S FAILURE TO COMPLY WITH THE PROVISIONS OF THIS AGREEMENT REGARDING USE OF THE MARKS, THE PARTIES TO THIS AGREEMENT HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE

OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY, UPON PROOF, OF ACTUAL DAMAGES. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

25. 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.

26. WAIVER OF OBLIGATIONS.

Franchisor and Developer may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires Franchisor's prior approval or consent, Developer shall make a timely written request therefor, and such approval shall be obtained in writing. Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer, by granting any waiver, approval or consent to Developer, or by reason of any neglect, delay or denial of any request therefor. Any waiver granted by Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor, and may be revoked, in Franchisor's sole discretion, at any time and for any reason, effective upon receipt by Developer of ten (10) days' prior written notice. Franchisor shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including its right to demand exact compliance with every term, condition and covenant herein, to declare any breach thereof to be a default, and, upon the expiration of the applicable cure period (if any), to terminate this Agreement), by virtue of any custom or practice of the Parties at variance with the terms hereof; any failure by Franchisor or Developer to demand strict compliance with this Agreement; any waiver, forbearance, delay, failure or omission by Franchisor to exercise any right, power or option, whether of the same, similar or different nature, with respect to all Centers or the acceptance by Franchisor of any payments due from Developer after any breach of this Agreement. No acceptance by Franchisor of any payment by Developer and no failure, refusal or neglect of Franchisor or Developer to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder, including any mandatory specification, standard or operating procedure, shall constitute a waiver of any provision of this Agreement.

27. 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 (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 Developer 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.

28. 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.

29. 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 (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]

Franchisor and Developer have executed this Agreement as of the Effective Date.

FRANCHISOR:	**DEVELOPER:**
TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**[_____]**
By:_____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT A

DEVELOPMENT AREA

The Development Area will be _____
_____
_____
_____
(as depicted on the attached map), provided that the location of any Take 5 Oil Change Center 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 Take 5 Oil Change Center, any protected area then granted by Franchisor under the applicable Take 5 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 Development Area Map Image]

EXHIBIT B

DEVELOPMENT INFORMATION

1. Development Fee: _____($_____).

2. Development Schedule. During the Term, Developer will develop _____ new Centers in the Development Area in accordance with the Development Schedule below:

Secure Deadline	Franchise Agreement Execution Deadline	Opening Deadline	Cumulative Number of New Centers Required to Be Open and Operating in the Development Area No Later than the Opening Deadline (in Previous Column)
			1
			2

(a) With respect to each Center to be developed under this Agreement, Developer (or an Approved Affiliate) must execute a purchase agreement, lease, or sublease for the Center premises in accordance with Section 5(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 Center by no later than the applicable Opening Deadline.

(b) At all times during the Term, Developer must have open and operating at least the cumulative number of new Centers in the Development Area then required by the Development Schedule.

EXHIBIT C

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (this "Guaranty") is given by the undersigned ("Guarantors") effective as of the Effective Date.

In consideration of, and as an inducement to, the execution of the Area Development Agreement (the "Agreement") on the Effective Date by **TAKE 5 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

_____
Signature

_____
Print Name

_____
Signature

_____
Print Name

EXHIBIT D

DEVELOPER NOTICE AND OWNERSHIP INFORMATION
(as applicable)

1. Developer's Notice Information (street address and email address): _____

_____

_____

2. Developer's Entity Type (e.g., corporation, limited liability company, general or limited partnership): _____

3. Developer's State/Commonwealth of Formation/Organization/Incorporation: _____

_____

4. Developer's Date of Formation/Organization/Incorporation: _____

5. Developer's ownership structure is as follows:

Owner	Ownership Interest in Developer
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____
Name:_____ Address:_____	% of Total Shares/Units:_____

6. Developer's officers and principal executives are as follows:

Name: _____	Title: _____
Name: _____	Title: _____
Name: _____	Title: _____

EXHIBIT D

MANUALS TABLE OF CONTENTS

Take 5 Playbook

Subject	Pages	Modules
01. Introduction to Take 5 Oil Change	4-9	1-3
02. Health and Safety	10-31	4-17
03. The Crew	32-65	18-24
04. The Shop	66-106	25-31
05. The Process	107-177	32-44
06. Systems & Vendors	178-189	45
07. Financials	190-216	46-53

Total number of pages: 216

Total number of modules: 53

EXHIBIT E

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 F

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 **TAKE 5 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 G

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 30, 2023*

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31056	MJW SERVICES, LLC	1426 US 280	Phenix City	AL	36867	(334) 408-2083
31601	1601 TRUSSVILLE T5 LLC	3635 Mary Taylor Road	Birmingham	AL	35235	(205) 508-3499
31449	T5 BULLHEAD CITY AZ 023, LLC	2250 AZ-95	Bull Head City	AZ	86442	(928) 615-5009
31443	T5 KINGMAN AZ 012, LLC	3705 N. Stockton Hill Road	Kingman	AZ	86409	(928) 377-1860
31445	T5 HAVASU AZ 021, LLC	1724 Acoma Boulevard W.	Lake Havasu City	AZ	86403	(928) 438-0000
31444	T5 YUMA AZ 018, LLC	3010 S. 4th Ave.	Yuma	AZ	85364	(928) 977-1700
31446	T5 TUCSON BROADWAY AZ 015, LLC	7960 E. Broadway Boulevard	Tucson	AZ	85710	(520) 636-7047
31147	T5 IRVINGTON AZ 014, LLC	850 W Irvington Road	Tucson	AZ	85714	(520) 412-7107
31454	T5 CASA GRANDE AZ 020, LLC	1503 E Florence Boulevard	Casa Grande	AZ	85122	(520) 457-5015
31533	RICHMOND AUTOMOTIVE, LLC	4325 Macdonald Avenue	Richmond	CA	94805	(510) 374-6424
31534	SUISUN AUTOMOTIVE, LLC	313 Walters Road	Suisun City	CA	94585	(707) 225-8015
31536	EG AUTOMOTIVE, LLC	8310 Sheldon Road	Elk Grove	CA	95624	(916) 222-5015
31246	T5 ARVADA 1246, LLC	6795 Wadsworth Blvd.	Arvada	CO	80003	(303) 717-1846
31247	T5 LOVELAND 1247, LLC	1003 E. Eisenhower Boulevard	Loveland	CO	80537	(970) 308-8470
31279	COT5 #1, LLC	5208 W 38th Avenue	Wheat Ridge	CO	80212	(303) 658-0168
31248	T5 LONGMONT 1248, LLC	2255 Main Street	Longmont	CO	80501	(720) 927-6678
31410	FAST OIL LLC	2680 Academy Boulevard	Colorado Springs	CO	80916	(719) 888-5334
31673	FAULKNER ISLAND DEVELOPMENT, LLC	1083 Orange Avenue	West Haven	CT	06516	(203) 932-2600
31674	FAULKNER ISLAND DEVELOPMENT, LLC	1683 Barnum Avenue	Stratford	CT	06614	(203) 377-0485
31135	TAKE 5 ON 64TH LLC	4771 SR 64	Bradenton	FL	34208	(941) 254-7989
31134	TAKE 5 ON CORTEZ, LLC	908 Cortez Rd. W.	Bradenton	FL	34207	(941) 751-1125
31131	P5 ORLANDO, LLC	12435 Cortez Boulevard	Brooksville	FL	34613	(352) 293-4962
31141	TAKE 5 ON DEL PRADO LLC	4703 Del Prado Blvd. S.	Cape Coral	FL	33904	(239) 205-6502

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31136	TAKE 5 ON CLEVELAND LLC	3747 Cleveland Ave.	Ft. Myers	FL	33901	(239) 362-3067
30417	P5 ORLANDO, LLC	1525 US Hwy 19	Holiday	FL	34691	(727) 940-7011
31129	P5 ORLANDO, LLC	8825 SR 52	Hudson	FL	34667	(727) 378-7858
31126	P5 ORLANDO, LLC	10530 US-441	Leesburg	FL	34788	(352) 508-9413
31120	PURPLE SQUARE, LLC	267 Merritt Island Causeway	Merritt Island	FL	32952	(321) 806-4236
30418	P5 ORLANDO, LLC	5028 US Highway 19	New Port Richey	FL	34652	(469) 610-2511
31122	P5 ORLANDO, LLC	3608 East Colonial Drive	Orlando	FL	34652	(407) 203-3753
31125	PURPLE SQUARE, LLC	7309 Curry Ford Road	Orlando	FL	32822	(407) 250-6571
31124	PURPLE SQUARE, LLC	1035 Cypress Parkway	Poinciana	FL	34759	(407) 483-4148
31137	TAKE 5 ON PEACHLAND LLC	24150 Veterans Blvd.	Port Charlotte	FL	33954	(941) 249-8586
31140	TAKE 5 ON COCHRAN LLC	19400 Cochran Blvd.	Port Charlotte	FL	33948	(941) 249-8586
30407	PURPLE SQUARE, LLC	9707 US Highway 19	Port Richey	FL	34668	(727) 264-7212
31130	P5 ORLANDO, LLC	1273 Commercial Way	Spring Hill	FL	34606	(352) 556-3967
31119	P5 ORLANDO, LLC	200 SW Federal Highway	Stuart	FL	34994	(772) 247-2295
30751	P5 ORLANDO, LLC	1008 E. Tarpon Avenue	Tarpon Springs	FL	34689	(727) 935-1010
31139	TAKE 5 ON NORTHLAKE LLC	1000 Northlake Blvd.	West Palm Beach	FL	33403	(561) 323-4887
31138	TAKE 5 ON JOG, LLC	1935 N. Jog Road	West Palm Beach	FL	33411	(561) 408-3922
31128	P5 ORLANDO, LLC	7557 Gall Boulevard	Zephyrhills	FL	33541	(813) 602-8038
31132	P5 ORLANDO, LLC	5403 Okeechobee Road	Fort Pierce	FL	34947	(772) 448-4457
31142	TAKE 5 ARCADIA LLC	2551 SE Highway 70	Arcadia	FL	34266	(941) 310-2738
31145	TAKE 5 NORTH PORT LLC	14956 S Tamiami Trail	North Port	FL	34287	(727) 430-2986
31165	P5 ORLANDO, LLC	27266 Wesley Chapel Boulevard	Wesley Chapel	FL	33544	(813) 388-9506
31166	P5 ORLANDO, LLC	2770 US Highway 27	Leesburg	FL	34748	(352) 901-6064
31167	P5 ORLANDO, LLC	8740 Little Road	New Port Richey	FL	34654	(727) 233-6336
31169	P5 ORLANDO, LLC	24853 FL-54	Lutz	FL	33559	(813) 428-5010
31651	P5 ORLANDO, LLC	450 E Eau Gallie Boulevard	Indian Harbour Beach	FL	32937	(321) 241-6046
31071	TWO OIL ACWORTH, LLC	3471 Cobb Parkway NW	Acworth	GA	30101	(770) 628-1231

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31089	TOXAWAY AUTOMOTIVE ATHENS, LLC	2015 West Broad Street	Athens	GA	30606	(706) 521-8792
31198	T5 AUGUSTA 1, LLC	3131 Washington Rd.	Augusta	GA	30907	(706) 364-3636
31201	T5 AUGUSTA 2, LLC	1462 Jackson Road	Augusta	GA	30909	(706) 305-5904
31207	T5 AUGUSTA 4 PEACH ORCHARD, LLC	2942 Peach Orchard Road	Augusta	GA	30906	(706) 910-0307
31080	TWO OIL 5, LLC	604 GA Hwy 53	Calhoun	GA	30701	(706) 383-6835
31055	MJW SERVICES, LLC	3121-A Macon Rd.	Columbus	GA	31906	(706) 225-0100
31057	MJW SERVICES LLC	1655 Whittlesey Road	Columbus	GA	31904	(762) 208-7020
31092	TOXAWAY AUTOMOTIVE COVINGTON, LLC	3216 US 278 NW	Covington	GA	30014	(678) 658-7677
31233	SBV T5 1233 LLC	2703 Airport Road	Dalton	GA	37021	(706) 671-1043
31091	TOXAWAY AUTOMOTIVE WESLEY CHAPEL LLC	2544 Wesley Chapel Road	Decatur	GA	30035	(470) 709-5022
31174	QUICK LUBE DEVELOPMENT, LLC	9474 Highway 5	Douglasville	GA	30135	(770) 627-7635
31206	T5 AUGUSTA 3 EVANS, LLC	4240 Washington Road	Evans	GA	30809	(706) 305-9767
31096	TOXAWAY AUTOMOTIVE GRAYSON, LLC	2595 Loganville Highway	Grayson	GA	30017	(470) 545-1445
31070	TWO OIL 5, LLC	4375 Jimmy Lee Smith Pkwy.	Hiram	GA	30141	(770) 485-2149
31078	TWO OIL 5, LLC	375 Ernest W. Barrett Parkway NW	Kennesaw	GA	30144	(470) 308-4382
31352	JORDAN AUTO SERVICES, LLC	1411 Lafayette Parkway	LaGrange	GA	30241	(706) 845-9775
31097	TOXAWAY AUTOMOTIVE LAWRENCEVILLE, LLC	812 Buford Drive	Lawrenceville	GA	30043	(470) 294-1538
31175	QUICK LUBE DEVELOPMENT, LLC	890 Thorton Road	Lithia Springs	GA	30122	(678) 909-5640
31079	TWO OIL MARIETTA, LLC	49 Cobb Parkway N.	Marietta	GA	30062	(770) 675-8346
31081	TWO OIL POWERS, LLC	1305 Powers Ferry Road	Marietta	GA	30067	(470) 308-4411
31596	QUICK LUBE DEVELOPMENT 2, LLC	898 Old Industrial Boulevard	McDonough	GA	30253	(470) 507-4098
31180	QUICK LUBE DEVELOPMENT 2, LLC	7330 Jonesboro Road	Morrow	GA	30260	(678) 604-7053

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31176	QUICK LUBE DEVELOPMENT 2, LLC	7178 GA-85	Riverdale	GA	30274	(470) 278-2124
31221	TWO OIL ROME LLC	5 Shorter Avenue	Rome	GA	30165	(706) 314-9832
31076	TWO CAPITAL MCALPIN, LLC	1900 E. Victory Drive	Savannah	GA	31404	(912) 239-6003
31077	TWO OIL 5, LLC	11515 Abercorn Street	Savannah	GA	31419	(912) 239-6003
31072	TWO OIL SMYRNA, LLC	2543 Spring Road SE	Smyrna	GA	30080	(678) 212-1091
31087	TOXAWAY AUTOMOTIVE SNELLVILLE, LLC	3861 Stone Mountain Highway	Snellville	GA	30039	(770) 837-3646
31093	TOXAWAY AUTOMOTIVE DULUTH, LLC	5878 Cumming Highway	Sugar Hill	GA	30518	(470) 589-1839
31349	JORDAN AUTO SERVICES, LLC	1441 US-19	Thomasville	GA	31792	(229) 233-7631
31094	TOXAWAY AUTOMOTIVE NORTHLAKE LLC	4303 Lavista Road	Tucker	GA	30084	(678) 691-4924
31177	QUICK LUBE DEVELOPMENT, LLC	4644 Jonesboro Road	Union City	GA	30291	(770) 731-0613
31351	JORDAN AUTO SERVICES, LLC	1718 Gornto Road	Valdosta	GA	31601	(229) 242-2292
31179	QUICK LUBE DEVELOPMENT, LLC	688 West Bankhead Highway	Villa Rica	GA	30180	(678) 941-3499
31347	JORDAN AUTO SERVICES, LLC	857 Warren Drive	Warner Robins	GA	31088	(478) 218-0279
31085	TWO OIL GEORGETOWN LLC	5907 Ogeechee Road	Savannah	GA	31419	(912) 468-5342
31095	TOXAWAY AUTOMOTIVE ATHENS II LLC	650 US Highway 29	Athens	GA	30601	(706) 850-9788
31178	QUICK LUBE DEVELOPMENT 2, LLC	985 Glynn Street North	Fayetteville	GA	30214	(678) 519-1612
31181	QUICK LUBE DEVELOPMENT 2, LLC	784 Bullsboro Drive	Newnan	GA	30265	(470) 347-5062
31220	TWO OIL 5 POOLER, LLC	2005 Pooler Parkway	Pooler	GA	31322	(912) 417-2667
31229	TOXAWAY AUTOMOTIVE WINDER LLC	163 W May Street	Winder	GA	30680	(470) 429-5919
31507	VANTEDGE AUTO T5, LLC	2780 Edgewood Road SW	Cedar Rapids	IA	52404	(319) 804-8255
31511	VANTEDGE AUTO T5, LLC	5257 SE 14th Street	Des Moines	IA	50320	(515) 207-3560
31516	VANTEDGE AUTO T5, LLC	1305 Blairs Ferry Road NE	Cedar Rapids	IA	52402	(319) 451-1290

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31402	T5 TEN MILE OPCO LLC	3158 W Quintail Drive	Meridian	ID	83646	(208) 914-6577
31403	T5 CALDWELL OPCO LLC	5209 Cleveland Boulevard	Caldwell	ID	83607	(208) 402-5852
31404	T5 GLENWOOD OPCO LLC	6543 N Glenwood Street	Garden City	ID	83714	(208) 207-2714
31272	BELMONT & LONG TAKE 5 LLC	5400 W. Belmont Avenue	Chicago	IL	60641	(773) 628-7031
31273	TAKE 5 CRYSTAL LAKE, LLC	487 W. Virginia Street	Crystal Lake	IL	60014	(708) 286-6403
31287	EAS EVERGREEN PARK OPERATOR, LLC	2650 95th Street	Evergreen Park	IL	60805	(630) 399-0703
31487	TVOC ILLINOIS LLC	5902 E. Riverside Boulevard	Loves Park	IL	61111	(779) 500-0384
31285	EAS MIDLOTHIAN OPERATOR LLC	14701 S. Cicero Avenue	Midlothian	IL	60445	(708) 897-8564
31271	TAKE 5 MOUNT PROSPECT, LLC	801 E. Rand Road	Mount Prospect	IL	60056	(224) 857-8905
3	TVOC ILLINOIS LLC	3806 Broadway Street	Mt. Vernon	IL	62864	(618) 204-5348
31269	TAKE 5 NILES LLC	9600 N. Milwaukee Avenue	Niles	IL	60714	(847) 813-5500
31286	EAS OAK LAWN OPERATOR, LLC	10901 S. Cicero Avenue	Oak Lawn	IL	60453	(708) 286-6403
31288	EAS PALOS HEIGHTS OPERATOR, LLC	12861 S. Harlem Avenue	Palos Heights	IL	60463	(708) 434-9164
31270	TAKE 5 SCHAUMBURG, LLC	2 West Golf Road	Schaumburg	IL	60195	(630) 237-4957
31485	TVOC ILLINOIS LLC	4106 E. Lincolnway	Sterling	IL	61081	(815) 213-7765
31482	TVOC ILLINOIS LLC	1245 Dekalb Avenue	Sycamore	IL	60178	(815) 899-7040
31289	EAS HAWTHORNE OPERATOR LLC	2217 S Cicero Avenue	Cicero	IL	60804	(331) 293-0021
31290	EAS AURORA OPERATOR LLC	2957 Kirk Road	Aurora	IL	60506	(331) 293-0021
31483	TVOC ILLINOIS LLC	3023 N Water Street	Decatur	IL	62526	(217) 330-8192
31484	TVOC ILLINOIS LLC	2002 Mount Zion Road	Decatur	IL	62521	(217) 791-6156
31489	TVOC ILLINOIS LLC	3206 N Vermillion Street	Danville	IL	61832	(217) 213-6063
31490	TVOC ILLINOIS LLC	2505 W Jefferson Street	Joliet	IL	60435	(779) 242-1928
31492	TVOC ILLINOIS LLC	2814 Joseph Cannon Way	Marion	IL	62959	(618) 992-2377
31565	TVOC ILLINOIS LLC	1207 W Morton Avenue	Jacksonville	IL	62650	(217) 271-1449

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31112	TAKE 5 INDIANA LLC	10896 E. US 36	Avon	IN	46123	(463) 221-3350
31107	TAKE 5 INDIANA LLC	9799 N. Michigan Road	Carmel	IN	46032	(463) 221-2957
31427	BALDWIN CAPITAL PARTNERS, LLC	559 N. Line Street	Columbia City	IN	46725	(219) 240-7250
31116	BALDWIN CAPITAL PARTNERS	6217 W. Jefferson Blvd.	Fort Wayne	IN	46804	(260) 387-5527
31110	TAKE 5 INDIANA LLC	1795 N. Morton St.	Franklin	IN	46131	(317) 560-5698
31114	TAKE 5 INDIANA LLC	1780 N. State Street	Greenfield	IN	46140	(317) 318-9324
31437	BALDWIN CAPITAL PARTNERS, LLC	7877 E. Ridge Road	Hobart	IN	46342	(219) 963-6430
31111	TAKE 5 INDIANA LLC	5235 E. 64th Street	Indianapolis	IN	46220	(317) 974-9896
31109	BALDWIN CAPITAL PARTNERS	7315 US 31	Indianapolis	IN	46227	(312) 746-0939
31117	BALDWIN CAPITAL PARTNERS, LLC	10525 Pendleton Pike	Indianapolis	IN	46236	(317) 723-3008
31113	TAKE 5 INDIANA LLC	5235 E. Southport Rd.	Indianapolis	IN	46237	(463) 206-2759
31433	BALDWIN CAPITAL PARTNERS, LLC	3640 S. East Street	Indianapolis	IN	46227	(317) 292-9972
31430	BALDWIN CAPITAL PARTNERS, LLC	5255 38th Street	Indianapolis	IN	46254	(317) 602-8895
31115	BALDWIN CAPITAL PARTNERS, LLC	515 E. Southway Boulevard	Kokomo	IN	46902	(765) 450-3123
31428	BALDWIN CAPITAL PARTNERS, LLC	3443 South Street	Lafayette	IN	47905	(765) 269-9997
31118	BALDWIN CAPITAL PARTNERS, LLC	725 E. 81st Avenue	Merrillville	IN	46410	(219) 750-9127
31432	BALDWIN CAPITAL PARTNERS, LLC	100 E. US-20	Michigan City	IN	46360	(219) 221-6102
31428	BALDWIN CAPITAL PARTNERS, LLC	4380 National Road E.	Richmond	IN	47374	(765) 488-1398
31434	BALDWIN CAPITAL PARTNERS, LLC	1500 S. 3rd St.	Terra Haute	IN	47802	(812) 917-5559
31435	BALDWIN CAPITAL PARTNERS, LLC	2500 Lafayette Ave.	Terra Haute	IN	47805	(812) 917-0042
31429	BALDWIN CAPITAL PARTNERS, LLC	1050 E Coliseum Boulevard	Fort Wayne	IN	46805	(260) 755-1086
31436	BALDWIN CAPITAL PARTNERS, LLC	2678 US-52	West Lafayette	IN	47906	(765) 269-9555
31439	BALDWIN CAPITAL PARTNERS, LLC	9035 Lima Road	Fort Wayne	IN	46818	(260) 999-4187
31369	DA OVERLAND PARK, LLC	9600 W. 135th Street	Overland Park	KS	66221	(913) 350-0622
31508	VANTEDGE AUTO T5, LLC	3630 N. Maize Road	Wichita	KS	67205	(316) 867-4450

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31368	DA LANSING, LLC	1114 N Main Street	Leavenworth	KS	66043	(913) 828-5200
31506	VANTEDGE AUTO T5, LLC	1731 N Rock Road	Derby	KS	67037	(316) 247-3790
31000	MY BLUE HAVEN, LLC	653 US-190	Covington	LA	70433	(985) 327-2247
31083	TWO OIL BELAIR LLC	320 Baltimore Pike	Bel Air	MD	21014	(443) 819-3543
31561	TVOC MI LLC	3770 Alpine Avenue NW	Comstock Park	MI	49321	(616) 551-3746
31560	TVOC MI LLC	2530 E. Beltline Avenue SE	Grand Rapids	MI	49546	(616) 608-5620
31390	GH BLAINE LLC	12403 Ulysses Street NE	Blaine	MN	55434	(763) 755-7304
31392	GH BROOKLYN PARK LLC	5921 94th Avenue N.	Brooklyn Park	MN	55443	(763) 349-0222
31391	GH HOPKINS, LLC	819 Cambridge Street	Hopkins	MN	55343	(616) 551-3746
31393	GH COON RAPIDS LLC	11851 Hanson Boulevard	Coon Rapids	MN	55448	(763) 272-7120
1754	IRONSIDE OPERATIONS, LLC	5503 Villa Road NW	Rochester	MN	55901	(507) 696-0233
31254	STL QUILUBE 1 LLC	3120 N. Hwy 67	Florissant	MO	63033	(314) 274-8715
31255	STL QUILUBE 1 LLC	6191 Mid Rivers Mall Drive	St. Peters	MO	63304	(636) 244-2389
31370	DA BLUE SPRINGS, LLC	731 SW US 40 Highway	Blue Springs	MO	64015	(816) 249-1004
31257	STL QUILUBE 1, LLC	12296 St. Charles Rock Road	Bridgeton	MO	63044	(314) 395-3785
31504	VANTEDGE AUTO T5, LLC	3002 E. 32nd	Joplin	MO	64804	(417) 526-5550
31517	VANTEDGE AUTO T5, LLC	2340 N. Glenstone Avenue	Springfield	MO	65803	(417) 708-3070
31372	DA BELTON, LLC	111 S Mullen Road	Belton	MO	64012	(816) 892-2622
31505	VANTEDGE AUTO T5, LLC	2816 N Kansas Expressway	Springfield	MO	65803	(417) 221-3888
31509	VANTEDGE AUTO T5, LLC	1947 W Marler Lane	Ozark	MO	65721	(417) 551-9450
31512	VANTEDGE AUTO T5, LLC	2350 Missouri Boulevard	Jefferson City	MO	65109	(573) 469-4829
31515	VANTEDGE AUTO T5, LLC	95 Conley Road	Columbia	MO	65201	(573) 812-0840
31517	VANTEDGE AUTO T5, LLC	456 S Campbell Avenue	Springfield	MO	65810	(417) 708-4010
31158	1158 BILOXI T5, LLC	2423 Pass Road	Biloxi	MS	39531	(228) 220-0989
31160	RPM VENTURES LLC	403 US-80	Clinton	MS	39056	(601) 708-4119
31159	RPM VENTURES LLC	53 Lakewood Dr.	Hattiesburg	MS	39402	(601) 255-5642
31162	1162 LAUREL T5, LLC	912 N. 16th Avenue	Laurel	MS	39443	(601) 340-3194

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31164	1164 EAST MADISON T5, LLC	1115 US-51	Madison	MS	39110	(601) 707-7388
31161	RPM VENTURES LLC	2108 N. Hills St.	Meridian	MS	39305	(601) 453-2094
31102	T5 GROUP OF MISSISSIPPI, LLC	7416 Goodman Road	Olive Branch	MS	38654	(662) 420-7611
31424	1424 PASCAGOULA T5 LLC	3223 Denny Avenue	Pascagoula	MS	39581	(228) 205-4049
31163	1163 STARVILLE T5, LLC	813 Hwy 12 West	Starkville	MS	39759	(662) 268-8312
31100	T5 GROUP OF MISSISSIPPI, LLC	201 South Gloster Street	Tupelo	MS	38804	(662) 345-3115
31871	1871 WEST FLOWOOD T5 LLC	1080 Parkway Boulevard	Flowood	MS	39232	(769) 233-8307
31552	LAST BEST KALISPELL OPS LLC	52 N Main Street	Kalispell	MT	59901	(406) 401-0344
31513	VANTEDGE AUTO T5, LLC	1419 Papillion Drive	Papillion	NE	68046	(402) 257-5840
31698	HIGH ROAD AUTO GROUP 2, LLC	131 N White Horse Pike	Lawnside	NJ	08045	(609) 232-7076
31701	HIGH ROAD AUTO GROUP 2, LLC	4333 US-130	Edgewater Park	NJ	08010	(609) 232-7076
31199	T5 ASHEVILLE 1, LLC	285 Smokey Park Hwy.	Asheville	NC	28806	(828) 633-1973
31017	TAKE 5 CAROLINAS, LLC	1100 Blowing Rock Rd.	Boone	NC	28607	(828) 386-1439
30401	QUICK LUBE OF CAROLINA HUFFMAN, LLC	144 Huffman Mill Road	Burlington	NC	27215	(336) 443-1742
31021	TAKE 5 CAROLINAS, LLC	4157 Sunset Road	Charlotte	NC	28216	(980) 938-8790
31014	TAKE 5 CAROLINAS, LLC	8716 S. Tryon St.	Charlotte	NC	28273	(980) 265-1383
31030	QUICK LUBE OF CAROLINA CLEMMONS, LLC	2430 Lewisville Clemmons Rd.	Clemmons	NC	27012	(336) 997-9030
31037	QUICK LUBE OF CAROLINA N. DUKE, LLC	3915 N. Duke St.	Durham	NC	27704	(919) 908-7181
31034	QUICK LUBE OF CAROLINA HILLSBOROUGH, LLC	3301 Hillsborough Road	Durham	NC	27705	(919) 973-0016
31242	T5 FAYETTEVILLE 006, LLC	5011 Ramsey St.	Fayetteville	NC	28311	(910) 500-6915
31050	T5 FAYETTEVILLE 002, LLC	4794 Raeford Road	Fayetteville	NC	28304	(910) 745-6329
31051	T5 FAYETTEVILLE 003, LLC	5620 Yadkin Road	Fayetteville	NC	28303	(910) 208-0747
31052	T5 FAYETTEVILLE 004, LLC	7124 Cliffdale Road	Fayetteville	NC	28314	(910) 500-6913

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31033	QUICK LUBE OF CAROLINA FUQUAY, LLC	8175 Fayetteville Rd.	Fuquay-Varina	NC	27603	(919) 424-7600
31011	TAKE 5 CAROLINAS, LLC	3901 Franklin Blvd.	Gastonia	NC	28056	(704) 918-1990
31241	T5 GOLDSBORO 005, LLC	606 N. Berkeley Blvd.	Goldsboro	NC	27534	(910) 500-6914
31032	QUICK LUBE OF CAROLINA W. MARKET, LLC	4650 W. Market St.	Greensboro	NC	27407	(336) 897-0050
31010	TAKE 5 CAROLINAS, LLC	4800 NC-49	Harrisburg	NC	28075	(704) 879-5245
31200	T5 HENDERSONVILLE 1, LLC	820 Spartanburg Hwy.	Hendersonville	NC	28792	(828) 595-9954
30400	TAKE 5 CAROLINAS, LLC	2920 North Center Street	Hickory	NC	28601	(828) 608-0071
30403	QUICK LUBE OF CAROLINA HIGH POINT, LLC	2207 N. Main Street	High Point	NC	27262	(336) 822-9202
31028	QUICK LUBE OF CAROLINA KERNERSVILLE, LLC	831 S. Main Street	Kernersville	NC	27284	(336) 265-0437
31450	T5 MOREHEAD CITY 017, LLC	5143 US-70 West	Morehead City	NC	28557	(910) 782-2200
31035	QUICK LUBE OF CAROLINA FORESTVILLE, LLC	8460 Louisburg Rd.	Raleigh	NC	27616	(984) 200-8210
31244	T5 ROCKY MOUNT 009, LLC	973 N. Wesleyan Blvd.	Rocky Mount	NC	27804	(910) 500-6917
31245	T5 ROANOKE RAPIDS 007, LLC	1280 Julian R. Allsbrook Hwy.	Roanoke Rapids	NC	27870	(910) 500-6916
31441	T5 SOUTHPORT 016, LLC	5189 Eason Street	Southport	NC	28461	(239) 205-6502
31031	QUICK LUBE OF CAROLINA ROGERS, LLC	2870 Rogers Road	Wake Forest	NC	27587	(984) 235-7679
31049	T5 WILMINGTON 001, LLC	4440 Market Street	Wilmington	NC	28405	(910) 420-9400
31029	QUICK LUBE OF CAROLINA REYNOLDA, LLC	2800 Reynolda Road	Winston Salem	NC	27106	(336) 997-9014
31020	TAKE 5 CAROLINAS, LLC	1017 Concord Parkway N	Concord	NC	28027	(704) 956-2154
31023	TAKE 5 CAROLINAS LLC	3700 Wilkinson Boulevard	Charlotte	NC	28208	(704) 910-3215
31026	TAKE 5 CAROLINAS LLC	714 Jake Alexander Boulevard W	Salisbury	NC	28147	(704) 431-4143

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31027	TAKE 5 CAROLINAS LLC	2117 E Main Street	Lincolnton	NC	28092	(704) 240-9020
31204	T5 ASHEVILLE 2 TUNNEL, LLC	1093 Tunnel Road	Asheville	NC	28805	(828) 505-4319
31243	T5 LELAND 008, LLC	1140 New Pointe Boulevard	Leland	NC	28451	(910) 812-5653
31442	T5 JACKSONVILLE 019, LLC	2475 Western Boulevard	Jacksonville	NC	28546	(910) 886-2155
31837	T5 SANFORD 041, LLC	3209 NC-87	Sanford	NC	27332	(919) 587-8901
31440	T5 LAS CRUCES NM 011, LLC	3476 Rinconada Boulevard	Las Cruces	NM	88011	(575) 281-6300
31451	T5 ALBUQUERQUE MONTGOMERY NM 022, LLC	6201 Montgomery Boulevard NE	Albuquerque	NM	87109	(505) 806-1526
31452	T5 ALBUQUERQUE MENAUL NM 026, LLC	5400 Menaul Boulevard NE	Albuquerque	NM	87110	(505) 594-2452
31457	T5 LAS CRUCES CALLEY NM 028, LLC	1655 S Valley Drive	Las Cruces	NM	88005	(575) 573-6350
31581	MEQ T5 LLC	1180 N. Nellis Boulevard, Suite C-1	Las Vegas	NV	89110	(702) 437-2139
31535	VIRGINIA STREET AUTOMOTIVE, LLC	6300 S Virginia Street	Reno	NV	89511	(775) 622-3360
31582	MEQ T5 LLC	601-A Whitney Ranch Drive	Henderson	NV	89014	(702) 992-3418
31787	P5 NY LLC	4885 Transit Road	DePew	NY	14043	(716) 771-1078
31419	ARDT5OPERATING LLC	1039 W. Broadway Street	Ardmore	OK	73401	(580) 319-7753
31405	T5 ONTARIO OPCO LLC	48 SE Goodfellow Street	Ontario	OR	97914	(541) 216-6107
31655	P5 PA, LLC	2310 N Susquehanna Trail	Selinsgrove	PA	17870	(570) 884-8214
31772	QUICK LUBE OF CAROLINA JENKINTOWN, LLC	101 York Road	Jenkintown	PA	19046	(215) 277-3144
31202	T5 AIKEN 1, LLC	1792 Whiskey Rd.	Aiken	SC	29803	(803) 226-0046
31182	NLJ VENTURES, LLC	3808 Clemson Boulevard	Anderson	SC	29621	(864) 642-9289
31006	NLJ VENTURES, LLC	3696 Boiling Springs Road	Boiling Springs	SC	29316	(864) 345-2233
30215	CLAYCON 215, LLC	1812 Savannah Highway	Charleston	SC	29407	(843) 405-7644
311015	TAKE 5 CAROLINAS, LLC	2450 August Road	Columbia	SC	29169	(803) 661-6031
31012	TAKE 5 CAROLINAS, LLC	10241 Two Notch Road	Columbia	SC	29229	(803) 218-9081
31016	TAKE 5 CAROLINAS, LLC	7800 Garners Ferry Rd.	Columbia	SC	29209	(803) 661-6677

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31007	NLJ VENTURES, LLC	5283 Calhoun Memorial Hwy.	Easley	SC	29640	(864) 671-6008
31043	CLAYCON FLORENCE, LLC	1534 S. Irby St.	Florence	SC	29505	(843) 799-0511
31005	NLJ VENTURES, LLC	1866 SC Highway 160 W.	Fort Mill	SC	29708	(704) 826-2324
31046	CLAYCON GOOSE CREEK LLC	217 St. James Ave.	Goose Creek	SC	29445	(843) 297-8435
31003	NLJ VENTURES, LLC	117 State Park Road	Greenville	SC	29609	(864) 334-6378
31025	TAKE 5 CAROLINAS, LLC	1846 S. Lake Drive	Lexington	SC	29073	(803) 399-1761
30112	TAKE 5 CAROLINAS, LLC	709 N. Lake Drive	Lexington	SC	29072	(803) 764-9569
31636	CLAYCON LITTLE RIVER, LLC	2496 Highway 9 E.	Little River	SC	29566	(843) 390-0501
31004	NLJ VENTURES, LLC	110 W. Butler Road	Mauldin	SC	29662	(864) 881-3229
31048	CLAYCON MONCKS CORNER, LLC	470 N. US Hwy 52	Moncks Corner	SC	29461	(843) 761-0057
31042	CLAYCON CF, LLC	2013 Oakheart Road	Myrtle Beach	SC	29579	(843) 371-3879
31047	CLAYCON MURRELLS INLET, LLC	940 Inlet Square Dr.	Murrells Inlet	SC	29576	(843) 947-0100
31044	CLAYCON REMOUNT, LLC	2059 Remount Road	North Charleston	SC	29406	(843) 410-6828
31041	CLAYCON RIVERS, LLC	7601 Rivers Avenue	North Charleston	SC	29406	(843) 790-7651
31008	NLJ VENTURES, LLC	11201 Anderson Rd.	Powdersville	SC	29611	(864) 605-7046
31001	NLJ VENTURES, LLC	1930 Sharonwood Lane	Rock Hill	SC	29732	(803) 258-0484
31009	NLJ VENTURES, LLC	1607 John B. White Sr. Boulevard	Spartanburg	SC	29301	(864) 699-9880
31002	NLJ VENTURES, LLC	1795 E. Main Street	Spartanburg	SC	29307	(864) 618-4720
31013	TAKE 5 CAROLINAS, LLC	1142 Broad Street	Sumter	SC	29150	(803) 869-4230
31024	TAKE 5 CAROLINAS, LLC	81 Tulip Oak Drive	Columbia	SC	29203	(803) 638-4528
31183	NLJ VENTURES, LLC	207 S Pleasantburg Drive	Greenville	SC	29607	(864) 263-7640
31634	CLAYCON CANE BAY, LLC	1849 State Road	Summerville	SC	29843	(843) 482-0013
31635	CLAYCON DORCHESTER, LLC	8438 Dorchester Road	North Charleston	SC	29420	(843) 789-3497

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31637	CLAYCON SOCASTEE, LLC	9608 SC - 707	Myrtle Beach	SC	29588	(843) 215-0443
31638	CLAYCON LADSON, LLC	3878 Ladson Road	Ladson	SC	29456	(843) 285-5126
31639	CLAYCON CONWAY, LLC	1621 Church Street	Conway	SC	29526	(843) 488-1033
31361	TAKE 5 RAPID CITY, LLC	507 Cambell Street	Rapid City	SD	57701	(605) 791-1709
31363	RUSHMORE OIL, LLC	803 Saint Patrick Street	Rapid City	SD	57701	(605) 791-1165
31058	BELL RD ANTIOCH 1058 LLC	767 Bell Road	Antioch	TN	37013	(615) 562-1926
31599	T5 BRISTOL 1 VANCE, LLC	204 Vance Drive	Bristol	TN	37620	(423) 573-7080
31239	SBV T5 1239, LLC	4823 Brainerd Road	Chattanooga	TN	37411	(423) 508-8990
31234	SBV T5 1234, LLC	837 Callen Lane NW	Cleveland	TN	37312	(423) 790-5858
31103	T5 GROUP OF TENNESSEE, LLC	165 New Byhalia Rd.	Collierville	TN	38017	(901) 457-7050
31099	T5 GROUP OF TENNESSEE, LLC	731 N. Germantown Pkwy	Cordova	TN	38018	(901) 290-3147
31236	SBV T5 1236 LLC	743 N. Main St.	Crossville	TN	38555	(931) 337-0641
31237	SBV T5 1237 LLC	2384 N. Main St.	Crossville	TN	38555	(931) 337-0638
31059	KINLIN 1, LLC	2510 Lebanon Pike	Donelson	TN	37214	(615) 953-7009
31060	KINLIN 2, LLC	257 W. Main Street	Hendersonville	TN	37075	(615) 757-3414
31238	SBV T5 1238 LLC	5188 TN-153	Hixson	TN	37343	(423) 475-5992
31205	T5 JOHNSON CITY 1 ROAN ST, LLC	2306 Browns Mill Road	Johnson City	TN	37601	(423) 202-7618
31203	T5 KINGSPORT 3 STONE, LLC	1233 E. Stone Road	Kingsport	TN	37660	(423) 765-1035
31598	T5 KINGSPORT 2 FORT HENTRY, LLC	4608 Fort Henry Drive	Kingsport	TN	37663	(423) 239-4777
31600	T5 KINGSPORT 1 CENTER, LLC	550 W. Center St	Kingsport	TN	37660	(423) 765-9440
31641	SBV T5 1641, LLC	4418 Chapman Highway	Knoxville	TN	37920	(865) 247-5012
31232	SBV T5 1232, LLC	8002 Kingston Pike	Knoxville	TN	37919	(865) 200-5439
31235	SBV T5 1235, LLC	4821 N. Broadway	Knoxville	TN	37918	(865) 444-3278
31062	LEBANON MAIN 1062 LLC	1418 Main Street Suite L	Lebanon	TN	37087	(615) 562-1926
31240	SBV T5 1240, LLC	1773 W. Broadway Avenue	Maryville	TN	37801	(865) 233-0290
31104	T5 GROUP OF TENNESSEE, LLC	7749 Winchester Rd.	Memphis	TN	38125	(901) 421-6081

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31105	T5 GROUP OF TENNESSEE, LLC	2041 Whitten Road	Memphis	TN	38133	(901) 454-3267
31101	T5 GROUP OF TENNESSEE, LLC	4329 Summer Ave.	Memphis	TN	38122	(901) 746-8550
31063	MURFREESBORO CHURCH 1063, LLC	2906 S. Church Street	Murfreesboro	TN	37127	(615) 869-7270
31061	OHB 1061, LLC	15103 Old Hickory Blvd.	Nashville	TN	37211	(615) 964-7239
31064	COLUMBIA 1064 LLC	1203 S James Campbell Boulevard	Columbia	TN	38401	(615) 869-7270
31642	SBV T5 1642 LLC	1100 Oak Ridge Turnpike	Oak Ridge	TN	37830	(865) 272-3327
31065	SMYRNA 1065 LLC	451 Chaney Road	Smyrna	TN	37167	(615) 625-3753
31210	Z CORP, LLC	6025 Folsom Drive	Beaumont	TX	77708	(409) 291-4788
31211	Z CORP, LLC	5606 Williams Drive	Georgetown	TX	78633	(512) 640-6191
31212	Z CORP, LLC	98 Chris Kelley Boulevard	Hutto	TX	78634	(512) 738-8403
31208	Z CORP, LLC	4660 E. FM 365	Port Arthur	TX	77642	(409) 984-3448
31209	Z CORP, LLC	2151 Gattis School Road	Round Rock	TX	78664	(737) 210-8901
31418	HOOKER T5, LLC	3606 Kemp Boulevard	Wichita Falls	TX	76308	(940) 276-2001
31453	T5 EL PASO ZARAGOZA TX 048, LLC	1341 N Zaragoza Road	El Paso	TX	79936	(915) 465-2079
31213	Z CORP, LLC	123 S LHS Drive	Lumberton	TX	77657	(409) 227-1155
31324	BLUE LUBE, LLC	4023 Riverdale Road, Building A	Riverdale	UT	84405	(385) 206-8368
31321	BLUE LUBE, LLC	1498 East 5600 South	South Ogden	UT	84403	(801) 605-3424
31308	WILDCAT T2, LLC	3936 West 5400 South	Taylorsville	UT	84129	(385) 787-1602
31307	WILDCAT T1, LLC	8980 South Redwood Road	West Jordan	UT	84088	(801) 878-9128
31309	WILDCAT T3, LLC	5538 13400 S	Herriman	UT	84096	(801) 878-4185
31323	BLUE LUBE, LLC	2022 N. Main Street	Layton	UT	84041	(385) 533-6060
31038	QUICK LUBE OF CAROLINA HARRISONBURG, LLC	2075 E. Market Street	Harrisonburg	VA	22801	(540) 217-2907
31186	QUICK LUBE OF CAROLINA W BROAD, LLC	7212 W. Broad Street	Richmond	VA	23228	(804) 562-4522
31188	QUICK LUBE OF CAROLINA STAPLES MILL, LLC	7133 Staples Mill Road	Richmond	VA	23228	(804) 447-0617

Center #	Franchisee Name	Address	City	State	Zip Code	Phone Number
31194	QUICK LUBE OF CAROLINA ELECTRIC, LLC	4036 Electric Road	Roanoke	VA	24018	(540) 655-9337
31191	QUICK LUBE OF CAROLINA WILLIAMSON, LLC	7240 Williamson Road	Roanoke	VA	24019	(540) 566-4107
31190	QUICK LUBE OF CAROLINA STAUNTON, LLC	1135 Richmond Avenue	Staunton	VA	24401	(540) 466-5923
31195	QUICK LUBE OF CAROLINA WAYNESBORO, LLC	2000 Rosser Avenue	Waynesboro	VA	22980	(540) 221-4773
31039	QUICK LUBE OF CAROLINA TIMBERLAKE, LLC	8213 Timberlake Road	Lynchburg	VA	24502	(434) 439-2121
31040	QUICK LUBE OF CAROLINA HULL, LLC	12097 Hull Street Road	Midlothian	VA	23112	(804) 447-2815
31185	QUICK LUBE OF CAROLINA DANVILLE, LLC	216 Collins Drive	Danville	VA	24540	(434) 554-3095
31189	QUICK LUBE OF CAROLINA PLANK, LLC	3405 Plank Road	Fredericksburg	VA	22407	(540) 734-3016
31193	QUICK LUBE OF CAROLINA CHARLOTTESVILLE, LLC	835 Pantops Corner Way	Charlottesville	VA	22911	(434) 202-8798
31196	QUICK LUBE OF CAROLINA CHRISTIANSBURG, LLC	195 Peppers Ferry Road NW	Christiansburg	VA	24073	(540) 251-3573
31819	QUICK LUBE OF CAROLINA LABURNUM, LLC	5401 S. Laburnum Avenue	Richmond	VA	23231	(540) 655-0256
31342	BUNNYS OIL MONKEYS LLC	9205 N Newport Highway	Spokane	WA	99218	(509) 359-9160
31343	BUNNYS OIL MONKEYS LLC	807 N Sullivan Road	Spokane	WA	99037	(208) 505-9008
31881	T5 LACEY LLC	4207 Pacific Avenue SE	Lacey	WA	98503	(360) 995-7118
31690	WYOMING T5 MGMT OPERATIONS, LLC	2628 Dell Range Boulevard	Cheyenne	WY	82009	(307) 514-0222

* With the exception of My Blue Haven, LLC, all franchisees are under an Area Development Agreement with us.

Franchise Agreement Signed but Outlet Not Yet Open

Center #	Franchisee Name	City	State	Phone Number
31717	STOLO INC.	Perris	CA	(951) 657-8664
31891	P5 ORLANDO, LLC	Melbourne	FL	(908) 304-2852
31127	P5 ORLANDO, LLC	Port St. Lucie	FL	(908) 304-2852
31098	TOXAWAY AUTOMOTIVE DECATUR LLC	Decatur	GA	(864) 590-5860
31735	KENNOR OWENSBORO, LLC	Owensboro	KY	(903) 819-1208
31149	T5 RIO RANCHO NM 052, LLC	Rio Rancho	NM	(704) 319-8333
31364	SIOUX FALLS AUTO 1, LLC	Sioux Falls	SD	(605) 271-7350
1325	BLUE LUBE, LLC	Ogden	UT	(801) 457-2277

Former Franchisees

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

Center #	Franchisee Name	City	State	Phone Number
31717	STOLO INC.	Perris	CA	(951) 657-8664
31350	MUMFORD WALDROP	Macon	GA	(478) 259-3411

EXHIBIT H

LEASE

TAKE 5 OIL CHANGE CENTER LEASE

THIS TAKE 5 OIL CHANGE CENTER LEASE (the "Lease"), made as of _____, 20___, is by and between _____, a(n) _____ with its principal address at _____ ("Lessor"), and _____, a(n) _____ with its principal address at _____ ("Lessee"). Lessor and Lessee agree as follows:

1. **Lease Of Premises**. Subject to any easement, restriction, covenant, condition or other matter of record, Lessor hereby leases to Lessee, on the terms and conditions hereinafter set forth, those certain premises together with the building, improvements and appurtenances thereto, commonly known as _____, more particularly described in Exhibit A attached hereto and made a part hereof ("Premises").

2. **Term**.

(a) The term of this Lease will commence on _____ ("Commencement Date"), and expire on _____. The initial term including any extensions or renewals shall be defined as the "Term." If the Commencement Date is a day other than the first day of the calendar month, then the initial term shall include that period of time from the Commencement Date up to the first day of the next calendar month and any subsequent lease year shall be the twelve (12)-month period beginning on the first day of such month.

(b) In conjunction with the execution of this Lease, Lessee is entering into a standard franchise agreement with Lessor or Lessor's affiliate (the "Franchise Agreement"). The term Franchise Agreement shall include any extension of the franchise agreement or franchise relationship, any renewal franchise agreement and, in Lessor's or Lessor's affiliate's sole discretion, any operating agreement or license under which the business continues to operate following the termination or expiration of the Franchise Agreement.

(c) Lessee agrees that if the Franchise Agreement expires or is terminated for any reason by Lessee or Lessor (or its affiliate) or in any manner, Lessor shall have the unqualified and absolute right to terminate this Lease upon written notice to Lessee. Upon giving such notice, Lessor shall have the right to immediately re-enter and take possession of the Premises or it may institute summary or holdover proceedings to evict Lessee and all those in possession of the Premises by reason of the termination of this Lease as herein provided. Lessee acknowledges and agrees that the foregoing termination provision is a material business term of this Lease (and is in addition to, and separate and distinct from, the termination of this Lease as a Lessor remedy upon an Event of Default, as hereinafter defined).

3. **Rent**.

(a) The rent payable by Lessee to Lessor during each year of the Term shall be fixed rent in the amount of $_____/year, payable in monthly installments of $_____ ("Rent"). "Additional Rent" shall mean all other monetary obligations of Lessee under this Lease including, but not limited to, Taxes (as hereinafter defined).

(b) Rent and Additional Rent shall be absolutely net to Lessor without any right of offset, deduction, claim or withholding by Lessee, so that this Lease shall pay to Lessor the Rent and Additional Rent specified during the Term. All costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be paid and performed by Lessee.

(c) Rent installments shall be paid on the first day of each month in advance. All payments of Rent, Taxes (as defined below) and other Additional Rent due under this Lease shall be made by electronic payment transactions through automated clearing house debits. Lessee hereby authorizes Lessor to debit from its bank account the amount of such payments on the first day of each month or on such other applicable due date or any time thereafter. If Lessor directs Lessee in writing to do so, the foregoing payments shall be made to Lessor at_____, or at such other place, or in such other manner, designated by Lessor.

(d) Lessee also pay all sales or similar tax due with regard to the Rent (as hereinafter defined), pursuant to the laws of the State in which the Premises are located, if any.

4. **Security Deposit**. Upon execution of this Lease, Lessee shall deposit with Lessor an amount equal to one month's Rent ("Security Deposit"). The Security Deposit shall be held by Lessor, without any obligation to pay interest thereon, as security for the performance by Lessee of its covenants and obligations under this Lease, it being expressly agreed that the Security Deposit is not an advance payment of Rent or a measure of Lessor's damages in the event of any breach or default by Lessee. If at any time during the Term any Rent or Additional Rent is overdue or if Lessee fails to perform and keep any of its covenants or obligations under this Lease, Lessor may, at its option, apply any portion of the Security Deposit to the payment of such overdue Rent or Additional Rent or to compensate Lessor for loss, cost or damage sustained, incurred or suffered by it due to such breach by Lessee. If the Security Deposit or any portion thereof is applied by Lessor, Lessee shall, upon written demand of Lessor, remit to Lessor a sufficient amount to restore the Security Deposit to the amount required to be on deposit at that time. Any portion of the Security Deposit on deposit at the expiration or termination of this Lease shall be returned Lessee at such time (if any) as Lessor determines that Lessee had fulfilled its obligations under this Lease; provided, however, Lessee expressly acknowledges and agrees that the return of any portion of the Security Deposit by Lessor shall not be deemed to be an admission by Lessor that Lessee has fulfilled any of its obligations under this Lease. If Lessor applies the Security Deposit in accordance with the terms of this paragraph, such application shall not constitute a waiver of any of Lessor's rights or remedies under this Lease, nor shall such application constitute an accord and satisfaction. Lessor shall have the right to commingle the Security Deposit with Lessor's other funds, and Lessee hereby consents thereto.

5. **Use**.

(a) Lessee shall use the Premises solely for the activities authorized by the Franchise Agreement and none other.

(b) Lessee shall, during the Term, occupy the Premises and diligently operate its business at the Premises and keep the business open to the public during the business days and hours which Lessor or Lessor's affiliate from time-to-time prescribes in accordance with the Franchise Agreement.

(c) Lessee, in its use, occupancy, maintenance and repair of the Premises, shall comply with all the terms and conditions of the Franchise Agreement.

6. **Condition of Premises; Maintenance**.

(a) Lessee acknowledges and agrees that it has inspected, or has had a sufficient opportunity to inspect, the Premises and hereby accepts the Premises "AS-IS" and "WHERE-IS" with no representation or warranty by Lessor as to the condition of the Premises or the fitness of the Premises for any particular purpose or use.

(b) Lessee shall, at its expense, at all times during the Term keep the entire Premises including, but not limited to, the interior and exterior, structural and non-structural elements, foundation, floor, roof and roof system, utility systems and installations, parking area and driveways, sidewalks, landscaping, immediately surrounding areas, appurtenances, fixtures and equipment in good, safe, clean, sanitary, debris-free and well-maintained condition and shall do and make, on a timely and diligent basis, all maintenance, repairs and replacements as are necessary and appropriate to keep the Premises in the condition required by this Lease, regardless whether the benefit of such maintenance, repairs and replacements may extend beyond the Term. Without limiting the foregoing, Lessee shall keep and maintain the Take 5 Center at the Premises in accordance with the requirements of the Franchise Agreement relating to interior and exterior design and appearance, Lessor indicia, painting and décor, floor layout, character of interior furnishings, signs, emblems, logos, lettering, pictorial materials and condition of the Take 5 Center premises.

(c) Upon expiration or termination of this Lease, Lessee shall deliver the Premises to Lessor in the condition required by Section 6(b), reasonable wear and use excepted.

(d) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED UNDER THIS SUBLEASE, SUBTENANT ACCEPTS THE PREMISES IN AN "AS IS" AND "WHERE IS" CONDITION, SUBJECT TO THE RIGHTS OF PARTIES IN POSSESSION, TO THE EXISTING STATE OF TITLE, ANY STATE OF FACTS WHICH AN ACCURATE SURVEY OR PHYSICAL INSPECTION MIGHT REVEAL, AND ALL APPLICABLE REGULATIONS NOW OR HEREAFTER IN EFFECT, AND IN RELIANCE ON ITS OWN INVESTIGATIONS, AND SUBLESSOR MAKES NO EXPRESS OR IMPLIED STATEMENTS, REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION OF THE PREMISES AND HEREBY DISCLAIMS THE SAME. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED UNDER THIS SUBLEASE, SUBLESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE WITH RESPECT TO THE PREMISES, AND HEREBY DISCLAIMS THE SAME. SUBTENANT EXPRESSLY DISCLAIMS ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY SUBLESSOR. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED UNDER THIS SUBLEASE, SUBLESSOR IS NOT RESPONSIBLE FOR ANY REPAIRS, SERVICE OR DEFECTS IN THE EQUIPMENT LOCATED ON THE PREMISES OR THE OPERATION THEREOF.

7. **Lessor Rights**. Lessor and its agents shall have right to enter the Premises at all reasonable times for the purpose of inspecting, testing (including doing environmental tests and interior and exterior borings), maintaining or repairing the Premises (without having any obligation to do so) or showing the Premises to prospective buyers, tenants or lenders. During the one hundred twenty (120) days prior to the expiration or termination of this Lease, Lessor may display "for rent" type signs on the Premises. Lessor shall have the right to display "property for sale" type signs at any time. Lessor shall have the right to display "franchise available" type signs on the Premises and to show the Premises to prospective franchisees any time Lessee has indicated to Lessor or Lessor's affiliate that it intends to terminate, or not renew, the Franchise Agreement or any time the Franchise Agreement is subject to termination for any reason.

8. **Alterations**. Lessee shall not make any alterations, improvements or additions to the Premises ("Alterations") without first obtaining the written consent of Lessor, which Lessor may grant or deny in its sole discretion. In the event Lessor consents to Alterations, the same shall be made by Lessee at Lessee's sole expense by a licensed contractor and according to plans and specifications approved by Lessor and subject to such other conditions as Lessor may require. Any Alterations shall be prosecuted

diligently to completion, shall be of good workmanship and materials and shall comply with all Laws (as hereinafter defined) and all terms of this Lease. Upon completion of any Alterations, Lessee shall promptly give Lessor: (i) evidence of full payment to all laborers and materialmen together with all appropriate final lien waiver and release documents; (ii) an architect's certificate certifying the Alterations to have been completed in conformity with the approved plans and specifications; and (iii) a certificate of occupancy. Lessee shall file or record, as appropriate, a "notice of non-responsibility", disclaiming Lessor's responsibility, or any equivalent notice permitted under Laws, with respect to the Alterations. Any Alterations shall be deemed a part of the Premises and belong to Lessor, and Lessee shall execute and deliver to Lessor such instruments as Lessor may require to evidence Lessor's ownership. Upon expiration or termination of this Lease, Lessee, if directed by Lessor, shall remove any Alterations and restore the Premises to its original condition, making any repairs at Lessee's sole cost and expense.

9. **Taxes; Utilities**.

(a) Lessee shall pay prior to delinquency pursuant to bills procured and timely submitted to Lessee by Lessor all taxes and assessments levied, imposed or assessed on the Premises ("Tax(es)") subsequent to the Lease commencement date, and Lessor shall be required to pay no Taxes during the Term. Lessee shall exhibit receipts for Tax payments to Lessor promptly upon payment thereof. Lessee may, at its expense, contest Taxes, in the name of Lessor if necessary, at all times indemnifying and holding Lessor harmless from liability for all Taxes. Taxes for the year in which this Lease terminates or expires shall be prorated so that Lessee shall pay the Taxes for any year falling partially within the existing Term, said proration to be based upon the number of days of the then current tax fiscal year falling within the existing Term.

(b) Lessee shall also pay promptly when due any tax levied, imposed or assessed on or against the rent paid or collected under this Lease, whether the same be called a rent tax, sales tax, excise tax, gross receipts tax, general services tax, or otherwise, irrespective of whether such tax is in lieu of or in addition to taxes and assessments levied, imposed or assessed on the Premises ("Rent Tax"). Lessee shall reimburse Lessor any Rent Tax which Lessor is required to pay or, in fact, pays.

(c) At Lessor's option, Lessee shall deposit with Lessor (in addition to paying Rent) on the first day of each month a sum equal to one-twelfth (1/12th) of the annual Taxes and (if applicable) Rent Tax so that as each installment becomes due and payable, Lessee shall have on deposit with Lessor a sum sufficient to pay it. If the actual Taxes have not been ascertained at the time a monthly deposit is due under this Lease, Lessee shall deposit such amount as is reasonably determined by Lessor. Lessor shall have the right, to be exercised in its reasonable discretion, to determine and set the amount of the monthly deposit from time to time. Lessor shall also have the right to require Lessee to deposit a lump sum sufficient to pay each Tax installment and to also pay the Taxes for the current period. When a Tax bill is received, if the actual Taxes are more than the amount deposited by Lessee for the period covered by the Tax bill, Lessee shall pay such amount to Lessor forthwith upon demand. If the actual Taxes are less than the amount deposited by Lessee for the period covered by the Tax bill, Lessor may retain the excess on deposit for the payment of future Taxes. Lessor shall not be responsible for the validity, accuracy or reasonableness of Taxes. Lessor shall have no obligation to pay interest on Lessee's Tax and Rent Tax deposits, and Lessee hereby expressly waives any right, statutory or otherwise, to have Lessor pay interest. Upon expiration or termination of this Lease, when the actual Taxes for the last year(s) of the Term are billed, Lessee shall pay Lessor, upon demand, the difference between the actual Taxes and the amount of Taxes previously deposited for such year(s), or portion thereof, by Lessee.

(d) Lessee shall pay for all water, gas, electricity, phone, data transmission, wireless services and other utilities serving the Premises.

10. **Licenses and Compliance With Laws**. Lessee shall comply with all Laws and shall not use, or permit the use of, the Premises in violation of any Laws. "Laws" shall be defined as all applicable governmental and quasi-governmental laws, statutes, ordinances, regulations and orders including, but not limited to Environmental Laws (as hereafter defined) and the ADA (as hereafter defined). Lessee agrees that it shall be responsible for complying in all respects with the Americans with Disabilities Act of 1990, as such act may be amended from time to time, and all regulations promulgated thereunder, and all state and local Laws relating to disabled or handicapped persons (collectively, "ADA"), affecting the Premises including, but not limited to, making required so-called readily achievable or reasonable changes to remove any architectural or communications barriers and providing auxiliary aides and services at the Premises. Lessee shall maintain and procure at its own expense and responsibility all licenses, permits or inspection certificates required by any governmental authority respecting Lessee's use of, or business at, the Premises. Lessee may contest any Laws and, if required, may join Lessor's name as a nominal party in any such contest. In such event Lessee shall indemnify Lessor against any costs, penalties or attorneys' fees incurred by or asserted against Lessor by virtue thereof.

11. **Insurance**.

(a) During the entire Term, Lessee shall obtain, maintain in force at its sole expense comprehensive public and product liability and motor vehicle liability insurance (if a motor vehicle is utilized in connection with the operation of the Center) against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Center or otherwise in conjunction with the conduct of business by lessee pursuant to the Franchise Agreement. Such insurance shall be maintained under one or more policies of insurance containing minimum garage liability protection of One Million Dollars ($1,000,000) combined single limit for bodily and personal injury, death and for property damage and issued by insurance carriers rated A or better by Alfred M. Best & Company, Inc. as well as all other insurance policies and coverages as described in the Franchise Agreement or as otherwise prescribed by Lessor from time to time in its sole and absolute discretion. Such limits of liability shall be increased and/or modified, or additional types of coverage shall be obtained at the direction of Lessor, as and when changed circumstances so require. Said policies of insurance shall provide coverage on an "occurrence" rather than "claims made" basis. Said policies of insurance shall expressly protect Lessee and Lessor, and shall require the insurer to defend Insured in any such action. Lessee shall furnish to Lessor a certified copy of each policy or a certificate with respect to each such policy evidencing the required coverage and naming Insureds as additional insureds, stating that coverage applies to "all operations during the policy period" and providing that such policy shall not be canceled, amended or modified except upon ten (10) days' prior written notice to Insureds. The coverage afforded Insureds must provide that such insurance shall be primary to any other insurance otherwise carried by Insured. Maintenance of the insurance required under this section shall not relieve Lessee of its indemnification obligations contained in this Lease. Lessee fails to procure or maintain in force any insurance as required by this section, or to furnish to Lessor the certified copies or certificates thereof required hereunder, Lessor may, in addition to all other rights and remedies available at law, in equity or by contract, procure such insurance, and, in such event, Lessee shall, upon demand by Lessor, reimburse Lessor for all premiums and other costs incurred in connection therewith.

(b) Lessee agrees, at its cost and expense during the Term, to keep the building and improvements on the Premises insured at full replacement value by reliable companies against damages caused by fire and against other risks covered by standard extended coverage with

Insureds as additional insureds and with proceeds payable to Lessor or Lessor's mortgagee and Lessee, as their interests may appear. In the event Lessee fails to provide, or maintain in effect at any time during the Term, the required fire and extended coverage insurance, Lessor shall have the right to obtain such insurance on Lessee's behalf. The insurance obtained by Lessor shall be subject to certain loss deductible amounts depending upon the nature of the casualty, and Lessee shall be responsible for such loss deductible amounts. Such loss deductible amounts shall be subject to change from time to time. The insurance obtained by Lessor pursuant to this subparagraph may be via Lessor's blanket policies. Lessee shall, upon demand by Lessor, reimburse Lessor for all premiums and other costs incurred in connection with obtaining insurance pursuant to this subparagraph.

12. **Indemnification**. Lessee agrees to indemnify, save harmless and defend (with counsel acceptable to Lessor) Lessor from and against all claims of whatever nature arising from all of the following: (i) any act, omission or negligence of Lessee, or Lessee's contractors, agents, servants or employees; (ii) any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring during the Term in or on or about the Premises; (iii) any act, omission or default under any of Lessee's obligations or undertakings in this Lease; and (iv) any alleged violation of Laws including, without limitation, Environmental Laws and the ADA. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities in or in connection with any such claim, governmental investigation, administrative proceeding or civil or criminal litigation arising therefrom, and the defense thereof, including reasonable attorneys' fees and costs.

13. **Waiver of Subrogation Rights**. Neither Lessor nor Lessee shall be liable to the other for any loss or damage from risks ordinarily insured against under fire insurance policies with extended coverage endorsements, irrespective of whether such loss or damage results from their negligence or that of any of their agents, servants, employees, licensees or contractors.

14. **Destruction of Premises**. In the event of damage to, or destruction of, the Premises by fire, act of God, or by any other cause, Lessee shall, at its cost, repair and restore the Premises within one hundred fifty (150) days after the event of damage or destruction. Such damage or destruction shall not terminate this Lease, but Lessee shall be entitled to a proportionate reduction of rent from the event of damage or destruction until the Premises have been restored (but not to exceed one hundred fifty (150) days) to be based on the extent to which the repairs or restoration interferes with the operation of Lessee's business. The determination of the amount and duration of the proportionate reduction shall be made by Lessor in its reasonable judgment. In the event Lessee fails to complete such repairs or restoration within said one hundred fifty (150) days, Lessor shall have the right to terminate this Lease on fifteen (15) days written notice to Lessee. Lessor shall have the alternative right of completing said repairs or restoration, in which event Lessor's costs and expenses shall be paid by Lessee as Additional Rent within fifteen (15) days after demand by Lessor.

15. **Eminent Domain**.

(a) "Taking" shall be defined as a taking of all or any part of the Premises or the commencement of any proceedings or negotiations which might result in a taking for any public or quasi-public purposes by exercise of the right of eminent domain, similar government power or agreement between Lessor, Lessee and/or the entity authorized to exercise such power or conduct such negotiations. If Lessee is notified of a Taking, Lessee shall promptly give written notice thereof to Lessor describing the nature and extent of the Taking together with copies of any documents or notices received in connection therewith.

(b) In case of a Taking of the entire Premises ("Total Taking"), this Lease shall terminate as of the date of the Total Taking, and all Rent, Taxes and Additional Rent shall be apportioned and paid to the date of the Total Taking. Total Taking shall include a taking of substantially all the Premises if, in the sole determination of Lessor, the remainder of the Premises cannot reasonably be made useable for the permitted use. Lessor shall be entitled to receive the entire award or payment in connection with a Total Taking without deduction for Lessee's leasehold estate. Lessee hereby expressly assigns to Lessor all of its right, title and interest (including, without limitation, its leasehold interest) in and to every such award or payment. Lessee shall be entitled to claim and receive any award or payment from the condemning authority expressly granted for the taking of Lessee's personal property and moving expenses, but only if such claim or award does not adversely affect or interfere with the prosecution of, or reduce, Lessor's claim or award for the Total Taking. Lessee shall be responsible for filing its own claim and for paying all costs including, but not limited to, attorney's fees, related thereto. Lessee shall promptly send Lessor copies of all correspondence and pleadings relating to any such claim.

(c) In case of a temporary use of all or any part of the Premises by a Taking ("Temporary Taking"), this Lease shall remain in full force and effect without any reduction or abatement of Rent, Taxes or Additional Rent. Except as provided below, Lessee shall be entitled to the entire award for a Temporary Taking, unless the period of use shall extend beyond the termination or expiration of this Lease, in which case the award made for such Temporary Taking shall be apportioned between Lessor and Lessee as of the date of termination or expiration. At the end of a Temporary Taking, Lessee shall, at its own cost and expense promptly commence and complete the restoration of the Premises.

(d) In the event of a Taking other than a Total Taking or a Temporary Taking ("Partial Taking"), all awards, compensation or damages shall be paid to Lessor, and Lessor shall have the right to terminate this Lease or continue this Lease, in either case upon notice to Lessee. If Lessor elects to terminate this Lease, this Lease shall terminate on such reasonable date as is selected by Lessor based on the circumstances of the Partial Taking. Lessee shall thereupon vacate and surrender the Premises, and all further obligations of the parties shall cease from and after the termination date (but obligations accruing, or relating to acts or omissions occurring, up to and including the termination date shall not cease or be released). If Lessor elects to continue this Lease, then (i) this Lease shall continue and Rent, Taxes, Additional Rent and obligations due under this Lease shall continue unabated and (ii) Lessee shall promptly commence and diligently complete the restoration of the Premises, subject to the approval of Lessor, to the same condition, as nearly as practicable, as prior to the damage, destruction or alterations resulting from the Partial Taking. In such event, Lessor shall make available in installments as restoration progresses an amount up to but not exceeding the amount of any award, compensation or damages received by Lessor, upon request of Lessee accompanied by evidence reasonably satisfactory to Lessor that such amount has been paid or is due and payable and is properly a part of such costs and that Lessee has complied with the requirements in Section 8 (with respect to Alterations) in connection with the restoration. Lessor shall be entitled to keep any portion of such award, compensation or damages which may be in excess of the cost of restoration, and Lessee shall bear all additional costs, fees and expenses of such restoration in excess of the amount of any such award, compensation or damages.

16. **Liens**. If any act or omission of Lessee or claim against Lessee results in a lien or claim of lien against the Premises ("Lien"), Lessee upon notice thereof shall promptly remove or release the Lien by posting of bond or otherwise. If not so removed or released in fifteen (15) days after notice from Lessor, Lessor may (but need not) pay or discharge the Lien without inquiry as to the validity thereof at Lessee's

expense. Lessee may contest the Lien by first furnishing Lessor with a sufficient surety bond issued by a reputable surety company satisfactory to Lessor and its title insurance company.

17. **Encumbrances**. This Lease shall be subordinate to any mortgage or deed of trust presently or hereafter placed upon the Premises. Although the foregoing subordination shall be self-operative and no future instrument of subordination shall be required, upon request by Lessor, Lessee shall execute and deliver whatever subordination instruments may be required by the mortgagee (or other lienholder), and if Lessee fails so to do within ten (10) days, Lessee hereby makes, constitutes and irrevocably appoints Lessor as its agent and attorney-in-fact, which appointment shall be deemed coupled with an interest, with authority to execute and deliver such instruments on Lessee's behalf.

18. **Lessor's Expenditures for Lessee's Breach**. Lessor may (but need not), in the event of Lessee's breach of any of its obligations or undertakings in this Lease, perform and satisfy any such obligations or undertakings or cure such breach. Lessor's costs and expenditures in connection therewith, in addition to an administrative fee of fifteen percent (15%), shall be at Lessee's expense and shall be payable by Lessee as Additional Rent on demand by Lessor.

19. **Quiet Enjoyment**. Lessor represents that it is the owner of the Premises and that it is legally empowered to execute this Lease. Lessor covenants that Lessee, on payment of the Rent and Additional Rent and performance of Lessee's obligations herein, shall peacefully and quietly have, hold and enjoy the Premises.

20. **Assignment and Subletting**.

(a) Without first obtaining the written consent of Lessor, which Lessor may grant or withhold in its sole discretion, Lessee shall not: (i) assign this Lease or any interest herein; (ii) sublet the Premises or any part thereof; (ii) permit any other party to occupy or use the Premises or any part thereof. Notwithstanding the foregoing, if Lessor or Lessor's affiliate consents to the assignment of the Franchise Agreement, Lessor shall not unreasonably withhold its consent to the assignment of this Lease; provided, however, in such event the assignee shall be required, as a condition of Lessor's consent, to amend this Lease to delete any rent abatement or other concessions or exceptions to Lessor's standard policies that were granted to Lessee.

(b) If the Franchise Agreement is terminated or expires and Lessor does not terminate this Lease in connection therewith (this Lease and all of Lessee's obligations hereunder shall remain in effect), Lessee shall have the right to sublease the Premises but only upon receiving the advance written consent of Lessor, which consent shall not be unreasonably withheld. If Lessee proposes to sublease the Premises, Lessee shall submit to Lessor all the material terms of the proposed sublease (together with a copy of the proposed sublease), the identity of the proposed subtenant and any guarantors, the proposed use of the Premises and the business background and experience of the proposed subtenant. Upon receipt of all the foregoing information, Lessor shall within thirty (30) days notify Lessee whether Lessor consents to the proposed sublease, consents to the sublease subject to certain conditions being met, refuses to consent to the proposed sublease or exercises its right to terminate this Lease. Failure of Lessor to respond within thirty (30) days shall be deemed to be Lessor's refusal to consent to the proposed sublease. If Lessor consents to a sublease, Lessee shall remain liable for all obligations under this Lease.

21. **Signs and Fixtures**.

(a) Subject to compliance with applicable laws and ordinances, Lessee shall have the right at all times during the Term to erect and maintain such free-standing signs and interior and

exterior building signage as is approved in advance by Lessor for the sole purpose of advertising the business authorized by the Franchise Agreement. Lessee shall not install or erect or permit others to install or erect billboards or other advertising media on the Premises, said right being hereby exclusively reserved by Lessor.

(b) Any signs, equipment, trade fixtures or other personal property (collectively, "Personalty") that Lessee has a right to remove from the Premises shall be removed by Lessee within fourteen (14) days after the earliest to occur of expiration of this Lease, termination of this Lease, termination of Lessee's right to possession of the Premises, or the vacating or abandonment of the Premises by Lessee. Any Personalty remaining at the Premises after such fourteen (14)-day period shall, at Lessor's election which may be made at any time following expiration of such fourteen (14)-day period, be deemed abandoned in which event Lessor shall have all right, title and interest in and to the remaining Personalty available to landlords under law in such circumstances and also including, without limitation, the right (but not the obligation), at Lessee's expense, to remove and store and/or dispose of such remaining Personalty. Lessee shall be liable for any damage to the Premises caused by the removal of Personalty by, or on behalf of, Lessee or its lienholders or their agents, contractors or employees. Lessee shall promptly pay Lessor one hundred fifteen percent (115%) of the cost and related expenses of any repairs or replacements incurred by Lessor as a result of such damage (Lessor and Lessee hereby expressly agreeing that fifteen percent (15%) is a reasonable amount to compensate Lessor for its administrative expenses) plus attorneys' fees incurred and court costs incurred by Lessor.

(c) Lessor hereby expressly claims, and reserves, the benefit of any and all landlord lien rights available to landlords under applicable law.

22. **Guaranty for Corporate Lessee**. Each party signing this Lease as a guarantor ("Guarantor"), as an owner (stockholder, member, partner, etc.) of, or otherwise financially interested in, Lessee, hereby jointly and severally guarantees to Lessor the payment of Rent and Additional Rent to be paid by Lessee and the performance by Lessee of all of the terms and conditions of, and Lessee's obligations under, this Lease. Guarantor waives any notices hereunder or acceptance hereof and consents to any extension of time, indulgence or waivers granted by Lessor to Lessee or any other action or modification of the Lease terms whereby the liability of the Guarantor but for this provision would be released. Guarantor agrees to pay all of Lessor's expenses, including attorneys' fees, incurred by Lessor in enforcing this guarantee or the obligations of Lessee herein.

23. **Default and Remedies**.

(a) The occurrence of any one or more of the following events shall constitute an event of default by Lessee ("Event of Default") and shall trigger Lessor's rights and remedies listed and referenced below:

(i) failure by Lessee to pay when due any Rent or Additional Rent ("Monetary Breach"), unless such failure is cured within five (5) days after notice from Lessor;

(ii) failure by Lessee to observe or perform any term or condition of, or obligation under, this Lease other than an Event of Default described in items (i) or (iii) of this subsection, unless such failure is cured within thirty (30) days after notice from Lessor; or

(iii) (1) making by Lessee or any Guarantor of a general assignment for the benefit of creditors, (2) filing by or against Lessee or any Guarantor of a petition to have

Lessee or such Guarantor adjudged a bankrupt or of a petition for reorganization or arrangement under any Laws relating to bankruptcy, insolvency or inability to pay debts (unless, in the case of a petition filed against Lessee or such Guarantor, the petition is dismissed within thirty (30) days), (3) appointment of a trustee or receiver to take possession of substantially all of Lessee's assets at the Premises or of Lessee's interest in this Lease, where such possession or interest is not restored to Lessee within thirty (30) days, (4) attachment, execution or other judicial seizure of substantially all of Lessee's assets at the Premises or of Lessee's interest in this Lease, (5) Lessee's or any Guarantor's insolvency or admission of the inability to pay its debts as they mature, (6) Lessee vacating or abandoning the Premises (this Event of Default being separate and distinct from a breach of Section 5(b) of this Lease), (7) falsification by Lessee of any statement or report required to be submitted to Lessor under this Lease, (8) any Monetary Breach or any Event of Default or any combination of any Monetary Breach and/or any Event of Default in three consecutive months or in any four months during any twelve consecutive months regardless of whether Lessee has cured any or all of such previous Monetary Breach(es) or Event(s) of Default, or (9) default by the Franchisee under the Franchise Agreement or any event which constitutes immediate and automatic termination of the Franchise Agreement.

(b) Lessee hereby agrees that the only notices necessary to notify it of a breach or Event of Default or to terminate this Lease are those enumerated herein and that any and all other notices and demands required by Laws are hereby expressly waived by Lessee (to the fullest extent legally permissible). The notice and cure periods provided herein are in lieu of, and not in addition to, any notice and cure periods provided by Laws, but Lessor may at any time elect to comply with such notice and cure periods provided by Laws in lieu of the notice and cure periods provided herein.

(c) If an Event of Default occurs, Lessor shall have the following rights and remedies to the fullest extent permitted by Laws, which shall be distinct, separate and cumulative with, and in addition to, any other right or remedy allowed under Laws or this Lease:

(i) With or without terminating this Lease, Lessor may terminate Lessee's right of possession, reenter and repossess the Premises by detainer suit, summary proceedings or other lawful means (and if Laws permit and Lessor shall not have expressly terminated this Lease by written notice, any such action shall be deemed a termination of Lessee's right of possession only). In such event, Lessor shall be entitled to recover from Lessee: (1) any unpaid Rent and Additional Rent as of the date possession is terminated; (2) the amount by which (A) any unpaid Rent and Additional Rent which would have accrued after the termination date during the balance of the existing Term exceeds (B) the rent (less any and all costs and expenses Lessor would reasonably incur in re-letting the Premises) Lessee proves that Lessor should receive for the Premises under a lease substantially similar to this Lease for the balance of the existing Term (considering, among other things, the condition of the Premises, market conditions, the period of time the Premises may remain vacant before Lessor is able to re-lease the Premises to a suitable replacement tenant); and (3) all other damages incurred by Lessor proximately caused by Lessee's failure to perform its obligations under this Lease. The amounts computed in accordance with foregoing subpart (2) (not including Lessor's costs and expenses of re-letting) shall be discounted to present value in accordance with accepted financial practice at the rate of three percent (3%) per year.

(ii) With or without terminating this Lease, Lessor may terminate Lessee's right of possession, reenter and repossess the Premises by detainer suit, summary

proceedings or other lawful means (and if Laws permit and Lessor shall not have expressly terminated this Lease by written notice, any such action shall be deemed a termination of Lessee's right of possession only). In such event, Lessor shall be entitled to recover from Lessee: (1) any unpaid Rent and Additional Rent as of the date possession is terminated; (2) any unpaid Rent and Additional Rent which accrues during the existing Term from the date possession is terminated through the time of judgment (or which may have accrued from the time of any earlier judgment obtained by Lessor), less any consideration received from replacement tenants as further described below; and (3) all other damages incurred by Lessor proximately caused by Lessee's failure to perform its obligations under this Lease, including without limitation, all costs of re-letting the Premises. Lessee shall pay all such amounts to Lessor as the same accrue or after the same have accrued from time-to-time upon demand. At any time after terminating Lessee's right to possession as provided herein, Lessor may terminate this Lease as provided in this Lease, and Lessor may pursue such other remedies as may be available to Lessor under this Lease or Laws.

(iii) If this Lease or Lessee's right to possession is terminated, Lessor may, at Lessee's cost and expense: (1) enter and secure the Premises, change the locks, install barricades, remove any improvements, fixtures or personal property of Lessee, perform any decorating, remodeling, repairs, alterations, improvements or additions and take such other actions as Lessor shall determine in Lessor's sole discretion to prevent damage or deterioration to the Premises or prepare the same for reletting, and (2) relet all or any portion of the Premises for any rent, use or period of time, and upon any other terms as Lessor shall determine in Lessor's sole discretion, directly or as Lessee's agent (if permitted or required by Laws). The consideration received from such reletting shall be applied pursuant to the terms of Section 23(c)(v) hereof, and if such consideration, as so applied, is not sufficient to cover all Rent, Additional Rent and damages to which Lessor may be entitled hereunder, Lessee shall pay any deficiency to Lessor as the same accrues or after the same has accrued from time to time upon demand, subject to Lessor's right to accelerate such payments as provided herein.

(iv) Lessor shall at all times have the right without prior demand or notice (except as required by Laws) to: (1) seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease or restrain or enjoin a violation of any provision hereof, and Lessee hereby waives any right to require that Lessor post a bond in connection therewith; and (2) sue for and collect any unpaid Rent or Additional Rent which has accrued.

(v) No re-entry or repossession, repairs, changes, alterations and additions, reletting, acceptance of keys from Lessee, or any other action or omission by Lessor shall be construed as an election by Lessor to terminate this Lease or Lessee's right to possession, or accept a surrender of the Premises, nor shall the same operate to release Lessee in whole or in part from any of Lessee's obligations hereunder, unless express written notice of such intention is sent by Lessor to Lessee. Lessor may bring suits for amounts owed by Lessee hereunder or any portions thereof, as the same accrue or after the same have accrued, and no suit or recovery of any portion due hereunder shall be deemed a waiver of Lessor's right to collect all amounts to which Lessor is entitled hereunder, nor shall the same serve as any defense to any subsequent suit brought for any amount not theretofore reduced to judgment. Lessor may pursue one or more remedies against Lessee and need not make an election of remedies until findings of fact are made by a court of competent jurisdiction. All rent and other consideration paid by any replacement tenants shall be applied, at Lessor's option: first, to the costs of reletting, second, to the payment

of all costs of enforcing this Lease against Lessee or any Guarantor, third, to the payment of all interest and service charges accruing hereunder, fourth, to the payment of Rent and Additional Rent previously accrued, and the residue, if any, shall be held by Lessor and applied to the payment of other obligations of Lessee to Lessor as the same become due (with any remaining residue to be retained by Lessor). Lessor shall be under no obligation to observe or perform any provision of this Lease on its part to be observed or performed which accrues after the date of an Event of Default. Lessee hereby irrevocably waives any right otherwise available under Laws to redeem or reinstate this Lease or Lessee's right to possession after this Lease or Lessee's right to possession is terminated based on an Event of Default.

24. **Waiver and Cumulative Rights**. No waiver by Lessor of any provision or undertaking hereunder shall be valid unless in writing signed by an officer of Lessor. No waiver by Lessor of any breach of, or default under, this Lease by Lessee shall be deemed a waiver of any other or subsequent breach or default. All rights and remedies of Lessor herein provided or allowed by law shall be cumulative.

25. **Hazardous Materials and Substances**.

(a) "Hazardous Materials" means any substance, material, waste, gas or particulate matter which now or at any time during the Term is regulated by any local governmental authority, the State in which the Premises is located, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of State law; (ii) petroleum; (iii) asbestos; (iv) polychlorinated biphenyl; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sec. 251 et seq. (33 U.S.C. Sec. 1317); (vii) defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq. (42 U.S.C. Sec. 6903); or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601 et seq. (42 U.S.C. Sec. 9601).

(b) "Environmental Laws" means all statutes specifically described in the foregoing paragraph and all federal, state and local environmental health and safety statutes, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability or standards concerning or in connection with Hazardous Materials.

(c) Lessee represents and warrants to Lessor that: (i) no Hazardous Materials will be located on the Premises (except the proper and lawful storage of petroleum products and used oil incident to the lawful use of the Premises in accordance with Section 5 hereof), or will be released into the environment, or discharged, placed or disposed of at, on or under the Premises; (ii) no underground storage tanks will be located on the Premises; (iii) the Premises will not be used as a dump for Hazardous Materials; and (iv) the Premises and the use thereof will at all times comply with Environmental Laws.

(d) Lessee agrees to indemnify, defend and hold harmless Lessor and its assignees, from and against any and all debts, liens, claims, causes of action, administrative orders and notices, costs (including, without limitation, response and/or remedial costs), personal injuries, losses, damages, liabilities, demands, interest, fines, penalties and expenses, including reasonable attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by Lessor or its subtenants and assignees as a result of: (i) the breach of any representation or warranty made by Lessee herein; and (ii) any occurrence, matter, condition,

act or omission involving Environmental Laws or Hazardous Materials which arises subsequent to the Commencement Date and which fails to comply with the Environmental Laws in effect as of the date thereof or any existing common law theory based on nuisance or strict liability in existence as of the date thereof, regardless of whether or not Lessee had knowledge of same as of the date thereof.

26. **Holding Over**. If Lessee remains in possession of the Premises after the termination or expiration of the existing Term, Lessor may (in Lessor's sole discretion), upon notice to Lessee, deem Lessee a tenant on a month-to-month basis with all Lessee's obligations, liabilities, covenants, representations and warranties in this Lease, except that Rent shall be automatically increased by fifty percent (50%) and the Percentage Rent rate increased by three percent (3%). In the absence of such month-to-month notice being given by Lessor, Lessee shall be deemed a hold over tenant and nothing herein or the acceptance or retention of Rent by Lessor shall be deemed a consent to holding over by Lessee.

In the event that Lessee remains in possession of the Premises after the expiration or termination of this Lease, Lessee shall be deemed to be occupying the Premises as a tenant from month to month at a rental equal to one and one-half (1½) times the monthly rental provided for in this Lease for the last year of the Lease Term. Such month to month tenancy may be terminated at any time by either Lessor or Lessee by written notice to the other with the termination date set out in such notice and to be at least thirty (30) days after delivery of the notice. If Lessee remains in possession of the Premises or any part thereof after the expiration of the Lease Term or termination of the Lease, Lessee agrees to indemnify, defend and hold Lessor harmless from and against any claims, damages, costs (including reasonable attorneys' fees and court costs) or other liabilities incurred by Lessor as a result of such holdover, including any fees or penalties assessed pursuant to the Lease, including claims made by any party who claims a possessory interest in the Premises effective upon the expiration or termination of this Lease.

27. **Lessor's Liability**. Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Lease by Lessor, that (i) there shall be absolutely no personal liability on the part of Lessor, its successors or assigns, and its/their officers, directors, employees and agents, to Lessee with respect to any of the terms, covenants and conditions of this Lease, (ii) Lessee waives all claims, demands and causes of action against Lessor's officers, directors, employees and agents in the event of Lessor's breach of any of the terms, covenants and conditions of this Lease, and (iii) Lessee shall look solely to Lessor's interest in the Premises for the satisfaction of each and every remedy of Lessee in the event of any breach by Lessor of this Lease or any other matter in connection with this Lease or the Premises or the Franchise Agreement, such exculpation of liability to be absolute and without any exception whatsoever.

28. **Lessor's Consent**. Unless specified otherwise herein, Lessor's consent to any request of Lessee may be conditioned or withheld in Lessor's sole discretion. Lessor shall have no liability for damages resulting from Lessor's failure to give any consent, approval or instruction reserved to Lessor, Lessee's sole remedy in any such event being an action for injunctive relief.

29. **Easements**. Lessor shall have the right to grant utility easements on, over, under and above the Premises without the prior consent of Lessee, provided that such easements do not materially interfere with Lessee's long-term use of the Premises.

30. **Interest**. Any monetary obligation of Lessee which is not paid when due shall bear interest from the due date at a rate which is the lower of eighteen percent (18%) per annum or the highest rate permitted by law. This interest rate shall apply as the post-judgment interest rate, regardless of the applicable statutory rate, in the event of any legal actions related to this Lease. This provision does not limit any other remedies as provided hereunder.

31. **Time of Essence**. Time is of the essence with respect to each and every provision of this Lease in which time is a factor.

32. **Attorneys' Fees**. In the event of any judicial or other adversarial proceeding between the parties concerning this Lease, to the extent permitted by law, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled. In addition, Lessor shall, upon demand, be entitled to all attorneys' fees and all other costs incurred in the preparation and service of any notice or demand hereunder, whether or not a legal action is subsequently commenced, and in otherwise enforcing Lessor's rights or Lessee's obligations or undertakings under this Lease. References in this Lease to Lessor's attorneys' fees and/or costs shall mean both the fees and costs of independent counsel retained by Lessor and the compensation and costs of Lessor's in-house counsel incurred in connection with, or attributable to, the matter.

33. **Waiver of Jury Trial**. **LESSOR AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR ITS SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LESSOR AND LESSEE, LESSEE'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. THIS WAIVER BY THE PARTIES HERETO OF ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN.**

34. **Notices**. All notices required or permitted under this Lease shall be in writing, and either (i) personally delivered, (ii) sent by Certified U.S. Mail, return receipt requested, or (iii) sent by reputable, recognized overnight courier service: to Lessor at _____, with a copy to the General Counsel, and to Lessee at the Premises or its home address or business office, or at such other place as either party may hereafter designate.

35. **Successors and Assigns**. The covenants and conditions hereof shall be binding upon and for the benefit of the heirs, executors, administrators, successors, sublessees and assigns of the parties hereto.

36. **Recording**. Both Lessor and Lessee agree not to record this Lease. Upon request of either party, both parties shall execute and deliver a memorandum or "short form" of Lease in recordable form to be recorded at the requesting party's expense.

37. **Brokers**. Landlord and Tenant each represents and warrants to the other that it has not engaged a broker in connection with this leasing transaction. Each party shall indemnify the other for any liability resulting from a party's breach of their representation.

38. **Entire Agreement**. This Lease constitutes the entire agreement between the parties regarding the leasing of the Premises and, excepting any obligations or liabilities that survived the termination or expiration of any prior lease or sublease (which obligations/liabilities shall continue to survive), supersedes any prior agreements or understandings relating thereto. Notwithstanding the foregoing, in the event that Lessee was disclosed with a Franchise Disclosure Document by Lessor in conjunction with executing this Lease ("FDD"), then nothing in this Lease is intended to disclaim any

representations by Lessor in such FDD. This Lease may be modified or amended by, and only by, a written instrument executed by Lessor and Lessee.

39. **Survival**. Any rights, obligations and liabilities under this Lease which shall have previously accrued shall expressly survive the expiration or termination of this Lease.

40. C**ounterparts**. This Lease may be executed in counterparts by the parties hereto and all such counterparts when taken together shall be deemed to be one original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

LESSOR:

[Insert Entity Name]

Signed, sealed and delivered
in the presence of:

By:_____

_____ Its:_____
Witness

LESSEE:

[Insert Entity Name]

Signed, sealed and delivered
in the presence of:

By:_____

_____ Its:_____
Witness

GUARANTOR(S):

Signed, sealed and delivered
in the presence of:

_____
, Individually

_____
Witness

Signed, sealed and delivered
in the presence of:

_____
, Individually

_____
Witness

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____
My Commission Expires: Notary Public

_____ (NOTARY SEAL)

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____
My Commission Expires: Notary Public

_____ (NOTARY SEAL)

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____
My Commission Expires: Notary Public

_____ (NOTARY SEAL)

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____
My Commission Expires: Notary Public

_____ (NOTARY SEAL)

EXHIBIT I

SUBLEASE

TAKE 5

SUBLEASE

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TAKE 5 OIL CHANGE CENTER SUBLEASE

THIS SUBLEASE dated as of _____ (the "Sublease") made by and between _____ with its principal address at _____("Sublessor"), and _____ with its principal address at _____ ("Sublessee").

1. **Background**. Sublessor is the lessee under a lease from _____, as lessor, of certain property commonly known as _____, which is hereinafter referred to as the "Premises" and is fully described in such lease, the provisions of which lease (the "Lease") are incorporated herein by this reference and are as much a part of this recital as if fully set forth herein; and

Sublessor or Sublessor's affiliate has granted to Sublessee a franchise (the "Franchise") to operate a motor vehicle center offering oil changes, lubrication and related vehicle services and products from the Premises (the "Center") pursuant to a standard franchise agreement dated _____ (the "Franchise Agreement") between Sublessor or Sublessor's affiliate and Sublessee, the provisions of which Franchise Agreement are incorporated herein by this reference and are as much a part of this recital as if fully set forth herein; and

Sublessor desires to sublease the Premises to Sublessee and Sublessee desires to sublease the Premises from Sublessor on the terms hereinafter set forth;

2. **Sublease and Use**. Sublessor hereby subleases to Sublessee and Sublessee subleases from Sublessor, the entire Premises, subject, however, to all the terms, conditions, and provisions of the Lease. Sublessee, during the term of the Franchise, shall use the Premises solely for the purpose of operating a motor vehicle center offering oil changes, lubrication and related vehicle services and products in accordance with and pursuant to the provisions of the Franchise Agreement. By taking possession of the Premises, Sublessee acknowledges that Sublessee has inspected the Premises and found it to be in a safe, satisfactory and completed condition, ready for occupancy and for the operation of the Center. Without limiting the generality of the foregoing or limiting Sublessee's obligations under subparagraph 5.1 hereof, Sublessee shall at all times operate and maintain the Premises in a clean, attractive and safe condition, which operation and maintenance shall include, but not be limited to, prompt removal of snow and ice from the parts of the Premises used by pedestrians and vehicles, regular care for landscaped areas of the Premises and prompt replacement of diseased or dead vegetation, removal from the Premises of rubbish before excessive accumulations thereof and, pending such removal, storage thereof in closed containers or in an area of the Premises screened from view by the public, prompt replacement of broken or cracked glass in windows and doors and regular washing thereof, regular cleaning of floors, walls, and rest rooms, and compliance with all laws pertaining to the Premises, the use thereof or the business conducted therefrom, and with all requirements of companies providing insurance in connection therewith.

3. **Term**. The term of this Sublease (the "Sublease Term") shall be for the period commencing on the date the term of the Lease commences, and (unless sooner terminated as hereinafter provided) ending on the day before the date on which the original term of the Lease ends, provided, however, that if (i) Sublessor extends the term of the Lease pursuant to any extension option or options contained in the Lease and (ii) during the extended period of the Lease term the Franchise will be in full force and effect (unless otherwise terminated pursuant to the Franchise Agreement), then the Sublease Term shall, without further action of the parties hereto, be extended to and shall end on the day before the date on which the term of the Lease, as so extended, ends.

4. **Rent**.

4.1. Sublessee covenants to pay to Sublessor as rent in lawful money of the United States, without offset or deduction, in advance on the day the term hereof commences and on the first day of each calendar month thereafter during the term hereof, and any extension thereof, as hereinabove provided, an amount equal to _____ (or portion thereof in the event the term hereof commences on other than the first day of such month) (the "Minimum Monthly Rent"). Sublessor may increase the Minimum Monthly Rent based upon any increases in rent under the Lease, including any extensions of the Lease.

4.2. All Minimum Monthly Rent due hereunder shall be paid by check or by such other methods or procedures for payment as reasonably designated from time to time by Sublessor. These methods include, but are not limited to, pre-authorized wire transfers, electronic transfers via automated clearing houses or similar commonly accepted methods of funds transfer. Upon Sublessor's request, Sublessee shall deliver to Sublessor all necessary information (including financial institution of origin and relevant account numbers) pertaining to such pre-authorized transfers.

4.3. The Minimum Monthly Rent payable hereunder shall be net to Sublessor so that this Sublease shall yield to Sublessor the rentals specified during the Sublease Term, and all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be performed and paid by Sublessee subject to the provisions of this Sublease.

4.4. Any other charge or expenses of any nature which is due and payable under the Lease will be paid promptly by Sublessee to the party to whom they are due or as otherwise directed by Sublessor. Sublessor will provide Sublessee with information necessary for Sublessee to pay the other charges prior to, or as soon as possible after, Sublessor is notified of any such charges. Until Sublessee receives this information, Sublessee will not be responsible for the other charges.

4.5. Sublessee shall also pay all sales or similar tax due with regard to the Minimum Monthly Rent, pursuant to the laws of the State in which the Premises are located, if any.

5. **Provisions of Lease**.

5.1. **Sublessor's Obligations**. Sublessee agrees that it will do nothing in, on, or about the Premises or fail to do anything required which would result in the breach by Sublessor of its obligations under the Lease. Sublessee agrees to perform and hereby assumes all of the obligations of Sublessor under the Lease. Sublessee will conduct the business of the Center on the Premises strictly in accordance with the terms and conditions of the Franchise Agreement.

5.2. **Taxes, Insurance and Other Charges**.

(a) In addition to the payment of Minimum Monthly Rent, Sublessee will pay directly to the taxing authority, when due (or as otherwise directed by Sublessor), all taxes and assessments that are levied or assessed against the Premises during the term or any extension of this Sublease. Within sixty (60) days after any taxes or assessments are required to be paid under the Lease, Sublessee will furnish Sublessor a copy of a receipted bill showing such taxes or assessments have been paid together with a copy of the cancelled check by which such taxes or assessments were paid or other evidence satisfactory to Sublessor evidencing payment of such taxes or assessments. If Sublessee

shall default on the payment of any obligation herein required to be paid by Sublessee, then Sublessor may pay the same together with any penalty or interest levied on the tax bill, and Sublessee will be obligated to repay Sublessor on demand for such payment, together with interest on all past due obligations.

(b) On or prior to the date of the commencement of the Sublease Term, Sublessee shall furnish Sublessor with a certificate of insurance evidencing that the insurance required by the Lease is or at the commencement of this Sublease will be in effect, that the lessor under the Lease, Sublessor and Sublessee are insureds thereunder and that such insurance shall not be cancelled or modified without at least ten (10) days prior written notice to Sublessor. At least ten (10) days prior to the expiration date of any policy of insurance covered by a certificate of insurance furnished to Sublessor hereunder, Sublessee will furnish Sublessor a new certificate of insurance or other evidence satisfactory to Sublessor evidencing that the expiring policy has been renewed or replaced. Sublessee further agrees to increase the various insurance coverages specified from time to time upon written request of Sublessor to meet changing economic conditions and requirements imposed upon Sublessor under the Lease.

(c) Sublessee will pay directly all charges for gas, electricity, and other utilities, sewer charges, taxes and other fees, if applicable, and for all water used on the premises as such charges become due.

(d) Sublessee will, at its expense, keep the entire Premises at all times in good working order and repair and at the expiration of the Sublease Term, whether by lapse of time or otherwise, surrender the premises in good repair, order and condition, ordinary wear and tear excepted. Upon request of Sublessor, Sublessee will remove all signs and other identifying features from the Premises.

5.3. **Lessor Responsibilities**. Nothing contained herein shall be construed as a guarantee by Sublessor of any of the obligations, covenants, warranties, agreements or undertakings of the lessor in the Lease nor as an absolute or unconditional undertaking by Sublessor on the same terms as are contained in the Lease.

5.4. **Rights Reserved by Sublessor**. In the event Sublessor becomes entitled, as lessee in the Lease, to make or forbear making any election, give or receive any notice, grant or withhold any approval, do any act, or otherwise enforce any right to exercise any remedy under any of the provisions of the Lease, Sublessor, in its sole and absolute discretion, may either take or forebear taking such action as it deems appropriate for the protection of its interests as lessee and those of Sublessee, or may assign to Sublessee, without recourse or liability of any kind to Sublessor, such rights as Sublessor may have in the matter under the Lease. Without limiting the generality of the foregoing, Sublessee shall in no event have the right to exercise any right, privilege or prerogative conferred upon Sublessor as lessee in the Lease which relates in any way to (i) the option to extend the term, (ii) the right of first refusal respecting a sale of the Premises, or (iii) any construction, alteration, remodeling, reconstruction, restoration, or rebuilding of any improvements on the Premises, but Sublessor alone, as lessee in the Lease, shall exercise all such rights, privileges, and prerogatives. Neither this Sublease nor Sublessee's occupancy of the Premises creates any authority on the part of Sublessee to act as agent or in any other capacity for or on behalf of Sublessor with respect to this Sublease, the Premises, or any other matter.

5.5. **Rent Abatement**. No apportionment, diminution or abatement of rent or other compensation payable under this Sublease shall be claimed or allowed by reason of any provision

in the Lease or for any other reason, provided, however, if for any reason the rent payable by Sublessor to the lessor under the Lease is reduced or increased under the Lease, the rent payable hereunder will be similarly reduced or increased by the amount of such reduction or increase.

5.6. **Relationship to Lease**. This Sublease and all of Sublessee's rights hereunder are expressly subject to and subordinate to all of the terms of the Lease. Sublessee hereby acknowledges that it has received a copy of the Lease and has read all of the terms and conditions thereof. Sublessee hereby assumes all obligations of Sublessor, as tenant or lessee under the Lease, with respect to the Premises and agrees to be bound by the terms of the Lease as fully and to the same extent as if Sublessee were the tenant or lessee under the Lease. Sublessee agrees that Sublessor shall, when necessary and when requested by Sublessee, endeavor to cause lessor to perform its obligations as lessor under the Lease. Sublessee acknowledges that except as expressly provided in herein, any termination of the Lease will result in a termination of this Sublease.

6. **Franchise Agreement**. Sublessee will comply with and perform all covenants contained in the Franchise Agreement. Sublessee's breach of any of the terms and covenants of the Franchise Agreement will also constitute a breach of this Sublease. Sublessor shall have the right to terminate this Sublease and Sublessee's right to possession of the Premises in the event the Franchise Agreement expires and is not renewed or is terminated for any reason.

7. **Assignment and Subletting**. Without first obtaining the written consent of Sublessor which will not be unreasonably withheld, Sublessee shall not assign this Sublease nor any interest therein, and shall not sublet the Premises nor any part thereof. Any assignment or subletting shall in any event be made only to a franchisee of Sublessor and shall be subject to the consent requirements, if any, specified in the Lease. No assignment (with or without Sublessor's consent) will release Sublessee from any of its obligations in this Sublease.

8. **Notices**. All notices to be given to the Sublessor or Sublessee must be given in writing either in person or by certified mail, postage prepaid, sent to the Sublessee at the Premises or at such other place as Sublessee may from time to time designate by notice to Sublessor, or to the Sublessor at its principal office or at such other place as Sublessor may from time to time designate by notice to Sublessee. Delivery thereof, if mailed, shall be conclusively presumed as having been made within three (3) days from the date of mailing.

9. **Casualty or Condemnation**. This Sublease shall not terminate nor shall the rent reserved hereunder abate (except as otherwise hereinabove expressly provided) by reason of any loss of or damage to the Premises or by reason of a partial condemnation thereof by any public authority, unless the Lease is terminated by reason thereof. In the event of any such loss, damage or condemnation which does not cause a termination of this Sublease, the provisions of the Lease respecting the restoration of the Premises and the provisions of paragraph 4 of this Sublease shall be observed.

10. **Condition of Premises**.

10.1. No promise of Sublessor to alter, remodel, complete or improve the Premises, and no representation concerning the condition of the Premises has been made by Sublessor to Sublessee.

10.2. Sublessor or any authorized representative of Sublessor may enter the Premises at all times during reasonable business hours for the purpose of inspecting the Premises.

10.3. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED UNDER THIS SUBLEASE, SUBTENANT ACCEPTS THE PREMISES IN AN "AS IS" AND "WHERE IS" CONDITION, SUBJECT TO THE RIGHTS OF PARTIES IN POSSESSION, TO THE EXISTING STATE OF TITLE, ANY STATE OF FACTS WHICH AN ACCURATE SURVEY OR PHYSICAL INSPECTION MIGHT REVEAL, AND ALL APPLICABLE REGULATIONS NOW OR HEREAFTER IN EFFECT, AND IN RELIANCE ON ITS OWN INVESTIGATIONS, AND SUBLESSOR MAKES NO EXPRESS OR IMPLIED STATEMENTS, REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION OF THE PREMISES AND HEREBY DISCLAIMS THE SAME. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED UNDER THIS SUBLEASE, SUBLESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE WITH RESPECT TO THE PREMISES, AND HEREBY DISCLAIMS THE SAME. SUBTENANT EXPRESSLY DISCLAIMS ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY SUBLESSOR. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED UNDER THIS SUBLEASE, SUBLESSOR IS NOT RESPONSIBLE FOR ANY REPAIRS, SERVICE OR DEFECTS IN THE EQUIPMENT LOCATED ON THE PREMISES OR THE OPERATION THEREOF.

11. **Remedies of Sublessor**. Anything herein to the contrary notwithstanding, and in addition to the rights of termination provided in paragraph 5 hereof, (i) if any voluntary or involuntary petition in bankruptcy shall be filed by or against Sublessee, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Sublessee insolvent or unable to pay its debts, or (ii) if Sublessee defaults in the payment of rent and such default continues for ten (10) days after Sublessor's written notice thereof to Sublessee, or if Sublessee defaults in the prompt and full performance of any other provision of this Sublease and such default continues for twenty (20) days after Sublessor's written notice thereof to Sublessee, or (iii) if Sublessee makes an assignment for the benefit of creditors, or if a receiver be appointed for the property of Sublessee, or (iv) if Sublessee fails to use the Premises for the purposes herein described, or (v) if Sublessee establishes a pattern of repeated defaults in that Sublessee fails to make any payment of money under this Sublease when due or defaults in the performance of any covenant, undertaking or obligation other than for the payment of money, required by this Sublease to be performed by Sublessee, in three consecutive calendar months or in any four months during the same calendar year (whether the same or different failures or defaults are involved, and notwithstanding that Sublessee may have cured within the times prescribed any such failures and defaults occurring in the first two consecutive calendar months or in any three months in the same calendar year), or (vi) if Sublessee willfully falsifies any statement or report required to be submitted to Sublessor under the terms of this Sublease, then in any of such events, Sublessor may, at its option, and without thereby precluding any other remedy provided by law, terminate this Sublease and Sublessee's right to possession of the Premises, in which event Sublessee shall, upon notice of such termination, immediately surrender possession of the Premises to Sublessor. If Sublessor elects to terminate this Sublease, pursuant to this paragraph 11, Sublessor shall be entitled to recover from Sublessee, and Sublessee agrees to pay, as damages, all expenses, including, but not limited to, brokerage fees, attorneys' fees, and repairs and alterations reasonably required in connection with reletting the Premises.

12. **Sublessor's Expenditures and Indemnification**. If Sublessee fails to perform any of Sublessee's undertakings hereunder, Sublessor may (but need not) after notice to Sublessee of Sublessor's intention to do so (except under circumstances which Sublessor reasonably believes to be an emergency in which case no such notice shall be required) make all expenditures or do such acts and things necessary to fulfill and satisfy any such undertakings. Such expenditures and Sublessor's costs in connection therewith shall be at Sublessee's expense and shall be payable, together with interest thereon at the rate of ten percent (10%) per annum, as additional rent upon the first day of the month next following. Sublessee shall also pay all of Sublessor's reasonable costs and expenses, including the fees of counsel, which may

be occasioned in performing or enforcing Sublessee's obligations hereunder. Sublessee agrees to indemnify and hold Sublessor harmless of and from all fines, suits, claims, demands and actions arising out of or connected with the occupation or use of the Premises, or by reason of any breach, violation or nonperformance of any term, covenant or condition hereof by or on the part of Sublessee, its visitors or agents, or by reason of any act or omission on the part of Sublessee or the agents, servants or invitees of Sublessee. Anything herein to the contrary notwithstanding, with regard to any controversy between Sublessor and Sublessee respecting this Sublease or acts or omissions done or suffered to be done pursuant thereto, or any claims or action arising thereunder, the prevailing party shall be entitled to recover, in addition to all damages and costs which would otherwise be recoverable, all reasonable expenses, including fees of counsel, incurred by such prevailing party in connection with such controversy, claim or action, irrespective of whether such claim is liquidated, or whether such controversy, claim or action is prosecuted to a final judgment.

13. **No Waivers**. No waiver by either party hereto of any provision or default hereunder, whether in a single instance or repeatedly, shall be deemed a future waiver of such provision or default.

14. **Paragraph Titles**. The headings of the various paragraphs herein are for convenience only and do not define, limit or construe the contents of such paragraphs.

15. **Binding Effect**. The covenants and conditions hereof shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

16. **Quiet Enjoyment**. Sublessor warrants that it has full right and power to make this Sublease, Sublessor covenants and agrees, for itself, its successors and assigns, that during the Sublease Term and so long as Sublessee performs the covenants and satisfies the obligations of Sublease as herein provided, Sublessee shall quietly have and enjoy the Premises without hindrance or molestation by Sublessor or anyone lawfully claiming through Sublessor. In the event Sublessee shall be ousted from possession of the Premises by reason of any defect in the title of the lessor under the Lease, or the lessor's lack of authority or legal capacity to make the Lease, Sublessee shall not be required to pay any rent under this Sublease while it is so deprived of possession of the Premises, and Sublessor shall not incur any liability by such ouster. If such ouster occurs, however, and possession and quiet enjoyment are not restored to Sublessee within one hundred twenty (120) days, Sublessee may terminate this Sublease by notice to Sublessor. If Sublessee receives notice from the lessor under the Lease (pursuant to the notice provisions of the Lease) of a default by Sublessor in the payment of any obligation of Sublessor under the Lease not assumed by Sublessee hereunder, and Sublessee is not then in default under this Sublease, Sublessee may (but need not) after notice to Sublessor of Sublessee's election to do so, pay to said lessor the amount required to cure such default, and such amount shall thereupon be due and payable by Sublessor to Sublessee, provided, however, that Sublessee shall not make any such payment to said lessor if, within five (5) days after notifying Sublessor of its intention to do so, Sublessor notifies Sublessee that there are valid defenses to the claims made by said lessor. It shall be an event of default under this Sublease if Sublessee notifies Sublessor of its intention to cure any such default as herein permitted and fails to do so within ten (10) days thereafter, unless Sublessor notifies Sublessee of valid defenses as aforesaid.

17. **Alterations**. Sublessee shall not make any change in, alteration of, or addition to any part of the Premises without, in each instance, obtaining the prior written consent of Sublessor and complying with all governmental rules, ordinances and regulations.

18. **Surrender upon Termination or Expiration**. Sublessee covenants and agrees that upon expiration of the Sublease Term, or any earlier termination thereof, Sublessee will at once surrender and

deliver to Sublessor possession of the Premises in good order, condition and repair, except for reasonable wear and tear and in the condition required under the Lease.

19. **Access**. Sublessee shall permit Sublessor and its agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the Premises or for performing such acts as are authorized under paragraph 12 hereof, or for any purpose authorized under the Franchise Agreement. Sublessor shall have the right to show the Premises to prospective purchasers at any time during the Sublease Term or to prospective tenants during the last six (6) months of the Sublease Term.

20. **Termination of Sublease**. Anything herein to the contrary notwithstanding, if the Lease is terminated for any reason, this Sublease shall also thereupon terminate without further action of the parties and without any liability therefor on the part of either party.

21. **Governing Law**. The parties agree that the law of the jurisdiction where the Premises are located shall apply except that the conflict of laws for that jurisdiction shall not apply or serve to change the agreement of the parties as to the applicable law.

22. **No Agency Created**. Sublessee will have no authority, express or implied, to act as agent of Sublessor or any of its affiliates for any purpose. Sublessee is, and will remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the premises, including any personal property, equipment, fixtures or real property connected with them and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Center on the Premises.

23. **Force Majeure**. Whenever a period of time is provided in this Sublease for either party to do or perform any act or thing, except the payment of monies, neither party will be liable for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and in any event the time period for the performance of an obligation in this Sublease will be extended for the amount of time of the delay. This Section will not apply to, or result in, an extension of the Sublease Term.

24. **Invalidity of a Provision**. If any term or provision of this Sublease will to any extent be held invalid or unenforceable, the remaining terms and conditions of this Sublease will not be affected, but each term and provision of this Sublease will be valid and enforced to the fullest extent permitted by law. If any material Sublease Term is stricken or declared invalid, Sublessor reserves the right to terminate this Sublease at its sole discretion.

25. **Entire Agreement**. This Sublease (and underlying Lease) and the Franchise Agreement will be deemed to include the entire agreement between the parties, and it is agreed that neither Sublessor nor anyone acting on its behalf has made any statement, promise or agreement or taken upon itself any engagement whether, verbally or in writing, in conflict with the terms of this Sublease, or that in any way modifies, varies, alters, enlarges or invalidates any of its provisions, or extends the Sublease Term, and that no obligations of Sublessor will be implied in addition to the obligations expressed in this Sublease. This agreement cannot be changed orally but only by an agreement in writing signed by Sublessor and Sublessee. Nothing in this Sublease or in any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Sublessee.

26. **Holding Over**. In the event that Sublessee remains in possession of the Premises after the expiration or termination of this Sublease, Sublessee shall be deemed to be occupying the Premises as a tenant from month to month at a rental equal to the greater of (i) one and one-half (1½) times the monthly rental provided for in this Sublease for the last year of the Sublease Term, or (ii) the amount of

Minimum Monthly Rent and other sums due pursuant to the Lease in the event of such holdover. Such month to month tenancy may be terminated at any time by either Sublessor or Sublessee by written notice to the other with the termination date set out in such notice and to be at least thirty (30) days after delivery of the notice. If Sublessee remains in possession of the Premises or any part thereof after the expiration of the Sublease Term or termination of the Sublease, Sublessee agrees to indemnify, defend and hold Sublessor harmless from and against any claims, damages, costs (including reasonable attorneys' fees and court costs) or other liabilities incurred by Sublessor or lessor as a result of such holdover, including any fees or penalties assessed pursuant to the Lease, including claims made by any party who claims a possessory interest in the Premises effective upon the expiration or termination of this Sublease.

27. **Guaranty**. Simultaneously with the execution of this Sublease and as an express condition of the effectiveness hereof, _____ ("Guarantor") shall guarantee the obligations of Sublessee hereunder, including the payment of Minimum Monthly Rent and the performance of all covenants and agreements of Sublessee hereunder, pursuant to a guaranty which shall be in form and substance as set forth as attached hereto (the "Guaranty"). Within fifteen (15) days of Sublessor's request, Sublessee shall cause Guarantor to provide to Sublessor the most current fiscal year-end financial statements of Guarantor, which financial statements shall be certified to Sublessor by Guarantor as being true, complete and correct.

28. **Counterparts**. This Sublease may be executed in counterparts by the parties hereto and all such counterparts when taken together shall be deemed to be one original.

IN WITNESS WHEREOF, the parties have executed and delivered this instrument the day and year first above written.

_____
Sublessor

Signed, sealed and delivered
in the presence of:

By:_____

Its:_____

_____
Witness

_____
Sublessee

Signed, sealed and delivered
in the presence of:

By:_____

Its:_____

_____
Witness

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____

My Commission Expires: Notary Public

_____ (NOTARY SEAL)

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____

My Commission Expires: Notary Public

_____ (NOTARY SEAL)

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, _____, by _____
_____
_____
_____.

In consideration of, and as an inducement to, the execution of that certain Sublease of even date herewith (the "Sublease") by _____ ("Sublessor"), each of the undersigned hereby personally and unconditionally (a) guarantees to the Sublessor, and its successors and assigns, for the Sublease Term and thereafter as provided in the Sublease, that _____ ("Sublessee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Sublease; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Sublease.

Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this guaranty shall be joint and several; (2) he shall render any payment or performance required under the Sublease upon demand if Sublessee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Sublessor of any remedies against Sublessee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Sublessor may from time to time grant to Sublessee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Sublease Term.

GUARANTORS:

_____

Signed, sealed and delivered
in the presence of:

_____
Witness

Signed, sealed and delivered
in the presence of:

_____

_____
Witness

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____

My Commission Expires: Notary Public

_____ (NOTARY SEAL)

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.

WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____

My Commission Expires: Notary Public

_____ (NOTARY SEAL)

EXHIBIT J

COLLATERAL ASSIGNMENT OF LEASE

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (collectively "Assignor"), as of _____, 20_____ (the "Assignment Effective Date"), assigns, transfers and sets over unto Take 5 Franchisor SPV LLC ("Assignee") all of Assignor's right, title and interest as lessee in, to and under that certain lease, a copy of which is attached as Exhibit A hereto (the "Lease"), respecting the premises located at _____ (the "Premises").

This Collateral Assignment of Lease (the "Collateral Assignment") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Collateral Assignment or the Lease unless Assignee shall take possession of the Premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder. Assignor hereby agrees to indemnify and hold harmless Assignee from and against all claims and demands of any type, kind or nature made by any third party which arise out of or are in any manner connected with Assignor's use and occupancy of the Premises.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and their interest therein.

Upon a default by Assignor under the Lease or a default under the Franchise Agreement for a Take 5 Oil Change Center between Assignee or Assignee's affiliate and Assignor (the "Franchise Agreement"), which is not cured within the time prescribed therein, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, have Assignor expelled therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease. Assignor shall reimburse Assignee for the costs and expenses incurred in connection with any such retaking, including, but not limited to the payment of any back rent and other payments due under the Lease, whether the payments are made by guaranty or separate agreement with the Landlord (as identified in the attached Consent and Agreement of Landlord) or otherwise, attorneys' fees and expenses of litigation incurred in enforcing this Collateral Assignment, brokerage fees and commissions, costs incurred in reletting the Premises and putting the Premises in good working order and repair.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal.

Upon termination or expiration of the Franchise Agreement or the Lease Agreement, Assignee shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises for the removal of all articles which display the Take 5 Oil Change Center Marks associated with the Take 5 Oil Change Center System, including without limitation, all signs, advertising materials, stationery and forms. Assignee's right to re-enter shall not be deemed as trespassing.

All terms capitalized, but not defined herein, shall and have the meaning ascribed thereto in the Lease.

The obligations of Assignor hereunder shall be individual, joint and several.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties hereto have executed this Collateral Assignment of Lease effective as of the Assignment Effective Date.

ASSIGNOR:

Signed, sealed and delivered
in the presence of:

By:_____

Its:_____

_____
Witness

ASSIGNEE:
TAKE 5 FRANCHISOR SPV LLC

Signed, sealed and delivered
in the presence of:

By:_____

Its:_____

_____
Witness

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.
WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____
My Commission Expires: Notary Public

_____ (NOTARY SEAL)

STATE OF _____
COUNTY OF _____

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, _____, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged to be the _____ of _____, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as and for the company.
WITNESS my hand and official seal at office this _____ day of _____, 20__.

_____
My Commission Expires: Notary Public

_____ (NOTARY SEAL)

EXHIBIT A
LEASE

CONSENT AND AGREEMENT OF LANDLORD

The undersigned Landlord, under the Lease dated _____, _____, between Landlord and _____ ("Assignor") approves, effective as of _____, 20___ (the "Consent Effective Date"), the attached Collateral Assignment of Lease (the "Collateral Assignment") between Take 5 Franchisor SPV LLC ("Assignee") and Assignor. In connection with the Collateral Assignment, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Assignee agree as follows:

(a) Landlord shall notify Assignee in writing of any default by Assignor under the Lease as and when such defaults occur;

(b) Pursuant to the Collateral Assignment, in the event Assignor defaults in its obligations under the Lease or under its Franchise Agreement for a Take 5 Oil Change Center (the "Franchise Agreement"), Assignee shall have the right, but not the obligation, and is hereby empowered to take possession of the Premises demised by the Lease, and in such event, Assignor shall have no further right, title or interest in the Lease;

(c) Assignee may exercise its rights under the Collateral Assignment upon the occurrence of either of the following events: (i) Landlord's receipt of notice from Assignee that Assignor is in default of the Franchise Agreement and has failed to cure within the time prescribed thereunder, or (ii) Assignee's receipt of any notice of default by Assignor under the Lease. Upon the occurrence of either of the above-referenced events, if Assignee wishes to exercise its rights under the Collateral Assignment, it shall, within thirty (30) days of Assignee's or Landlord's receipt of the applicable notice, as set forth above, notify Landlord of its intention to take possession of the Premises with no liability for any default of Assignor up to the point Assignee assumes the Lease;

(d) In the event Assignee exercises it rights under the Collateral Assignment, Landlord shall take all action necessary to retake the Premises and deliver same to Assignee. Such action shall include, without limitation, termination, eviction and legal action and Assignee shall have no obligation under the Collateral Assignment until the Premises are lawfully tendered to it;

(e) If Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as lessee thereunder, Landlord shall recognize Assignee as lessee under the Lease;

(f) Landlord agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the lessee's obligations under the Lease and upon such assignment, Assignee shall have no further liability or obligation under the Lease as Assignee, lessee or otherwise; and

(g) Upon termination or expiration of the Franchise Agreement or the Lease Agreement, Assignee shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises for the removal of all articles which display the Take 5 Oil Change Center Marks associated with the Take 5 Oil Change Center System, including without limitation, all signs, advertising materials, stationery and forms. Assignee's right to reenter shall not be deemed as trespassing.

All terms capitalized, but not defined herein, shall and have the meaning ascribed thereto in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Consent and Agreement of Landlord effective as of the Consent Effective Date.

LANDLORD:

_____

By:_____
Name:_____
Title:_____

ASSIGNEE:
TAKE 5 FRANCHISOR SPV LLC

By:_____
Name:_____
Title:_____

EXHIBIT K

SOFTWARE LICENSE AGREEMENT

TAKE 5
SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT (the "Agreement") is effective as of _____, 20__ (the "Effective Date"), by and between _____, a(n) _____ with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Take 5"), and _____, a(n) _____ with its principal address at _____ ("Franchisee").

WHEREAS, Take 5 or its affiliate and Franchisee have entered into a franchise agreement dated _____ (the "Franchise Agreement"), pursuant to which Take 5 or its affiliate has granted to Franchisee a franchise for the operation of a Take 5 Oil Change Center (as defined in the Franchise Agreement) at _____ (the "Center");

WHEREAS, Take 5 is the licensee of a certain proprietary Software (defined below) which it sublicenses to franchisees for use in the operation of Take 5 Oil Change Centers; and

WHEREAS, Franchisee desires to use the Software in connection with the operation of the Center, and Take 5 is willing to authorize Franchisee to use the Software for such purposes, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the promises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

A. GRANT OF LICENSE.

1. Take 5 grants to Franchisee, and Franchisee accepts from Take 5, a personal, non-exclusive, non-transferable license to install and use software and associated or related documentation or other similar or printed or machine-readable matter and any such modifications, upgrades, third-party interfaces or additions which may be provided by Take 5 to Franchisee, as modified by Take 5 periodically in its sole discretion (collectively, the "Software"), in conjunction with compatible hardware approved by Take 5, as modified by Take 5 periodically in its sole discretion (the "Designated System"), solely in connection with the operation of the Center, upon the terms and conditions set forth herein. Franchisee acknowledges and agrees that Take 5 has the unlimited right to modify any and all aspects and the components of the Designated System and/or the Software (including in the form of additions, substitutions, replacements, or modifications thereto) at any time in Take 5's sole discretion.

2. Franchisee acknowledges and agrees that the license granted by this Agreement extends solely to the use by Franchisee or its authorized employees, agents and representatives, of the Software on the Designated System.

3. The use of the Software for any purpose other than in connection with the operation of the Center pursuant to the Franchise Agreement is strictly prohibited.

4. Except with the prior written consent of Take 5, the Software may not be:

(a) operated by persons other than Franchisee and employees of Franchisee;

(b) operated on equipment other than the Designated System; or

(c) used in conjunction with any other computer applications program except as approved by Take 5.

B. PAYMENT.

1. For the rights granted hereunder, simultaneously with its execution of this Agreement, Franchisee shall pay Take 5 a one-time registration and initial set-up fee in the amount set forth in Exhibit A (the "Software Installation Fee").

2. In addition to the Software Installation Fee, Franchisee shall pay to Take 5 a monthly technical support and maintenance fee (the "Software License Fee") in the amount set forth in Exhibit A, for telephone, e-mail, and web-based support during business hours, Software updates, and online training materials for Franchisee's Center. The Software License Fee is to be paid by Franchisee to Take 5 on a monthly basis and shall be due on the first day of each month during the term of this Agreement, provided that the first Software License Fee shall be due on the first day of the month following the month during which Franchisee first opens the Center for business. Take 5 requires Franchisee to make such payments pursuant to an electronic funds transfer program or through such other electronic means that Take 5 shall require, and Franchisee shall cooperate with Take 5 in setting up such payment procedures. Take 5 reserves the right to increase the amount of the Software License Fee due under this Agreement based on changes in the Index (defined below) ("Annual Increase"). Commencing on the anniversary date of the Effective Date of this Agreement, Franchisee may be subject to an Annual Increase based on the base Software License Fee plus the Index. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index. An Annual Increase will be determined by adding two percent (2%) to the most recent Index and will not exceed five percent (5%) annually. Notwithstanding the foregoing, Take 5 also reserves the right to increase the Software License Fee, even beyond the Annual Increase, to reflect any increases in any third party's charges to Take 5 and/or any modification to the Designated System and/or the Software by Take 5 in its sole discretion.

C. CONFIDENTIALITY OF ALL SOFTWARE PROVIDED UNDER THIS AGREEMENT.

1. Franchisee agrees that it and its owners, officers, employees and agents will not:

(a) sell, assign, lease, sublicense, market or commercially exploit, in any way, the Software, or any data, reports or other printed materials generated by the use of the Software or any component thereof;

(b) disclose or grant access to the Software, or any data generated by the use of the Software or any component thereof, to any third party other than one to whom Take 5 has consented in writing and who has agreed in writing with Take 5 to keep the Software or such data confidential;

(c) reverse engineer the Software or attempt to obtain the source code of the Software; or

(d) copy or reproduce the Software, or any data generated by the use of the Software or any component thereof, in any manner, provided that nothing herein shall prohibit Franchisee from using the data generated by the Software to the extent reasonably necessary to comply with local, state and federal laws and for usual and customary business purposes.

2. Franchisee agrees to:

(a) keep the Software and any data generated by the use of the Software confidential during and after the expiration or termination of this Agreement;

(b) establish and maintain such security precautions adequate to protect the Software and any data generated by its use prescribed by Take 5 from time to time to maintain the secrecy of the Software and any data generated by the use of the Software;

(c) establish and maintain additional security precautions as may be necessary; and

(d) prevent the unauthorized access to or use, disclosure or copying of the Software or any data generated by the use of the Software.

D. RIGHTS AND RESTRICTIONS.

1. Franchisee agrees that it will not attempt to patent, copyright or otherwise assert proprietary rights to the Software and any data generated by the use of the Software or any portion thereof. Franchisee agrees that all copies of the Software and any data, reports or other printed or electronic media materials generated by the use of the Software, or any components thereof, in its possession will contain the copyright notices, confidential legends, and/or other notices of proprietary rights specified by Take 5.

2. Franchisee may not modify the Software in any way. Franchisee agrees to disclose to Take 5 promptly all ideas and suggestions for modifications or enhancements of the Software conceived or developed by or for Franchisee, and Take 5 will have the right to use such ideas and suggestions and incorporate them in the Software. All modifications and enhancements made to the Software and all intellectual property rights related thereto will be deemed to be works made for hire and shall otherwise be the property of the owner of the Software, without regard to the source of the modification or enhancement. To the extent the Software is not deemed to be "work made-for-hire," Franchisee agrees to sign any documents that may be necessary to vest the owner of the Software with ownership of any such modifications or enhancements conceived or developed by Franchisee.

3. Take 5 will have the right of continuous access to the Software and all data processed on the Software with respect to the Center, and Franchisee agrees to provide Take 5 with such continuous access to the Software and such data in the manner specified by Take 5 from time to time. Take 5 will have the right at all times, directly and indirectly, to audit, retrieve, analyze and use all data in the files of Franchisee generated by the Software. Franchisee agrees to sign any documents that may be necessary to vest Take 5 with ownership of any such modifications or enhancements conceived or developed by Franchisee.

4. Franchisee acknowledges and agrees that any violation by Franchisee of the provisions of this Section or Section C hereof would cause Take 5 irreparable injury for which Take 5 would have no adequate remedy at law and that, in addition to any other remedies which it may have, Take 5 is entitled to temporary restraining orders and preliminary injunctive relief against any such violation.

E. DATA OWNERSHIP.

All customer and vehicle data, records, and reports generated by the Software and associated Designated System or otherwise generated in connection with the Center or the customers of the Center or other Take 5 Oil Change Centers, whether in existence at the Effective Date hereof or compiled

thereafter, shall be treated by Franchisee and its employees as the exclusive property of Take 5. Franchisee understands and agrees that Take 5 and its affiliates may use such data for any purpose and in any form as determined by Take 5 and its affiliates from time to time, including, without limitation, to compile on an aggregated basis statistical and performance information relating to Take 5's (or its affiliates') services and products, Take 5 Oil Change Centers, and/or other automotive businesses franchised and owned by Take 5 and its affiliates.

F. TRANSFER.

The license to use the Software may not be transferred except in conjunction with a transfer of the Franchise Agreement in accordance with its terms.

G. TERMINATION.

1. If Franchisee breaches any provision of this Agreement or the Franchise Agreement (and, if such breach is curable, fails to cure such breach within the time period allowed therefor), Take 5 may block Franchisee's access to the Software customarily accessible by Franchisee through the Designated System until the cure of such breach or, if not cured, the termination of such agreement.

2. Take 5 may terminate this Agreement upon written notice to Franchisee in the event the Franchise Agreement terminates or expires for any reason or in the event Franchisee breaches any provision of this Agreement and fails to cure such breach within seven (7) days after written notice thereof from Take 5 unless such breach is of a nature that cannot be cured, in which case this Agreement may be terminated by Take 5 upon written notice to Franchisee.

3. Upon termination or expiration of the Franchise Agreement or this Agreement for any reason, Franchisee agrees to immediately deliver to Take 5 the Software, documentation for the Software, all data generated by use of the Software and all other materials or information which relate to or reveal the Software and its operation. Franchisee shall deliver to Take 5 all software delivered to or made available to Franchisee pursuant to this Agreement on disc or any other format. Franchisee shall certify it has not retained any copies of the Software.

H. NO WARRANTIES/LIMITATION OF LIABILITY.

1. Take 5 does not represent or warrant to Franchisee, and expressly disclaims any warranty, that the Software is error-free or that the operation and use of the Software by Franchisee will be uninterrupted or error-free. Take 5 will have no obligation or liability for any expense or loss incurred by Franchisee arising from use of the Software. TAKE 5 MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND THERE ARE EXPRESSLY EXCLUDED ALL WARRANTIES OF MERCHANTABILITY AND FITNESS OF THE SOFTWARE FOR A PARTICULAR PURPOSE. TAKE 5 SHALL NOT BE LIABLE FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING IN CONNECTION WITH THIS AGREEMENT.

2. Franchisee shall be solely responsible for the installation of the Software on or into the Designated System, for securing all training necessary to use the Software and for obtaining all servicing necessary to maintain and repair the Software.

[Signature Page Follows]

Take 5 and Franchisee have executed this Agreement effective as of the Effective Date.

TAKE 5:	**FRANCHISEE:**
[_____]	[_____]
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT A

SOFTWARE INSTALLATION FEE AND SOFTWARE LICENSE FEE

1. Software Installation Fee. The Software Installation Fee is $_____.

2. Software License Fee. As of the Effective Date, the Software License Fee is $_____ per month.

   * If Franchisee has elected to use point of sale system video surveillance software in connection with the operation of the Center, the Software License Fee will reflect the additional fee payable by Franchisee to Take 5 for such video surveillance software.

EXHIBIT L

FRANCHISEE REPRESENTATIONS DOCUMENT

THIS DOCUMENT SHALL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA OR MARYLAND, DO NOT SIGN THIS DOCUMENT.

TAKE 5 FRANCHISOR SPV LLC
FRANCHISEE REPRESENTATIONS

Important Instructions: Read this document carefully and do not sign it if it contains anything you think might be untrue. If you sign this document, you are confirming that what it says is true. In addition, if you sign it, we will take actions in reliance on the truth of what it says.

The following franchisee — _____ (the "Franchisee") — is interested in acquiring a franchise for a Take 5 Oil Change Center to be operated at a specific site identified, or to be identified, in the Franchise Agreement (the "Center"). Each of the undersigned represents that all of the following statements are true:

1. Each of the undersigned has conducted its, his, or her own independent investigation of Take 5 Franchisor SPV LLC ("we," "us," or "our"), the System (as that term is used in our Franchise Agreement), and the risks, burdens, and nature of the business the Franchisee will conduct under the Franchise Agreement.

2. Each of the undersigned understands that the business the Franchisee will conduct under the Franchise Agreement involves risks and that success or failure will be substantially influenced by the Franchisee's abilities and efforts and the viability of the Center's site.

3. The Franchisee has (through one or more of the undersigned) received and reviewed the Franchise Agreement and each rider, exhibit, and schedule attached to it.

4. The Franchisee understands all of the information contained in the Franchise Agreement and each rider, exhibit, and schedule attached to it.

5. Each of the undersigned understands that the Franchise Agreement we use in the System likely will change from time to time, meaning that the Franchise Agreement for the Center likely will be different from others we sign in the future. The Franchisee will be bound by its own Franchise Agreement, regardless of what our other Franchise Agreements might say.

6. The Franchisee has received ready-to-be-signed copies of the Franchise Agreement and all other related agreements and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning those documents. If we unilaterally made any material changes in the Franchisee's final, ready-to-be signed copies of the Franchise Agreement and related agreements (other than as a result of negotiations started by the Franchisee), the Franchisee has had copies of those documents in-hand for at least seven (7) calendar days before signing them.

7. The Franchisee has received a franchise disclosure document (the "FDD") as required by law at least fourteen (14) calendar days before signing the Franchise Agreement or any other binding agreement, and at least fourteen (14) calendar days before paying any consideration to us or our affiliate

in connection with this franchise, and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning the FDD.

[If the Franchisee is based or will operate in Michigan, the Franchisee also has received the FDD at least ten (10) business days before signing the Franchise Agreement and at least ten (10) business days before paying any consideration to us or an affiliate in connection with this franchise.]

8. Except as provided in the financial performance representation ("FPR") appearing in Item 19 of our FDD, we have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of the Center or any other Take 5 Oil Change Center, except: (None, unless something is filled-in here) _____ _____ _____.

9. Each of the undersigned understands that:

9.1 Except as provided in our FPR, we do not authorize our officers, directors, or employees to furnish any oral or written representation, warranty, promise, guaranty, prediction, projection, or other statement or information concerning actual or potential income, sales volume, or profitability, either generally or of any Take 5 Oil Change Center.

9.2 Actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular Take 5 Oil Change Center.

9.3 We have specifically instructed our officers, directors, and employees that, except as provided in our FPR, they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give information as to income, sales volume, or profitability, either generally or with respect to any particular Take 5 Oil Change Center.

9.4 If any unauthorized representation, warranty, promise, guaranty, prediction, projection, or other statement or information is made or given, the undersigned should not (and will not) rely on it and should report it to our management.

10. Before signing the Franchise Agreement and any related agreements, the undersigned Franchisee has had ample opportunity: (A) to discuss the Franchise Agreement, any related agreement, and the business the Franchisee will conduct with its, his, or her own attorneys, accountants, and real estate and other advisors; (B) to investigate all statements and information made or given by us and our officers, directors, employees, and agents relating to the System, the Center, and any other subject; and (C) to consult with any other franchisees we periodically have.

11. Each of the undersigned understands that the Franchise Agreement grants rights for one (1), and only one (1), Center, operated only at the site identified or to be identified in the Franchise Agreement, and that, except as expressly provided in the Franchise Agreement or a signed Area Development Agreement with us, we are not granting or promising any "exclusive," "expansion," "protected," "non-encroachable," or other territorial rights, rights of first refusal, or rights of any other kind for the Center's market area or any other existing or potential Take 5 Oil Change Center or geographic territory.

12. Each of the undersigned understands that the Franchise Agreement (including any riders and exhibits) reflects the entire agreement between the parties with respect to the Center's development and operation as a franchise and supersedes all prior and other contemporaneous oral or written agreements, statements, representations, and understandings of us, the undersigned, and the Franchisee, except for representations made by the undersigned in this document and by us in the FDD.

13. Each of the undersigned understands that, except for our representations in the FDD, nothing stated or promised by us that is not specifically set forth in the Franchise Agreement can be relied upon by the undersigned or the Franchisee.

14. The only state(s) in which each of the undersigned is a resident is (are): _____.

15. Each of the undersigned understands the importance of the Center's site and location. The undersigned and the Franchisee have had, or will have, ample opportunity and the means to investigate, review, and analyze independently the Center's site and location, the market area and all other facts relevant to the selection of a site for a Take 5 Oil Change Center, and the lease or purchase (as applicable) and related documents necessary to secure possession of or acquire the site.

16. Each of the undersigned understands that neither our acceptance of any site and location nor our review or acceptance of any lease, purchase, or other terms or documents to secure possession of or acquire a site implies or constitutes any warranty, representation, guarantee, prediction, or projection that the site and location will be profitable or successful or that the lease, purchase, or other terms or documents are on favorable terms, its often being the case that real estate is available only on very tough terms.

17. Each of the undersigned understands that site selection is a difficult and risky proposition. We have not given (and will not give) any representation, warranty, promise, guaranty, prediction, projection, or other statement or information relied (or to be relied) upon by the undersigned or the Franchisee regarding a site's prospects for success, nearby tenants, or other attributes. The Franchisee will have any lease, purchase, or other terms and documents to secure possession of or acquire a site reviewed by its, his, or her own attorney and other advisors.

18. The covenants and restrictions concerning competition contained in the Franchise Agreement and the Area Development Agreement are fair and reasonable and will not impose an undue hardship on the undersigned or the Franchisee. Each of them has other considerable skills, abilities, opportunities, and experience in other matters and of a general nature that enable each of them to derive income that is satisfactory to them from other endeavors.

19. There is no fiduciary or confidential relationship between us and the undersigned or between us and the Franchisee. Each of the undersigned expects us to deal, and will act as if we are dealing, with it, him, or her at arm's length and in our own best interests.

20. We have advised the undersigned and the Franchisee to consult with their own advisors on the legal, financial, and other aspects of the Franchise Agreement and all other documents signed concurrently with the Franchise Agreement; this document; the Center; any lease, purchase, or other documents for a site; and the business contemplated. Each of the undersigned has either consulted with such advisors or deliberately declined to do so.

21. Neither we nor any employee has provided the undersigned or the Franchisee with services or advice that are of a legal, accounting, or other professional nature.

22. Each of the undersigned confirms that, during its, his, or her investigation of the franchise for the Center, it, he, or she had no communications with any person who is an officer or director of the Take 5 Oil Change Center system except for one or more of the following executives: **[List]**. If any of the undersigned did have communications with any executive of the Take 5 Oil Change Center system other than those whose names appear above, the name of each such officer or director appears on the following lines: (None, unless something is filled-in here) _____

_____

_____.

23. The statements made in this document supplement and are cumulative to statements, warranties, and representations made in other documents, such as the Franchise Agreement. The statements made in this document or the Franchise Agreement are made separately and independently. They are not intended to be, and will not be, construed as modifying or limiting each other.

24. Each of the undersigned understands that, in the franchise relationship, we and the Franchisee will be independent contractors. Nothing is intended to make either the Franchisee or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. We will not exercise direct or indirect control over the Center's personnel except to the extent any indirect control is related to our legitimate interest in protecting the quality of products, service, or the Take 5® brand. We will not share or codetermine the terms and conditions of employment of the Center's employees or affect matters relating to the employment relationship between the Franchisee and the Center's employees, such as employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. We will not be the employer or joint employer of the Center's employees.

25. The President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations, and the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). We therefore require certain certifications that the parties with whom we deal are not directly or indirectly involved in terrorism. For that reason, the undersigned and the Franchisee hereby certify that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with the Franchisee, is: (a) a person or entity listed in the Annex to the Executive Order; (b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism; (c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (d) owned or controlled by terrorists or sponsors of terrorism. The undersigned and the Franchisee further covenant that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with them, will during the Franchise Agreement term become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

****

FRANCHISEE

_____
(Name of Franchisee)

_____
(Signature of Person Binding Franchisee)

_____
(Name and Title Printed)

_____
(Date)

FRANCHISEE'S PRINCIPALS

_____
(Signature)

_____
(Name Printed)

_____
(Date)

_____
(Signature)

_____
(Name Printed)

_____
(Date)

(Each page of these Franchisee Representations must also be initialed.)

EXHIBIT M

STATE ADDENDA AND RIDERS TO AGREEMENTS

ADDITIONAL DISCLOSURES TO THE FRANCHISE DISCLOSURE DOCUMENT OF TAKE 5 FRANCHISOR SPV LLC

The following are additional disclosures for the Franchise Disclosure Document of Take 5 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 Take 5 Franchisor SPV LLC, any franchise seller, or any other person acting on behalf of Take 5 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 Take 5 Franchisor SPV LLC as of March 30, 2024 immediately follows.

TAKE 5 FRANCHISOR SPV LLC
BALANCE SHEET
UNAUDITED

(in thousands)		**March 30, 2024**
Assets		
Accounts and notes receivable, net	$	2,223
Intangibles, net		30,222
Total Assets	$	32,445
Liabilities and Member's Equity		
Deferred franchise revenue	$	19,936
Total Liabilities		19,936
Members' equity		12,509
Total Member's Equity		12,509
Total Liabilities and Member's Equity	$	32,445

HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. The following paragraph is added to the end of Item 17:

> 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

2. Exhibit L (Franchisee Representations Document) to the Franchise Disclosure Document is hereby deleted in its entirety.

MARYLAND

1. The following 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. 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.

5. The first paragraph of the "Summary" section of Item 17(w), entitled Choice of law, is amended to read as follows:

Except for Lanham (Trademark) Act, and except as otherwise required by the Maryland Franchise Registration and Disclosure Law, law of North Carolina applies under the Franchise Agreement and Area Development Agreement.

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

1. The following is added at the end of Item 5:

The Minnesota Department of Commerce – Securities Section has required a financial assurance based upon our financial condition. 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 at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J 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 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.

3. 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.

4. 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, the laws of the State of North Carolina will apply.

RHODE ISLAND

The following language is added to the end of the "Summary" sections of Item 17(v), entitled Choice of forum, and Item 17(w), entitled Choice of law:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

VIRGINIA

1. The following Risk Factor is added to the Special Risks to Consider About *This* Franchise page:

> 3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

2. The following language is added to the end of the "Summary" section of Item 17(e), entitled Termination by franchisor without cause:

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

3. The following paragraph is added at the end of Item 17:

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Area Development Agreement involves the use of undue influence by Take 5 to induce you to surrender any rights given to you under the franchise, that provision may not be enforceable.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT AND/OR AREA DEVELOPMENT AGREEMENT

RIDER TO THE TAKE 5 FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER (this "Rider") is made and entered into this _____ day of _____, 20__, by and between **TAKE 5 FRANCHISOR SPV LLC**, a Delaware limited liability company with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor") and _____, a(n) _____ with its principal address at _____ ("Franchisee").

1. **BACKGROUND**. 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 Take 5 Oil Change Center that Franchisee will operate under the Franchise Agreement will be located in Maryland.

2. **FEE DEFERRAL**. The following is added to the end of Section 9.1 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. **RELEASES**. The following sentence is added to the end of Sections 4.1(e), 6, 20.4(i), 20.9, and 22.5 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.

4. **INSOLVENCY**. The following sentence is added to the end of Sections 21.1(b) and 21.1(c) of the Franchise Agreement:

> This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. **GOVERNING LAW**. The following sentence is added to the end of Section 23.5 of the Franchise Agreement:

> Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 23.6 of the Franchise Agreement:

> Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **LIMITATIONS OF CLAIMS**. The following sentence is added to the end of Section 23.7 of the Franchise Agreement:

> Franchisee must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after Franchisor grants Franchisee the Franchise.

8. **ACKNOWLEDGMENTS**. The following is added to the end of Section 28 of the Franchise Agreement:

> (k) 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 and delivered this Rider on the date stated on the first page above.

TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**FRANCHISEE:**
By:_____ Its:_____	By:_____ Its:_____
By:_____ Its:_____	By:_____ Its:_____

RIDER TO TAKE FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER (this "Rider") is made and entered into this _____ day of _____, 20__, by and between **TAKE 5 FRANCHISOR SPV LLC**, a Delaware limited liability company with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor") and _____, a(n) _____ with its principal address at _____ ("Franchisee").

1. **BACKGROUND**. We and you 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 Take 5 Oil Change Center that you 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. **FEE DEFERRAL**. The following is added to the end of Section 9.1 of the Franchise Agreement:

> The Minnesota Department of Commerce – Securities Section 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. **RELEASES**. The following is added to the end of Sections 4.1(e), 6, 20.4(i), 20.9, and 22.5 of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **RENEWAL AND TERMINATION**. The following is added to the end of Sections 4.1, 21.1 and 21.2 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.

5. **LIQUIDATED DAMAGES**. The following language is added to Section 22.6 of the Franchise Agreement:

> Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

6. **GOVERNING LAW**. The following statement is added at the end of Section 23.5 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.

7. **CONSENT TO JURISDICTION**. The following is added at the end of Section 23.6 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, Section 23.8 of the Franchise Agreement is deleted in its entirety.

9. **INJUNCTIVE RELIEF**. The following statement is added at the end of Section 23.4 of the Franchise Agreement:

> Franchisee agrees that Franchisor's 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.

10. **LIMITATIONS OF CLAIMS**. The following is added to the end of Section 23.7 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the date stated on the first page above.

TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**FRANCHISEE:**
By:_____ Its:_____	By:_____ Its:_____
By:_____ Its:_____	By:_____ Its:_____

RIDER TO THE TAKE 5 FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER (this "Rider") is made and entered into this _____ day of _____, 20__ (the "Effective Date"), by and between **TAKE 5 FRANCHISOR SPV LLC**, a Delaware limited liability company with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor") and _____, a(n) _____ with its principal address at _____ ("Franchisee").

1. **BACKGROUND**. 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 Take 5 Oil Change Center 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 4.1(e), 6, 20.4(i), 20.9, and 22.5 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 Sections 10.3 and 22.7 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 Section 22.6 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 23.5 of the Franchise Agreement is deleted and replaced with the following:

> Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. 1051 et seq.), and except as required by North Dakota law, this Agreement and the Franchise shall be governed by the laws of North Carolina without regard to its conflicts of law principles.

6. **CONSENT TO JURISDICTION**. The following is added at the end of Section 23.6 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, Section 23.8 of the Franchise Agreement is deleted.

8. **LIMITATIONS OF CLAIMS**. The following is added to the end of Section 23.7 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 and delivered this Rider on the date stated on the first page above.

TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**FRANCHISEE:**
By:_____ Its:_____	By:_____ Its:_____
By:_____ Its:_____	By:_____ Its:_____

RIDER TO THE TAKE 5 FRANCHISOR SPV LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER (this "Rider") is made and entered into this _____ day of _____, 20__ (the "Effective Date"), by and between **TAKE 5 FRANCHISOR SPV LLC**, a Delaware limited liability company with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor") and _____, a(n) _____ with its principal address at _____ ("Developer").

1. **BACKGROUND**. 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 a resident of North Dakota and the Take 5 Oil Change Centers that Developer will develop under the Area Development Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in North Dakota.

2. **COVENANT NOT TO COMPETE**. The following is added to the end of Sections 12.1 and 12.2 of the Area Development 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.

3. **GOVERNING LAW**. Section 22 of the Area Development Agreement is deleted and replaced with the following:

> Except as required by North Dakota law, the terms and provisions of this Agreement shall be interpreted in accordance with and governed by the laws of the State of North Carolina.

4. **CONSENT TO JURISDICTION**. The following is added at the end of Section 23 of the Area Development Agreement:

> To the extent required by the North Dakota Franchise Investment Law, Developer may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

5. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, Section 24 of the Area Development Agreement is deleted.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the date stated on the first page above.

TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**DEVELOPER:**
By:_____ Its:_____	By:_____ Its:_____
By:_____ Its:_____	By:_____ Its:_____

RIDER TO THE TAKE 5 FRANCHISOR SPV LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER (this "Rider") is made and entered into this _____ day of _____, 20__, by and between **TAKE 5 FRANCHISOR SPV LLC**, a Delaware limited liability company with its principal address at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 ("Franchisor") and _____, a(n) _____ with its principal address at _____ ("Franchisee").

1. **BACKGROUND**. 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 Rhode Island and the Take 5 Oil Change Center that Franchisee will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION**. The following language is added to the end of Sections 23.5 and 23.6 of the Franchise Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act." To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the date stated on the first page above.

TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	**FRANCHISEE:**
By:_____ Its:_____	By:_____ Its:_____
By:_____ Its:_____	By:_____ Its:_____

EXHIBIT N

FORM OF PURCHASE AGREEMENT

CONTRACT FOR SALE OF REAL PROPERTY

[***Property Address***]

THIS CONTRACT FOR SALE OF REAL PROPERTY (together with the Terms and Conditions as defined below, the "Contract"), dated as of the ____ day of _____, 2022 (the "Effective Date") by and between **DRIVEN BRANDS, INC.**, a Delaware corporation ("Seller") and _____, a _____ ("Buyer").

In consideration of the covenants and agreements of the respective parties as hereinafter set forth, the parties herein agree to the following terms, provisions and conditions:

1. INCORPORATION OF TERMS AND CONDITIONS. The Terms and Conditions attached hereto (the "Terms and Conditions") are incorporated herein verbatim by reference. In the event of a conflict or contradiction in the terms, provision and conditions set forth herein and said Terms and Conditions, the terms, provisions and conditions set forth herein shall govern, prevail and control. All capitalized terms not otherwise defined in the Terms and Conditions shall have the same meaning as set forth herein and all capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Terms and Conditions.

2. PROPERTY DESCRIPTION [Section 1 of Terms and Conditions]. Seller shall sell, and Buyer shall purchase, that certain tract of land identified as the Property on the Site Plan on **Exhibit A** attached hereto being a portion of the property more fully described on **Exhibit B** attached hereto and made a part hereof, located at _____, in the City of _____, _____ County, _____, such portion containing approximately ____ acres of land, more or less, together with and including (except as otherwise set forth herein) all improvements thereon, easements appurtenant thereto and all of Seller's right, title and interest in any public rights-of-way adjoining the property (collectively the "Property").

3. PURCHASE PRICE AND EARNEST MONEY DEPOSIT [Section 2 of Terms and Conditions]. The purchase price ("Purchase Price") shall be _____ and no/100 Dollars ($_____.00). The "Deposit" shall be _____ and no/100 Dollars ($_____.00).

4. DEED [Section 8 of Terms and Conditions]. The "Deed" shall mean the [Special/Limited] Warranty Deed or such similar deed as recognized in the state in which the Property is located, substantially in the form attached as **Exhibit C**.

5. REMEDIES OF BUYER [Section 17(b) of Terms and Conditions]. **IF SELLER DEFAULTS UNDER THIS CONTRACT, AND SUCH DEFAULT IS NOT CURED WITHIN THE TIME PERIOD SET FORTH ABOVE, BUYER MAY, AS ITS SOLE REMEDY AND RELIEF UNDER THIS CONTRACT, ELECT TO CANCEL THIS CONTRACT IN WHICH CASE ESCROW AGENT IS IRREVOCABLY INSTRUCTED TO RETURN THE DEPOSIT TO BUYER AND THE SELLER SHALL REIMBURSE BUYER FOR ANY DOCUMENTED COSTS ACTUALLY INCURRED BY BUYER HEREUNDER (INCLUDING IN CONNECTION WITH ITS DUE DILIGENCE, TESTS AND INSPECTIONS, DEVELOPMENT OF ITS PLANS AND PURSUIT OF ITS APPROVALS) UP TO A MAXIMUM AMOUNT OF THIRTY-FIVE THOUSAND AND NO/100 DOLLARS ($35,000.00). IN THE EVENT, AND ONLY IN SUCH EVENT, THE SELLER DEFAULT IS CAUSED BY SELLER'S BREACH OF THE COVENANT SET FORTH IN SECTION 13 OF THE TERMS AND CONDITIONS (EXCLUSIVE**

NEGOTIATIONS), BUYER MAY, AS ITS SOLE AND EXCLUSIVE REMEDY, SEEK SPECIFIC PERFORMANCE OF SELLER'S OBLIGATIONS HEREUNDER. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY ACTUAL, PUNITIVE, SPECULATIVE, CONSEQUENTIAL OR OTHER DAMAGES. EXCEPT AS SET FORTH IN THIS SECTION, BUYER HEREBY EXPRESSLY WAIVES THE RIGHT TO EXERCISE ANY AND ALL OTHER REMEDIES AT LAW OR IN EQUITY, INCLUDING ANY RIGHT TO PURSUE SPECIFIC PERFORMANCE AGAINST SELLER, AND HEREBY RELEASES AND DISCHARGES SELLER FROM ANY AND ALL DAMAGES IN AN AMOUNT GREATER THAN AS SPECIFIED IN THIS SECTION. IF THIS CONTACT IS CANCELLED, BUYER AND SELLER SHALL BE RELIEVED AS TO ONE ANOTHER OF ALL OBLIGATIONS AND LIABILITIES UNDER THIS CONTRACT, SUBJECT TO THE REQUIREMENTS OF SECTION 20 OF THE TERMS AND CONDITIONS.

_____ _____

Seller's Initials Buyer's Initials

6. EASEMENTS [Section 14 of Terms and Conditions]. The "Public Rights-of-Way" shall mean an insurable, perpetual, non-exclusive easement for access over and across the Retained Property (as defined below) and approved by Seller in accordance with Section 14, which shall be sufficient for access to and from the Property which easements shall be depicted on the Site Plan of the ECCR and which easement may be satisfied if such easements are included as part of the ECCR.

7. SELLER'S ACQUISITION. Notwithstanding anything to the contrary contained in this Contract or otherwise, Seller has disclosed to Buyer that Seller does not own the Property nor have fee simple title to the Property. Seller intends to acquire fee simple title ownership of the Property or cause fee simple title ownership of the Property to be conveyed directly to Buyer as provided herein (the "Acquisition") pursuant to a separate written purchase agreement (the "Acquisition Agreement") with the current fee simple owner of the Property (the "Owner"). Seller shall diligently pursue the Acquisition so that Seller shall have the full authority to convey, or cause to be conveyed by Owner, the Property to Buyer at Closing as set forth in this Agreement, which shall be a condition to both Buyer and Seller's obligations to close the transaction contemplated in this Agreement. In the event Seller is unable to obtain fee simple title to the Property or to cause fee simple title to be conveyed directly by Owner to Buyer by Closing, Seller shall have the right to terminate this Agreement by written notice to Buyer, and the Deposit shall be refunded to Buyer and neither party hereto shall have any further rights, obligations or liabilities hereunder, except such rights, obligations and liabilities as expressly survive termination.

[Balance of page left blank – Signature Page Follows]

IN WITNESS WHEREOF, Seller and Buyer have each caused this Contract to be executed by authorized parties.

SELLER:

DRIVEN BRANDS, INC.,
a Delaware corporation

Date: _____

By: _____
Name: _____
Title: _____

BUYER:

_____,
a _____

Date: _____

By: _____
Name: _____
Title: _____

Tax ID: _____

Escrow Terms Agreed and Escrow Accepted by:

ESCROW AGENT:

Virginia National Commercial Services, as an agent for and representing Fidelity National Title Insurance Company

By: _____
Name: _____
Title: _____

Exhibit A

SITE PLAN

[Insert]

Exhibit B

LEGAL DESCRIPTION

The following legal description is provided for informational purposes only. The Property is only a portion of the property described below. An updated legal description of the Property, a legal description of the Retained Property and a legal description of the easement areas as described in Section 15 of the Contract will be supplied by the Buyer upon completion and delivery of the Survey to Seller for Seller's review and approval. Upon approval, a new Exhibit B containing the updated legal description will be substituted into the Contract replacing this Exhibit B.

[Insert]

Exhibit C

Deed

Special/Limited Warranty Deed

[**Insert**]

EXHIBIT A to LIMITED/SPECIAL WARRANTY DEED

LEGAL DESCRIPTION OF THE PROPERTY

All of that parcel of land containing approximately _____ acres in the City of _____, County of _____, State of _____ and more particularly described as follows:

[Add description.]

LESS AND EXCEPT all oil, gas and other mineral rights appurtenant to the Property which Grantor reserves unto Grantor, its successors and assigns, forever. However, neither GRANTOR nor GRANTOR's successors or assigns shall have the right for any purpose whatsoever to enter upon, into or through the surface of the Property in connection therewith, or to undermine the lateral and subjacent support of the surface of the Property or any improvements located thereon. GRANTOR shall have no right to place or maintain any structures, improvements, equipment, or pipelines in, on, under or across the Property or to install any fixtures or facilities on the surface of the Property; provided, however, that such surface waiver shall not prohibit subterranean underground activities that begin upon and are conducted from the surface of real property other than the Property, provided that such activities at all times are sufficiently below the surface of the Property such that they do not interfere with or disturb in any manner the present or future use to which the owner of the Property desires to devote the Property or undermine the lateral subjacent support of the surface of the Property or any improvements located thereon.

TERMS AND CONDITIONS

1. PROPERTY DESCRIPTION. Seller shall sell, and Buyer shall purchase, the Property.

The sale is expressly subject to the following:

(a) Seller's and/or Owner's right, but not the obligation, to remove, prior to Closing, any and all personal property, certain buildings, structures and all items of personal property owned or controlled by Seller which are located on the Property, including, without limitation, all merchandise, trade fixtures, racking, forklifts and other equipment, pre-engineered metal storage buildings and any and all outdoor covered lumber storage racking systems known as "T-Sheds".

(b) Seller's and/or Owner's reservation, retention or imposition of certain easements, restrictions and conditions on and over the Property as set out in this Contract to preserve the value of Seller's real property adjoining or near the Property (the "Retained Property").

(c) The reservation unto Seller and/or Owner, and their respective successors and assigns, forever, of all oil, gas and other mineral rights appurtenant to the Property, but neither Owner, Seller nor Seller's successors or assigns shall have the right for any purpose whatsoever to enter upon, into or through the surface of the Property in connection therewith, or to undermine the lateral and subjacent support of the surface of the Property or any improvements located thereon. Seller and/or Owner, as applicable, shall have no right to place or maintain any structures, improvements, equipment, fixtures or facilities on the surface of the Property; provided, however, that such surface waiver shall not prohibit subterranean underground activities that begin upon and are conducted from the surface of real property other than the Property, provided that such activities at all times are sufficiently below the surface of the Property such that they do not interfere with or disturb in any manner the present or future use to which the owner of the Property desires to devote the Property or undermine the lateral subjacent support of the surface of the Property or any improvements located thereon.

(d) These covenants shall survive the Closing (as defined below) of the sale of the Property to Buyer.

2. PURCHASE PRICE, EARNEST MONEY DEPOSIT AND INDEPENDENT CONSIDERATION.

(a) Purchase Price. The Purchase Price shall be payable by or on behalf of Buyer, subject to adjustments and prorations set forth herein, less any amount of the Deposit (hereinafter defined) that is applicable to the Purchase Price, to the Escrow Agent (hereinafter defined) for the benefit of Seller, in cash or in immediately available Federal funds no later than 4:00 P.M., Eastern Time, on the date of Closing.

(b) Earnest Money Deposit. Within **two (2) business days** after the Effective Date, Buyer shall deposit with Virginia National Commercial Services, located at 7130 Glen Forest Drive, Suite 300, Richmond, Virginia 23226, Attention: R. Chris Newman, as an agent for and representing Fidelity National Title Insurance Company in connection herewith ("Escrow Agent"), the Deposit. The Deposit shall be applied to the Purchase Price or otherwise paid to Seller or Buyer as provided for herein. Any interest earned on the Deposit required hereunder shall belong to the Buyer. Notwithstanding anything to the contrary in this Contract, the Deposit will be fully nonrefundable to Buyer upon Buyer's delivery to Seller of the Notice of Proposed Closing Date, as defined in Section 11(a), below, except in the event Seller fails to close pursuant to Section 11 and such failure constitutes a default by Seller.

(c) Independent Consideration. Notwithstanding anything contained herein to the contrary, in the event Buyer terminates this Contract as permitted hereunder, Seller may retain from the Deposit the sum of **One Hundred and No/Dollars ($100.00)** (the "Independent Consideration"). The adequacy of the Independent Consideration is expressly acknowledged by Seller by Seller's execution of this Contract. Notwithstanding any provision of this Contract permitting the Buyer to terminate this Contract and to thereupon receive a return of the Deposit, if the transaction contemplated by this Contract does not close in accordance with the provisions of this Contract and such event is not the result of Seller's default or breach of this Contract, the Independent Consideration shall be deemed nonrefundable to Buyer and immediately upon the occurrence of such event the Independent Consideration shall be disbursed by the Escrow Agent to Seller.

3 SURVEY. Buyer, at its sole responsibility and expense, shall obtain a current survey of the Property made in accordance with the "Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, (Effective February 23, 2016)" of the American Land Title Association ("ALTA"), including location of all utilities as per Table A, Optional ALTA Services - Item 11 (the "Survey"). The Survey shall be prepared by a surveyor registered in the state in which the Property is located within **fifty-five (55) days** following the Effective Date. Within **three (3) business days** after Buyer receives the Survey, Buyer shall provide a copy of the Survey to Seller and Escrow Agent. The Survey shall be dated and certified to Buyer; Owner, its affiliates, successors and assigns; Seller, its affiliates, successors and assigns; and Escrow Agent. Buyer shall also provide, at its expense, a legal description and depiction of any easement area to be granted to Buyer (pursuant to Section 14) or reserved by Owner (pursuant to Section 15) in conjunction with this transaction.

4. CONDITION OF TITLE.

(a) Buyer, at Buyer's sole cost and expense as secured by the Deposit, shall, within **two (2) business days** following receipt of Owner's Existing Title Policy (defined hereinafter in Section 6), order from the Escrow Agent a standard form Commitment for an ALTA Owner's Title Insurance Policy (the "Title Commitment") covering the Property and issued by the Escrow Agent or a licensed subsidiary of Escrow Agent, showing fee simple title in Seller.

(b) If the Survey shows an encroachment, overlap, gore or other objectionable condition, or exceptions to title appear in the Title Commitment, other than the standard pre-printed exceptions, liens, encumbrances, exceptions or qualifications set forth in this Contract, that are objectionable to Buyer, Buyer shall, at least **twenty (20) days** prior to the expiration of Buyer's Inspection Period, notify Seller in writing (along with supporting documents (e.g., a copy of the Survey, if not yet provided, and a copy of the Title Commitment), of Buyer's objections (the "Title Objection Notice"). Upon the expiration of Buyer's Inspection Period, Buyer shall be deemed to have accepted all exceptions to title as shown on the Title Commitment and Survey and not raised in the Title Objection Notice.

(c) Seller shall, within **twenty-five (25) days** of receipt of a Title Objection Notice, have the option in its sole discretion to either: (i) attempt to remove such objections within sixty (60) days following written notice of Seller's election to Buyer, or, where applicable, agree that Seller or Owner will cause such items to be discharged at or before Closing, or (ii) notify Buyer in writing that Seller is unwilling to remove such objections.

(d) Notwithstanding anything to the contrary herein, with respect to Voluntary Liens (as hereinafter defined), Seller shall remove or cure Seller's Voluntary Liens or shall cause Owner to remove or cure Owner's Voluntary Liens by payment of funds from Closing regardless of if the Voluntary Liens are objected to by Buyer. As used herein, the term "Voluntary Liens" shall mean (i) any mortgage

or deed of trust granted or assumed by Seller or Owner, as applicable and encumbering the Property or any portion thereof, (ii) any mechanic's or materialmen's lien caused by Seller or persons or entities acting by or through Seller or Owner or persons or entities acting by or through Owner, as applicable, (iii) any lien for unpaid taxes, assessments, utility, water, sewer or other governmental charges as of Closing, and (iv) any other monetary lien or encumbrance created by, through or under Seller or Owner, as applicable, after the Effective Date.

(e) If Seller or Owner is unwilling or unsuccessful in removing such objections within said time, then Buyer shall have the option of (i) waiving its title objections and accepting the title as it then is, or (ii) terminating this Contract. Any title exceptions to which Buyer did not object or have been waived by Buyer shall be known as permitted exceptions ("Permitted Exceptions").

(f) In the event Buyer terminates the Contract pursuant to its rights in this Section 4, the Deposit, less the Independent Consideration, will be returned to Buyer, and thereupon Buyer and Seller shall be released as to one another of all further obligations and all damages arising under this Contract, subject to the requirements of Section 20.

(g) The expense of title insurance and associated fees, additional or extended coverage, endorsements or the deletion of standard pre-printed exceptions, if any, shall be the sole responsibility of Buyer. In the event this Contract terminates as a result of Buyer's default or by Buyer's election as permitted in the Contract, then Buyer shall be responsible for any cancellation fees charged by Escrow Agent.

(h) This Section shall survive Closing.

5. BUYER'S INSPECTION AND PERMIT APPROVAL PERIODS.

(a) **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, BUYER AGREES THAT, WITHOUT THE PRIOR WRITTEN APPROVAL OF SELLER (NOT TO BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED AND OWNER), NO SUBMITTALS WILL BE MADE BY BUYER PRIOR TO CLOSING TO ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL AUTHORITIES, WHICH WILL BE BINDING ON THE PROPERTY OR ON OWNER OR SELLER IF CLOSING FAILS TO OCCUR.**

(b) The transaction contemplated herein is conditioned upon Buyer determining, at its sole cost, that the Property is acceptable for its Intended Use (as such term is hereinafter defined in Section 10). In all cases, Buyer's reasonable opinion and judgment shall determine whether the Property is acceptable for its Intended Use. Buyer shall have until **eighty-five (85) days** following the Effective Date to determine that the Property is acceptable for its Intended Use (hereafter "Buyer's Inspection Period"), during which period any amounts spent by Buyer in connection with due diligence, plan approval, building/site design, or otherwise prior to Closing shall be at Buyer's sole cost and expense, and Buyer shall not be entitled to reimbursement for same in the event this Contract is terminated except as expressly provided in Section 17(b) below upon a default by Seller under this Contract. With the exception of Voluntary Liens or defects arising under Section 11(e), any item not objected to in writing prior to the expiration of Buyer's Inspection Period shall be deemed Permitted Exceptions. In the event Buyer notifies Seller prior to the expiration of Buyer's Inspection Period that Buyer has elected to terminate this Contract, provides Seller with documentation acceptable to Seller showing why the Property is not acceptable for Buyer's Intended Use, and provided Buyer is not in default under the provisions of this Contract following written notice thereof and the expiration of the cure period, as required pursuant to the terms and conditions of Section 17, the full amount of Deposit together with any interest earned thereon, less the Independent

Consideration and the cost of any cancellation fees and title commitment charges by Escrow Agent, will be returned by Escrow Agent to Buyer, and Buyer and Seller shall be released as to one another of all further obligations and liabilities under this Contract, subject to the requirements of Section 20.

(c) Buyer's inspection may include:

(i) Buyer's reasonable determination that it can obtain all necessary governmental approvals and permits and third party approvals for its Intended Use. Following the Effective Date, Buyer, or Buyer's agents, shall promptly commence efforts to obtain any and all governmental or quasi-governmental permits and approvals at its own expense. In addition to the Buyer's Inspection Period, Buyer, in order to obtain such governmental or quasi-governmental permits and approvals, shall have until that date which is **one hundred fifteen (115) days** following the expiration of the Buyer's Inspection Period (the "Permit Approval Period") to obtain, without unusual or extraordinary expense (in Buyer's reasonable opinion), the Municipal Verification Letters (defined hereinafter in Section 11(c)(iii)), all necessary governmental approvals and permits and third party approvals for its Intended Use, including Subdivision (as defined below) approval and approval of its proposed use of the subject Property under the terms of Buyer's plans, specifications, and requirements from the governing municipalities and regulatory agencies having jurisdiction over the Property (together, the "Permit Approval"). By electing to proceed under the Permit Approval Period, Buyer shall waive any and all other contingencies provided for within this Contract, except for the following: (1) Permit Approval (as set forth in this Section 5(c)(i)), (2) Subdivision (as set forth in Section 5(f)), (3) Plan Approval (as set forth in Section 9(c) and on Exhibit F), (4) any Amendment (as set forth in Section 9(d)), and (5) any easements (as set forth in Section 14 and Section 15). Buyer shall act diligently and in good faith to obtain Buyer's Permit Approval. Seller agrees to reasonably cooperate with Buyer (at no cost to Seller) with respect to Buyer's efforts to obtain all relevant information pertaining to the Property and the permitted uses thereof. To facilitate such approval, Buyer hereby agrees to notify Seller, within **twenty-five (25) days** following the Effective Date, the name and contact information of the Buyer's engineer.

(ii) Buyer's reasonable determination that the Property has full, free, and adequate ingress and egress to and from public highways and roads.

(iii) Buyer's reasonable determination that all utilities necessary for Buyer's use are available to the Property.

(iv) Buyer's reasonable determination, through the use of engineering, environmental and related tests, percolation tests, geotechnical studies and soil borings (the "Site Investigation"), that the Property is satisfactory for Buyer's use. Except for a Phase I Environmental Site Assessment of the Property consistent with the ASTM Phase I standards ("ESA"), which Seller hereby grants Buyer permission to commission, Buyer shall not undertake any further environmental sampling or any invasive testing of the Property without the prior written consent of Owner and Seller, which Seller may withhold in Seller's sole discretion; provided, however, if Seller fails to provide consent, Buyer shall, notwithstanding anything to the contrary herein, have the right to terminate this Contract.

(d) Upon Owner's and Seller's **prior written** approval of any proposed scope of inspections and testing and any proposed inspection and testing schedule, Seller hereby grants to Buyer, its agents, employees and consultants the right to enter the Property for the purpose of conducting, to the extent possible, the Site Investigation; provided, however, if Seller fails to provide Buyer with its written response within **ten (10) business days** following any approval request, Buyer's Inspection Period or the Permit Approval Period, as applicable, shall, notwithstanding anything to the contrary herein, automatically be

extended one day for each day following the expiration of this **ten (10) business day** period until Seller's written response is received by Buyer.

(e) If any ESA or any Site Investigation performed prior to Closing indicates that the Property presents any matters that require remediation, Buyer shall immediately notify Seller. If Buyer terminates this Contract (other than a termination occurring pursuant to Section 17(b)), Buyer hereby agrees to furnish a copy of any survey, soils test, engineering studies or environmental studies, when they are obtained, and/or any other non-confidential data that Buyer may obtain during the timeframes within this Contract to Seller.

(f) In the event the Property is not platted or subdivided into a separate lot and such replatting is required by appropriate governmental authorities, it shall be Buyer's responsibility, prior to Closing and subject to Seller's approval hereunder (not to be unreasonably withheld, conditioned or delay), to subdivide the Property into a separate legal lot (the "Subdivision"). As part of the Subdivision by Buyer, the following shall apply:

(i) It shall be Buyer's responsibility to ensure that the Subdivision does not include any existing Owner's or Lowe's pylon or monument signs and to provide information to Seller regarding the Subdivision for Seller to determine that the Subdivision does not adversely affect the Retained Property (as determined by Seller in Seller's sole discretion).

(ii) If Subdivision of the Property is required, it shall be a condition to both Buyer's and Seller's obligation to close that the necessary governmental approvals to subdivide the Property shall have been granted and that there are no adverse impacts to Retained Property, including, but not limited to, the addition or changes to any necessary parking, setback or open space requirements, variances, conditional use permits or similar existing governmental approval.

(iii) Buyer will submit a proposed subdivision plat of the Property to Seller for Seller's written approval within **fifty (50) days** following the commencement of the Permit Approval Period, for Seller to confirm that Seller's rights with respect to Seller's Retained Property will not be materially and adversely impacted by the Subdivision; provided, however, if Seller fails to provide Buyer with its written response within **ten (10) business days** following any approval request, Buyer's Permit Approval Period shall, notwithstanding anything to the contrary herein, automatically be extended one day for each day following the expiration of this **ten (10) business day** period until Seller's written response is received by Buyer.

(iv) At or prior to Closing, Buyer will also be required to submit Municipal Verification Letters as described in (and subject to) Section 11(c)(iii).

(v) No applications or submittals, including the proposed plat (the "Plat of Subdivision"), that will be binding on the Property or on Owner or Seller if Closing fails to occur, may be made prior to Closing to any governmental or quasi-governmental authorities without Owner's and Seller's prior written approval.

(vii) At such time as Seller has approved the proposed Plat of Subdivision of the Property in writing, Buyer will submit application to the local governing authority to subdivide the Property so that it may be conveyed as a separately platted lot. Buyer agrees to pay the costs of processing and recording the Plat of Subdivision in the records of the applicable county land records. Provided however, Buyer agrees not to record the Plat of Subdivision prior to Closing unless prior written notice has been given to Seller and Owner and Seller and Owner have consented in writing to such recordation. In

the event the Plat of Subdivision is recorded and Closing does not occur for any reason other than a Seller default, Seller may elect to require that Buyer pay on demand any and all charges incurred by Seller or Owner to remove the Plat of Subdivision from record, which obligation shall survive the termination of this Contract.

(viii) Notwithstanding anything set forth herein to the contrary, in the event Buyer, despite Buyer's using diligent, commercially reasonable efforts, and acting in good faith, is unable to obtain approval of the Subdivision, Buyer may cancel this Contract in which case Escrow Agent shall release the Deposit to Buyer and thereafter, except those provisions that survive termination of this Contract, the Parties shall have no further obligations to each other.

(g) Before entry onto the Property by Buyer, its employees, agents or consultants, (i) Buyer, at its cost and expense, shall provide and maintain insurance consistent with the insurance requirements set forth on Exhibit G attached hereto and made a part hereof and (ii) Buyer shall obtain the Seller's **prior written** approval of any proposed scope of inspections and testing and any proposed inspection and testing schedule.

6. SELLER'S REPORTS. Seller agrees to deliver to Buyer, within **seven (7) business days** following the Effective Date, copies of its title insurance policies (but not the amount of such insurance) covering the Property (Seller's Existing Title Policy) and survey and environmental reports, if available and in the possession of Seller. Seller makes no representation or warranty, either express or implied, as to the completeness, accuracy or validity of the information provided.

7. TAXES AND ASSESSMENTS. Except as provided herein, all ad valorem and similar taxes and levies, and all rent, if any, on the Property shall be prorated through the day prior to Closing. Buyer is responsible for such taxes on and after the date of Closing. Cash at Closing shall be increased or decreased as may be required by said prorations. All taxes shall be prorated based on the most recent year's tax bill with due allowance made for maximum allowable discount and other exemptions if allowed for such year. If the current year's assessment is not available, then taxes will be prorated on the prior year's tax or such better information as may be available. Seller will pay such portion of any certified, confirmed general or special assessment liens or fees with respect to the Property ("Assessments"), including interest or penalties, that have been assessed, billed and are due in the year prior to the date of Closing. The portion of any Assessments that are assessed and billed prior to Closing and are due during the year of Closing shall be prorated at Closing. Buyer shall be responsible for all other Assessments, charges or portions of Assessments that become due and payable after the date of Closing.

8. DEED. At the Closing, subject to performance by Buyer of its obligations under Section 11(c) hereof, Seller shall deliver to Closing Agent (as hereinafter defined) the Deed, duly executed and acknowledged by Seller, granting and conveying the Property, subject to (i) all matters of record, (ii) any encumbrances, exceptions, restrictions or qualifications as herein noted, including the restrictions and exclusive uses set forth in Section 9 below, (iii) any exceptions, encumbrances, restrictions, easements or qualifications shown on a recorded plat or disclosed by the Survey, (iv) any zoning, restrictions, prohibitions or other requirements imposed by governmental authority, and (v) the ad valorem taxes for the year of Closing which are not yet due and payable and for the year prior to Closing if also not yet due and payable. Any valid deeds of trust or mortgages against the Property (none of which shall be assumed by Buyer) must be bonded over or paid and canceled by Seller or Owner at or before Closing. This Section shall survive Closing.

9. RESTRICTIONS, EXCLUSIVE USE AND PLAN APPROVAL.

(a) Restrictions and Exclusive Use. Buyer covenants that Buyer and its successors and assigns shall be bound by the following restrictions and exclusive use limitations that will be incorporated into, at Seller's election, (i) the Deed and/or (ii) an Outparcel Easements, Covenants, Conditions and Restrictions Agreement ("ECCR") at Closing:

(i) Buyer and Seller hereby covenant and agree that the Property shall only be used for purposes of the kind typically found in shopping centers, including, but not limited to, offices, restaurants, oil change and quick lube service centers (provided any such oil change and quick lube service centers do not make gasoline available for retail sale and so long as an oil/water separator system compliant with state, federal and local standards and consistent with such laws, statutes and ordinances as may be enacted and promulgated from time to time, shall be used to prevent the flow of oil and other materials into any adjacent stormwater drainage system), car washes (provided any such car washes shall have constructed and shall use sanitary sewer, water and storm water drainage lines entirely separate from those utilized by Seller), and retail shops;

(ii) Buyer and Seller further covenant and agree that Buyer, its successors and assigns, shall not use or permit the occupancy or use of any space upon the Property for or in support of the following purposes set forth below and shall not use or permit the occupancy or use of any space upon any adjoining real property that makes use of the Property for access, parking or as part of a larger unified development for the following purposes:

(1) A hardware store or center;

(2) An appliance, home electronics and/or lighting store or center;

(3) A nursery and/or lawn and garden store or center (including any outdoor areas and the seasonal sale of Christmas trees);

(4) A paint, wall paper, tile, flooring, carpeting and/or home decor store or center;

(5) A business selling or renting large construction equipment, earthmoving equipment, landscaping machinery and equipment, or material handling equipment (such as, but not limited to, excavators, skid steers, backhoes, trencher, forklifts, aerial lifts, dump trailers, telehandlers, and related supplies and accessories) or selling or renting small equipment and tools related to construction, home improvement, disaster relief or recovery, building maintenance, site work, or landscaping (including, without limitation, portable power products, floor care and pressure washing machines, climate control equipment, air compressors and nail guns, power tools, tile saws, concrete tools, paint and drywall tools and equipment, restoration and remediation equipment, drain cleaning and plumbing tools, demolition equipment, moving dollies, air compressors, augers, aerators, tillers and related supplies and accessories); and

(6) A retail and/or warehouse home improvement center, lumber yard, building materials supply center, home improvement service center and/or other stores or centers similar to those operated by or as Lowe's, Home Depot, Home Depot Expo, Villagers Hardware, 84 Lumber, Wickes, Hughes Lumber, McCoy's, Menard's, stores operating under the Sears name (including, without limitation, Sears Hardware and Sears Home Appliance Showroom) or selling Sears branded goods (e.g. Craftsman, Kenmore), Great Indoors, Pacific Sales, hhgregg, Conn's, Sutherlands, Scotty's and/or Orchard Supply.

(iii) The restrictions or exclusive rights contained in Section 9(a)(ii)(1) to 9(a)(ii)(6) shall also apply to prohibit a larger business having space in its store devoted to selling the categories of merchandise commonly sold by the above referenced types of businesses.

(iv) All covenants, conditions, restrictions and approval rights shall remain in effect for a period of **fifty (50) years** from the date of recording of the ECCR. During said **fifty (50) year** period, in the event a retail and/or warehouse home improvement center, lumber yard, and/or building materials supply center is not operated on the Owner's adjoining property (i.e., the Retained Property) for a period in excess of **three (3) consecutive years** (excluding temporary closings due to alterations, casualty, condemnation, or other unavoidable delays beyond the reasonable control of Seller), the restrictions or exclusive rights contained in Section (a)(ii)(1) to (a)(ii)(6) above shall be of no further force and/or effect until such time as Owner, its successors, assigns or tenants shall re-open a store on any portion of the Owner's adjoining property for any one of the foregoing uses, which reopening shall not prohibit uses in violation of such exclusives if such uses were begun during such time as the above exclusive use restrictions were of no force and/or effect.

(b) Restrictions and Development Guidelines. Buyer further covenants that Buyer and its successors and assigns shall be bound by the Restrictions and Development Guidelines as set forth on **Exhibit F** attached hereto and made a part hereof and that will be included as part of the ECCR to be recorded at Closing.

(c) Plan Approval.

(1) Buyer agrees to submit Buyer's initial plans to Seller for Seller's written review and approval within **forty (40) days** following the commencement of the Permit Approval Period. The initial plans shall include a set of proposed civil plans, including (i) an overall site plan showing the proposed building improvements, parking and points of ingress and egress; (ii) signage plan (including the height and dimensions of all signs); (iii) utility plan (including dry utilities); (iv) grading and drainage plan (including 1' existing and proposed contours, drainage schedule and calculations); (v) erosion control plan; (vi) storm water drainage plans showing the contours and slopes of the Property (including 1' existing and proposed contours, drainage schedule and calculations) with a certification from a licensed engineer that no adverse effect on and no interference with the Seller's existing storm water system, including, but not limited to, plans for an oil/water separator system, if applicable; (vii) landscaping plan (including irrigation, if applicable); (viii) site lighting plan; (ix) demolition plan (including temporary traffic control), if applicable; and (x) all associated details, elevation drawings and architectural renderings (depicting the exterior elevations of all sides, materials, colors and dimensions), in electronic and 24" by 36" format plan (collectively, the "Plans") along with a construction schedule indicating the timing of the Buyer's development and construction.

(2) Seller must approve the Plans in writing prior to Closing and prior to the commencement of any clearing, grading, or construction activities of any kind on the Property, and in no event shall Buyer be permitted to undertake any clearing, grading or construction activities of any kind on the Property before Closing.

(3) Seller shall provide its written approval of the Plans, or provide comments on the Plans to the party that submitted such Plans to Seller for approval, within **thirty-five (35) days** after receipt of the Plans. Seller's approval shall not be unreasonably withheld, conditioned or delayed, but all amounts (e.g. due diligence, building/site design, permitted costs, etc.) spent by Buyer in advance of obtaining such approvals shall be at Buyer's sole risk, except as expressly provided in Section 17(b) below upon a default by Seller under this Contract. If Seller does not provide a written response to any submission

of Plans following a second notification to Seller allowing Seller an additional **ten (10) days** to review the same, then, provided the Plans are consistent with the terms of the Development Guidelines set forth in **Exhibit F**, Seller shall be deemed to have approved the Plans in the form submitted.

(4) Buyer, at Buyer's sole cost and expense, will be responsible for developing any and all plans for work that Buyer will perform on Owner's Retained Property. Such work may include, but is not limited to, reconfiguration of a portion of Owner's parking lot, drive aisles and islands. Seller will cooperate having Owner grant Buyer, at or before Closing, a temporary construction easement enabling Buyer to perform the work on Owner's Retained Property as approved by Owner. Buyer shall be responsible for the cost and expense of the work or other construction requirements to be performed by Buyer on Owner's Retained Property.

(5) Seller's approval of Buyer's Plan shall be without warranty or representation, and the responsibility for the successful design, development, and operation of the Property will remain with the party submitting such Plans. Any change to the Plans, except for *de minimis* changes, shall be subject to the prior written consent of Seller (to be pursuant to the approval process set forth above in Section 9(c)(3)), which consent shall not be unreasonably withheld, conditioned or delayed by Seller.

(d) Third Party and Other Approvals. Buyer shall be responsible for obtaining any and all amendments (each an "Amendment") to any existing declarations, covenants, easements or other documents of record necessary for Owner to continue operating the Retained Property, to remove the Property from the Retained Property and for Buyer to develop the Property[, including, without limitation, an amendment to: ***List any known current ECCRs that may need to be amended to allow for transfer***]. Seller agrees to reasonably cooperate with Buyer (at no cost to Seller) with respect to Buyer's efforts to obtain any such Amendments, but all amounts (e.g., due diligence, building/site design, permitting costs, etc.) spent by Buyer in advance of obtaining such approvals shall be at Buyer's sole risk, except as expressly provided in Section 17(b) below upon a default by Seller under this Contract. Buyer acknowledges and agrees that Buyer shall be responsible for preparing all Amendments and for obtaining any approvals required from any other parties to any existing declarations, covenants, easements or other documents of record. Buyer shall deliver the proposed Amendments to Seller for Seller's review and approval. Closing shall not be extended to obtain any such Amendments; provided, however, and notwithstanding anything set forth herein to the contrary, in the event Buyer is unable to obtain any Amendment, Buyer may cancel this Contract in which case Escrow Agent shall release the Deposit to Seller and thereafter, except those provisions that survive termination of this Contract, the Parties shall have no further obligations to each other. Further, and notwithstanding anything to the contrary in this Contract or otherwise, Buyer shall not, in any instance, directly contact or communicate with Owner, without Seller's prior written consent in each instance. In the event the approval or consent of Owner is required in any instance in connection with the matters set forth in this Contract or otherwise, Buyer shall submit to Seller the request for approval or consent of Owner and Seller shall use reasonable efforts (but shall not be obligated) to obtain such approval or consent of Owner.

10. INTENDED USE. Notwithstanding anything else contained herein, but subject to the restriction set forth on Exhibit F with respect to such use, Seller hereby consents to the Buyer's intended use of the Property as an oil change and quick lube service center ("Intended Use") provide, however, the Intended Use may not include a service station with gasoline available for retail sale. This consent shall survive Closing.

11. CLOSING.

(a) The Closing shall take place at the office of the Escrow Agent, which in that capacity shall serve as the closing agent ("Closing Agent"), by mail, facsimile and/or other means of electronic correspondence within the earlier of (i) **thirty-five (35) days** after Buyer notifies Seller in writing that all conditions of this Contract are satisfied; or (ii) **thirty-five (35) days** after the expiration of the Permit Approval Period, but in any event not prior to the date of Acquisition of the Property by Seller in accordance with the Acquisition Agreement nor prior to the City of Colorado Springs's final approval of the Plans ("Closing"). Buyer shall provide written notice (the "Notice of Proposed Closing Date") to Seller stating that, as to Buyer, all conditions to this Contract have been satisfied, at least **thirty-five (35)** days in advance of Closing. Notwithstanding anything to the contrary contained herein, in the event Closing has not occurred within **one (1) year** following the Effective Date, Buyer and Seller agree that, unless the parties mutually agree to extend the Contract, either party may terminate this Contract, subject to the requirements of Section 20; provided, however, such termination may be nullified if the non-terminating party agrees in writing to close within **thirty-five (35) days** of receipt of such termination notice.

(b) Seller Closing Deliveries: Upon performance by Buyer of its obligations pursuant to the Contract, Seller shall deliver to Closing Agent:

(i) the Deed,

(ii) a Certificate of Non-foreign Status that is substantially in the form attached as **Exhibit D** ("FIRPTA"),

(iii) an Affidavit substantially in the form attached as **Exhibit E** or in the form typically used in commercial real estate transactions in the county or municipality in which the Property is located and as may be reasonably required by the Escrow Agent (the "Affidavit");

(iv) the ECCR (if required); and

(v) such other agreements and Closing documents as are reasonably necessary and proper in order to consummate the transaction contemplated by this Contract.

(c) Buyer Closing Deliveries: Upon performance by Seller of its obligations pursuant to the Contract, Buyer shall deliver to Closing Agent:

(i) the balance of the Purchase Price as set forth in Section 2 above

(ii) any other funds due at Closing from Buyer, to be held in trust for the benefit of Seller pending recordation of the Deed;

(iii) a letter from the municipality, or documentation reasonably similar thereto and reasonably acceptable to Seller, verifying that (A) the Retained Property will remain compliant with current zoning after Closing, and (B) that the Retained Property's existing operations will, if applicable, remain subject to the existing conditions of approval after Subdivision and Closing (collectively, "Municipal Verification Letters");

(iv) the ECCR (if required); and

(v) such other agreements and Closing documents as are reasonably necessary and proper in order to consummate the transaction contemplated by this Contract.

(d) Recording and other Closing expenses shall be paid as follows:

(i) Seller shall pay or cause to be paid the following costs in connection with Closing:

(A) The cost of preparation of the Deed and other documents of conveyance.

(B) One-half of the Closing fee charged by Closing Agent.

(C) Seller's attorneys' fees in connection with this Contract and Closing.

(D) The cost of obtaining and recording any releases, satisfactions or other documents as required by the Contract.

(E) Such other costs as may be allocated to Seller under this Contract.

(ii) Buyer shall pay or cause to be paid the following costs in connection with Closing:

(A) All filing or recording fees to record the Deed and, if applicable, to record any easements or any declaration of covenants, conditions and restrictions.

(B) Any deed transfer tax or similar tax or fee due upon delivery of the Deed to the Buyer.

(C) One-half of the Closing fee charged by Closing Agent.

(D) Buyers' attorneys' fees in connection with this Contract and Closing.

(E) The costs of any title insurance obtained by Buyer, including any fees related thereto.

(F) Such other costs as may be allocated to Buyer under this Contract.

(e) If, prior to Deed recordation, Seller's title is changed and rendered uninsurable or Seller's title has changed and the Property can no longer be used for the Intended Use as contemplated by the terms of this Contract, Buyer shall notify Seller in writing of the defect and Seller shall have **fifteen (15) business days** from date of receipt of such notification in which it may cure such defect, during which period the proceeds of the sale shall be held in escrow. In the event Seller fails to cure such defect within such time, the Purchase Price and any other funds Buyer sent to Escrow Agent shall be returned to Buyer (including the Deposit), and documents held hereunder shall, upon written demand therefore and within **five (5) days** thereafter, be returned to Buyer and/or Seller, as applicable, and Buyer and Seller shall be released, as to one another subject to the requirements of Section 20; provided, however, if the defect is caused by or through Seller after the Effective Date and Seller fails to cure such defect, Buyer shall have the right to exercise the remedies set forth in Section 17(b).

(f) Possession of the Property shall be given to Buyer at Closing.

12. ENVIRONMENTAL CONDITIONS, PROPERTY "AS IS". Buyer is responsible for evaluating the environmental condition of the Property. Seller makes no representations or warranties concerning the existence or use of hazardous materials at, in or about the Property or the compliance with applicable hazardous materials laws or regulations except as otherwise specifically set forth herein. Buyer may, but is not required to, engage the services of an engineer or other third party to inspect the Property. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT BUYER SHALL RELY SOLELY UPON THE INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY BY BUYER OR ITS REPRESENTATIVE(S). IN THE EVENT OF THE PURCHASE AND SALE OF THE PROPERTY HEREUNDER, SELLER SHALL SELL THE PROPERTY TO BUYER, AND BUYER AGREES THAT IT IS PURCHASING THE PROPERTY FROM SELLER "AS IS", "WHERE IS" AND "WITH ALL FAULTS". FURTHER, BUYER EXPRESSLY ACKNOWLEDGES THAT SELLER MAKES NO WARRANTY OR REPRESENTATION OF THE PROPERTY, EXPRESS, IMPLIED OR ARISING BY OPERATION OF LAW, INCLUDING BUT IN NO WAY LIMITED TO ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; EXCEPT, HOWEVER, WITH RESPECT TO ANY REPRESENTATION AND WARRANTY SPECIFICALLY SET FORTH IN THIS CONTRACT AND/OR IN ANY DOCUMENT DELIVERED TO BUYER AT CLOSING. IT IS FURTHER EXPRESSLY AGREED THAT SELLER DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED OR ARISING BY OPERATION OF LAW, REGARDING SOLID WASTE AS DEFINED IN ANY APPLICABLE STATE REGULATIONS OR STATUTES, OR AS DEFINED IN THE U. S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE IN, ON OR EMANATING FROM THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN. The provisions of this Section 12 shall survive Closing.

13. EXCLUSIVE NEGOTIATIONS. Seller shall not enter into, or subject any portion of the Property to, any option contract, sales contract, or any other agreement, pursuant to which any party shall have any right to purchase any portion of the Property during the time period beginning upon full execution of this Contract and continuing until the earlier of when (i) this Contract is terminated, (ii) the Closing has occurred, or (iii) one (1) year after the Effective Date of this Contract.

14. EASEMENTS. Seller agrees to cooperate to cause Owner to grant Buyer such non-exclusive easements that, prior to the expiration of the Buyer's Inspection Period, Buyer has identified as being reasonably required in order to develop the Property in relation to the Retained Property. There shall be no obligation for Seller to obtain the grant of any easement which would, in Owner's sole discretion, have an adverse impact on the use, operation or maintenance of the Retained Property; provided, however, and notwithstanding anything set forth herein to the contrary, in the event Owner has agreed to grant an easement and Owner thereafter fails to grant such easement, Buyer may cancel this Contract and the Escrow Agent shall return the Deposit, less the Independent Consideration, to Buyer, subject to the requirements of Section 20. Any such easements or similar agreements shall incorporate insurance and indemnification provisions with regard to Buyer's use of the Property and Retained Property and the terms and conditions related to Buyer's contribution toward common area expenses on the Retained Property for so long as Owner or its successor maintain such common area of the Retained Property. Buyer's contribution, which initially will be _____ and __/100 Dollars ($____) per building square foot utilized for any restaurant use (including any carryout restaurant) and _____ and __/100 Dollars ($____) per building square foot utilized for any other permissible use. Buyer's contribution will be assessed and payable annually by Buyer

to Owner, with such amount to be increased by ___ percent (__ %) following the fifth (5^{th}) anniversary of the Effective Date and at **five (5) year** intervals thereafter. This provision shall survive Closing. Notwithstanding anything to the contrary herein, at Closing Seller shall cause Owner to grant Buyer an insurable, perpetual, non-exclusive easement for access over and across the Retained Property, which shall be sufficient for access to and from the Property to and from the Public Rights-of-Way which easement may be satisfied if such easements are included as part of the ECCR.

15. EASEMENT RESERVATIONS.

(a) Buyer agrees and acknowledges that Owner reserves unto itself, its affiliates, successors and assigns, perpetual easements over, under and across the Property, to be defined by one or more legal descriptions provided by the Buyer and approved by Seller and Owner for: (i) the installation, operation, maintenance, repair, replacement and relocation of any signs, utility lines and stormwater drainage lines in existence on the Property as of the Effective Date or that Owner reasonably needs for the operation of the Retained Property; (ii) surface water drainage from the Retained Property; (iii) ingress and egress for pedestrians and vehicles; and (iv) such other easements as may be necessary in Owner's sole opinion for the benefit of the Retained Property (the "Reserved Easements").

(b) If Owner intends for any Reserved Easements, Seller shall cause Owner to provide written notice of such intent in connection with the Plan Approval process set forth in Section 9(c).

(c) In the event any Reserved Easements that are utilized by or that benefit Seller are disturbed due to a taking of all or any portion of the Reserved Easements by eminent domain or similar taking, Buyer, upon Owner's request, agrees to reasonably cooperate with Owner to relocate the Reserved Easement. Owner shall be responsible for costs incurred to relocate the improvements, such as signs, utility lines or stormwater drainage lines, that exclusively benefit Seller, to the relocated Reserved Easement area. Buyer agrees to reasonably cooperate with Owner to equitably allocate the cost of relocating improvements that are utilized by, or otherwise benefit, both Buyer and Owner, to the relocated Reserved Easements area.

(d) Buyer and Seller agree to exercise their reasonable good faith efforts to cause to finalize the terms and conditions of any such easements or agreements required by this Section 15 prior to the expiration of the Permit Approval Period; provided, however, and notwithstanding anything set forth herein to the contrary, in the event Buyer determines Owner's reservation for the Reserved Easements to be unacceptable, or if the parties are unable to finalize the terms and conditions of any such easements or agreements, Buyer may cancel this Contract in which case Escrow Agent shall release the Deposit to Seller and thereafter, except those provisions that survive termination of this Contract, the Parties shall have no further obligations to each other. This Section shall survive Closing.

16. INDEMNIFICATION. Buyer agrees to indemnify, defend (with counsel reasonably acceptable to Seller and Owner) and hold harmless Seller, Owner, Lowe's Companies, Inc., and all their respective affiliates and subsidiaries thereto, and all officers, directors, shareholders, employees, and agents thereof from any and all claims, losses, demands, damages, liabilities, expenses, actions, causes of action, claims, penalties, fines, costs or losses (including those of an environmental nature, and reasonable fees for attorneys, consultants and experts) resulting or arising from (i) any unpaid work by Buyer, its agents, employees and contractors on or related to the Property, (ii) any property damage or bodily injury resulting directly or indirectly from the actions of Buyer, its agents, employees and contractors, (iii) the activities of Buyer, its agents, employees and contractors on or related to the Property after the date of Closing, and (iv) from (1) the presence or suspected presence, or release or suspected release, of any petroleum substance, hazardous substance or hazardous waste materials regulated under any applicable Federal, State or local laws in or on the Property by Buyer (or its agents, employees, and contractors) after the date of Closing that

migrates from the Property onto (or under) the Retained Property related directly or indirectly to the activities of Buyer (or its agents, employees, and contractors) after the date of Closing, or (2) the presence or release of any petroleum substance, hazardous substance or hazardous waste materials regulated under any applicable Federal, State or local laws transported from the Property by Buyer (or its agents, employees, and contractors) after the date of Closing. Notwithstanding anything to the contrary contained herein, the provisions and indemnifications contained in this Section 16 shall survive Closing or the termination of this Contract as provided herein.

17. DEFAULT. In the event either party is in default of any provision hereof, as a condition precedent to its remedies, the non-defaulting party must give the defaulting party notice of the default in accordance with the notice requirements of this Contract. The defaulting party shall have **ten (10) business days** from receipt of such notice to cure the default, unless such default occurs on the day of Closing and then the defaulting party shall have **three (3) business days** to cure. If the default is timely cured, this Contract shall continue in full force and effect. If the default is not timely cured, the non-defaulting party may elect to terminate this Contract and pursue its applicable remedies as set forth in this Section.

(a) Remedies of Seller. If the Buyer defaults under this Contract, Seller may, at its option, (i) cancel this Contract, in which case Escrow Agent is irrevocably instructed to forward the Deposit to Seller and the Buyer shall be responsible for payment of any title commitment charges and escrow cancellation fees, and shall remain subject to the requirements of Section 20 or (ii) pursue any other legal or equitable remedy.

(b) Remedies of Buyer. **IF SELLER DEFAULTS UNDER THIS CONTRACT, AND SUCH DEFAULT IS NOT CURED WITHIN THE TIME PERIOD SET FORTH ABOVE, BUYER MAY, AS ITS SOLE REMEDY AND RELIEF UNDER THIS CONTRACT, ELECT TO CANCEL THIS CONTRACT IN WHICH CASE ESCROW AGENT IS IRREVOCABLY INSTRUCTED TO RETURN THE DEPOSIT TO BUYER AND THE SELLER SHALL REIMBURSE BUYER FOR ANY DOCUMENTED COSTS ACTUALLY INCURRED BY BUYER HEREUNDER (INCLUDING IN CONNECTION WITH ITS DUE DILIGENCE, TESTS AND INSPECTIONS, DEVELOPMENT OF ITS PLANS AND PURSUIT OF ITS APPROVALS) UP TO A MAXIMUM AMOUNT OF THIRTY-FIVE THOUSAND AND NO/100 DOLLARS ($35,000.00). IN THE EVENT, AND ONLY IN SUCH EVENT, THE SELLER DEFAULT IS CAUSED BY SELLER'S BREACH OF THE COVENANT SET FORTH IN SECTION 13 (EXCLUSIVE NEGOTIATIONS), BUYER MAY, AS ITS SOLE AND EXCLUSIVE REMEDY, SEEK SPECIFIC PERFORMANCE OF SELLER'S OBLIGATIONS HEREUNDER. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY ACTUAL, PUNITIVE, SPECULATIVE, CONSEQUENTIAL OR OTHER DAMAGES. EXCEPT AS SET FORTH IN THE SECTION 17(B), BUYER HEREBY EXPRESSLY WAIVES THE RIGHT TO EXERCISE ANY AND ALL OTHER REMEDIES AT LAW OR IN EQUITY, INCLUDING ANY RIGHT TO PURSUE SPECIFIC PERFORMANCE AGAINST SELLER, AND HEREBY RELEASES AND DISCHARGES SELLER FROM ANY AND ALL DAMAGES IN AN AMOUNT GREATER THAN AS SPECIFIED IN THIS SECTION 17(B). IF THIS CONTACT IS CANCELLED, BUYER AND SELLER SHALL BE RELIEVED AS TO ONE ANOTHER OF ALL OBLIGATIONS AND LIABILITIES UNDER THIS CONTRACT, SUBJECT TO THE REQUIREMENTS OF SECTION 20.**

18. CONDEMNATION.

(a) If, prior to Closing, any proceedings, judicial, administrative or otherwise, which relate to a proposed taking of all or any portion of the Property by eminent domain are commenced (or Seller obtains notice of any pending or threatened eminent domain), Seller shall immediately notify Buyer in writing thereof. In the event such proposed taking is of a material nature, in Buyer's reasonable opinion, or in Seller's reasonable opinion, as the case may be, Buyer and/or Seller shall have the right and option to terminate this Contract by giving written notice to the other party within **fifteen (15) days** after receipt by the other party of such notice.

(b) If, prior to Closing, any proceedings, judicial, administrative or otherwise, which relate to a proposed taking by eminent domain of all or any portion of the Retained Property are commenced (or Seller obtains notice of any pending or threatened eminent domain), Seller shall immediately notify Buyer in writing thereof, and, in Seller's reasonable opinion such proposed taking is of a material nature or will have a material adverse impact on Owner's use or operation of the Retained Property, Seller shall have the right and option to terminate this Contract by giving Buyer written notice of such election within **fifteen (15) days** after receipt by Buyer of such notice from Seller.

(c) In the event of a termination hereunder by Buyer or Seller, Seller shall be entitled to any and all condemnation proceeds while the Deposit, less the Independent Consideration, shall be returned to Buyer immediately, whereupon Buyer and Seller shall be relieved of all obligations and liability under this Contract, subject to the requirements of Section 20. In the event the Contract is not terminated pursuant to this Section 18, then Buyer is entitled to the condemnation proceeds allocated to the Property, with no abatement or reduction in the Purchase Price.

19. ASSIGNMENT. Buyer shall not assign this Contract or any right granted herein without the written consent of Seller, however Buyer shall be expressly permitted to assign to an entity of which Buyer holds a majority or controlling interest, and promptly with such assignment shall provide Seller with an exact copy of the document(s) concerning such assignment. No assignment shall relieve Buyer of any obligation under this Contract. Seller shall have the express right to assign or transfer its interest to a parent company, affiliate, subsidiary or related company.

20 PARTIES' OBLIGATIONS FOLLOWING TERMINATION. In the event of the termination of this Contract pursuant to a party's rights contained herein, neither party shall have any further obligations to the other, except for the indemnifications set forth in Sections 16 and 32(d), and the confidentiality obligation in Section 23.

21. WARRANTIES, REPRESENTATIONS AND COVENANTS.

(a) As an inducement to Seller to enter into this Contract, Buyer warrants, represents and covenants to Seller as follows:

(i) Authority. Buyer (A) is a lawfully constituted [entity type], duly organized, validly existing, and in good standing under the laws of the state of its formation and qualified to do business in the State where the Property is located; (B) has the authority and power to enter into this Contract and to consummate the transactions contemplated herein; and (C) upon execution hereof will be legally obligated to Seller in accordance with the terms and provisions of this Contract.

(ii) Financing. Buyer has funds available in amounts sufficient to pay the Purchase Price and related expenses of the transaction contemplated herein and to provide adequate working capital for the continued operation on any business conducted on the Property after the Closing.

(b) As an inducement to Buyer to enter into this Contract and to purchase the Property, Seller warrants, represents and covenants to Buyer as follows:

(i) Authority. Seller (i) is a lawfully constituted corporation, duly organized, validly existing, and in good standing under the laws of the State of its formation and qualified to do business in the State where the Property is located; (ii) has the authority and power to enter into this Contract and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Buyer in accordance with the terms and provisions of this Contract.

(ii) Litigation. There is no action, suit or proceeding pending against or affecting Seller or to the best of Seller's knowledge, the Property, which does or will involve or affect the title to the Property (including any regarding condemnation or eminent domain); and, to Seller's knowledge, no such action, suit or proceeding is threatened.

(iii) Existing Condition. To Seller's knowledge, there are no contracts, leases, or other agreements affecting the Property other than the Acquisition Agreement and those recorded in the real property records of the County or Parish in which the Property is located.

22. INTENTIONALLY OMITTED.

23. CONFIDENTIALITY. Buyer agrees to keep and hold confidential any and all reports, summaries, studies or test results or other information obtained or produced by Buyer, its employees, agents or consultants in connection with the proposed purchase of the Property, and further agrees to keep and hold confidential any and all information, written or otherwise provided to Buyer by Seller, its employees, agents or consultants in connection with the proposed sale of the Property and agrees not to disclose any such information to third-parties (except as may be necessary to Buyer's broker, lender, attorney, accountant, and engineering professionals, all of whom shall also be advised of the obligation of confidentiality) without Seller's written consent or unless required to do so by applicable law. Buyer acknowledges and agrees that any information provided by Seller, its employees, agents or consultants is provided without representation or warranty as to the accuracy, validity or completeness of such information and reports.

24. BROKERS, AGENTS AND ATTORNEYS. Buyer represents to Seller that it has not retained or used the services of a broker or agent in connection with this transaction. Seller represents to Buyer that it has not retained or used the services of a broker or agent in connection with this transaction. Each party agrees to indemnify and hold the other harmless from any claims of brokers or agents for fees, commissions or other costs or claims arising out of this Contract by any third party claiming through the indemnifying party. This Section shall survive Closing.

25. ATTORNEY FEES: COSTS. In connection with any action against the other party to enforce the terms of this Contract or declare rights hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party.

26. "LIKE-KIND" EXCHANGE. Buyer agrees to cooperate in structuring and completing this transaction for Seller as part of the disposition of "relinquished property" in a deferred like-kind exchange described in Section 1031 of the Internal Revenue Code (the "Exchange"); provided, however, that Buyer receives title to the Property that is insurable at normal and reasonable rates and Buyer incurs no additional cost or time delays related to the Exchange.

27. NOTICES. All notices required or permitted to be given pursuant to this Contract shall be in writing and shall be mailed by certified or registered mail, postage prepaid, or nationally recognized courier via overnight or second day delivery, and shall be considered given upon deposited for delivery, addressed as follows:

Seller: Driven Brands, Inc.
440 S. Church Street, Suite 700
Charlotte, NC 28202
Attention: General Counsel
Telephone: (704) 377-8855

Copy to: Driven Brands, Inc.
440 S. Church Street, Suite 700
Charlotte, NC 28202
Attention: Tony Winchester, Esq.
Telephone: (704) 377-8855

Buyer: _____
_____
_____
Attn: _____
Telephone: _____

Copy to: _____
_____
_____
Attn: _____
Telephone: _____

Either party may at any time change its address for notification purposes by written notice to the other party setting forth the new address, and such new address shall be effective **ten (10) days** after such notice is given.

28. RISK OF LOSS. All risk of loss to the Property shall remain with Seller prior to Closing. If any improvements located on the Property are damaged prior to Closing and Seller is either unable or unwilling to restore such improvements to their condition as of the Effective Date, at Buyer's sole option, Buyer may (i) elect to terminate this Contract or (ii) elect to take the Property as it then is without any setoff or adjustment for such loss or damage, unless otherwise agreed to in writing by Seller. If Buyer elects to terminate this Contract, the full amount of the Deposit, less the Independent Consideration, shall be returned immediately to Buyer, whereupon Buyer and Seller shall be released, as to one another, of all obligations and liabilities under this Contract, subject to the requirements of Section 20.

29. REPAIR AND MAINTENANCE. As of the date of Closing, Buyer shall assume responsibility for all forms of site maintenance, including but not limited to mowing, trash pickup, and the posting of any "No Trespassing" signs. Buyer shall be responsible for disposing of any "For Sale" signs that may exist on the Property. Buyer agrees to indemnify and hold harmless Seller from any damages or liability to persons or property that might arise therefrom. This provision shall survive Closing.

30. MODIFICATIONS; ELECTRONIC SIGNATURES AND RECORDS.

(a) The terms of this Contract may not be amended, waived or terminated orally, by text message, by email message or other electronic messaging, but only by an instrument in writing signed by both Buyer and Seller.

(b) The parties may convert this Contract, any amendments and ancillary documents, made in connection with this Contract, into electronic records and, in the event of any dispute involving this Contract or documents made in connection with this Contract, a copy of such electronic records may serve as the exclusive original. The parties consent to conducting business via electronic transactions and, subject to subsection (a) above, agree to recognize the validity, enforceability and admissibility of electronic records or electronics signatures created in connection with this Contract. Electronic signatures made in connection with this Contract shall be deemed to have been signed by hand by the parties. Transmission of a party's electronic signature or image of a party's signature on the Contract or documents made in connection with this Contract by facsimile, scanning or other mechanical or electronic reproduction shall be effective. Unless both parties agree otherwise, Buyer and Seller agree to provide original ink or "wet" signatures for any documents contemplated by this Contract that are to be witnessed or notarized for recording in applicable public records.

31. MISCELLANEOUS.

(a) NON-RECORDING. Buyer shall not record this Contract, and any such recording shall be a material default by Buyer hereunder and make this Contract voidable by Seller.

(b) CONSTRUCTION OF THE CONTRACT. This Contract shall be construed without regard to the identity of the person or party that drafted the various provisions hereof. Moreover, each and every provision of this Contract shall be construed as though all parties hereof participated equally in the drafting thereof. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting party shall not be applicable.

(c) SEVERABILITY. If any term, covenant, or condition of this Contract or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Contract, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and in lieu of each term, covenant or condition that is found to be invalid or unenforceable, a provision will be added as a part of this Contract that is mutually agreeable to both Seller and Buyer and is as similar to the invalid or unenforceable term, covenant or condition as may be possible and be valid and enforceable.

(d) GOVERNING LAW. This Contract shall be interpreted and enforced under the laws of the State in which the Property is located.

(e) COUNTERPARTS AND EXECUTION. This Contract may be executed in one or more counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument.

(f) ENTIRE AGREEMENT. This Contract shall constitute the entire agreement between the parties with regard to the Property, and there are no other terms, conditions, promises, undertakings, statements or representations, express or implied, concerning the sale contemplated by this Contract.

(g) TIME OF ESSENCE. Subject to the time period for cure contained in Section 17 herein, time is expressly declared to be of the essence of this Contract.

(h) FINAL DATES; DAYS. If the final date or deadline of any time period provided for herein falls on a Saturday, Sunday, legal or bank holiday, then the time of such deadline shall be extended to the next business day. Wherever in this Contract the word "days" is used, it shall be considered "calendar days" unless it specifies "business days".

(i) OFAC LANGUAGE. Seller and Buyer each represent and warrant to the other that neither they nor their respective officers, directors or managers controlling Seller or Buyer are acting, directly or indirectly, for or on behalf of any person, group, entity or nation with whom United States persons or entities are restricted or prohibited from doing business under regulations of the Office of Foreign Asset Control of the Department of the Treasury ("OFAC") (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and are not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities. In the event the representation set forth above is not accurate, then the non-defaulting party may terminate this Contract on 10 days written notice.

(j) WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS CONTRACT, OR THE RELATIONSHIP OF BUYER AND SELLER CREATED HEREBY.

(k) SIGNAGE. At all times from and after the Effective Date until Closing or earlier termination of this Agreement as provided herein, Buyer shall have the right to install and maintain on the Property "Coming Soon" signs in accordance with applicable laws.

32. ESCROW PROVISIONS.

(a) The Escrow Agent may from time to time invest the Deposit in a Bank of America Business Investment Account for the benefit of the Buyer or such other account insured by the Federal Deposit Insurance Corporation as Buyer may direct in writing. Prior to Escrow Agent investing the Deposit, Buyer must provide its Federal Tax Identification Number either in the space listed after its signature or separately to Escrow Agent. The Escrow Agent shall not be responsible for any loss, diminution in value or failure to achieve a greater profit as a result of such investments. Also, the Escrow Agent assumes no responsibility for, nor shall said Agent be held liable for, any loss occurring which arises from (i) failure of the depository institution, (ii) the fact that some banking instruments, including without limitation repurchase agreements and letters of credit, are not covered by the Federal Deposit Insurance Corporation, or (iii) the fact that the amount of the Deposit may cause the aggregate amount of any depositor's accounts to exceed an amount not insured by the Federal Deposit Insurance Corporation.

(b) The Escrow Agent is not a trustee for any party for any purpose and is merely acting as a depository and in a ministerial capacity hereunder with the limited duties herein prescribed.

(c) The Escrow Agent may conclusively rely upon and act in accordance with any certificate, instructions, notice, letter, telegram, cablegram, or other written instrument believed to be genuine and to have been signed or communicated by the proper party or parties.

(d) The Seller and Buyer shall indemnify, save, defend, keep and hold harmless the Escrow Agent from any and all loss, damage, cost, charge, liability, cost of litigation, or other expense, including without limitation reasonable attorney's fees and court costs, arising out of its obligations and duties, including but not limited to (i) disputes arising or concerning amounts of money to be paid, (ii) funds available for such payments, (iii) persons to whom payments should be made or (iv) any delay in the electronic wire transfer of funds, as Escrow Agent, unless Escrow Agent's actions constitute negligence or misconduct.

(e) For its services performed under this contract, the Escrow Agent shall be paid a fee of up to $350.00 by Buyer.

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Exhibit D

CERTIFICATION OF NON-FOREIGN STATUS

TO:

FROM: DRIVEN BRANDS, INC., a Delaware corporation

Section 1445 of the Internal Revenue Code provides that a Transferee of a U.S. Real Property interest must withhold tax if the Transferor is a foreign person. To inform the Transferee and the escrow agent that withholding of tax is not required upon Transferor's disposition of a U.S. Real Property interest, the undersigned hereby certifies the following on behalf of the Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor is not a disregarded entity as defined in Treasury Regulation §1.1445-2(b)(2)(iii);

3. Transferor's U.S. Taxpayer Identification Number is

- _____ Driven Brands, Inc.

4. Transferor's office address is: 440 S. Church Street, Suite 700, Charlotte, NC 28202

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury I declare that I have examined this Certification and to my actual knowledge and belief, it is true, correct and complete.

DRIVEN BRANDS, INC.

By:_____
Name:_____
Title:_____

Exhibit E

[*Update per any local comments from title company for State of Property location*]

FIDELITY NATIONAL TITLE INSURANCE COMPANY
OWNER'S TITLE AFFIDAVIT

_____, the _____ of _____, a Delaware corporation ("Owner"), after first being duly sworn, on oath deposes and states to the best of his/her knowledge as follows with respect to the property or any interest therein, whether real, personal or mixed (collectively, the "Property"), described in the Commitment for Title Insurance (the "Commitment") issued by Fidelity National Title Insurance Company (the "Company") which is referenced in Exhibit A attached hereto and incorporated herein by reference):

1. Owner is a duly formed, legally constituted, and validly existing corporation, in good standing under the laws of the state of its organization and has the capacity under the laws of such state and the state in which the Property is located to hold, transfer and encumber title to real property.

2. Owner's enjoyment of the Property has been peaceable and undisturbed. To Owner's knowledge title to the Property has never been disputed nor does Owner know of any facts by reason of which the title to, or possession of, the Property might be disputed, nor of any claim to the Property that might be asserted adversely.

3. Owner has not entered into any contracts involving the furnishing of any labor, services or materials to the Property or the improvements thereon that have not been fully performed and satisfied and there are no unpaid bills or claims for labor or services performed or materials supplied at the request of Owner during the last _____ (____) days for alterations, repairs, work or new construction to the Property, except as is set forth on Exhibit B attached hereto.

4. There are no actual or pending suits, proceedings, judgments, bankruptcies, or executions against Owner with respect to the Property or the Property and Owner has not applied for protection under applicable bankruptcy laws.

5. Except for any unpaid taxes being paid by the Owner through escrow, there are no unpaid real estate taxes or assessments except as shown on the current tax roll and the Owner has not received any supplemental tax bill, which is unpaid.

6. Except as set forth in Schedule B of the Commitment, no party other than Owner is in possession of all or any portion of the Property under any unrecorded leases, tenancy at will or otherwise.

The undersigned, recognizing that funding may occur prior to the deed or other insured instrument being officially filed for record in the appropriate recording office, requests the Company to provide certain affirmative insurance against the following matters:

> "Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date of the commitments for title insurance issued in connection with the Property, but prior to the date the proposed Insured acquires for

value of record the estate or interest or mortgage thereon covered by the commitments."

This Affidavit is made for the purpose of inducing the Company to issue a title insurance policy (the "Policy") insuring the title to the Property without exception to rights of parties in possession, mechanic's liens, and other matters set forth above. Accordingly, as an inducement therefore and in consideration of the Company issuing the Policy without exception to any matters created by Owner which may arise between the effective date of the Commitment and the date the documents creating the interest being insured are filed for record (which matters may constitute an encumbrance on or affect the title) (the "GAP"), the Owner does hereby represent, covenant and agree as follows:

a. To forever fully and promptly protect, defend and save the Company harmless from and against any and all loss, cost, damages, reasonable attorneys' fees and expenses of every kind and nature which the Company may suffer, incur or become liable for under the Policy by reason of, or in consequence of, or growing out of either (a) any matters created by Owner which may arise during the Gap or (b) the inaccuracy of the undersigned's statements in this Affidavit;

b. To pay, discharge, satisfy or remove any matters created by Owner which may arise during the Gap, when called upon by the Company after thirty (30) days' notice in writing and mailed to the undersigned at the address set out below; and,

Notwithstanding the foregoing, Owner shall have no liability or responsibility with respect to any matters created by Owner which may arise during the Gap if the Company does not record the deed or other insured instrument within ten (10) business days after funding.

Owner further states that Owner is familiar with the nature of an oath and with the penalties as provided by law for falsely swearing to statements made in an instrument of this nature. Owner further certifies that Owner has read, or heard read, the full facts of this affidavit and understands its context. Notwithstanding the foregoing, this Affidavit is given in a representative capacity and in no event shall the individual signing as a representative of the Owner have any personal liability whatsoever. The Company's sole recourse for indemnification hereunder or for any other claim hereunder shall be to the Owner. Wherever the context so requires the singular includes the plural, and the masculine includes the feminine.

{THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK. SIGNATURE APPEARS ON FOLLOWING PAGE.}

Dated: _____

[INSERT SIGNATURE BLOCK FOR OWNER]

[INSERT NOTARY BLOCK]

EXHIBIT A to Affidavit

PROPERTY DESCRIPTION

EXHIBIT B to Affidavit

This conveyance is made subject to (i) any zoning, restrictions, prohibitions or other requirements imposed by governmental authority, (ii) ad valorem taxes not yet due and payable for the current and subsequent years, (iii) any exceptions, restrictions, conditions, easements, liens or other encumbrances of record or that would be disclosed by a current American Land Title Association ("ALTA") survey of the Property, and (iv) all reservations of oil, gas and mineral rights of any kind and nature.

Exhibit F

Use Restrictions

No portion of the Property may be used for any of the following purposes without the written consent of Grantor:

(i) A tavern, bar, nightclub, cocktail lounge, discotheque, dance hall, or any other establishment selling alcoholic beverages for on-premises consumption; provided, however, the foregoing shall not prohibit the operation of a restaurant where the sale of alcoholic beverages therein comprises less than thirty (30%) percent of the restaurant's gross revenues;

(ii) A liquor store or other store selling alcoholic beverages for off-premises consumption as its primary business.

(iii) An adult type bookstore or other establishment selling, renting, displaying or exhibiting pornographic or obscene materials (including without limitation: magazines, books, movies, videos, photographs or so called "sexual toys") or providing adult type entertainment or activities (including, without limitation, any displays or activities of a variety involving, exhibiting or depicting sexual themes, nudity or lewd acts);

(iv) A landfill, garbage dump or other such facility for the dumping, disposing, incineration or reduction of garbage;

(v) An assembling, manufacturing, industrial, distilling, refining, smelting, agricultural, drilling, mining or quarry operation;

(vi) A mortuary, crematorium or funeral home;

(vii) A bowling alley, billiard parlor, bingo parlor, arcade, game room, skating rink or other amusement center;

(viii) A theater (motion picture or live performance);

(ix) A gambling establishment or betting parlor;

(x) A health club, gymnasium or spa;

(xi) A massage parlor;

(xii) A tattoo parlor;

(xiii) A service station, automotive repair shop or truck stop, provided the Property may be used as an oil change and quick lube service center ("Oil Change Use") so long as (i) the owner of the Property or any successor owner, lessee or sublessee of the Property operates the oil change and quick lube service center under a national or regional trade name having more than twenty-five (25) locations (including franchised locations) within the state in which the Property is located or having more than two hundred (200) locations (including franchised locations) nationally ("Owner/Operator"), and (ii) such operation complies with the following requirements: (1) the Oil Change Use does not make gasoline available for retail sale, (2) an oil/water separator system compliant with state, federal and local standards and consistent with such laws, statutes and ordinances as may be enacted and

promulgated from time to time, shall be used to prevent the flow of oil and other materials into any adjacent stormwater drainage system, (3) Owner/Operator must have adequate ongoing facilities and programs for monitoring, avoiding and precluding any release of oil, contaminants or pollutants into the environment, and (4) Owner/Operator agrees to indemnify, defend and hold harmless Grantor from any claims, judgments, damages, fines, penalties, costs, liabilities or losses in connection with the Oil Change Use, including, but not limited to the release of Hazardous Materials (as defined below), to the extent such Hazardous Materials are released and present as the result of the acts or omissions of Owner/Operator and Owner/Operator agrees, at its sole cost and expense, to promptly remediate any contamination in accordance with applicable law which is the result of the acts or omissions of Owner/Operator and Owner/Operator agrees to indemnify, defend and hold harmless Grantor from and against any and all claims, actions, causes of action, damages, liabilities, liens, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees, experts, fees and disbursements) resulting from or arising in connection with such contamination and/or remediation activities. For purposes hereof "Hazardous Materials" shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant or infectious or radioactive material.

(xiv) A flea market, thrift store or pawn shop;

(xv) A training or educational facility (including without limitation, a school, college, reading room or other facility catering primarily to students and trainees rather than customers); provided, however, that this prohibition shall not be applicable to on site employee training by any occupant incidental to the conduct of its business so long as a use not otherwise prohibited hereunder, nor shall it prohibit the offering of classes directly to its customers by an occupant that is incidental to the conduct of its business.

(xvi) A car wash, except where the same shall have constructed and shall use sanitary sewer, water and storm water drainage lines entirely separate from those utilized by the Grantor;

(xvii) A medical clinic or office;

(xviii) A veterinary hospital or animal raising or keeping facilities;

(xix) A dry cleaning plant, central laundry or laundromat;

(xx) An establishment for sale or storage (either temporary or permanent) of automobiles, trucks, motorcycles, mobile homes, boats, recreational motor vehicles or similar vehicles;

(xxi) A telephone call center;

(xxii) A child day care facility;

(xxiii) A hotel or motel;

(xxiv) A storage or mini-warehouse facility;

(xxv) A mobile home or trailer court, labor camp, junkyard or stockyard;

(xxvi) Governmental offices; or

(xxvii) Carnival or amusement park; or

(xxviii) Meeting hall, sporting event or other sports facility, auditorium or any other like place of public assembly.

Development Guidelines

The following restrictions and Development Guidelines shall also be a material part of the consideration and shall be binding upon the Property:

(a) The Property shall only be used for purposes of the kind typically found in shopping centers, including offices, restaurants, oil change and quick lube service centers (subject to the restriction set forth above), car washes (subject to the restriction set forth above), and retail shops, and the Property and all improvements shall be maintained in good condition and repair;

(b) There may be no more than one (1), one-story building constructed on the Property, the exterior of which shall not be constructed of metal, provided, however, that metal features and decorative components of the building(s) shall be permitted;

(c) Only signs advertising business located on the Property may be erected thereon;

(d) All rooftop equipment shall be screened from view in a manner reasonably satisfactory to Grantor and no rooftop signs shall be allowed;

(e) The footprint of the any building(s) constructed on the Property shall not exceed 1,600 square feet (in the aggregate) and the primary parapet height of the Property shall not exceed one (1) story or twenty-six (26) feet in height (inclusive of architectural features and building signage), as measured from the finished elevation of the parking area;

(f) The Property shall contain at all times at least the lesser of (i) five (5) parking spaces per one thousand (1,000) square feet of office or retail use, at least ten (10) parking spaces per one thousand (1,000) square feet of restaurant use, at least fifteen (15) parking spaces per one thousand (1,000) square feet of restaurant use with alcohol sales, or the number of spaces required by local code or ordinance, whichever is greater, and (ii) the number of parking spaces shown on the site plan approved by Grantor, provided that in any event the Property must contain the number of spaces required by local code or ordinance for an oil change and quick lube service center or car wash.

(g) No buildings or structures shall be erected or allowed to remain on the Property unless a set of proposed civil plans, including (i) an overall site plan showing the proposed building improvements, parking and points of ingress and egress; (ii) signage plan (including the height and dimensions of all signs); (iii) utility plan (including dry utilities); (iv) grading and drainage plan (including 1' existing and proposed contours, drainage schedule and calculations); (v) erosion control plan; (vi) storm water drainage plans showing the contours and slopes of the Property (including 1' existing and proposed contours, drainage schedule and calculations) with a certification from a licensed engineer that no adverse effect on and no interference with the Grantor's existing storm water system, including, but not limited to, plans for an oil/water separator system, if applicable; (vii) landscaping plan (including irrigation, if applicable); (viii) site lighting plan; (ix) demolition plan (including temporary traffic control), if applicable; and (x) all associated details, elevation drawings and architectural renderings (depicting the exterior elevations of all sides, materials, colors and dimensions), in electronic and 24" by 36" format plan (collectively, the "Plans") along with a construction schedule indicating the timing of the Grantee's development and construction, have been presented to and approved in writing by Grantor prior to commencing clearing, grading, or construction activities of any kind on the Property. Grantor shall provide its written approval of the Plans, or provide comments on the Plans to the party that submitted such Plans to Grantor for approval, within

thirty (30) days after receipt of the Plans. Grantor's approval shall not be unreasonably withheld, conditioned or delayed, but all amounts (e.g., due diligence, building-site design, permitting costs, etc.) spent by Grantee in advance of obtaining such approvals shall be at Grantee's sole risk. If Grantor does not provide a written response to any submission of Plans following a second notification to Grantor allowing Grantor an additional ten (10) days to review the same, then, provided the Plans are consistent with the terms of these Development Guidelines, Grantor shall be deemed to have approved the Plans in the form submitted. This approval will facilitate the compatibility of the design of such site work and other improvements that may be constructed or reconstructed by any owner, tenant or occupant of the Property and will include, but not be limited to, location of building pad, architectural compatibility, location of the building, entrances, landscaping, parking lot design and circulation, and underground improvements. Such approval by Grantor will be without warranty or representation, and the responsibility for the successful design, development, and operation of the Property will remain with the party submitting such Plans. Any change to the Plans, except for *de minimis* changes, shall be subject to the prior written consent of Grantor, which consent may not be unreasonably withheld, conditioned or delayed by Grantor.

(h) After the initial construction of buildings and other improvements, Grantee shall not make exterior modifications or alterations that change the footprint, parking, drive aisles, site plan, drainage facilities or retaining walls of any building or improvements or change the color or appearance of the exterior of any building without the consent of Grantor, such consent not to be unreasonably withheld, conditioned or delayed. Grantee will maintain in good condition and repair any buildings and other improvements, including landscaping, installed on the Property.

(i) In addition to complying with all applicable federal, state and local laws, Grantee's responsibility hereunder shall include the obtaining of all permits, filing of all notices, timely preparing and maintaining all inspection reports and logs and supplying and posting at the job site, or otherwise, all plans and other documentation required by governmental authorities and any of Grantor's site development criteria pertaining to stormwater discharges or potential pollution associated with Grantee's construction activities.

(j) Within thirty (30) days after completion of construction by Grantee of a building on the Property, Grantee agrees to provide Grantor with as-built plans of all such construction. Such plans will be performed by a surveyor licensed in the jurisdiction in which the Property is located and shall be in a CAD format.

(k) Prior to Grantee's initial construction on the Property, Grantee shall notify Grantor at least thirty (30) days in advance to schedule an on-site construction meeting that shall include representatives of Grantee, Grantee's general contractor, Grantee's engineer, Grantor's Project Manager and Grantor's store manager. No construction shall commence until after the on-site meeting has occurred, unless, however, Grantor's Project Manager and/or Grantor's store manager fail to meet with representatives of Grantee, Grantee's general contractor, and Grantee's engineer within the thirty (30) day period following Grantee's notice. Upon such failure, Grantee shall provide written notice of such failure to Grantor. If Grantor's Project Manager and/or Grantor's store manager fail to meet with representatives of Grantee within ten (10) days of receipt of such notice, the requirement for an on-site construction meeting shall be deemed to be waived. For construction occurring after the initial construction, at least thirty (30) days prior to the commencement of such construction by Grantee on the Property, Grantee shall first notify Grantor that it will be commencing construction on the Property. Thereafter and during Grantee's construction on the Property, Grantee agrees to coordinate such construction activities with Grantor.

(l) Subject to Grantee obtaining the approval of governmental authorities and the prior written consent of the Grantor, such Grantor consent to be in the sole discretion of Grantor, Grantee may install a monument sign on the Property (the "Grantee Sign") for its sole and exclusive use which may be erected or used for the advertising of the business being conducted thereon by the owners, tenants or occupants of the Property. Said Grantee Sign shall have no more than two (2) sign panel(s). No sign panel on the Grantee Sign shall be of a size or have dimensions which are greater than seventy-five percent (75%) of the size and dimensions of the Grantor's sign panel on Grantor's sign or reduce the visibility of any sign serving the Retained Property.

The foregoing restrictions in this **Exhibit F** shall be deemed restrictive covenants running with the land, and Grantee agrees that these restrictions shall be incorporated into an Outparcel Easements, Covenants, Conditions and Restrictions Agreement or similar document at Closing.

Exhibit G

INSURANCE REQUIREMENTS

Buyer Inspection-Access to Property

Including Environmental Testing

I. Commercial General Liability

(A) Limits:

$1,000,000 minimum limits per Occurrence/$2,000,000 General Aggregate (can include umbrella liability limits)

$2,000,000 – Products/Completed Operations

II. Automobile Liability

(A) Any Auto

(B) Limits:

$1,000,000 minimum Combined Single Limit (can include umbrella liability limits)

III. Workers' Compensation and Employers Liability

(A) Statutory Workers' Compensation Coverage

(B) Employers Liability Limit:

$500,000 each accident

$500,000 each employee-disease

$500,000 policy limit for disease

IV. Other

Pollution Liability Insurance with minimum limits of $2,000,000 per claim; $2,000,000 aggregate is required if environmental testing beyond a Phase I ESA (where sampling is not within the scope of services) is conducted. This would include, but not be limited to, Phase II ESA or any invasive testing or sampling**.**

V. General Requirements

(A) Additional Insured Language must be as follows:

Driven Brands, Inc. and any and all subsidiaries and Lowe's Companies, Inc. and any and all subsidiaries are named as an additional insured as respects the Commercial General Liability and Automobile Liability policies. A waiver of subrogation shall be provided to

Lowe's and Seller and any subsidiary as respects the Commercial General Liability and Automobile Liability policies.

(B) Commercial General Liability and Auto Liability Policies must be written on an occurrence form.

(C) Commercial General Liability and Automobile Liability shall be endorsed to state coverage is primary over any other available insurance.

(D) 30 Days written notice of cancellation, notice of non-renewal or material changes in coverage.

(E) Insurance must be written by an insurance company with a minimum rating of Best's A-, VIII or its equivalent, satisfactory to Lowe's and authorized to do business in the United States of America. **Show <u>complete</u> name and NAIC# for all insurance carriers as listed on the A.M. Best Property & Casualty Guide.**

(F) Most current ISO (Insurance Services Office, Inc.) form for all coverages.

(G) Original Certificate of Insurance (ACORD form or equivalent) to be delivered to Lowe's prior to commencement of any work and/or service.

(H) It is the responsibility of the Buyer to ensure that Lowe's has a current Certificate of Insurance for all lines of coverage.

(I) Buyer agrees to provide copies of the policies evidencing the coverages required herein upon request.

(J) Lowe's must approve any self insured retentions in excess of $100,000.

EXHIBIT O

FORM OF GENERAL RELEASE

TAKE 5 FRANCHISOR SPV LLC
GRANT OF FRANCHISOR CONSENT AND RELEASE BY FRANCHISEE

TAKE 5 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 Take 5 Oil Change Center at _____. Franchisee has asked Franchisor to _____ ***[insert relevant detail]***. Franchisor currently has no obligation under the Franchise Agreement or otherwise to _____ ***[repeat relevant detail]***, or Franchisor has the right under the Franchise Agreement to condition its approval on Franchisee's and its owners signing a release of claims. Franchisor is willing to _____ ***[repeat relevant detail]*** if Franchisee and its owners give Franchisor the release and covenant not to sue provided below in this document. Franchisee and its owners are willing to give Franchisor the release and covenant not to sue provided below in consideration for Franchisor's willingness to _____ ***[repeat relevant detail]***.

Consistent with the previous introduction, Franchisee, on behalf of itself and its successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge Franchisor and its past and present, direct or indirect, parent and other affiliated entities, and its and their respective current and former officers, directors, members, managers, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the "Take 5 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 Take 5 Party (1) arising out of or related in any way to the Take 5 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 Take 5 Oil Change Center franchise, or (3) otherwise arising out of or related in any way to Franchisee and the other Releasing Parties' relationship, from the beginning of time to the date of Franchisee's signature below, with any of the Take 5 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 Take 5 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.

FRANCHISOR:	**FRANCHISEE:**
TAKE 5 FRANCHISOR SPV LLC, a Delaware limited liability company	[_____]
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____
	_____ [Name of Owner]
	_____ [Signature and Date]

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)
Hawaii	Pending
Illinois	May 24, 2024 (Exempt)
Indiana	Pending
Maryland	Pending
Michigan	May 24, 2024
Minnesota	Pending
New York	May 24, 2024 (Exempt)
North Dakota	Pending (Exempt)
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending (Exempt)
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Item 23

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 Take 5 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 Take 5 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit A.

The franchisor is Take 5 Franchisor SPV LLC located at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202. Its telephone number is (704) 644-8130.

The franchise sellers for this offering are ☐ Ted Rippey, ☐ Jake Weyand, ☐ Jennings Huntley, ☐ Nadine Moussalli, and ☐ Mo Khalid at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202, (704) 644-8130, and: _____ *{complete only if applicable}*.

Issuance Date: May 24, 2024

We authorize the respective state agents identified on Exhibit A to receive service of process for us in the particular states. I received a disclosure document from Take 5 Franchisor SPV LLC dated as of May 24, 2024, that included the following Exhibits:

Exhibit A	State Administrators/Agent for Service of Process	Exhibit I	Sublease
Exhibit B	Franchise Agreement	Exhibit J	Collateral Assignment of Lease
Exhibit C	Area Development Agreement	Exhibit K	Software License Agreement
Exhibit D	Manuals Table of Contents	Exhibit L	Franchisee Representations Document
Exhibit E	Financial Statements	Exhibit M	State Addenda and Riders to Agreements
Exhibit F	Guarantee of Performance	Exhibit N	Form of Purchase Agreement
Exhibit G	List of Current and Former Franchisees	Exhibit O	Form of General Release
Exhibit H	Lease		

_____ _____

Date Prospective Franchisee [Print Name]

_____

(Date, Sign, and Return to Us) Prospective Franchisee [Signature]

Item 23

RECEIPT

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Exhibit G	List of Current and Former Franchisees	Exhibit O	Form of General Release
Exhibit H	Lease		

_____ _____

Date Prospective Franchisee [Print Name]

_____

(Date, Sign, and Keep for Your Own Records) Prospective Franchisee [Signature]