



**MAACO Franchising, Inc.
Franchise Disclosure Document**

MAA 10/2012



AMERICA'S BODYSHOP®
FRANCHISE DISCLOSURE DOCUMENT

MAACO Franchising, Inc.

A Delaware Corporation

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Charlotte, North Carolina

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The franchisee will operate an automobile repair center specializing in automobile painting and body repair under the name "Maaco," "Maaco Collision Repair & Auto Painting" or "Maaco Auto Painting & Bodyworks" (the "Center"). The total investment necessary to begin operation of a Center ranges from \$76,679.33 to \$466,053.72. This includes \$35,000 to \$65,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Dave Schaefer, our Vice President, Franchise Development, at our corporate offices located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina 28202. 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 contracts carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

Issuance date of this Franchise Disclosure Document: October 1, 2012.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE THE FRANCHISOR ONLY IN A STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN THE COUNTY OR DISTRICT WHERE THE FRANCHISOR'S PRINCIPAL HEADQUARTERS IS LOCATED (CURRENTLY IN THE STATE OF NORTH CAROLINA). OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH THE FRANCHISOR IN NORTH CAROLINA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

IF YOU ARE MARRIED, YOUR SPOUSE MUST SIGN A SPOUSAL CONSENT MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

The effective dates of this Franchise Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page.

MAACO FRANCHISING, INC.

STATE REGISTRATIONS

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

California Effective date:

Florida Effective date:

Hawaii Effective date:

Illinois Effective date:

Indiana Effective date:

Maryland Effective date:

Michigan Effective date:

Minnesota Effective date:

New York Effective date:

North Dakota Effective date:

Rhode Island Effective date:

South Dakota Effective date:

Utah Effective date:

Virginia Effective date:

Washington Effective date:

Wisconsin Effective date:

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

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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.

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.

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.

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.

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:

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

The fact that the proposed transferee is competitor of the franchisor or subfranchisor.

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

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.

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).

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 \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor 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
Department of Attorney General
670 G Mennen William Building
Lansing, Michigan 48913
Telephone Number: (517) 373-3800

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

The State Cover Page is modified to include the following RISK FACTOR:

THE GUARANTOR'S FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 27, 2010 REFLECTS THAT 84% OF THE TOTAL ASSETS ARE INTANGIBLE. LIABILITIES EXCEED TANGIBLE ASSETS. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
2 BUSINESS EXPERIENCE	4
3 LITIGATION.....	7
4 BANKRUPTCY	14
5 INITIAL FEES.....	15
6 OTHER FEES	18
7 ESTIMATED INITIAL INVESTMENT.....	22
8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	26
9 FRANCHISEE'S OBLIGATIONS	29
10 FINANCING.....	31
11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING	32
12 TERRITORY	39
13 TRADEMARKS	40
14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	42
15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	43
16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	45
17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	46
18 PUBLIC FIGURES.....	52
19 FINANCIAL PERFORMANCE REPRESENTATIONS	53
20 OUTLETS AND FRANCHISEE INFORMATION	64
21 FINANCIAL STATEMENTS	73
22 CONTRACTS.....	74

Exhibits

- A Financial Statements
- B-1 List of Centers
- B-2 Franchisees Who Have Left the System
- B-3 Non-Operational Franchisees
- B-4 Non-Operational Franchisees Who Have Left the System
- C Franchise Agreement, Including Analysis of Investment
- D Opening Equipment, Inventory and Signs
- E Amendment to Franchise Agreement (Transfer)
- F Renewal Addendum to Franchise Agreement
- G Addendum to Franchise Agreement (Additional Center)
- H Collateral Assignment of Lease
- I Assignment and Assumption Agreement
- J Personal Guaranty
- K Disclosure Acknowledgement Statement
- L MAACO Polaris 2000 Software License Agreement
- M Warranty Work - Franchise Transfer Acknowledgement
- N Warranty Agreement
- O Tri Party Agreement
- P Option to Purchase or Lease Agreement
- Q Waiver and Release
- R New Franchise Disclosure Questionnaire
- S International Emergency Economic Powers Act Compliance Questionnaire
- T Telephone Release
- U Tables of Contents - Manuals
- V List of State Regulatory Agencies/Franchisor's Agents for Service of Process
- W State Addenda and Agreement Riders
- X Guaranty of Performance
- Y Conversion Agreement
- Z New Center Addendum – Product Credit Agreement

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT W.

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor and its Parent Companies

The Franchisor is MAACO Franchising, Inc. For ease of reference, MAACO Franchising, Inc. will be referred to as "we", "us" or "MAACO" in this Disclosure Document. We will refer to the person or entity who buys the franchise as "you" throughout the Disclosure Document. If we allow you to assign your Franchise Agreement to a corporation, partnership, limited liability company or other business entity, your owners must sign our Personal Guaranty which means that all of the Franchise Agreement's provisions also will apply to your owners.

Our parent company is Driven Brands, Inc., which is owned by Driven Brands Holdings LLC. On December 16, 2011 Harvest Partners, L.P. in conjunction with certain other investors including Carousel Capital Partners L.P., and certain members of our management team purchased all of the outstanding stock of Driven Brands, Inc. from the current shareholders of the Company. The address of Driven Brands, Inc. is 128 S. Tryon Street, Suite 900, Charlotte, NC 28202. The address of Driven Brands Holdings LLC and Harvest Partners, L.P. is 280 Park Ave., New York, New York 10017.

We are a Delaware corporation incorporated on September 18, 2008. Our principal business address is 128 S. Tryon Street, Suite 900, Charlotte, NC 28202. We do business under our corporate name and under the name "MAACO." We are a company which operates and sells franchises for the operation of automobile painting and body repair centers known as "Maaco Collision Repair & Auto Painting Centers (defined below).

Our agents for service of process are disclosed in **Exhibit V**, as applicable.

Predecessors

We are the successor to the business founded by Anthony A. Martino in 1972 as Maaco Enterprises, Inc., a Pennsylvania corporation ("MEI"). Mr. Martino served as MEI's Chief Executive Officer and Chairman of the Board for over thirty (30) years. Mr. Martino passed away in January 2008. We became the owner of the business through the purchase of substantially all of the assets of MEI on October 21, 2008.

MEI began offering franchises for Maaco Auto Painting & Bodyworks Centers in February, 1972. In March, 2003, MEI introduced a new name "Maaco Collision Repair & Auto Painting" to broaden consumer perception in the marketplace of the ability to do bodywork services, and MEI began franchising Centers under this name. (The term "Maaco Center" or "Center" refers to centers operating under the name Maaco, Maaco Auto Painting & Bodyworks or Maaco Collision Repair & Auto Painting unless the context requires otherwise). As of June 25, 2011, there were 431 franchised Maaco Centers in operation. MEI operated Maaco Centers at various times since its inception in 1972. As of June 25, 2011 an entity affiliated with MTO,

INC. a Delaware corporation, owned and operated 2 Centers in Springfield and Swansea, Illinois.

Affiliates

We have not offered franchises in any other line of business. Certain of our affiliates offer franchises in various lines of business. These affiliates are wholly-owned subsidiaries of Driven Brands. These affiliates are described below.

Meineke Car Care Centers Meineke Car Care Centers, Inc. (“Meineke”), franchises automotive centers which offer to the general public automotive repair and maintenance services that we authorize from time to time. 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 has been offering franchises since September 1972 and, through its wholly-owned subsidiary, Forward Development, Inc., own and operate Meineke centers and have done so since March 1991. Driven Brands (formerly known as Meineke Holding Company) became the parent company of Meineke in August 2003. Meineke’s principal place of business is located at First Citizens Bank Plaza, 128 Tryon Street, Suite 900, Charlotte, North Carolina 28202.

Aero-Colours Aero-Colours, Inc. (“Aero-Colours”) franchises the right to own and operate a mobile, painting touch-up process and service that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. The process can also be performed from a fixed site should the franchisee decide to establish one pursuant to the terms of the franchise agreement. The franchisee can also perform the Aero-Colours, Inc., process on boats or other vehicles if he or she desires. Aero-Colours have been franchising since 1998. Aero-Colours, Inc., began sub-franchising in 1998, and offers sub-franchise or master franchise agreements only in areas outside the United States. Aero-Colours, Inc., also owns and operates mobile and fixed sites which sell the same painting touch-up process and service to be provided by its franchisees. Driven Brands acquired Aero-Colours in October 2005. Aero-Colours principal place of business is located at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202.

Econo Lube N’ Tune Econo Lube N’ Tune, Inc. (“Econo Lube”), is an automotive franchise system specializing in the oil change services and other automotive services including brakes, but not including exhaust systems. There are approximately 60 Econo Lube N’ Tune locations, which are predominately in the western part of the United States, including California, Arizona, and Texas. Econo Lube and its predecessors have been franchising since 1972. Driven Brands acquired Econo Lube in August 2006. Econo Lube’s principal place of business is located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina 28202.

AutoQual AutoQual USA (“AutoQual”) is a business that offers, through its franchisees, various services relating to the interior of automotive vehicles, including among other things, cleaning, deodorizing, dyeing, and masking of carpets, seats, and trim. AutoQual and its

predecessors have been franchising since February 2004. Driven Brands acquired AutoQual in February 2008. AutoQual's principal place of business is located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina 28202.

Drive-N-Style Drive-N-Style is a business that offers, through its franchisees, automotive accessories installation products and services to enhance a vehicle's style including wood or stainless steel steering wheels, dash kits, grilles, or chrome trim. The primary customers of both of these business systems are new and pre-owned vehicle owners, automobile rental agencies, auctioneers, automotive sales and service businesses. Drive-N-Style and its predecessors have been franchising since 2005. Driven Brands acquired Drive-N-Style in February 2008. Drive-N-Style's principal place of business is located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina 28202.

The Franchise

The MAACO franchise which we offer is for the operation of a Maaco Collision Repair & Auto Painting Center (the "Center") using our trade names, trademarks, service marks and related logos, including the marks "Maaco Collision Repair & Auto Painting," "Maaco Auto Painting" and "Maaco Auto Painting & Bodyworks" (the "Proprietary Marks") under our standard Franchise Agreement (the "Franchise Agreement"). Our current form of Franchise Agreement is attached as Exhibit C. Also attached as Exhibit E is the form of Amendment to Franchise Agreement (Transfer) we currently use in resale transactions; Exhibit F which is the form of Renewal Addendum to Franchise Agreement we currently use to renew franchises; and Exhibit G which is the form of Addendum to Franchise Agreement (Additional Centers) we currently use when an existing franchisee purchases an additional Center. The various forms of agreement we have used in the past may have terms and conditions different from the current form. We also offer to existing franchisees who are in good standing, and who wish to purchase an additional MAACO center certain incentives in the New Center Addendum – Product Credit Agreement (See Exhibit Z). In addition, we offer to independent automotive body and paint shops a conversion program with certain incentives (See Exhibit Y). We also reserve the right to change the form and terms of the agreement and addendums used in the future. The services and products of a Center are used primarily by the general public for body repair, repainting and refinishing of their personal automobiles. You will typically have to compete with other businesses performing similar services, including automobile dealerships, national or regional automotive centers and local body repair shops. We believe that you can compete effectively with other companies providing similar services as a result of the equipment and products, and the advertising and promotional programs utilized in the franchised business and the techniques which you are taught.

Although there are no laws or regulations specific to the operation of an automobile repair center, you may be required to comply with certain federal, state and local hazardous waste and other environmental laws and regulations in the operation of your Center. In addition, you should be aware that there may be other general laws that apply to your Center's operation, and you should make further inquiries to find out about these laws and regulations.

Item 2

BUSINESS EXPERIENCE

Chairman, Chief Executive Officer and Director: Jonathan Fitzpatrick

Mr. Fitzpatrick was appointed to the office of Chief Executive Officer and to serve on the Board of Directors July 9, 2012. Prior to these appointments, Mr. Fitzpatrick was Executive Vice President, Chief Brand and Operations Officer for Burger King Corporation From February 2011 to June 2012, Executive Vice President Global Operations from October 2010 to February 2011, as Senior Vice President of Operations, Europe Middle East and Africa (EMEA) from August 2009 to October 2010, as Senior Vice President, Development and Franchising from July 2007 to August 2009 and as Vice President of Information Technology from June 2005 to July 2007.

President: David M. Lapps

Mr. Lapps was appointed President, Chief Operating Officer and Director of MAACO on October 21, 2008. On August 7, 2012, Jason Ryan assumed the role of Chief Operating Officer for MAACO, while Mr. Lapps retains his role as President. Mr. Lapps was employed by MAACO since 1974 and has served in various capacities including training instructor and training director since that date. He served as Director of Franchise Sales from August, 1985 to May, 1986 and acted as Director of Training and Special Projects from May, 1986 to July, 1987. Mr. Lapps acted as Director of Corporate Development and Training from July, 1987 to November, 1990. From November, 1990 to November, 1993 he served as National Director of Operations. From November, 1993 to January, 2008 he served as Vice President of Operations. In February, 2008 he was appointed President and Chief Operating Officer. He was also elected as a Director of MAACO in February 2008.

Chief Operating Officer: Jason T. Ryan

Mr. Ryan was appointed as Chief Operating Officer in September 2012. Mr. Ryan has been employed by MAACO since 2003 where he served as Director of Regional Operations until November 2007. From November 2007 to April 2008 he served as Assistant Vice President of Corporate Stores. In April 2008, Mr. Ryan became Assistant Vice President of New Center Development with responsibilities continuing to include overseeing Corporate Stores as well as serving as the Director of Training. In October 2010, Mr. Ryan became Vice President of Operations – Northern Region.

Executive Vice President, General Counsel and Secretary: Noah Pollack

Mr. Pollack was appointed Executive Vice President, General Counsel and Secretary of MAACO as of September 2012. Mr. Pollack also serves as General Counsel for all other of the Driven Brands companies including Driven Brands, Inc. From July 2011 to August 2012 Mr. Pollack served as Brand Vice President and Brand Counsel, IHOP, Dine Equity, Inc., From September 2010 to July 2011, Mr. Pollack served in private practice as a member of NC Pollack Law, PLLC. From August 2008 to September 2010, Mr. Pollack served as Vice President and General Counsel of Lone Star Business Solutions.

Tim Lucey: Director of International Development

Mr. Lucey joined Driven Brands as Director of International Development in September 2012. Mr. Lucey is responsible for the expansion of the Meineke and Maaco brands into new and

existing international markets. Before joining Driven Brands, Mr. Lucey earned an MBA in Entrepreneurial Management from The Wharton School of Finance. Prior to that time, he was employed as an Associate by Harvest Partners, a middle-market private equity firm, from June 2007 to June 2010. While at Harvest Partners, Mr. Lucey was responsible for the evaluation and execution of new investment opportunities as well as for monitoring existing investments. Prior to joining Harvest Partners, Mr. Lucey was employed as an Investment Banking Analyst at Wachovia Securities from July 2006 to June 2007 in the Mergers and Acquisitions Group and from May 2004 to June 2006 in the Media & Telecommunications Group. Mr. Lucey earned a B.B.A. in Finance from the University of Notre Dame in 2004.

Ira D. Kleinman: Chairman of the Board and Director

Mr. Kleinman was appointed as Chairman of the Board on July 9, 2012. Mr. Kleinman was appointed to serve on the Board of Directors of MAACO Franchising, Inc. on December 16, 2011. Mr. Kleinman is currently a Senior Managing Director at Harvest Partners, LP. He has served in that position since prior to 2006.

Paige Daly: Director

Ms. Daly was appointed to serve on the Board of Directors of MAACO Franchising, Inc. on December 16, 2011. Ms. Daly is currently a Principal at Harvest Partners, LP, where she has worked since 2010. For the 4 years prior to becoming associated with Harvest Partners Ms. Daly was a Managing Director at the LNK Partners/Apax Partners Consumer and Retail Group.

Jay Wilkins: Director

Mr. Wilkins was appointed to serve on the Board of Directors of MAACO Franchising, Inc. on December 16, 2011. Mr. Wilkins is currently a Managing Director at Harvest Partners, LP, where he has worked since 2010. For the 4 years prior to becoming associated with Harvest Partners Mr. Wilkins was a Principal at DLJ Merchant Banking Partners and North Castle Partners.

Vice President of Business Development: David Schaefer

Mr. Schaefer was appointed to the office of Vice President of Business Development for Driven Brands Shared Services, Inc., on May 15, 2007. Mr. Schaefer is responsible for the sale of Meineke, Aero Colours, and Econo-Lube franchise opportunities and company-owned service centers. Before that time he was employed by Econo-Lube N'Tune, Inc., working in the credit management department from October 1990 through July 1995, and serving as Director of Franchisee Relations from July 1995 until March 1996, as Vice President of Franchisee Development from March 1996 through August 12, 2006, and as President from August 12, 2006, through May 15, 2007.

Vice President of Operations – Southern Region: Douglas Engle

Mr. Engle has been employed by MAACO since February 2005 serving as Director of Regional Operations until April 2008 when he was promoted to Vice President of Operations. In October 2010, Mr. Engle became Vice President of Operations – Southern Region. Prior to MFI he was employed for 9 years with AAMCO Transmissions, Inc. serving as Director of National Fleet Accounts and Training Director. Prior to that Mr. Engle served as Vice President of Development at a training company, the Total Quality Institute.

Vice President of Operations – Central Region: Tom Tracy

Mr. Tracy has been employed by MAACO since 2003 where he served as Director of Regional Operations until October 2010. In October 2010, Mr. Tracy became Vice President of Operations – Central Region. Prior to joining Maaco he spent 8 years with General Electric in the finance department in a variety of businesses, and 8 years as a General Manager within the wholesale auto auction industry.

Director and Chief Financial Officer: Mike Carlet

Mr. Carlet was appointed to the Board of Directors of MAACO Franchising, Inc. on January 26, 2009. He was appointed as the Chief Financial Officer of MAACO on September 1, 2009. Mr. Carlet also serves as the Chief Financial Officer of Meineke, which office he has held since August 11, 2002. He also serves as Chief Financial Officer for Driven Brands, Inc. and its other subsidiaries. He was appointed to the Meineke Board of Directors on June 15, 2005. From June 2001 until August 2002, Mr. Carlet served as Vice President and controller of Clicklogistics, Inc.

Item 3

LITIGATION

The following are legal actions and proceedings of MAACO and, as its predecessor,(MAACO Enterprises, Inc.) parent companies and affiliates required to be disclosed in this disclosure document.

Pending Actions

Ruben Fechner, III Rebecca Fechner and Millo, Inc. v. MAACO Enterprises, Inc., et al.; Cause No. 2009-CI-12584; District Court 407th Judicial District, Bexar County, Texas.

After these franchisees had been operating for a period of time they sued us alleging fraud in real estate transaction. They allege that we induced them to purchase a specific piece of property in which to operate their MAACO and that we knew that the location would not support the MAACO model of operations. Subsequent to their filing of this claim Millo, Inc. filed for protection under chapter 11 of the United States Bankruptcy Code. Case NO. 10-52166-rbk; United States Bankruptcy Court, Western District of Texas. Upon the filing of this bankruptcy the plaintiffs/debtors filed an adversary proceeding against us alleging violations of the Texas Deceptive Trade Practices Act. The basis for these claims is that they allege that we put them into a location that did not support the MAACO business model. The debtor agreed to stay all proceedings in exchange for MAACO not filing a direct claim against the Fechners for damages arising out of their breach of their franchise agreement with us. Accordingly, all claims in both the state court action and the adversary proceeding have been stayed. The parties engaged in mediation, but the mediation did not resolve the matter. The parties have been actively engaged in settlement negotiations and a settlement agreement is being finalized.

Maaco Franchising, Inc. v. Pierre Philippe Augustin, Virginie L. Augustin & Phil's Auto Body, Inc., Case No. 09-4548, United States District Court for the Eastern District of Pennsylvania. In October of 2009, we filed

a complaint and motion for preliminary and permanent injunction against former franchisees for trademark infringement, enforcement of the post-termination non-compete covenant, misappropriation of trade secrets and to collect royalties and other amounts owed by the former franchisee. In November of 2009, the franchisee counterclaimed for breach of contract, breach of the duty of good faith and fair dealing and tortious interference with a contract. After expedited discovery, a hearing on the motion for preliminary injunction took place on March 17 and March 18, 2010. On April 20, 2010 the court issued its decision upholding MAACO's non-compete covenant ordering the franchisee to cease operating a competing business until June 30, 2010 and denying MAACO's claim for misappropriation of trade secrets. The Court further held that MAACO did not engage in fraud or bad faith that would bar enforcement of the non-compete covenant.

Concluded Actions

Maaco Franchising, Inc. v. Napco Enterprises, LLC, Richard J. Mina & Stephanie S. Mina, United States District Court for the Eastern District of Pennsylvania, Case No. 2:10-CV-02478. In May of 2010, we filed a complaint and motion for injunctive relief against former franchisees for enforcement of the post-termination non-compete covenant, trademark infringement, and recovery of outstanding royalties and other amounts owed. On June 16, 2010 franchisees filed a counterclaim alleging breach of contract based on failure to provide operational support and rescission of the franchise agreement based on deceptive marketing and sales. On August 9, 2010 the parties reached a settlement and submitted a consent judgment to the court requiring franchisees to abide by the non-compete covenant and to cease infringing on the Maaco trademark. As part of the consent judgment, the parties also exchanges releases and the franchisees were required to pay Maaco \$20,000.

Maaco Enterprises, Inc. v. Jonas Auguste, Bernadine Auguste and B&J's Auto Body, Inc., Case No. 03-10535, Court of Common Pleas of Montgomery County, Pennsylvania. In June of 2003, we filed an action to collect royalties and other amounts owed by a franchisee and its owners who operated a Maaco Center in Lake Park, Florida. We terminated the franchise agreement as a result of the franchisees' abandonment of the Center in November of 2002. After the defendants abandoned the Center, a new Maaco franchisee began operating the Center. On August 4, 2003, the defendants filed an answer and counterclaim alleging that we breached our contractual obligations to provide training, promotion, initial advertising and continuing advisory assistance and breached an agreement to sell the Center for the defendants. The defendants further claimed that we wrongfully converted the Center by allowing a new franchisee to operate the Center without assuming the defendants' equipment lease for the Center. The defendants also claimed that we engaged in fraud and misrepresentations in the sale of the Center; we breached an obligation of good faith and fair dealing; and we engaged in conduct that violated the Pennsylvania Unfair Trade Practices Act. The counterclaim sought damages in excess of \$50,000, punitive damages, attorneys' fees, costs and other relief. In August, 2003, we filed a response denying the material allegations of the counterclaim. After conducting discovery, the parties agreed to settle their dispute by having Maaco purchase the defendants' interest in and any claims relating to the equipment used at the Center for \$175,000. The parties also exchanged releases.

Maaco Enterprises, Inc. v. Allan S. Noor, Kari Beth Noor and Atlanta Discount Auto Painting, Inc., Civil Action No. 04-1272, United States District Court for the Eastern District of Pennsylvania. In March of 2004, we filed an action against our Atlanta, Georgia franchisees to enforce termination of the franchise agreement and to collect royalties and other amounts due to us. We also sought to enjoin defendants' continued operation of an auto painting and body repair center and filed a motion for preliminary and permanent injunction in June. In June, 2004, the defendants filed an answer and counterclaim. The counterclaim alleges that we breached the franchise agreement by failing to provide training, support, assistance, and marketing materials to the defendants and that we breached the implied covenant of good faith and fair dealing by changing our marketing strategy to emphasize collision repair. The counterclaim seeks

unspecified damages. We filed an answer denying the material allegations of the counterclaim. The parties settled their dispute on April 4, 2005. As part of the settlement, the defendants paid Maaco \$50,000, the franchise agreement was deemed terminated and the parties signed mutual releases.

Maaco Enterprises, Inc. v. Charles J. Neely and CJN Enterprises, Inc., Case No. 00-21903, Court of Common Pleas of Montgomery County, Pennsylvania. On October 30, 2000, we filed an action to collect royalties and other amounts owed us by a franchisee and its owner who operated a Maaco center in Hatboro, Pennsylvania. We subsequently amended the complaint to include an additional claim for lost future royalties after the Franchise Agreement was terminated. On January 24, 2001, Neely and CJN filed an answer and counterclaim alleging that we breached our contractual obligations to provide assistance and an effective advertising program and breached our obligation of good faith and fair dealing with respect to marketing their franchise and Maaco franchises in general. Neely and CJN further claimed that we misrepresented the expected profits of the franchise and misrepresented that a nearby franchise would not be renewed. The counterclaim sought damages in the approximate amount of \$475,000 and punitive damages. On February 16, 2001, we filed objections to the counterclaim seeking its dismissal on the grounds that it was improperly pled and that it failed to assert any cognizable legal claim. On May 7, 2001, Neely filed for bankruptcy protection in the United States Bankruptcy Court for the Eastern District of Pennsylvania which stayed the case. On January 3, 2003, Neely filed a notification of the completion of his bankruptcy case. The case was reactivated and was in its pre-trial stages. Subsequently, the court terminated the case for inactivity on June 13, 2005.

Maaco Enterprises, Inc. v. Erik Shollenberger and Team JPJ, Inc., Civil Action No. 00-cv-562, United States District Court for the Eastern District of Pennsylvania. On March 8, 2000, we filed an action against Shollenberger and Team JPJ, Inc. seeking to enforce the termination of their Franchise Agreement and to collect royalties due to us under the Franchise Agreement and future royalties and payments for the remaining unfulfilled term of the Franchise Agreement. On May 24, 2000 the defendants filed an answer and counterclaim alleging that we wrongfully terminated the Franchise Agreement, that we withheld information from the franchisees regarding the financial performance of the franchise prior to the defendants' purchase of the franchise, and that we failed to perform support and advertising for the defendants as required by the Franchise Agreement. On November 28, 2000, Shollenberger filed for bankruptcy protection in the United States Bankruptcy Court for the District of Oregon and the case was placed in civil suspense. After Shollenberger was discharged in his bankruptcy proceeding, the parties agreed to dismiss their claims against one another. On July 13, 2001, the parties filed a Stipulation of Dismissal by which they voluntarily dismissed their claims against each other and the case was closed.

Paul Strongarone and PFP, Inc. v. Maaco Enterprises, Inc., Civil Action No. 013518, Circuit Court for the County of Macomb, State of Michigan. On August 7, 2001, we filed an action against Paul Strongarone and his corporation PFP, Inc. in Pennsylvania seeking to collect royalties, advertising expenditures and amounts owed for products and supplies owed to us under the Franchise Agreement and future royalties and payments for the remaining unfulfilled term of the Franchise Agreement. (Maaco Enterprises, Inc. v. Paul M. Strongarone, et al., Civil Action

No. 01-CV-4012, United States District Court for the Eastern District of Pennsylvania). Mr. Strongarone ceased operating his Maaco Center on July 30, 2001 in breach of his Franchise Agreement with us. On August 13, 2001, Mr. Strongarone and PFP, Inc. filed the above captioned lawsuit against us in Michigan alleging that we violated the Michigan Franchise Investment Law in wrongfully inducing the plaintiffs to enter into a Franchise Agreement with Maaco. The plaintiffs claimed that we failed to perform support and services and breached the Franchise Agreement and engaged in a conspiracy with the landlord of the Maaco Center to induce the plaintiffs to enter into a long-term lease for the Maaco Center premises. The complaint sought damages in excess of \$25,000, including interest, attorney's fees and court costs. In October, 2001, the parties reached an out-of-court settlement of both cases whereby both lawsuits were dismissed with prejudice, the parties exchanged releases of any and all claims or potential claims and Strongarone and PFP, Inc. agreed not to engage in or be in any way involved in a competitive business for a period of one year after the signing of the settlement agreement.

J. Mitchell Lohmann v. Maaco Enterprises, Inc., et al., Case No. 2000-08868, District Court of Harris County Texas. This is a suit filed by a former Maaco franchisee on February 18, 2000 and served on Maaco on March 14, 2000. The franchisee purchased an existing Maaco center in Humble, Texas in or about February, 1998. The assets of the business were re-possessed by the seller in the summer of 1999 because of the franchisee's failure to make certain payments to the seller and the franchisee ceased operating the business. The franchisee filed this suit claiming that Maaco, various officers and agents of Maaco and the seller of the business made various representations to induce him to purchase the business, which were false and misleading, and failed to disclose certain material facts about the business and Maaco's system which were necessary for him to properly evaluate the business. The franchisee also claimed certain deficiencies in the Maaco system which led to his failure and a pattern of dealing and conduct by Maaco and its agents which were designed to profit Maaco to the detriment of franchisees. The complaint alleged, among other things, fraud, negligent misrepresentation, violations of the Texas Business Opportunity Act and the Texas Unfair and Deceptive Trade Practices Act and breach of contract. The franchisee claimed damages of at least \$1,188,698.55. He also sought exemplary damages, injunctive relief to prevent the defendants from engaging in the course of conduct alleged and costs and attorney's fees. In February, 2001, the parties reached an out-of-court settlement. We agreed to pay Lohmann \$100,000 for settlement purposes with respect to certain contractual issues and not as an admission of any liability or wrongdoing. The parties also exchanged releases of any and all claims or potential claims.

Eleganze Auto Paint & Bodyworks vs. Maaco Enterprises, Inc., Superior Court of California, Orange County, (No. 782042). This suit was filed on July 22, 1997 and served on us on September 12, 1997. The plaintiff, a franchisee, alleged fraud, intentional and negligent misrepresentation and professional negligence in our sale of the franchise. The plaintiff also alleged we breached the franchise agreement, including the covenant of good faith and fair dealing. These allegations arise, in part, out of the plaintiff's claim that we made misleading and inaccurate statements or omitted to disclose material facts about the plans and specifications for development of the center and the costs associated with its development. The complaint alleged that the plaintiff sustained damages in an amount to be proven, including \$642,000 in lost business opportunities, \$44,551.20 in increased tenant improvements, \$9,000 for installation of a

sprinkler system, \$1,800 in miscellaneous permit fees and \$90,000 in lost wages and profits because of delays in opening. The plaintiff also sought punitive damages, cancellation of a promissory note delivered to the landlord which the plaintiff claims we and the landlord altered without the plaintiff's knowledge, interest, costs of suit and attorney's fees. We denied the allegations of the complaint. In November 1998, the court granted our motion for summary judgment on all counts other than the count for breach of the implied duty of good faith and fair dealing, a cause of action based in contract. In January 1999 the parties reached an out of court settlement in which we agreed to release the franchisee from its obligations under the franchise agreement in exchange for a payment of \$65,000 to us, \$20,000 of which was payable immediately and the remaining \$45,000 payable over 12 months. As part of the settlement, the parties agreed to a dismissal of the lawsuit. Although the parties agreed to the terms of a settlement, the plaintiffs failed to sign the settlement agreement. We filed a claim to enforce the settlement. In light of the plaintiff's failure to respond, we then filed a motion for default judgment on the claim to enforce settlement, which the court granted on January 24, 2000. Plaintiff appealed the district court's entry of default judgment to the Ninth Circuit Court of Appeals. On August 1, 2001, the Ninth Circuit Court of Appeals issued an opinion affirming the court's decision enforcing the settlement agreement. The district court ordered the plaintiff to execute the settlement agreement, which it did and the case is now closed.

GAP Automotive, Inc. and Gennaro Pergola v. Bodo Realty Corp., Knut Holzer and Maaco Enterprises, Inc., Civil Action No. 99-025828, Supreme Court of the State of New York, County of Nassau. In October 1999, Gennaro Pergola and his corporation (GAP Automotive) filed this action against us and our franchisee (Knut Holzer). The case arises out of the alleged assignment and sublease by Holzer to Pergola of the Franchise Agreement and the lease of the franchised premises. Holzer did not obtain our prior consent or the landlord's consent to the purported transfers. The plaintiffs' claim against us is based on the theory that we participated in a scheme to defraud the plaintiffs by accepting payments due under the Franchise Agreement from GAP Automotive, yet refusing to recognize the purported transfer to GAP Automotive. The plaintiffs sought \$33,000 in damages against us. We filed a counterclaim against the plaintiffs for trademark infringement and unfair competition. In November 1999, we terminated the Franchise Agreement and filed a suit against Holzer, the other individual franchisees (the Bhatias), and the corporation to whom the Franchise Agreement was assigned (AAA Autometrics). Maaco Enterprises, Inc. v. Knut Holzer, Krishin Bhatia, Sanjiv Bhatia and AAA Autometrics, Inc. Civil Action No. 99-CV-5839, U.S. District Court for the Eastern District of Pennsylvania. In this suit, we alleged trademark infringement, unfair competition, violation of the covenant not to compete, and breach of contract based upon nonpayment of amounts owed under the Franchise Agreement and under a demand note. We sought injunctive relief and monetary damages for amounts owed under the Franchise Agreement and a demand note, as well as lost future royalties. The defendants filed an answer and counterclaim against us, claiming that the collection of advertising contributions constitutes coercive payments not permitted under Pennsylvania law, and seeking an unspecified amount of damages. We entered a judgment by confession against defendants under the demand note and filed a motion to dismiss their counterclaim. In December 2000, the parties settled both lawsuits. In the first action, as part of the settlement, GAP Automotive and Pergola entered into a consent judgment in the amount of \$30,000. In the second action, the former franchisees agreed to pay us \$110,000 in exchange for a release from their Franchise Agreement obligations and debt.

Maaco Enterprises, Inc. v. John Ford, Andrew Tibbitt, Sandra Tibbitt and J.A.S. Company, Inc., Case No. 98-206-96 Court of Common Pleas of Montgomery County, Pennsylvania. In November 1998, we filed an action in Montgomery County, Pennsylvania against the defendants to recover past due royalties. As part of the discovery process in this Pennsylvania action, we obtained commissions to depose certain individuals in Michigan. According to Michigan procedure, we then filed petitions to issue subpoenas to the individuals to be deposed in Michigan. In December 1999, in response to one of these petitions, the defendants filed a counterclaim against us in the Circuit Court for the County of Wayne Michigan (Case No. 99-931583 CZ, Circuit Court for the County of Wayne Michigan). The counterclaim sought an unspecified amount of damages in excess of \$25,000 and alleged that we breached the Franchise Agreement by failing to provide certain training and advertising assistance required by the Franchise Agreement and by selecting and approving an unsuitable site for the business. The counterclaim also alleged that we (1) violated the Michigan Antitrust Reform Act by unlawfully tying the purchase of automobile paints, products and supplies to the purchase of other products from us and Printz Advertising, (2) violated the Michigan Franchise Investment Law by including certain provisions in the Franchise Agreement which are void and unenforceable under such law, and (3) committed fraud and intentional and negligent misrepresentation. In December 1999, we filed a motion to dismiss the Michigan counterclaims, alleging that the claims were improperly filed in Michigan and should have been filed in the Pennsylvania action. Our motion was granted on or about January 14, 2000. Defendants appealed the dismissal of the Michigan counterclaims to the Michigan Court of Appeals. In June 2000, the parties entered into a settlement agreement under which defendants agreed to pay us \$25,000 in satisfaction of their debt. As part of the settlement, the parties exchanged mutual releases and dismissed the Pennsylvania and Michigan actions.

Actions Against Franchisees Commenced In The Past Fiscal Year

Litigation Seeking Injunction to Stop Trademark Infringement, Enforcement of the Non-Compete Covenant and to Collect Non-Payment of Royalties and Advertising Contributions

Maaco Franchising, Inc. v. Carlos Young, Stacy Young, Brenda Fair and 3 C-S Auto Group Corp., United States District Court for the Eastern District of Pennsylvania, Case No. 2:12-CV-2698, Filed May 17, 2012.

Litigation Seeking to Collect Non-Payment of Royalties and Advertising Contributions

Maaco Franchising, Inc. v. Peredos, LLC, Jayson Peredo, Jessica Peredo, Leonard Peredo & Christine Peredo, United States District Court for the Eastern District of Pennsylvania, Case No. 2:12-CV-00872, Filed February 21, 2012.

Maaco Franchising, Inc. v. Kastner, Inc., William J. Kastner, Barbara A. Kastner, United States District Court for the Eastern District of Pennsylvania, Case No. 2:12-cv-1870, Filed April 12, 2012.

Affiliate: Econo-Lube N'Tune, Inc.

Subject To Currently Effective Injunctive Order

State of Arizona , et rel, Thomas C. Horne, Attorney General vs. Econo Lube N'Tune, Inc.; in the Superior Court of the State of Arizona in and for the County of Maricopa.

On October 13, 2011 our affiliated company, Econo Lube N'Tune, Inc (“Econo Lube”) entered into a Consent Judgment with the State of Arizona that grew out of an investigation of the specific operations of a company owned Econo Lube center located in Phoenix, Arizona. The investigation alleged that the center manager unnecessarily changed out an air-conditioning compressor on a customer’s vehicle. As a result of the investigation the State alleged violations of A.R.S. §44-1522 (the State’s consumer protection act). Econo Lube 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 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 agreed to pay the State of Arizona \$30,000 in civil penalties and \$10,494.63 in attorney’s fees.

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

Item 4

BANKRUPTCY

On November 8, 1999, Econo Lube N' Tune, Inc. ("Econo Lube"), an affiliate of Meineke with its principal place of business located at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202, filed a petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court, Central District of California. The resulting Chapter 11 case was styled In re Econo Lube N' Tune, Inc., Case Number SA-99-21111 JR. On January 3, 2001, the United States Bankruptcy Court entered an order confirming Econo Lube's *Third Amended Chapter 11 Plan of Reorganization* (the "Plan"). The Plan went effective on April 3, 2001 (the "Effective Date"). Econo Lube was discharged in bankruptcy in January 2005, and all creditor payments were concluded in August 2006. The bankruptcy is now concluded in full, with no further pre-bankruptcy obligations being due any of the bankruptcy creditors.

Except as described above, no bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

You must pay an initial franchise fee of \$30,000. Qualified franchisees, under certain circumstances, may be eligible to pay the initial franchise fee in installments. . There is no initial franchise fee paid when you renew the franchise.

The initial franchise fee is uniform except existing franchisees in good standing who are purchasing each additional incremental Center pay an initial franchise fee of \$15,000 for each additional Center. . Franchisees in good standing who are purchasing more than one Center pay the following initial franchise fees: \$25,000 for two additional Centers; \$30,000 for three additional centers; \$35,000 for four additional Centers and \$5,000 for each additional Center.

If you are purchasing more than one franchise, you pay an initial franchise fee of \$45,000 for two Centers, \$55,000 for three Centers, \$60,000 for four Centers, \$65,000 for five Centers, \$70,000 for six Centers, and \$5,000 for each additional Center. Each franchisee who purchases more than one franchise must abide by a development schedule. If you abide by the development schedule and you own more than one franchise and you are in good standing, your royalties will be reduced to 2% in Year 1, 4% in Year 2, and 6% in Year 3 for each additional Center.

Existing franchisees of our Affiliates: Meineke Car Care Centers, Inc., Aero-Colours, Inc., Econo Lube N'Tune, Inc., AutoQual USA and Drive-N-Style who are in good standing and purchase a MAACO franchise will receive a 25% discount on the initial franchise fee of \$30,000.

MAACO is a member of the International Franchise Association (“IFA”) and participates in the IFA’s VetFran Program, which provides a 25% discount on the initial license fee to veterans of U.S. armed forces who otherwise meet the requirements of the VetFran program.

MAACO also offers a Conversion Program where a new or existing franchisee purchases an independent or franchised repair facility that has been in operation for at least 12 months, providing MAACO’s core services. The Conversion Program initial franchise fee is \$15,000.00 for one Center, \$10,000 for two Centers, \$5,000 for three Centers, and \$5,000 for each additional Center. The royalties under the Conversion program are reduced to 2% in Year 1, 4% in Year 2, and 6% in Year 3.

You must secure a site for the Center by lease or purchase within 9 months from the date you sign the Franchise Agreement. If you fail to secure a site within this time period, or, if at any time after the execution of this Agreement and prior to the time you secure a site for the Center, we determine that you have not made good faith efforts to seek and select a suitable location or to secure financing for the development of the Center or that you have been uncooperative with MAACO during any one or more phases of the pre-operational process, we will have the right to terminate the Franchise Agreement by giving you written notice. If we elect to terminate under these circumstances, we will refund, without interest, the amount of the initial franchise fee paid less our costs and expenses relating to processing your application, including franchise sales commissions, and evaluating proposed locations, which costs and expenses will not be less than

\$10,000.00, provided you sign a general release in form and substance satisfactory to MAACO. If you do not open your Center within 18 months from the date of execution of your Franchise Agreement with us then we can terminate your license and retain all of your initial Franchise Fees.

You may request that we agree to a termination of the Franchise Agreement at any time after the expiration of 9 months from the date you sign the Franchise Agreement provided you, in our judgment, have made good faith efforts to obtain a site for the Center but have been unable to do so by that date. If we agree to the termination, we will refund the amount of the initial franchise fee paid under the Franchise Agreement less the sum of our costs and expenses relating to processing your application, including franchise sales commissions and evaluating proposed locations, which costs and expenses will not be less than \$10,000.00 provided you sign a general release in form and substance satisfactory to MAACO.

Except as noted above, the initial franchise fee is not refundable in whole or in part under any circumstances.

You must also pay us a non-refundable Initial Software License Fee of \$5,000, or an amount equal to the then current fee being charged, which ever is greater. This fee is payable before we deliver possession of the Polaris Software to you or 30 days before the scheduled opening of the Center, whichever occurs first. You must also sign the MAACO Polaris 2000 Software License Agreement or any other software license agreements as we may periodically require. Franchisees in good standing who purchase additional Centers do not pay an Initial Software License Fee for each additional Center.

You must pay us an initial advertising contribution of \$30,000 (or \$15,000 under the Conversion program) when you arrive at the initial training program, or, if you are an existing franchisee and will not attend initial training, 30 days before opening. This initial advertising contribution will be used for your pre-opening and grand opening promotion, promotional materials, initial crew ads, initial advertising of the Center and related activities to be arranged by us. The actual cost may exceed your initial advertising contribution, in which case we will charge you the difference. There is no initial advertising contribution charged when you renew your franchise.

If you are purchasing an existing Center, you (or the transferring franchisee) must pay all training and other fees due under that franchisee's franchise agreement, or in the absence of such a provision in the franchise agreement, you must pay us the then-current fee charged. Under our current franchise agreement, the transferee will also be charged an initial advertising deposit of \$10,000. We have the right to increase the amount of the initial advertising deposit by 10% per annum from the date the transferring franchisee's franchise agreement was signed to the date of the transfer for the resale of any Centers. Further, under our current franchise agreement, we charge a prorated portion of the initial franchise fee we are charging at the time of transfer based upon the amount of time that has elapsed under the transferor's franchise agreement. Older forms of our franchise agreement do not provide for proration and we may charge the full initial franchise fee upon a transfer of a Center operating under one of these older forms of franchise agreement because the transferee is required to sign our then current form of franchise agreement which includes the full initial franchise fee. None of these payments are refundable.

Other than the MAACO Polaris software described above and more particular described in Item 8, you are not required to purchase any items from us. However, if you elect to purchase pre-opening items from us they would include your equipment package, opening inventory, stationery, signage packages and computer hardware that are more particularly described in Item 7.

Item 6

OTHER FEES

Type of Fee¹	Amount	Due Date	Remarks
Royalty Fee	9% of Gross Receipts ² of the Center	Payable weekly on Friday of each week on royalties due for the preceding calendar week by electronic withdrawal by us.	We offer a 1% royalty reduction for timely payments under certain circumstances. ³ We offer royalty reductions for qualified franchisees under certain circumstances. We reserve the right to modify or discontinue these policies in the future.
Advertising Contribution	\$850, or an amount equal to the weekly advertising budget of franchisees operating in your designated market area as of the date of the Franchise Agreement, whichever is greater	Payable weekly at same time weekly royalty payments are due	We have the right to increase this fee at any time after the Franchise Agreement is signed; provided, however, that the amount of such increase after the first 12 months of your operations may not exceed 10% per year. The amount of the increase is cumulative and if we do not increase your advertising contribution by the maximum amount permitted in any given year, we may add the amount not charged to you in any given year to the amount chargeable to you in subsequent year.

Type of Fee ¹	Amount	Due Date	Remarks
National Marketing Fee	\$50.00	Payable weekly at same time weekly royalty payments are due.	We can increase to an amount equal to the current national marketing fee charged by us. This fee will be used, in part, for national broadcast opportunities, national public relations and promotional efforts, internet related advertising and associated production expenses designed to promote the MAACO brand on a national level. We will notify you of your increases in the national marketing fee.
Audit Expenses	Cost of audit including the charges of any independent accountant and the travel expenses, room and board and compensation of our employees	Upon receipt of audit report	Payable only if audit discloses an understatement of your gross receipts or if you fail to produce all books and records to be audited at the time specified by us.
Resale Initial Franchise Fee ⁴	A pro-rata amount of the then-current initial franchise fee charged by us for a franchise based upon the number of full years remaining on the term of the transferor's franchise agreement	Prior to effective date of transfer	Payable upon transferee's arrival at the initial training program or, if the transferee is an existing franchisee who does not attend initial training, 30 days before opening.

Type of Fee¹	Amount	Due Date	Remarks
Sales Commission	10% of the gross sales price of the Center or \$25,000, whichever is greater	On or before closing date	Paid to us if we obtain for you a purchaser for your Center or if you sell your Center to an individual under an Agreement with us.
Interest on Late Payments	The maximum rate permitted by law or, in the absence of such rate, a rate equal to 1½% per month.	As incurred	Any payment or other amount owed us under the Franchise Agreement or other agreement or account with us or our affiliates or subsidiaries will bear interest, compounded monthly, after the due date.
Insurance Reimbursement	Policy cost plus reasonable fee for our expenses	As incurred	If you do not obtain the required insurance coverage, we may secure coverage for you and charge you for our costs and expenses.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and hold us, our parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their individual and corporate capacities, harmless against any and all claims from the operation of the Center.
Costs of Enforcement	Will vary under circumstances	As incurred	Includes any judgment, reasonable attorneys' fees, court costs and expenses of litigation.

Type of Fee ¹	Amount	Due Date	Remarks
Premises of Center	Will vary under circumstances	Monthly	Although we generally do not sublease the Center premises to you, if we do so, the rent under a sublease may exceed the rent paid by us or our affiliate to the prime landlord. The mark-up will generally not exceed ten percent 10% of the rent and other charges due under the prime lease.

Remarks: There are no advertising cooperatives. For information concerning advertising and promotional programs administered by us, see Item 11.

1/ All fees are uniformly imposed by and payable to us. All fees are non-refundable.

2/ Gross Receipts is defined in the Franchise Agreement as all cash collected or other consideration received, for all sales of merchandise and services of any nature at or from or as a result of the Center, including, but not limited to, sub-let labor and new and used replacement parts, less sales or equivalent taxes.

3/ If the weekly royalty fees and advertising contributions are paid by Friday for the previous week's business and are submitted to us with the required statements (or available at the time we initiate an electronic withdrawal), the royalty fee payable will be reduced to 8% of gross receipts as a cash discount, if you are current as of the date of payment with all weekly royalty fees, advertising contributions and any other monies due us and you promptly report all gross receipts to us.

4/ You must also complete the following Center refurbishing tasks, at your expense, before we will consent to a transfer: (a) install our current merchandising system; (b) install our current exterior signage and trade dress; (c) general cleaning, fixing, repairing and painting of the Center; (d) complete maintenance service of equipment (including oven, booth, mixing equipment and compressors); (e) replace equipment not repairable, when necessary; and (f) purchase hardware and software to operate our current computerized management information system.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Conversion Program (1) Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (2)	\$15,000	\$30,000	Lump Sum	Upon signing of Franchise Agreement. Qualified franchisees may be eligible to pay the Initial Franchise Fee in installments under certain circumstances.	Us
Initial Advertising Contribution (4)	\$15,000	\$30,000	Lump Sum	Upon arrival at initial training program (or 30 days prior to opening if you are an existing franchisee who does not attend initial training)	Us
Equipment (5)	\$2071.43	\$166,888.13 (includes installation)	Lump Sum	Before we deliver possession of the equipment to you	Us or Outside Suppliers
Opening Inventory and Supplies (5)	\$7,123.52	\$17,000	Lump Sum	Before we deliver possession of the opening inventory and supplies to you	Us or Outside Suppliers
Stationery and Promotional Materials	\$337.98	\$900	Lump Sum	Before we deliver possession of the stationery and promotional materials to you	Us or Outside Suppliers
Signage (5)	\$2102.15	\$16,765.59	Lump Sum	Before we deliver possession of the signage to you	Us or Outside Suppliers
Miscellaneous Opening Costs (6)	\$20,000	\$45,000	Lump Sum or As Incurred	As incurred	Us or Third Parties
Initial Software License Fee	\$5,000	\$5,000	Lump Sum	Before we deliver possession of the software to you	Us
Initial Computer Hardware	\$1,444.25	\$4,500	Lump Sum	Before we deliver possession of computer hardware to you	Us or Outside Suppliers

Type of expenditure	Conversion Program (1) Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
PREOPENING - TOTAL ESTIMATED INITIAL INVESTMENT	\$68,079.33	\$316,053.72			
Additional Funds – includes such items as leasehold improvements, rent and advertising contribution for 3 months. See footnote six for a more complete description (7)	\$8,600 to \$55,250	\$43,000 to \$150,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (PRE-OPENING AND FIRST 3 MONTHS OF OPERATION) (7)	\$76,679.33 to \$123,329.33	\$359,053.72 to \$466,053.72			

The above estimates do not take into consideration any revenue derived during the first 3 months of operation.

Explanatory Notes

The Low Amount of estimates are directly related to the MAACO conversion program whereby MAACO converts existing Auto painting/body shops from independent operations to MAACO franchising operations.

You must pay us an initial franchise fee of \$30,000 Under certain circumstances, qualified franchisees may be eligible to pay the initial franchise fee in installments. The initial franchise fee is payable to us and is refundable only as described in Items 5 and 17. Unless otherwise noted, all other expenditures described above are nonrefundable.

You must pay us an initial advertising contribution when you arrive at the initial training program for your promotional materials, pre-opening and grand opening advertising, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed your initial advertising contribution, in which case we will charge you the difference. The fee is \$30,000. Except as otherwise described in Items 5 and 6, the initial advertising fee is uniform

for all persons presently acquiring a franchise and is paid to us to purchase such advertising and promotional materials.

We will provide you with specifications for the initial inventory, supplies, equipment, and signs required for the opening of the Center. You can purchase these items directly from us (see Exhibit D). We do not manufacture these items, but we purchase them from various suppliers, in many cases at discount volume prices, and resell them to our franchisees at or below the supplier's suggested retail prices. The amount stated in the Table above represents the estimated cost to you should these items be purchased from us and includes installation of equipment (excluding sign installation). The amount stated may vary considerably should you elect to purchase these items from any other source due to such factors as price differentials between suppliers, shipping distances and installation charges. If you purchase these items from us, you must pay us the nonrefundable purchase price before we deliver possession of the equipment, inventory, supplies or signage to you. If any item is not available to us, we may substitute an equivalent item and adjust the price accordingly. If we incur an increase in the price of any of these items, we reserve the right to pass this increase on to you. The amount stated does not include the cost of purchasing computer hardware as further described in Item 11. You must also pay \$900 for stationery packages and promotional materials. If you purchase these items from us, they must be paid for before we deliver possession of these items to you. These items may also be purchased from third parties if you elect to purchase these items from other sources.

The Miscellaneous Opening Costs are our best estimates of costs for items including, architectural and engineering fees, permits (including air quality), deposits for and installation of telephones and indoor signs, miscellaneous office furniture, equipment and supplies, fax machine, copy machine, miscellaneous shop equipment and supplies, security deposit on lease and deposits for insurance, gas, electric and related items, and are payable as incurred to third parties. These costs will depend, in part, on such factors as how much you follow our methods and procedures, your management skills, local economic conditions and the prevailing wage rate. These costs do not include the cost of any leasehold improvements, if any are necessary, which are customarily negotiated between you and the landlord.

This item estimates your initial start up expenses for a 3 month period and working capital needed for the start-up period. The start-up period can last as long as 12 to 18 months following opening of the Center. Expenses for the Center include payroll costs but do not include any draw or salary for you. These figures are also intended to cover utilities, telephone, legal/accounting expenses, rubbish and hazardous waste removal, local advertising and materials, supplies and parts. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Center or during the start-up period. Your costs will depend on factors such as how much you follow our methods and procedures; your management skills, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the initial period and whether you perform services personally.

You must lease an appropriate building to operate the Center. Most leases are triple-net and the term of the lease is usually 15 years (initial 5 year term plus two 5 year options). Typical locations for a Maaco Center are general business districts and commercial/industrial zoned

suburban markets. The typical building for a Maaco Center will be of masonry or metal construction, having approximately 7,200-10,000 square feet of floor space with appropriate access for automobiles. Rents can range from \$4,500 per month to \$12,500 per month, or more, depending on market conditions. The rent will be paid to a third party landlord or to us or our affiliate where we own or hold the prime lease for the premises. Landlords customarily require that you personally guaranty the lease for the premises. The costs of leasehold improvements and related services needed for the premises may vary depending on the size, condition and location of the premises leased, and are paid to third party landlords and other suppliers of goods and services. However, we estimate that the total typical leasehold improvements for a Center will range from \$50,000 to \$150,000, to be amortized over the initial term of the lease; and/or third party financing; and/or from cash reserves.

We relied on our predecessor's experience of over 37 years in this business to compile these estimates and on information we have obtained from our franchisees. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing directly or indirectly for any other part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. The estimate does not include any finance charge, interest or debt service obligation.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must follow the standards and specifications we periodically establish for the inventory and supplies, equipment, computer hardware and indoor and outdoor signs required for a Center. You are not required to purchase or lease from us or our designee goods, services, supplies, fixtures, equipment, inventory or real estate relating to the establishment or operation of a Center. You may purchase them from any approved supplier. MAACO is currently an approved supplier. Except for the MAACO Polaris 2000 software described below which you are required to purchase from us, we are not the only approved suppliers. None of our affiliates are currently approved suppliers, but they may be so in the future. We do not maintain a list of approved suppliers. However, any supplier who is able to provide equipment, inventory and/or supplies, signage and computer hardware meeting our specifications is, in effect, an approved supplier.

A list of our specifications, which may include minimum standards for delivery, performance, warranties, design and appearance and local zoning, sign and other restrictions for a Center are contained in our Planning Your Opening and Operating Manuals. We also will provide specifications for the MAACO National Sign. We will loan a copy of our Operating Manual to you during the term of your franchise. You may purchase or lease original and replacement equipment, fixtures, signs and inventory meeting these specifications from any source. However, if you propose to purchase or lease any item of equipment or inventory, computer hardware or any fixture or sign not previously approved by us as meeting our specifications, you must first notify us and we may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether the item of equipment or inventory or the fixture or sign meets our specifications. We will advise you within a reasonable time whether the item of equipment or inventory or the fixture or sign meets our specifications. Our approval of a supplier may be revoked upon written notice to you.

You may purchase any or all of the equipment, opening inventory and supplies, computer hardware and the indoor and outdoor signs, including the MAACO National Sign, necessary to open the Center from us. We will supervise and/or inspect the installation of equipment, computer hardware, fixtures and signs purchased from us, and will instruct you in their proper use and care. You must lease certain software products from us known as MAACO Polaris 2000. The form of agreement which you sign is attached as Exhibit L. The price charged by us for items described in this paragraph will in some cases exceed the cost to us of these items. As previously noted, in many cases we are able to purchase these items at discount volume prices, and resell them to our franchisees at or below the supplier's suggested retail price. If any item is not available to us, we may substitute an equivalent item and adjust the price accordingly. If we incur an increase in the price of any of these items, we reserve the right to pass this increase on to you.

We will be a supplier of paint, abrasives and certain other inventory items. We may make a profit from the sale of these items and from the sale of any goods and services we may offer in the future. In many cases we are able to purchase items at discount volume prices, and resell them to our franchisees at or below the supplier's suggested retail price. If any item is not available to us, we may substitute an equivalent item and adjust the price accordingly. You must purchase from suppliers we approve, which may be us, paint, abrasives and other products as we may specify from time to time to ensure the integrity of certain marketing programs, and, among other things, facilitate and support purchasing programs and arrangements we negotiate for the System.

In its fiscal year ending June 30, 2012, MAACO's revenue from the sale of all equipment, inventory, supplies and signs to MAACO franchisees was \$36,851,520, and its total revenue was \$72,449,732. Therefore, 51% of its total revenue was derived from purchases which franchisees choose to make through MAACO. Approximately 78% of your total purchases in connection with the establishment of your Center and approximately 95% of your overall purchases in operating the Center will be purchased from us, approved suppliers or in accordance with our standards and specifications. Since none of our affiliates are approved suppliers, our affiliates receive no revenues from your required purchases or leases.

Neither we nor our affiliates receive any payments from any suppliers because of their transactions with our franchisees although we reserve the right to do so in the future. We do negotiate purchase arrangements with suppliers for your benefit. We do not provide any material benefits to you based on your use of designated or approved sources. There are no purchasing or distribution cooperatives.

No officers of MAACO own an interest in any supplier.

As described in Item 11 below, we designate in the Franchise Agreement the area in which the Center must be initially located and must approve your selection of the site for the Center within that area. The premises will be leased from a third party landlord or from us or our affiliate where we own or hold the prime lease for the premises. If you, or one of your affiliates, acquires the premises where the Center will be located at any time during the term of the Franchise Agreement, you, or your affiliate, must provide us with the option to purchase the property or to enter into a lease with you upon termination or expiration of the Franchise Agreement in accordance with our Option to Purchase or Lease Agreement (Exhibit P). As further described in Item 6, if you sublease the premises from us or our affiliate, the rent may exceed the amount paid by us or our affiliate to the prime landlord.

As indicated in Item 5 above, you must pay us an initial advertising contribution when you arrive at the initial training program (or 30 days prior to opening if you are an existing franchisee who does not attend training) for promotional material, pre-opening and grand opening advertising, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed your initial advertising contribution. Except as otherwise described in Item 5 above, the initial advertising fee is uniform for all persons presently acquiring a franchise and is paid to us to purchase these advertising and promotional materials.

As indicated in Item 6 above, you must participate in our advertising programs. Printz Advertising, a division of ours, currently administers our advertising program and purchases advertising and promotional materials from non-affiliated third parties. Printz Advertising receives certain discounts and commissions for media placement (see Item 11).

We have determined that it is in the best interest of all of our Centers for us to establish throughout the system uniform guarantees and warranties to customers. In order to accomplish this objective, you must offer to customers of the Center, on forms we require, guarantees and warranties which we periodically require, and we have developed a mandatory program for franchisees under which you must satisfy valid customer claims made within the applicable guarantee or warranty period, whether from work performed at the Center or at any other Maaco Center (including those owned by us).

You will be entitled to reimbursement from the Center which originally guaranteed or warranted the work (Paragraph 8C of the Franchise Agreement). While the Franchise Agreement does not contain a provision dealing with work performed at company-owned Centers, it is our policy to reimburse you for work originally warranted by a company-owned Center. The reimbursement will be in an amount not to exceed MAACO's current nationally recommended warranty rates. You must reimburse any Center which satisfies any warranty or guarantee issued by it as we require within 5 days after receipt of an invoice approved by us. If there is a dispute between any customer of the Center and you over any warranty issued by the Center or any other Center, we have the right to evaluate the dispute and to make a determination of the manner in which you resolve the dispute. You will be bound by this determination.

The purchaser of an existing Center must honor the prior owner's warranty claims. Attached as Exhibits M and N respectively are copies of the form of Warranty Work Franchise Transfer Acknowledgement and Warranty Agreement currently used by us for franchisees that are purchasing an existing Maaco Center.

You may not offer any other warranties or guarantees without our prior written consent.

As described in Item 6, you must purchase and maintain in effect certain policies of insurance. Currently, our franchisees are required to maintain public liability insurance, including but not limited to, employer's liability, garage liability, pollution liability, garagekeeper's legal liability, employment practices liability and commercial umbrella coverage against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Center and worker's insurance and other insurance required by law. The insurance carrier must be rated A+ or better by A.M. Best Company and be authorized to transact business in the state where the premises is located. We may also increase the policy limits or minimum liability protection or require different or additional kinds of insurance and all policies of insurance must name us and any other party designated by us as an additional insured. Neither we nor our affiliates will derive revenue as a result of such purchases.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Section 2 of Franchise Agreement	Items 7 and 11
b. Pre-opening purchases/leases	Sections 7A and 7B of Franchise Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Section 7 of Franchise Agreement	Items 7 and 11
d. Initial and ongoing training	Sections 7B and 7C of Franchise Agreement	Item 11
e. Opening	Not Applicable	Not Applicable
f. Fees	Section 5 of Franchise Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Operations Manual	Sections 2E and 7A of Franchise Agreement	Items 11 and 16
h. Trademarks and proprietary information	Sections 9 and 10 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 7A and 7I of Franchise Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 8 of the Franchise Agreement	Items 8 and 9
k. Territorial development and sales quotas	Sections 1B and 1C of Franchise Agreement	Item 12
l. On-going product/service purchases	Sections 7E and 7I of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Section 7E of Franchise Agreement	Not Applicable

Obligation	Section in agreement	Disclosure document item
n. Insurance	Section 13 of Franchise Agreement	Items 6 and 8
o. Advertising	Section 5B and Section 6 of Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Section 20C of Franchise Agreement	Not Applicable
q. Owner's participation/management/staffing	Section 18A of Franchise Agreement	Item 15
r. Records/reports	Section 12 of Franchise Agreement	Not Applicable
s. Inspections/audits	Section 12 of Franchise Agreement	Not Applicable
t. Transfer	Section 14 of Franchise Agreement	Item 17
u. Renewal	Section 3 of Franchise Agreement	Item 17
v. Post-termination obligations	Section 16 of Franchise Agreement	Item 17
w. Non-competition covenants	Section 18 of Franchise Agreement	Item 17
x. Dispute resolution	Section 25 of Franchise Agreement	Item 17

Item 10

FINANCING

The following financing programs are currently available to you, if you meet the credit requirements of the Lender. The Lender has final discretion to determine whether you are credit worthy and otherwise qualify for the financing.

Mount Pleasant Capital LLC. ("MPC") offers financing for your equipment, fixtures, furniture, computers signs, and franchise fee. At its sole discretion, MPC may offer you financing for other items associated with your franchise. The financing may be in the form of a lease or a loan. The amount of financing will vary depending on your costs but MPC will loan up to 100% of the cost of the equipment for your location (including but not limited to fixtures, furniture, computers and signs). The interest factor in the lease or loan will be tied to prevailing conditions, your individual credit history, personal financial condition and other underwriting criteria determined at the sole discretion of MPC. Currently, the interest factor will equate to an APR of 9% to 12%. The term of the lease or loan can range from 60 to 120 months, with 60 and 84 months being the most commonly requested term for a franchise startup or acquisition. MPC retains title to the leased assets or in the case of a loan, takes a security interest in all of the equipment and assets of your franchise location. At the end of the lease, you may have an option to purchase the assets for the current fair market value, a fixed payment of 10% or more of the equipment cost, an agreed upon balloon payment or \$1.00, depending on the type and substance of the lease or loan you chose at the time of credit approval. If you do not purchase the assets at the end of the lease, you must either return the leased assets to MPC or, if authorized by MPC, continue to lease the assets on a month-to-month basis. The principals of the franchisee and their spouses must personally guaranty the lease or loan. The lease or loan is non-cancelable and all payments must be made, however you may request an early termination of the lease or loan, which may be granted at MPC's option, provided you have met all of the obligations under the lease or loan. MPC will not unreasonably withhold your right to terminate the contract early. Late payments are subject to a late charge of 5% of the monthly payment. If you default under a lease or loan, you may be immediately liable for all future payments, less the net proceeds from any disposition of the assets. You will also be responsible for all costs of collection, including reasonable attorney fees. If you default under a loan agreement, you may be immediately liable for the remaining balance of the loan plus accrued interest and for all costs of collection, including reasonable attorneys' fees. Also, MPC may repossess the leased equipment or secured assets. You should understand that a default under the lease or loan may lead to the termination of your franchise rights, property lease and/or sublease. In the lease and loan agreements, you waive certain notices and any defenses to your obligations to MPC. You also waive trial by jury and agree to application of Pennsylvania law and to jurisdiction of the courts in Allegheny County, Commonwealth of Pennsylvania. MPC has and may in the future sell, assign, syndicate and/or discount its leases or loans to a third party. If your lease or loan is assigned, you may lose any defenses you have as a result of the assignment.

MAACO guarantees a portion of the aggregate principal balance outstanding from time-to-time on all MPC guaranteed loans. ("MPC Limited Guaranty").

We have engaged Siegel Capital, LLC, a member of the Siegel Financial Group, based in Conshohocken, Pennsylvania, to assist new franchisees with their business plans and advise them on the preparation of loan documents and other matters relating to financing their franchise. We compensate Siegel Capital for these services. Siegel Capital will also be available to new franchisees and people interested in purchasing existing Maaco Centers to assist them in applying for funding through the resources of Siegel Capital.

There may be additional vendors added that offer limited financing to our franchisees and vendor programs may be discontinued. Any current vendor programs available will be covered during the training program.

None of the financing sources described above are affiliated with us and we do not receive any direct or indirect payments for placing financing with them.

Except for the MPC Limited Guaranty described above, neither we nor any agent of affiliate or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours. Our franchisees are eligible for expedited SBA loan processing through SBA's Franchise Registry Program, www.franchiseregistry.com.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

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

Before you open the Center, we will:

Designate the area in which you may seek and select a site for your Center (Paragraph 1 of the Franchise Agreement).

Provide site specifications and standards for general location and zoning, neighborhood, parking requirements, layout and other physical characteristics and lease terms and conditions for your Center (Paragraph 2 of the Franchise Agreement).

As previously described in Item 8, provide you with the specifications for the initial and replacement inventory and supplies, equipment, and exterior and interior signs required for the Center (Paragraph 4D of the Franchise Agreement).

Provide you with opening promotion and initial advertising for the opening of the Center (Paragraph 4B of the Franchise Agreement).

Provide you with a copy of the operating manual (the "Manuals") when you arrive for the initial training program (Paragraph 4E of the Franchise Agreement).

Train you in operating a Center (Paragraph 4A of the Franchise Agreement).

During your operation of the Center, we will:

Provide continuing advisory assistance for the operation of the Center as we deem appropriate (Paragraph 4C of the Franchise Agreement).

We will spend all advertising contributions for advertising and promotion, as further described in this section, but we will not be obligated to spend these advertising contributions during the year in which you contribute (Paragraph 6A of the Franchise Agreement).

We will loan to you one (1) copy of our Manuals containing mandatory and suggested specifications, standards, operating procedures and rules as we periodically require, as well as information relative to your other obligations under the Franchise Agreement and to the operation of the Center. The operating manual will remain confidential and our property. We will have the right to add to or otherwise modify the operating manual from time to time as we deem necessary, provided that any addition or modification will not materially alter your fundamental status and rights under the Franchise Agreement unless we determine that the changes are necessary or desirable to respond to changing

market conditions or to enable our franchisees to compete more effectively in the market place (Paragraphs 4E and 10 of the Franchise Agreement). Attached as Exhibit D is a copy of the table of contents of our Manuals as of October 31, 2007.

We will conduct, as we deem advisable, inspections of the Center and evaluations of the auto painting and body repair services rendered at the Center (Paragraph 4F of the Franchise Agreement).

We may require you to attend additional training programs, as described in this Item 11. We are unable at this time to estimate the cost which will be incurred by you in connection with attendance at such training programs (Paragraph 7C of the Franchise Agreement).

Advertising and Promotion

We have the right under the Franchise Agreement to pay from the advertising funds we collect from you, all costs and expenses for the formulation, development, production, media, including, without limitation, website development and costs, Internet development and costs, toll free center locator costs, and all other costs for any advertising or promotion (including the proportionate compensation of our employees who devote time and render services in the conduct, formulation, development and production of advertising and promotion programs or who administer these funds).

We are not obligated to develop, implement or administer these programs to insure that expenditures which are proportionate or equivalent to your contributions are made for a particular Center or that any Center will benefit directly or pro rata from the placement of advertising. We, the franchisor, are not required to spend any amount on advertising in your area. No percentage of the funds collected are used for advertising that is principally a solicitation for the sale of franchises. Although advertising contributions and expenditures are not separately audited, they are reconciled as part of the preparation of our audited financial statements. If you request in writing, we will provide an annual statement of receipts and disbursements for any advertising contributions payable under the Franchise Agreement. The media in which advertising is disseminated includes, but is not limited to, TV, radio, print advertising and on the Internet. Currently, advertising is conducted on a local and regional basis, however, we continue to research national opportunities. Of the amounts spent on advertising and promotion in its fiscal year ending June 25, 2011 out of franchisee contributions to it, 100% of its expenditures were for media placement and promotional items supplied to the Centers (Paragraph 5 of the Franchise Agreement). We also spent our own funds for advertising and promotional purposes. We do not use advertising contributions to pay for your Yellow Page advertising (see below). We may increase the amount of your advertising contributions and you must pay these increased amounts under the Franchise Agreement. After the first 12 months of operation, the amount of these increases will not exceed 10% per year. The amount of the increase in advertising contributions is cumulative. Therefore, if we do not increase your advertising contribution by the maximum amount permitted in any given year, we may add the amount not charged to you in any given year to the amount chargeable to you in subsequent years. Where we operate any Centers, we make the same advertising contributions as current

franchisees in that market. We do not have an advertising council composed of franchisees. You are not required to participate in a local or regional advertising cooperative.

We will be the owner of and will secure the RCF (remote call forward) (See Section 6.2 of Exhibit C-Franchise Agreement) telephone number and yellow page listing for the Center. We have the right to control all Yellow Page advertising, telephone numbers and listings. We require that all Centers have a display ad in the Yellow Page directory of the provider of your phone service unless otherwise determined by us. We may require you to use other directories from time to time. We will determine, at our sole discretion, the size of display advertisements and the type of advertisement to be placed in all Yellow Page advertisements. We will place all Yellow Page advertising for you. In addition to the payments described above, you must pay us the annual costs of Yellow Page advertising which will be billed to you. You must remit these payments on a weekly basis in addition to the payments referenced above. If you share the Yellow Page advertising with other franchisees, the costs will be apportioned among all participating franchisees. You must also reimburse us for all telephone bills and charges paid by us for the telephone and telephone number used at the Center when you receive the invoice from us or, at our request, you must pay the telephone bill and RCF charges directly upon receipt from us or the telephone company.

Printz Advertising, a division of ours, administers all advertising and promotional programs. Unless otherwise approved, advertising and promotion contributions paid by you to us are paid to Printz Advertising to purchase advertising, promotional materials, telemarketing, center location numbers and website development and related charges from non-affiliated third parties. Printz receives discounts or commissions from the placement of advertising; the average discount or commission, according to industry standards, is approximately 15% of the media buy. These amounts may be used, in whole or in part, to cover the cost of administering and creation of the advertising programs.

All advertising by you in any medium must be dignified and must conform to our standards and specifications. You must submit to us, for prior approval, samples of all advertising and promotional plans and materials that have not been prepared or previously approved by us, including the manner in which the telephone number is advertised.

As described in Item 6, you must pay us a continuing weekly advertising contribution of \$850, or an amount equal to the weekly advertising budget of franchisees operating in your designated market area, whichever is greater. Except for franchisees under older forms of contracts, all our franchisees currently are obligated by contract to contribute at the same rate.

Computer Hardware and Software

You must use certain computer software in the operation of your Center. This software, known as MAACO Polaris 2000, provides the management information systems used in the operation of the Center, including reports, inventory and estimates. The initial fee for this software is \$5,000.00. This fee includes all maintenance updates, upgrades or supporting contracts whether optional or required. We will provide you with specifications for the hardware used with the Polaris 2000 software which you can purchase from any source. We recommend

that you purchase or lease an Intel Pentium IV processor, 1.6 GHz or greater, with 512 MB RAM, 40 GB Hard Drive, color monitor, CD-ROM 40x, with a Windows 2000, Windows XP Professional Edition or later operating system. You may purchase or lease any hardware as long as it is compatible with the Polaris 2000 software. The Polaris software is proprietary to MAACO. You must pay us an Initial Software License Fee of \$5,000 before we deliver possession of the software to you or 30 days before the scheduled opening of the Center, whichever occurs first, or \$595 for the initial software license fee if you are renewing your franchise or purchasing an additional Center (see Item 5). You must also sign the MAACO Polaris 2000 Software License Agreement. We have the right to modify, substitute or discontinue use of this software at your expense. We do not have direct access to the information and data maintained in this software, nor do we have independent access to the information generated or stored in your computer system. Attached, as Exhibit L, is the MAACO Polaris 2000 Software License Agreement.

You must dedicate a telecommunications line for the sole purpose of supporting the Computer System. You must also subscribe to an Internet service provider approved by us. At our election, you must obtain telecommunications and computing infrastructure products required to support our then current information technology systems.

Location

You must use your best efforts to seek and select a proposed location for the Center. You must submit to us a description of the location and such other information or materials as we may require (Section 2A of the Franchise Agreement).

We will provide site specifications and standards for general location and zoning, neighborhood, parking requirements, layout and other physical characteristics and lease terms and conditions for centers, including lease duration and rental, or terms of purchase, including debt service, in the event you are purchasing the location for the Center. You must submit the lease to us, if any, before it is executed for our approval, which approval will not be unreasonably withheld, and which lease will, among other things, provide that:

The premises will only be used for the operation of your Center;

You will not sublease or assign the lease or any part thereof;

We will have the right to enter the premises to make any modifications necessary to protect the Proprietary Marks; and

We will have the right, at our election, to receive an assignment of the leasehold interest upon termination or expiration of the Franchise Agreement.

In addition, at our request, you must execute a Collateral Assignment of Lease in the form we require to secure your obligations to us under the Franchise Agreement in accordance with Paragraph 2B of the Franchise Agreement. If you own the property, you must execute an Option to Purchase or Lease Agreement giving us the right to become a lessee or owner of the

property in the event the Franchise Agreement is terminated or expires (Sections 2D and 17 of the Franchise Agreement).

Typically, it can take approximately 18 months between the signing of the Franchise Agreement and the time that the Center becomes operational. This period may vary depending, in part, upon availability of sites in a particular area, the location, condition of the site and the diligence of the franchisee.

Training

The initial training program described in Paragraph 4A of the Franchise Agreement customarily includes 4 weeks of intensive training in the operation and management of the Center, which is provided after the location for the Center has been secured. We reserve the right to shorten the length of any training class with less than 4 attendees. The training will be conducted at our headquarters or another training site chosen by us and is conducted between 8 and 10 times annually. The training is in management methods and techniques rather than in mechanical skills. The methods and techniques include selling our services; local advertising and promotion; familiarization with paints, related solvents and thinners, painting equipment and its maintenance; safety regulations; basic estimating procedures; parts inventory control; management of manpower, production and workflow; customer relations; telephone communications; national and local fleet accounts; accounting, budgeting, reporting and record keeping; insurance requirements; and facilities maintenance. Confidential and detailed training and procedural manuals are provided by us. There is also "on-the-job" training for the retail and commercial sales portion of the program. While there is no specified time in the Franchise Agreement for your training, you must successfully complete the training in our sole opinion before opening the Center. We will provide a maximum of two individuals named as parties to the Franchise Agreement with round trip transportation to and from the training site and with lodging for the initial training program. You must bear all other expenses during the training period under Paragraph 7B of the Franchise Agreement. If you are unable to complete the initial training program to our satisfaction, we may, upon written notice to you, terminate the Franchise Agreement. If you are an existing franchisee, we can require you or you can elect to attend the initial training program before the Center opens. In addition, we will provide 4 to 5 man weeks of on site assistance and training upon or after the opening of a new Center.

As of our most recent fiscal year end, we provided the following 4 week training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Marketing/ Advertising	4 hours	0	King of Prussia, Pennsylvania
Merchandising & Point of Purchase System	4 hours	0	King of Prussia, Pennsylvania
Lead Control	16 hours	0	King of Prussia, Pennsylvania
Estimating	8 hours	0	King of Prussia, Pennsylvania
Sales Training	40 hours	0	King of Prussia, Pennsylvania
Sales Management Training	10 hours	0	King of Prussia, Pennsylvania
Interfacing with Customers	0	16 hours	King of Prussia, Pennsylvania
Technical Training	16 hours	0	King of Prussia, Pennsylvania
Management Information System	16 hours	0	King of Prussia, Pennsylvania
Production Management	8 hours	0	King of Prussia, Pennsylvania

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Personnel Management	6 hours	0	King of Prussia, Pennsylvania
Technical Training & Equipment Maintenance	2 hours	0	King of Prussia, Pennsylvania
Forecasting & Profit Control	8 hours	0	King of Prussia, Pennsylvania
Trade, Wholesale, National Accounts	2 hours	6	King of Prussia, Pennsylvania
Inventory Purchasing & Control System	4 hours	0	King of Prussia, Pennsylvania

The training program we provide is under the direction of Mr. Jason T. Ryan. Information concerning Mr. Ryan's' background and experience is disclosed in Item 2.

You must also attend, at our request, supplemental and refresher training programs, sales meetings, operations meetings, advertising meetings and conventions which may be offered by us periodically at various locations determined by us during the term of the franchise. You must pay all expenses for these training programs, sales meetings, operations meetings, advertising meetings and conventions as we may reasonably require, including the cost of travel, room, board and wages. Our sole responsibility will be to pay for training instructors and materials.

Item 12

TERRITORY

You may operate the Center only at the location approved by us. However, you are not restricted as to the area into which you may go to solicit business or the customers whom you may solicit.

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 will not place a franchised or company center within 5 miles from your Center that you open pursuant to your Franchise Agreement with us.

As noted in Item 1, Aero-Colours, a wholly-owned subsidiary of Driven Brands, franchises a mobile, painting touch-up process and service business that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. Aero-Colours also owns and operates mobile and fixed sites which sell the same painting touch-up process and services that are provided by Aero-Colours franchisees. The services offered by a Maaco Center may include painting touch-up and related services that are performed for automobile dealerships. Those services are typically performed at the premises of the Center. Except to the extent described above, neither we nor our affiliates have to date established other franchises, company-owned Centers or other channels of distribution selling or leasing similar products or services to a Maaco Center under a different trade name or trademark, but we or our affiliates may establish other such businesses at some future date.

Continuation of your area is not dependent upon achievement of a certain volume, market penetration or other contingency and there are no circumstances under which your area or territory may be altered, except for those circumstances warranting Center relocation which are discussed in Item 17. There are no circumstances that permit us to alter your territorial rights without your approval.

If you wish to relocate, you must submit an application for relocation identifying the site in which you wish to relocate to. The application must be submitted to the MAACO office of the President. MAACO will review the demographics and character of the proposed site to determine whether or not it will be approved by us.

Item 13

TRADEMARKS

We own the Proprietary Marks and grant you the right to use the marks in the operation of the Center.

We grant you the right to use the Proprietary Marks in the operation of the Center. The Proprietary Marks are registered on the Principal Register of the United States Patent and Trademark Office as follows: "MAACO", Registration Numbers 1,084,252, 1,084,283, 1,480,014, 2,275,957 and 2,853,706 Registration Dates (January 31, 1978), (January 31, 1978), (March 8, 1988), (September 7, 1999), and (June 15, 2004); "MAACO AUTO PAINTING", Registration Number 1,008,037, (April 1, 1975); "MAACO AUTO PAINTING & BODYWORKS", Registration Number 1,050,442, (October 19, 1976); "COSMOLLISION", Registration Number 2,617,360, (September 10, 2002); and "MAACO COLLISION REPAIR & AUTO PAINTING", Registration Number 3,006,015 (October 11, 2006). There are a number of other related trademarks which have been registered and are described in the Manuals. All required affidavits of use have been filed.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Proprietary Marks which is relevant to their use in this state or the state in which the Center is located. There are no agreements currently in effect which significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise. Furthermore, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state.

You must follow our rules when you use the Proprietary Marks. You are prohibited from using any Proprietary Mark as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed by us to you). In addition, you may not use any Proprietary Mark in selling unauthorized product or service or in any other manner we have not explicitly authorized in writing.

You must immediately notify us of any infringement of or challenge to your use of any Proprietary Mark. We will have sole discretion to take whatever action we deem appropriate to protect the Proprietary mark.

If we decide that you should modify or discontinue your use of any Proprietary Mark and/or use one or more additional or substitute Proprietary Marks, you must comply with this decision. We are not obligated by the Franchise Agreement or otherwise to protect any or all rights which you have to use our Proprietary Marks or to protect you against claims of infringements or unfair competition with respect to our Proprietary Marks. The Franchise Agreement does not provide for you to receive compensation for tangible costs of changing any Proprietary Mark.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, MAACO's ownership, title, right or interest in its Proprietary Marks, trade secrets, methods, procedures and advertising techniques which are part of our business or contest our sole right to register, use or license others to use such Proprietary Marks, trade secrets, methods, procedures and techniques.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim copyright protection of our written materials, videotapes and related materials although these materials have not been registered with the United States Registrar of Copyrights. The written materials, videotapes and related materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

The Franchise Agreement provides that you acknowledge that your entire knowledge of the operation of the Center, including the specifications, standards and operating procedures of the Center, is derived from information we disclose to you and that all this information is confidential and our trade secret. You agree to maintain the absolute confidentiality of all such information during and after the term of the franchise.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You (or if the franchisee is more than one person, the person approved by us) must devote full time, energy and efforts to the management and supervision of the Center. The Center must at all times be managed and operated by you (or if the franchisee is more than one person, the person approved by us). The franchisee conducting the day to day management and operation of the Center and the majority investor in the franchise, must attend and successfully complete in our sole opinion the initial training program described in Section 7E of the Franchise Agreement. The majority investor is defined as any signatory to the Franchise Agreement who has collateralized a loan for the business, guaranteed the lease, or guaranteed the mortgage for the operation of the Center.

If you are a married individual, we will require both you and your spouse to sign the Franchise Agreement and related agreements as individuals. We will permit the Franchise Agreement to be assigned to a corporation or other business entity formed for the convenience of ownership of the Center. Our consent will be subject to satisfaction of the following requirements:

If you are a corporation or other business entity formed solely for the convenience of ownership, the entity must be newly organized and its charter or other organizational documents must provide that its activities are confined exclusively to the operation of the Center;

You must own a majority interest in the transferee corporation, must not diminish your proportionate ownership interest in the transferee franchisee, except as may be required by law, and must act as its principal executive officer;

Each stock certificate or other certificate evidencing ownership must have conspicuously endorsed upon its face a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by the Franchise Agreement;

All shareholders or others holding ownership interests in the transferee must sign an agreement in the form prescribed by us guaranteeing the corporation's obligations under the Franchise Agreement and agreeing to be bound jointly and severally by all of its provisions; and

The transferee must agree to be bound by all of the provisions of the Franchise Agreement and to assume and discharge all of your obligations.

The form of transfer agreement and personal guaranty you must sign to enable you to transfer your rights and obligations under the Franchise Agreement are attached as Exhibit I and Exhibit J. If you are a partnership, corporation, limited liability company or other legal entity, we will require that each of your owners sign a personal guaranty agreeing to be personally

bound, jointly and severally, by your financial and other obligations under the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not offer or sell any products or services that do not meet our standards and specifications. You may not use the premises for any purpose other than the operation of a Center. You are not limited in the customers to whom you may sell such goods or services. You must offer all products and services that we periodically authorize in writing for Centers. We have the right to change the types of authorized goods and services and there are no limits on our right to make changes.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
a. Term of the franchise	Section 3 of the Franchise Agreement	15 years
b. Renewal or extension of the term	Section 3 of the Franchise Agreement	15 year renewal if you meet certain requirements.
c. Requirements for you to renew ¹	Section 3 of the Franchise Agreement	Written notice, you are not then in default, you have paid all amounts owed, provide a current lease for the premises, provide an assignment of leasehold interest upon termination or expiration of any renewal term, refurbish Center and sign Renewal Addendum to Franchise Agreement (Exhibit F). You may be asked to sign a contract with materially different terms than your original contract. If you do not formally renew your franchise by the end of the initial term and you continue to operate your center, we may treat your franchise as having been renewed or we may treat your agreement as extended.
d. Termination by you	Section 2E of the Franchise Agreement	You may request that we agree to a termination if you are unable to secure a site within 9 months from the date you sign the Franchise Agreement.
e. Termination by us without cause	Not Applicable	Not Applicable

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
f. Termination by us with cause	Sections 2B and 15 of the Franchise Agreement	We can terminate the Franchise Agreement only if you commit any one of several violations. In addition, we can terminate the Franchise Agreement if you fail to secure a site within 18 months from the date you sign the Franchise Agreement.
g. "Cause" defined-defaults which can be cured	Section 15 of the Franchise Agreement	7 days for improper use of Proprietary Marks; 15 days for failure to pay amounts owed; 30 days for all other defaults under the Franchise Agreement not listed in (h) below.
h. "Cause" defined-defaults which cannot be cured	Section 15 of the Franchise Agreement	Bankruptcy; abandonment; felony conviction; unauthorized transfer; failure to comply with in-term covenants; unauthorized use of confidential information or Manuals; improper transfer upon death or disability; violation of health or safety laws; material misrepresentation; repeated customer complaints; misrepresentation or intentional underreporting of business figures or reports; failure to successfully complete training program; repeated violations; failure to open Center.

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
i. Your obligations on termination/non-renewal	Section 16 of the Franchise Agreement	Cease operating franchised business, cease use of System and Proprietary Marks; stop accepting new customers, complete work-in-progress and deliver all motor vehicles to owners; cancel assumed or equivalent name registrations; modify or alter premises to prevent operation of any business; pay outstanding amounts; return all manuals relating to franchised business, customer data and customer lists; and comply with covenants.
j. Assignment of contract by us	Section 14 of the Franchise Agreement	No restriction on our right to assign the Franchise Agreement.
k. "Transfer" by you – definition	Section 14 of the Franchise Agreement	Transfer of Franchise Agreement includes transfer of any right or interest in the Agreement or you.
l. Our approval of transfer by you ²	Section 14 of the Franchise Agreement	We have the right to approve all transfers.

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
m. Conditions for our approval of transfer	Section 14 of the Franchise Agreement	You must pay us all amounts due and sign a general release; transferee signs a new Franchise Agreement; transferee completes training and pays the then-current resale initial franchise fee which is equal a pro-rata amount of the then-current initial franchise fee, you complete any maintenance or Center refurbishing. If as a result of our marketing/referral efforts, an individual/ transferee is identified or if the transferee has already signed a Franchise Agreement with us, you will pay us a sales commission. If transfer to corporation, corporation must be newly organized and activities will be confined exclusively to operation of the Center; you will own a majority interest in corporation; stock certificate must bear required statement.
n. Our right of first refusal to acquire your business	Section 17A of the Franchise Agreement	Within 60 days of termination or expiration of Franchise Agreement, we may purchase the assets of your Center and obtain an assignment of your lease.
o. Our option to purchase your business	Section 17 of the Franchise Agreement	Purchase for fair market value determined by appraisal if parties are unable to agree.
p. Your death or disability	Section 14F of the Franchise Agreement	Franchise must be transferred to an approved buyer within 12 months.

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
q. Non-competition covenants during the term of the franchise	Section 18B of the Franchise Agreement	You will devote your full time and energy to operation of the Center. You will not: divert any business or customer of business to any competitor; employ or seek to employ persons who are at the time employed by us or another franchisee or induce them to leave; or own, maintain, engage in, be employed by, finance or have any interest in any other related business specializing in motor vehicle painting and body repair.
r. Non-competition covenants after the franchise is terminated or expires	Section 18C of the Franchise Agreement	You covenant that for a period of 1 year you will not divert any business or customer of the business to any competitor; employ or seek to employ person who are employed by us or another franchisee or induce them to leave. You will not own, maintain, engage in, be employed by, finance, or have any interest in any business specializing in motor vehicle painting or body repair services at the Center, within 10 miles of the Center or within 10 miles of any existing or proposed Maaco location.
s. Modification of the agreement	Not Applicable	No modifications generally but Operating Manual subject to change.
t. Integration/merger clause	Section 24 of the Franchise Agreement	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable.

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 25 of the Franchise Agreement	Litigation in the county or district where our principal offices are located (currently in the Charlotte, North Carolina (subject to state law)).
w. Choice of law	Section 25 of the Franchise Agreement	North Carolina law applies (unless prohibited by laws of the state where the Center is located).

1 If you are renewing your franchise, you must sign our current form of Renewal Addendum to Franchise Agreement which is attached as Exhibit F. The Renewal Addendum to Franchise Agreement will contain modifications necessary to conform the terms of the Franchise Agreement to the terms of the prior Franchise Agreement between the parties as applicable.

2 If upon your transfer of the Center, you agree to finance all or a portion of the purchase price, we will require you to sign the Tri-Party Agreement, attached as Exhibit O, which requires you to defer loan payments for a period of 90 days if your purchaser is in monetary default to us under their Franchise Agreement.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

For centers located in the United States Only

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.

Listed in Table A of this Financial Performance Representation are the total actual gross sales as reported by the franchisees of MAACO Centers operating in the United States who reported to MAACO at least 50 weeks of gross sales for the period commencing June 26, 2011 to June 23, 2012. The total number of these centers was 408 out of 429 centers operating as of June 23, 2012, or 95.1% of the MAACO chain. All but one of the centers listed on Table A is franchised owned. The vast majority of MAACO centers are owner operated. Table A ranks the 408 centers by gross sales reported from June 26, 2011 to June 23, 2012.

Of the MAACO Centers listed on Table A, 302 have been in business for more than 5 years under the same owner; 59 have been in business less than 5 years but more than 2 years under the same owner; and 47 have been in business less than 2 years under the same owner and have reported to MAACO at least 50 weeks of gross sales for the period commencing June 26, 2011 to June 23, 2012.

From June 26, 2011 to June 23, 2012 the average gross sales of MAACO Centers that reported their sales was \$959,590. 37.5%, or 153 of the MAACO Centers making up the 408 centers on Table A, that reported attained gross sales of \$1,000,000.00 or more and 91.9%, or 375 centers of the 408 listed on Table A, attained gross sales of over \$500,000.00.

The average repair order of the listed MAACO Centers in Table A during the period commencing June 26, 2011 to June 23, 2012 was \$815.05, which was calculated by taking the total number of vehicles serviced and reported to MAACO by the 408 centers listed on Table A and dividing that number into the total gross sales of the 408 centers listed on Table A.

Table B groups the 408 centers referenced in Table A by gross sales reported from June 26, 2011 to June 23, 2012. All but one of these centers is franchised.

Table C contains performance results for 312 of the 408 MAACO centers that reported gross sales for at least 50 weeks from June 26, 2011 to June 23, 2012. Ninety six (96) centers did not report complete or representative information for payroll, materials, parts and/or fixed costs and were not included in the table.

In addition, some Centers have been recognized as Certified Centers by achieving MAACO's certification for standards of performance as related to the quality of work, level of service,

equipment requirements and other criteria. The average results of the certified centers are shown in Table C, which shows average sales of this sub group for the period June 26, 2011 to June 23, 2012 to be \$1,080,432. The number of MAACO certified centers is 205 out of the 408 centers referenced in Table A, and out of the total number of MAACO centers, which are 429.

The figures contained in this Financial Performance Representation were obtained from Weekly Summary Business Reports submitted by MAACO franchisees as required by their Franchise Agreement. The reports have not been audited nor have we sought to independently verify their accuracy.

If you request, we will provide the substantiating data, supplied by franchisees, used to prepare this Financial Performance Representation. We do not disclose data that identifies specific locations. Our sales representatives are prohibited from providing you with any further information about actual, average or potential sales, operating expenses, income, profits or earnings, and are prohibited from commenting on the likelihood of success of any MAACO Center or business potential of any territory.

Except as provided above and in the following tables we do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, expenses, income or profits of a MAACO proposed facility. Actual results may vary from Center to Center and we cannot estimate the results of any particular franchise. Written substantiation for the information contained in the tables will be made available to you upon reasonable request.

TABLE "A"

Some franchise centers have sold this amount. Your individual results may differ. There is no assurance you will sell as much.

1	4,390,710.04	39	1,466,433.60	77	1,201,601.10
2	2,852,932.28	40	1,458,961.05	78	1,199,361.48
3	2,558,482.61	41	1,448,994.30	79	1,193,313.65
4	2,546,243.39	42	1,432,101.69	80	1,189,955.94
5	2,509,717.54	43	1,423,669.65	81	1,184,479.27
6	2,388,130.10	44	1,421,842.47	82	1,182,874.21
7	2,381,040.87	45	1,420,257.85	83	1,182,316.87
8	2,184,248.80	46	1,399,558.11	84	1,170,217.62
9	2,066,550.08	47	1,394,898.30	85	1,167,609.37
10	1,894,383.21	48	1,383,529.32	86	1,166,493.63
11	1,834,073.82	49	1,381,372.71	87	1,163,823.64
12	1,792,822.17	50	1,373,621.34	88	1,162,558.24
13	1,792,590.16	51	1,369,329.02	89	1,161,761.92
14	1,782,278.38	52	1,348,828.18	90	1,159,591.46
15	1,756,155.10	53	1,340,646.30	91	1,158,353.38
16	1,715,923.86	54	1,336,260.26	92	1,157,182.11
17	1,682,393.81	55	1,332,981.13	93	1,156,569.46
18	1,653,470.08	56	1,327,642.12	94	1,147,362.52
19	1,647,495.37	57	1,323,321.00	95	1,140,343.99
20	1,637,925.48	58	1,312,568.74	96	1,139,351.78
21	1,637,353.45	59	1,286,394.18	97	1,138,631.64
22	1,635,017.18	60	1,272,388.19	98	1,135,764.58
23	1,626,737.35	61	1,268,689.13	99	1,130,339.97
24	1,614,551.86	62	1,267,557.38	100	1,125,663.23
25	1,607,899.75	63	1,258,830.82	101	1,121,688.94
26	1,601,168.33	64	1,244,440.62	102	1,121,538.63
27	1,586,486.43	65	1,243,641.63	103	1,116,989.46
28	1,585,119.90	66	1,243,102.43	104	1,115,183.54
29	1,531,446.98	67	1,240,350.26	105	1,114,540.06
30	1,525,119.18	68	1,236,152.29	106	1,112,976.15
31	1,517,526.23	69	1,235,448.67	107	1,111,165.93
32	1,492,863.77	70	1,232,273.90	108	1,106,569.50
33	1,487,900.62	71	1,218,068.71	109	1,105,162.89
34	1,479,998.11	72	1,214,809.13	110	1,103,300.56
35	1,474,412.15	73	1,214,415.57	111	1,099,754.33
36	1,471,835.12	74	1,212,228.86	112	1,098,483.24
37	1,471,405.08	75	1,210,048.21	113	1,094,745.78
38	1,467,374.49	76	1,209,443.38	114	1,094,268.14

115	1,094,072.48	153	1,003,019.37	191	926,938.34
116	1,085,154.50	154	999,971.14	192	923,625.55
117	1,082,917.97	155	999,910.33	193	921,886.48
118	1,078,212.73	156	997,349.44	194	920,993.52
119	1,077,018.97	157	994,438.02	195	920,266.23
120	1,073,233.82	158	992,758.48	196	920,076.14
121	1,071,473.08	159	991,163.34	197	919,886.60
122	1,067,756.57	160	990,925.32	198	918,845.08
123	1,064,700.05	161	990,175.19	199	918,051.71
124	1,061,738.58	162	980,349.15	200	915,473.38
125	1,055,572.25	163	978,488.70	201	907,990.63
126	1,052,803.66	164	977,756.98	202	907,467.39
127	1,049,231.49	165	977,172.88	203	903,406.95
128	1,045,243.51	166	974,510.77	204	900,279.69
129	1,045,172.28	167	972,740.21	205	899,502.14
130	1,045,154.45	168	969,702.97	206	898,788.08
131	1,044,728.68	169	968,165.61	207	895,915.42
132	1,040,884.42	170	967,917.54	208	894,508.35
133	1,040,497.68	171	967,313.33	209	891,390.66
134	1,039,606.41	172	966,840.85	210	889,944.20
135	1,039,110.49	173	966,754.98	211	888,355.48
136	1,037,381.45	174	965,142.87	212	887,408.97
137	1,032,817.53	175	963,732.48	213	887,104.36
138	1,031,327.93	176	961,314.77	214	886,448.33
139	1,030,742.00	177	959,087.97	215	884,166.97
140	1,029,289.11	178	959,033.19	216	882,140.28
141	1,028,629.99	179	956,405.85	217	878,028.38
142	1,025,916.87	180	953,410.77	218	877,089.78
143	1,025,286.59	181	949,522.96	219	874,780.18
144	1,023,964.73	182	947,727.91	220	874,575.05
145	1,023,786.02	183	945,393.74	221	873,519.22
146	1,017,859.18	184	943,890.75	222	871,225.98
147	1,014,898.89	185	942,977.62	223	869,622.66
148	1,010,004.45	186	942,631.72	224	869,060.96
149	1,008,356.38	187	940,051.78	225	866,247.97
150	1,007,750.36	188	933,822.56	226	865,689.65
151	1,007,479.25	189	932,098.53	227	865,201.83
152	1,004,894.68	190	931,708.55	228	864,102.95

229	863,890.04	267	776,989.63	305	703,855.94
230	863,877.70	268	775,233.40	306	699,912.85
231	861,583.60	269	774,630.82	307	699,317.96
232	855,820.73	270	773,401.83	308	695,770.15
233	854,606.53	271	772,762.60	309	691,902.31
234	852,600.67	272	768,492.04	310	691,704.97
235	851,692.64	273	765,528.12	311	691,278.28
236	848,773.74	274	764,766.80	312	690,487.28
237	844,598.23	275	761,184.52	313	687,880.49
238	843,367.86	276	759,919.46	314	686,037.94
239	840,790.41	277	756,689.49	315	683,815.62
240	838,155.63	278	755,915.54	316	683,676.81
241	834,136.79	279	754,860.90	317	683,674.75
242	833,236.51	280	754,212.56	318	675,382.63
243	833,041.70	281	752,250.76	319	673,812.96
244	827,134.37	282	750,574.34	320	673,219.54
245	826,253.49	283	750,131.89	321	672,063.43
246	826,162.16	284	747,041.72	322	671,200.34
247	821,535.34	285	745,734.86	323	669,859.44
248	820,035.33	286	745,293.95	324	668,696.97
249	814,371.33	287	742,419.33	325	662,772.20
250	814,311.72	288	741,594.85	326	662,480.55
251	813,892.72	289	738,717.96	327	657,184.21
252	812,813.11	290	734,993.84	328	657,037.28
253	811,458.74	291	729,493.75	329	656,414.59
254	809,492.71	292	727,799.80	330	655,654.64
255	805,161.60	293	722,310.82	331	655,035.52
256	804,873.09	294	720,539.96	332	653,082.99
257	804,504.57	295	719,457.58	333	646,631.01
258	802,639.31	296	717,835.81	334	643,836.21
259	800,555.74	297	717,511.82	335	643,230.66
260	799,657.47	298	717,217.71	336	640,657.69
261	799,571.41	299	716,600.38	337	638,050.53
262	784,821.86	300	712,626.54	338	636,988.91
263	783,721.11	301	712,176.37	339	633,613.26
264	781,510.38	302	708,769.01	340	624,620.30
265	780,847.90	303	706,057.04	341	622,293.57
266	777,745.79	304	705,852.40	342	612,129.73

343	611,640.36	381	480,424.68
344	610,866.33	382	480,282.69
345	608,631.71	383	475,991.53
346	608,566.28	384	473,575.05
347	606,564.42	385	468,266.61
348	600,311.74	386	465,077.90
349	600,030.77	387	456,345.41
350	598,106.15	388	453,204.38
351	591,033.96	389	447,183.96
352	582,782.22	390	447,031.32
353	582,316.42	391	443,706.78
354	577,609.49	392	439,622.26
355	576,954.72	393	428,713.59
356	574,805.15	394	426,876.87
357	574,189.11	395	409,741.55
358	573,613.52	396	386,722.12
359	572,559.74	397	382,502.57
360	571,708.57	398	369,115.13
361	560,784.31	399	359,149.96
362	560,340.39	400	346,340.76
363	555,572.88	401	345,912.93
364	554,537.75	402	335,173.18
365	551,033.64	403	330,782.61
366	548,533.20	404	323,894.51
367	545,212.20	405	323,258.20
368	544,655.39	406	306,837.56
369	544,497.66	407	235,975.24
370	532,094.73	408	185,549.13
371	522,580.80		
372	514,307.07		
373	514,291.02		
374	508,301.82		
375	506,575.24		
376	487,258.38		
377	483,915.58		
378	482,096.48		
379	480,902.78		
380	480,643.46		

Table "B"

ALL Centers

	Centers	%	Annual		Avg Units	Week	
			Avg Gross	Avg RO		Avg Gross	Avg Units
1,500,000	31	8%	1,952,774	966	2,140	37,553	41
1,250,000	32	8%	1,387,390	825	1,750	26,681	34
1,000,000	90	22%	1,111,156	846	1,372	21,368	26
750,000	130	32%	876,332	798	1,136	16,853	22
500,000	92	23%	643,597	768	871	12,377	17
Below	33	8%	407,336	778	543	7,833	10
Total	408	100%	959,590	815.05	1,205	18,454	23

< 2 years

	Centers	%	Annual		Avg Units	Week	
			Avg Gross	Avg RO		Avg Gross	Avg Units
1,500,000	1	2%	2,852,932	1,280	2,229	54,864	43
1,250,000	3	6%	1,377,561	822	1,690	26,492	33
1,000,000	6	13%	1,118,281	852	1,339	21,505	26
750,000	16	33%	868,340	789	1,131	16,699	22
500,000	15	31%	631,563	742	868	12,145	17
Below	7	15%	388,720	772	517	7,475	10
Total	48	100%	828,817	792	1,227	15,939	24

between 2 and 5 years

	Annual				Week		
	Centers	%	Avg Gross	Avg RO	Avg Units	Avg Gross	Avg Units
1,500,000	3	5%	1,616,404	939.70	1,731	31,084.68	33
1,250,000	0	0%	-	-	-	-	0
1,000,000	10	17%	1,101,820	921.26	1,213	21,188.85	23
750,000	25	43%	838,353	789.80	1,078	16,122.18	21
500,000	15	26%	628,895	711.72	908	12,094.14	17
Below	5	9%	402,172	648.25	619	7,734.09	12
Total	58	100%	832,251	787.82	1,051	16,004.82	20

> 5 years

	Annual				Week		
	Centers	%	Avg Gross	Avg RO	Avg Units	Avg Gross	Avg Units
1,500,000	27	9%	1,956,809	957	2,182	37,631	42
1,250,000	29	10%	1,388,406	825	1,756	26,700	34
1,000,000	74	25%	1,111,839	836	1,396	21,382	27
750,000	89	29%	888,437	801	1,154	17,085	22
500,000	62	21%	650,065	788	864	12,501	17
Below	21	7%	414,770	811	534	7,976	10
Total	302	100%	1,004,831	824	1,260	19,324	24

Table “C”

	Total	Certified	750-999	\$1,000K+
			33.0%	39.7%
Center Count	312	205	103	124
Total Sales	\$989,284	\$1,080,432	\$ 878,205	\$1,347,294
Direct Labor	\$219,984	\$237,754	\$194,310	\$296,457
Materials	\$199,642	\$223,038	\$171,049	\$284,367
Other Direct	\$9,707	\$12,014	\$7,712	\$15,713
Gross Profit	\$559,951	\$607,626	\$505,135	\$750,758
Ind Labor	\$80,416	\$88,577	\$78,609	\$107,057
Fixed Costs	\$156,371	\$167,214	\$140,803	\$197,350
Advertising	\$62,128	\$63,194	\$60,037	\$67,540
Royalties	\$72,764	\$79,217	\$66,056	\$97,121
Other Exp	\$60,084	\$63,372	\$52,089	\$84,952
Operating Expense	\$431,764	\$461,573	\$397,595	\$554,021
Income	\$128,187	\$146,052	\$107,540	\$196,737
Total Sales	100%	100%	100%	100%
Direct Labor	22%	22%	22%	22%
Materials	20%	21%	19%	21%
Other Direct	1%	1%	1%	1%
Gross Profit	57%	56%	58%	56%
Ind Labor	8%	8%	9%	8%
Fixed Costs	16%	15%	16%	15%
Advertising	6%	6%	7%	5%
Royalties	7%	7%	8%	7%
Other Exp	6%	6%	6%	6%
Operating Expense	44%	43%	45%	41%
Income	13%	14%	12%	15%

Item 20
OUTLETS AND FRANCHISEE INFORMATION
Table No. 1

United States Outlet Summary
For fiscal years 2010, 2011, 2012

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2010	439	442	+3
	2011	442	431	-11
	2012	431	427	-4
Company-Owned	2010	6	6	0
	2011	6	2	-4
	2012	2	2	0
Total Outlets	2010	445	448	+3
	2011	448	433	-15
	2012	433	429	-4

Table No. 2

Transfers of Outlets from Franchisees to New Owners
For fiscal years 2010, 2011, 2012

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Arizona	2010	0
	2011	0
	2012	2
California	2010	1
	2011	0
	2012	1
Florida	2010	1
	2011	1
	2012	1
Georgia	2010	1
	2011	2
	2012	0
Illinois	2010	0
	2011	0
	2012	1
Minnesota	2010	1
	2011	1
	2012	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Missouri	2010	0
	2011	0
	2012	0
New Jersey	2010	1
	2011	1
	2012	2
Oklahoma	2010	0
	2011	0
	2012	1
Pennsylvania	2010	0
	2011	2
	2012	0
South Carolina	2010	0
	2011	0
	2012	2
Tennessee	2010	0
	2011	0
	2012	1
Texas	2010	2
	2011	0
	2012	1
Utah	2010	0
	2011	0
	2012	1
Virginia	2010	0
	2011	2
	2012	0
Washington	2010	0
	2011	2
	2012	0
Totals	2010	7
	2011	12
	2012	12

Table No. 3

**Status of Franchised Outlets
For fiscal years 2010, 2011, 2012**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened ¹	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year ²
Alabama	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
Arizona	2010	9	0	1	0	0	0	8
	2011	8	2	0	0	0	0	10
	2012	10	0	0	0	0	0	10
Arkansas	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
California	2010	49	4	5	0	0	0	48
	2011	48	2	6	0	0	0	44
	2012	44	2	5	0	1	0	40
Colorado	2010	12	0	0	0	0	0	12
	2011	12	1	2	0	0	0	11
	2012	11	0	0	0	0	0	11
Connecticut	2010	3	1	0	0	0	0	4
	2011	4	2	1	0	0	0	5
	2012	5	0	1	0	0	0	4
Delaware	2010	3	0	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
District of Columbia	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Florida	2010	38	4	1	0	0	0	41
	2011	41	0	5	0	0	0	36
	2012	36	3	2	1	0	0	36
Georgia	2010	21	1	1	0	0	0	21
	2011	21	0	1	0	0	0	20
	2012	20	0	1	0	0	0	19
Hawaii	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Idaho	2010	2	0	0	0	0	0	2
	2011	2	0	1	0	0	0	1
	2012	1	0	0	0	0	0	1
Illinois	2010	18	0	4	0	0	0	14
	2011	14	2	2	0	0	0	14
	2012	14	4	0	0	0	0	18
Indiana	2010	8	0	0	0	0	0	8
	2011	8	0	1	0	0	0	7
	2012	7	1	1	0	0	0	7
Iowa	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened ¹	Column 5 Terminatio ns	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operati ons Other Reasons	Column 9 Outlets at End of the Year ²
	2012	2	0	0	0	0	0	2
Kansas	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Kentucky	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Louisiana	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Maine	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Maryland	2010	16	1	1	0	0	0	16
	2011	16	0	1	0	0	0	15
	2012	15	1	1	0	0	0	16 ¹
Massachusetts	2010	13	0	0	0	0	0	13
	2011	13	0	0	0	0	0	13
	2012	13	0	0	0	0	0	13
Michigan	2010	12	1	0	0	0	0	13
	2011	13	0	0	0	0	0	13
	2012	13	0	0	0	0	0	13
Minnesota	2010	7	1	0	0	0	0	8
	2011	8	0	0	0	0	0	8
	2012	8	0	1	0	0	0	7
Mississippi	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Missouri	2010	8	0	0	0	0	0	8
	2011	8	1	0	0	0	0	9
	2012	9	0	1	0	0	0	8
Montana	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Nebraska	2010	3	0	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Nevada	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	1	0	0	0	0	3
New Hampshire	2010	1	0	0	1	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
New Jersey	2010	25	0	0	0	0	0	25
	2011	25	0	0	0	0	0	25
	2012	25	0	0	0	0	0	25
New Mexico	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
New York	2010	11	1	0	0	0	0	12
	2011	12	0	2	0	0	0	10

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened ¹	Column 5 Terminatio ns	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operati ons Other Reasons	Column 9 Outlets at End of the Year ²
	2012	10	0	0	0	0	0	10
North Carolina	2010	14	0	0	0	0	0	14
	2011	14	0	1	0	0	0	13
	2012	13	1	0	0	0	0	14
Ohio	2010	14	2	1	0	0	0	15
	2011	15	0	0	0	0	0	15
	2012	15	0	2	0	0	0	13
Oklahoma	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
Oregon	2010	4	1	1	0	0	0	4
	2011	4	2	2	0	0	0	4
	2012	4	0	0	0	0	0	4
Pennsylvania	2010	18	2	3	0	0	0	17
	2011	17	1	0	0	0	0	18
	2012	18	0	1	0	0	0	17
Puerto Rico	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Rhode Island	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
South Carolina	2010	8	1	0	0	0	0	9
	2011	9	1	0	0	0	0	10
	2012	10	0	0	0	0	0	10
Tennessee	2010	7	1	0	0	0	0	8
	2011	8	0	0	0	0	0	8
	2012	8	0	0	0	0	0	8
Texas	2010	34	2	2	0	0	0	34
	2011	34	1	3	0	0	0	32
	2012	32	3	2	0	0	0	33
Utah	2010	7	0	0	0	0	0	7
	2011	7	1	0	0	0	0	8
	2012	8	0	0	0	0	0	7 ²
Vermont	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Virginia	2010	21	0	1	0	0	0	20
	2011	20	1	1	0	0	0	20
	2012	20	1	1	0	0	0	21 ¹
Washington	2010	18	0	0	0	0	0	18
	2011	18	0	1	0	0	0	17
	2012	17	0	1	0	0	0	16
West Virginia	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Wisconsin	2010	5	1	0	0	0	0	6
	2011	6	0	0	0	0	0	6
	2012	6	0	0	0	0	0	6
Totals	2010	439	25	21	1	0	0	442

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened ¹	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year ²
	2011	442	19	30	0	0	0	431
	2012	431	17	20	1	1	0	427 ³

¹Includes new outlets and existing company-owned outlets that a franchisee purchased from the franchisor. Excludes existing outlets that re-opened after being temporarily closed. In fiscal year 2012, one franchise each in Maryland and Virginia reopened after being temporarily closed.

²Excludes existing outlets that were temporarily closed and not operating at the end of the year. In fiscal year 2012, one franchisee in Utah temporarily closed and remained temporarily closed as of June 30, 2012.

³ Total outlets at the end of the year for fiscal year 2012 includes the one franchise each that reopened in Maryland Virginia and does not include the one franchise in Utah that temporarily closed.

Table No. 4

**Status of Company-Owned Outlets
For fiscal years 2010, 2011, 2012**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Connecticut	2010	2	0	0	0	0	2
	2011	2	0	0	0	2	0
	2012	2	0	0	0	2	0
Illinois	2010	2	0	0	0	0	2
	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2
Pennsylvania	2010	1	0	0	0	0	1
	2011	1	0	0	1	0	0
	2012	1	0	0	1	0	0
Missouri	2010	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
	2011	1	0	0	0	1	0
	2012	1	0	0	0	1	0
Totals	2010	6	0	0	0	0	6
	2011	6	0	0	1	3	2
	2012	6	0	0	1	3	2

Table No. 5

Projected Openings as of June 30, 2012

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected Sales of New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Alabama	1	0	0
Arizona	3	2	0
California	3	5	2
Colorado	1	2	0
Connecticut	3	0	0
Florida	4	5	0
Georgia	5	0	0
Idaho	0	1	0
Illinois	3	3	0
Indiana	0	2	0
Kansas	0	1	0
Louisiana	0	1	0
Maryland	3	2	0
Massachusetts	0	1	0
Michigan	2	2	0
Minnesota	3	1	0
Missouri	0	1	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected Sales of New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Nevada	3	3	0
New Jersey	3	2	0
New York	4	2	0
North Carolina	3	2	0
Ohio	0	1	0
Oklahoma	0	1	0
Oregon	0	2	0
Pennsylvania	3	2	0
Puerto Rico	2	0	0
Rhode Island	2	0	0
South Carolina	4	0	0
Tennessee	1	1	0
Texas	8	3	0
Utah	0	1	0
Virginia	2	1	0
Washington	1	2	0
West Virginia	1	0	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected Sales of New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Wisconsin	0	1	0
Total	68	53	2

The data in Table 5 regarding “Franchise Agreements Signed But Outlet Not Opened” includes both persons who have signed Franchise Agreements and persons who have signed an agreement we previously used called a “Preliminary Agreement.” Under the Preliminary Agreement, the applicants obtain the right to find a site for a Center but do not sign the Franchise Agreement until the site has been identified.

A list of the names of all franchisees and the addresses and telephone numbers of their Centers is attached as Exhibit B to this Disclosure Document. A list of the name and last known home address and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the fiscal year 2011 or who has not communicated with us within ten (10) weeks of our application date is attached as Exhibit B-1. The persons who have signed a Franchise Agreement or Preliminary Agreement, but have not yet opened a Center, are listed on Exhibit B-2. Franchisees whose Franchise Agreement or Preliminary Agreement was terminated during fiscal year 2011 before the franchisee opened for business are listed in Exhibit B-3. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

There are no trademark-specific franchisee organizations that have been created, sponsored or endorsed by us or any independent franchisee organizations that have asked to be included in this disclosure document.

Item 21

FINANCIAL STATEMENTS

The following financial statements are attached to this disclosure document as Exhibit A:

- Driven Brands, Inc. (f/k/a Meineke Holding Company) and Subsidiaries Consolidated Financial Statements as of June 30, 2012, and June 25, 2011
- Driven Brands, Inc. (f/k/a Meineke Holding Company) and Subsidiaries Consolidated Financial Statements as of June 25, 2011, and June 26, 2010
- MAACO Franchising, Inc.'s Unaudited Consolidated Balance Sheet as of June 30, 2012, and Unaudited Consolidated Statement of Operations and Retained Earnings for the Twelve Months Ended June 30, 2012*.

***THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

Driven Brands, Inc. will guarantee the performance of MAACO's obligations under Franchise Agreements and other agreements entered into after this date with franchisees under the terms of the Guaranty of Performance attached as Exhibit X.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

- C Franchise Agreement, including Analysis of Investment
- E Amendment to Franchise Agreement (Transfer)
- F Renewal Addendum to Franchise Agreement
- G Addendum to Franchise Agreement (Additional Center)
- H Collateral Assignment of Lease
- I Assignment and Assumption Agreement
- J Personal Guaranty
- K Disclosure Acknowledgement Statement
- L MAACO Polaris 2000 Software License Agreement
- M Warranty Work/Franchise Transfer Acknowledgement
- N Warranty Agreement
- O Tri-Party Agreement
- P Option to Purchase or Lease Agreement
- Q Waiver and Release
- R New Franchise Disclosure Questionnaire
- S International Emergency Economic Powers Act Compliance
Questionnaire
- T Telephone Release
- W State Riders to Franchise Agreement
- Y Conversion Agreement
- Z New Center Addendum – Product Credit Agreement

Item 23

RECEIPTS

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

EXHIBIT A

Driven Brands, Inc. (f/k/a Meineke Holding Company) and Subsidiaries
Consolidated Financial Statements
as of June 30, 2012, and June 25, 2011

Driven Brands, Inc. (f/k/a Meineke Holding Company) and Subsidiaries
Consolidated Financial Statements
as of June 25, 2011, and June 26, 2010

MAACO Franchising, Inc.
Unaudited Balance Sheet as of June 30, 2012, and Unaudited Statement of Operations and Retained
Earnings for the Twelve Months Ended June 30, 2012



Grant Thornton

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September 28, 2012

Driven Brands, Inc.
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Ladies and Gentlemen,

Grant Thornton LLP agrees to the inclusion in the Franchise Disclosure Document to Prospective Franchisees issued by Maaco Franchising, Inc. on September 28, 2012 of our report dated September 28, 2012 relating to the financial statements of Driven Brands, Inc. for the period from June 25, 2011 to June 30, 2012 and our report dated September 19, 2011 relating to the financial statements of Driven Brands, Inc. for the period from June 26, 2010 to June 25, 2011. Grant Thornton LLP has not performed any procedures subsequent to the date of our reports.

Grant Thornton LLP

Consolidated Financial Statements and Report of
Independent Certified Public Accountants

Driven Brands, Inc. and Subsidiaries

As of June 30, 2012, and June 25, 2011

Contents

Report of Independent Certified Public Accountants	1
Consolidated financial statements:	
Balance sheets	2-3
Statements of operations	4
Statements of shareholders' equity and comprehensive income/(loss)	5
Statements of cash flows	6
Notes to consolidated financial statements	7-26



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Report of Independent Certified Public Accountants

To the Shareholders and Board of Directors of
Driven Brands, Inc. and Subsidiaries:

We have audited the accompanying consolidated balance sheets of **Driven Brands, Inc. and Subsidiaries** (Successor Company) as of June 30, 2012, and **Driven Brands, Inc. and Subsidiaries** (Predecessor Company) as of June 25, 2011, and the related consolidated statements of operations, shareholders' equity and comprehensive income/(loss), and cash flows for the period from December 17, 2011 to June 30, 2012 (Successor Company), for the period from June 26, 2011 to December 16, 2011 (Predecessor Company), and for the year ended June 25, 2011 (Predecessor Company). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Driven Brands, Inc. and Subsidiaries as of June 30, 2012 (Successor Company), and Driven Brands, Inc. and Subsidiaries (Predecessor Company) as of June 25, 2011, and the results of their operations and their cash flows for the period from December 17, 2011 to June 30, 2012 (Successor Company), for the period from June 26, 2011 to December 16, 2011 (Predecessor Company), and for the year ended June 25, 2011 (Predecessor Company), in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Charlotte, North Carolina
September 28, 2012

Consolidated balance sheets

	Successor Company	Predecessor Company
	June 30, 2012	June 25, 2011
	(000)	(000)
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	8,603	6,145
Accounts and notes receivable, net of allowance	18,315	19,227
Inventory	889	981
Assets held for sale	726	667
Prepays and other assets	3,061	2,465
Deferred tax assets	2,204	-
Income tax receivable	79	
Advertising fund assets, restricted	10,438	10,616
Total current assets	44,315	40,101
Accounts and notes receivable, net of allowance	3,338	5,303
Property and equipment, net	1,875	2,409
Debt issuance costs, net	7,275	804
Other assets	7,351	-
Intangible assets, net	329,957	201,672
Goodwill	62,957	61,272
	457,068	311,561

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

Consolidated balance sheets (cont'd)

	Successor Company	Predecessor Company
	June 30, 2012	June 25, 2011
	(000)	(000)
	\$	\$
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	2,621	2,834
Accrued expenses	6,369	9,911
Accrued interest	1,841	4,079
Current portion of long-term debt	4,250	7,887
Income tax payable	-	157
Deferred franchise revenue, net	1,534	1,682
Line of credit	-	-
Deferred tax liabilities	-	232
Advertising fund liabilities	15,527	11,708
Total current liabilities	32,142	38,490
Long-term debt	229,688	182,085
Deferred tax liabilities	63,541	32,251
Total liabilities	325,371	252,826
Shareholders' equity:		
Class A common stock (voting), \$.01 par value, authorized 60,000,000 shares; issued and outstanding 56,519,593 shares at June 30, 2012 and June 25, 2011	565	565
Class B common stock (nonvoting), \$.01 par value, authorized 12,461,152 shares; issued and outstanding 0 shares at June 30, 2012 and June 25, 2011	-	-
Additional paid-in capital	135,792	73,147
Retained deficit	(4,786)	(15,251)
Accumulated other comprehensive income	126	232
Noncontrolling interest	-	42
Total shareholders' equity	131,697	58,735
	457,068	311,561

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

Consolidated statements of operations

	Successor Company	Predecessor Company	Predecessor Company
	Period from December 17, 2011, through June 30, 2012	Period from June 26, 2011, through December 16, 2011	Year ended June 25, 2011
	(000)	(000)	(000)
	\$	\$	\$
Revenue:			
Franchise fee income	31,631	27,752	56,000
Supply income	20,893	18,676	37,044
Other income	19,341	14,157	36,573
	71,865	60,585	129,617
Costs and expenses:			
Operating, selling and administrative expenses	26,896	23,547	49,582
Cost of goods sold	25,199	21,617	45,819
Depreciation and amortization	5,048	1,991	3,792
Transaction costs	7,181	9,913	-
Total cost and expenses	64,324	57,068	99,193
Interest expense, net	11,669	10,458	22,162
(Loss) income before provision for income taxes	(4,128)	(6,941)	8,262
Provision for income taxes - Income tax expense	658	1,822	4,068
Net (loss) income	(4,786)	(8,763)	4,194
Less - Net (loss) income attributable to noncontrolling interest	-	(1)	1
Net (loss) income attributable to Driven Brands, Inc.	(4,786)	(8,762)	4,193

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

Consolidated statements of shareholders' equity and comprehensive income (loss)

	Driven Brands, Inc. Shareholders						
	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Deficit	Noncontrolling Interest	Total Equity
Predecessor Company	(000)	(000)	(000)	(000)	(000)	(000)	(000)
	\$	\$	\$	\$	\$	\$	\$
Balance, June 26, 2010	565	-	72,127	324	(19,444)	41	53,613
Share-based compensation expense	-	-	1,020	-	-	-	1,020
Net income	-	-	-	-	4,193	1	4,194
Accumulated other comprehensive loss, foreign currency translation adjustment	-	-	-	(92)	-	-	(92)
Balance, June 25, 2011	565	-	73,147	232	(15,251)	42	58,735
Share-based compensation expense	-	-	2,596	-	-	-	2,596
Net loss	-	-	-	-	(8,762)	(1)	(8,763)
Accumulated other comprehensive loss, foreign currency translation adjustment	-	-	-	(254)	-	-	(254)
Balance, December 16, 2011	565	-	75,743	(22)	(24,013)	41	52,314
Successor Company							
Balance, December 17, 2011	565	-	135,779	-	-	-	136,344
Share-based compensation expense	-	-	13	-	-	-	13
Net loss	-	-	-	-	(4,786)	-	(4,786)
Accumulated other comprehensive income, foreign currency translation adjustment	-	-	-	126	-	-	126
Balance, June 30, 2012	565	-	135,792	126	(4,786)	-	131,697

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

Consolidated statements of cash flows

	Successor Company	Predecessor Company	Predecessor Company
For the years ending	Period from December 17, 2011, through June 30, 2012	Period from June 26, 2011, through December 16, 2011	Year ended June 25, 2011
	(000)	(000)	(000)
Cash flows from operating activities:	\$	\$	\$
Net (loss) income	(4,786)	(8,763)	4,194
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,460	2,342	4,423
Paid-in-kind interest	-	489	1,016
Loss on disposal of property and equipment	89	161	-
Gain on disposal of assets held for sale	(437)	(587)	-
Provision for deferred income taxes	408	1,615	3,700
Share-based compensation expense	13	2,596	1,020
Changes in assets and liabilities:			
Accounts receivable and notes receivable, net	25	1,548	(644)
Inventory	47	45	(49)
Prepays and other assets	511	(277)	94
Advertising fund	673	3,324	(2,479)
Deferred franchise revenue	(82)	(66)	(268)
Accounts payable and accrued expenses	3,109	5,847	3,617
Income taxes payable	(111)	(145)	(37)
Net cash provided by operating activities	3,919	8,129	14,587
Cash flows from investing activities:			
Acquisition of Driven Brands, Inc.	(173,132)	-	-
Purchases of property and equipment	(360)	(191)	(1,130)
Purchase of assets held for sale	(394)	(108)	(190)
Proceeds from sales of assets held for sale	845	622	860
Net cash used in investing activities	(173,041)	323	(460)
Cash flows from financing activities:			
Payment of deferred financing costs	(8,122)	-	-
Issuance of units	134,470	-	-
Payment of predecessor company debt	(182,687)	-	-
Proceeds from the issuance of debt	235,000	-	-
Net borrowings on line of credit	2,647	-	-
Repayment of line of credit	(2,647)	-	(3,000)
Repayment of long-term debt	(1,062)	(11,605)	(8,469)
Net cash provided by (used in) financing activities	177,599	(11,605)	(11,469)
Effect of exchange rate changes on cash	126	(254)	(92)
Net increase (decrease) in cash and cash equivalents	8,603	(3,407)	2,566
Cash and cash equivalents, beginning of period	-	6,145	3,579
Cash and cash equivalents, end of period	8,603	2,738	6,145
Supplemental cash flow information:			
Cash payments for interest	10,021	10,347	18,845
Cash payments of income taxes	443	213	409
Noncash investing and financing activities:			
Equity units issuance	1,874	-	-

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

Notes to consolidated financial statements

1 Description of Business and Summary of Significant Accounting Policies

Description of Business

Driven Brands, Inc. and subsidiaries (collectively referred to as the Company) comprises the worldwide operations of Meineke Car Care Centers (Meineke), Maaco Collision Repair and Auto Painting Centers (Maaco), Econo-Lube N' Tune (Econo), AutoQual, Aero-Colours and Tortal.net. (collectively, the Concepts). The Concepts develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. The Company has more than 1,500 units worldwide, with 96% located within the United States and the remainder located primarily in Canada and Mexico.

Meineke and Econo each provide automotive repair and maintenance services through retail locations. Maaco provides auto body repairs and painting services through retail locations. Aero-Colours and AutoQual provide automotive appearance services to new and used car dealerships through mobile vans. Tortal.net provides internet-based training courses to both the Company's subsidiaries and other unrelated organizations.

Basis of Presentation

The Company's fiscal year ends on the last Saturday of June. On December 16, 2011, after the close of business, Harvest Partners VI, LP (Parent) acquired a majority ownership in the outstanding stock of Driven Brands Inc. and subsidiaries (Predecessor) (Acquisition). Accordingly, all assets and liabilities have been reflected at their fair value as of the opening of business on December 17, 2011, in accordance with acquisition accounting under the provisions of ASC 805, "Business Combinations" (Note 2). The consolidated balance sheets and related information at June 30, 2012 and the consolidated statements of operations and cash flows for the period from December 17, 2011 through June 30, 2012 reflects the effects of acquisition accounting and is referred to as Successor Company. Financial statement amounts prior to December 17, 2011, including the results of operations and cash flows for the year ended June 25, 2011 and the period from June 26, 2011 through December 16, 2011, reflect operations of Driven Brands, Inc. prior to the Acquisition and are referred to as Predecessor Company. The accompanying consolidated financial statements include the accounts of the Company and all entities required to be consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

Also included in the consolidated financial statements are the restricted assets and related liabilities of the Meineke Advertising Funds, revocable trusts, both U.S. and Canadian (the MAFs), which are administered by a third-party trustee, into which weekly advertising contributions made by Meineke franchisees are deposited.

Revenue Recognition

The Successor Company and Predecessor Company both recognize revenue when persuasive evidence of an arrangement exists, the related services are provided, the price is fixed and determinable, and collectability is reasonably assured. Initial license fee income is recognized when the franchised shop opens or after certain contractual obligations have been met. Franchise fee income is recognized in the periods that correspond to the periods when retail sales and revenues are recognized by franchisees. Company-owned shop sales are recognized when customer vehicles are repaired or serviced. Shop rental income is recognized on a straight-line basis and in accordance with underlying property lease terms. Advertising income is recognized in accordance with the fee agreements defined in the subsidiaries' franchise agreements. Paint and supply sale income is recognized upon the shipment of products to customers and franchisees. Other income primarily consists of gains on sales of company-owned shops and license and maintenance fees collected from franchisees as a result of providing and servicing proprietary software.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

The Successor Company and Predecessor Company both maintain amounts on deposit with various financial institutions, which generally exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and neither the Successor nor Predecessor Company has experienced any losses on such deposits.

Inventory

Inventory is stated at the lower of cost, as determined by the first-in, first-out method, or market.

Deferred Franchise Revenue and Costs

Revenue and costs relating to the sale of a franchise are deferred until the Successor Company and Predecessor Company have substantially fulfilled its pre-opening obligations. These revenues and costs are presented net in the consolidated financial statements.

Accounts Receivable

Accounts receivable consists principally of amounts due related to the sale of equipment, supplies, advertising, and franchise fees. Accounts receivable are reported at their estimated net realizable value.

Notes Receivable

Notes receivable are primarily from franchisees and relate to financing arrangements for certain previously past due balances or to finance the sale of company-owned shops. The notes are typically collateralized by the assets of the franchisee shop with interest rates ranging up to 12% depending on the level of credit risk and payment terms. Interest income recognized on these notes is included in interest expense, net on the accompanying consolidated statements of operations.

Allowances for Doubtful Accounts

Accounts receivable are reported at their estimated net realizable value. The Successor Company and Predecessor Company provided an allowance for doubtful accounts equal to the estimated uncollectible amounts of accounts and notes receivable. Management determines the allowance by considering a number of factors, including the length of time trade accounts receivable and notes receivable are past due, the Company's previous loss history, the customers' current ability to pay their obligations to the Company and the condition of the general economy and the industry as a whole. Receivables are written off based on individual credit evaluation and specific circumstances of the franchisee and customer. Management has established an allowance for doubtful accounts of \$7,747 (Successor Company) and \$11,338 (Predecessor Company) at June 30, 2012, and June 25, 2011, respectively.

Shop Rental Agreements

Certain of the Successor Company and Predecessor Company subsidiaries are parties to leasing and subleasing agreements with third parties and their franchisees, respectively. The minimum rentals associated with these agreements are recognized as expense and income on a straight-line basis over the terms of the agreements.

(in thousands, except for share and per share amounts)

Property and Equipment

Property and equipment of the Predecessor Company are reflected at cost, plus the cost of additions and improvements that increase the useful lives of the assets, and property and equipment acquired by Successor Company in the business combination (Note 2) is recorded at fair value as of the date of acquisition plus the cost of additions and improvements that increase the useful lives of the assets. The cost and accumulated depreciation of assets retired or sold are removed from the related accounts; gains and losses are included in operating expenses. Maintenance and repairs are charged to expense as incurred. Depreciation is computed principally on the straight-line method over the estimated useful lives of the respective assets.

The average lives used in computing depreciation are as follows:

Furniture and fixtures	5 to 8 years
Computer equipment and software	3 years
Shop equipment	5 to 10 years
Leasehold improvements	5 years
Vehicles	5 years

The Successor Company and Predecessor Company assess whether its long-lived assets are impaired by determining an impairment loss only if the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows based on an evaluation of undiscounted projected cash flows through the remaining depreciation period. If impairment exists, the amount of such impairment to be recognized is calculated based on the amount by which the carrying amount of the assets exceeds the estimated fair value of the asset. Both Successor Company and Predecessor Company believe that no impairment exists as of June 30, 2012 and June 25, 2011.

Internal Use Software

The Successor Company and Predecessor Company amortize the costs of computer software developed for internal use on a straight-line basis over its estimated useful life of eight years. The internal use software of the Predecessor Company is included in property and equipment on the accompanying consolidated balance sheets at carrying value. The internal use software acquired by Successor Company in the business combination (Note 2) is included in property and equipment on the accompanying consolidated balance sheets and was recorded at fair value as of the date of Acquisition. No internal use software was capitalized during the period from December 17, 2011 to June 30, 2012 (Successor Company), for the period from June 26, 2011 to December 16, 2011 (Predecessor Company), and for the year ended June 25, 2011 (Predecessor Company).

Intangible Assets Including Goodwill

Intangible assets represent trademarks, franchise agreements, developed technology, and non-compete agreements. Intangible assets with an indefinite useful life are not amortized.

The Successor Company and Predecessor Company review certain identifiable definite lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Both Successor Company and Predecessor Company believe that no impairment exists as of June 30, 2012 and June 25, 2011.

(in thousands, except for share and per share amounts)

The Successor Company and Predecessor Company test goodwill and indefinite lived intangible assets for impairment annually. Furthermore, goodwill and indefinite lived intangible assets are required to be tested for impairment on an interim basis if an event or circumstance indicates that it is more likely than not an impairment loss has been incurred. An impairment loss shall be recognized to the extent that the carrying amount of goodwill or indefinite lived intangible assets exceeds its implied fair value. Impairment losses shall be recognized in operations. The Successor Company and Predecessor Company's valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and projections of future operating performance. If these assumptions differ materially from future results, the Company may record impairment charges in the future. Based on its most recent analysis, the Successor Company believes that no impairment exists as of June 30, 2012.

The Successor Company recognized a \$9,060 favorable sublease to market asset at the Acquisition on December 17, 2011 based on the Successor Company's cash flow position on their current leases. This sublease to market asset will be amortized on a declining balance in accordance with the present value of its future cash flows. Amortization expense for the period December 17, 2011 to June 30, 2012 was \$588. The estimated amortization expense for the sublease to market asset for the next five years is \$1,121 for 2013, \$993 for 2014, \$874 for 2015, \$773 for 2016 and \$651 for 2017.

Debt Issuance Costs

Costs related to issuance of debt are capitalized as long-term assets and amortized to interest expense over the life of the related debt. These fees are amortized using the effective interest method over the term of each credit agreement. Total debt issuance costs capitalized by Successor Company were approximately \$8,122 related to the New Senior Credit Agreement and New Senior Subordinated Agreement (Note 7). Total debt issuance costs capitalized by Predecessor Company were approximately \$1,040 related to the Senior Credit Agreement, Priority Senior Subordinated Credit Agreement and the Subordinated Note Purchase Agreement (Note 7). Amortization expense of approximately \$847 was recorded for the period from December 17, 2011 to June 30, 2012 (Successor Company), \$101 was recorded for the period from June 26, 2011 to December 16, 2011 (Predecessor Company) and \$210 was recorded for the year ended June 25, 2011 (Predecessor Company).

Estimated amortization for the next five years is summarized as follows:

	Amount
	\$
2013	1,646
2014	1,614
2015	1,581
2016	1,548
2017	886
	7,275

Stock-based Compensation

The Successor Company and Predecessor Company both recognize expense related to the fair value of stock-based compensation awards, including employee stock options, over the service period (generally the vesting period) in the consolidated financial statements. The Successor Company and Predecessor Company recognize compensation cost as an expense based on the grant-date fair value.

Fair Value of Financial Instruments

The Successor Company and Predecessor Company both have estimated 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 Successor Company and Predecessor 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 notes receivable carrying value also approximates fair value due to interest rates that approximate market rates. The Successor Company obtained new debt instruments on December 17, 2011, and the carrying value is deemed to approximate fair value as of June 30, 2012. The instruments have variable interest rates and the fixed interest rates are reflective of current market rates.

Derivative Assets and Liabilities

The Successor Company and Predecessor Company both record all derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at their fair value. Changes in the fair value of a derivative are recorded each period in earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, depending on the type of hedge transaction. Ineffective portions, if any, of all hedges are recognized in current period earnings.

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 follows the guidance in ASC 740, "Income Taxes" with respect to the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. The Company records any interest and penalties associated as additional income tax expense in the consolidated statements of operations. Based on management analysis, the Company does not believe any unrecognized tax benefits significantly changed in the current fiscal year. Furthermore, the Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year. As of June 30, 2012, the Company's open tax years include fiscal 2005-2012.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Insurance Reserves

The Successor Company and Predecessor Company both are partially self-insured for employee medical coverage. The Successor Company and Predecessor Company record a liability for the ultimate settlement of claims incurred as of the balance sheet date based upon estimates provided by the Successor Company and Predecessor Company that administers the claims on the Company's behalf. The Successor Company and Predecessor Company also review 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 recorded.

Concentration of Credit Risk

Financial instruments which subject the Successor Company and Predecessor Company to concentrations of credit risks consist principally of cash balances, accounts receivable and notes receivable. As of June 25, 2011 (Predecessor Company), one individual franchisee, whose note originated from the acquisition of international franchise rights, represented approximately 5% of the outstanding notes receivables.

Foreign Currency Translation

The Successor Company and Predecessor Company's revenue, other than those of its Canadian subsidiaries, are denominated in U.S. dollars. For the Successor Company and Predecessor Company's Canadian subsidiaries, assets and liabilities are translated at exchange rates prevailing on the balance sheet date, and income and expense accounts are translated at average exchange rates for the respective periods. Currency translation adjustments are included in accumulated other comprehensive income.

Advertising

Advertising costs of the Successor Company and Predecessor Company are expensed as incurred or the first time an advertisement takes place depending on the nature of the advertising expense. Advertising costs totaled \$513 during the period from December 17, 2011 to June 30, 2012 (Successor Company), \$805 during the period from June 26, 2011 to December 16, 2011 (Predecessor Company), and \$1,425 during the year ended June 25, 2011 (Predecessor Company), and is included in selling, general and administrative expenses on the accompanying consolidated statements of operations.

The franchisees of some of the Concepts are required to contribute advertising dollars according to the terms of their respective contract (either a percentage of sales or a defined weekly fixed amount) that are used for advertising the brand on a national and local basis. Econo franchisees make their advertising contributions directly to the franchisor, while Meineke franchisees make their contributions to either the U.S. or Canadian Meineke Advertising Fund (the MAFs). These two funds are revocable trusts, which are administered by a third-party trustee. Maaco franchisees make their contributions to the Printz Advertising Fund which in turn administers and distributes their advertising contributions directly to the franchisor.

Revenue and expenses related to these advertising collections and expenditures are not included in the Successor Company and Predecessor Company's accompanying consolidated statements of income because the contributions to these advertising funds are designated for specific purposes. The advertising related assets and liabilities held by the MAFs and amounts related to the advertising payments of Maaco and Econo are considered restricted and disclosed on the Company's accompanying consolidated balance sheets.

In conjunction with their administration and placement of the advertising funds, the Successor Company and Predecessor Company receive either an administrative fee or commission in accordance with the respective franchise agreement. These amounts are included in the Successor Company and Predecessor Company's accompanying consolidated statements of operations as advertising fees.

(in thousands, except for share and per share amounts)

2 Business Combination

On December 16, 2011, after the close of business, Harvest Partners VI, LP (Parent) acquired a majority ownership in the outstanding stock of Driven Brands Inc. and subsidiaries (Predecessor).

The transaction was accounted for under the provisions of ASC 805, "Business Combinations." The Company elected to apply push-down accounting. Accordingly, the Successor Company recorded the tangible assets and liabilities and identifiable intangible assets of Driven Brands, Inc. at their estimated fair values. The accompanying consolidated financial statements of the Successor Company reflect the operations of the acquired business for the period from the opening of business on December 17, 2011 (Inception) through June 30, 2012.

The preliminary purchase price has been allocated as follows:

	Amount
	\$
Identifiable assets acquired:	
Accounts and notes receivable, net of allowance	17,278
Other current assets	4,687
Advertising fund assets, restricted	8,900
Deferred tax assets	2,772
Total current assets	33,637
Accounts and notes receivable, net of allowance	4,400
Property and equipment	2,001
Other assets	7,912
Intangible assets	333,173
Total identifiable assets	381,123
Goodwill	62,957
	444,080
Liabilities assumed:	
Accounts payable, accrued expenses, and deposits	(9,370)
Advertising fund liabilities	(13,316)
Total current liabilities	(22,686)
Deferred tax liabilities	(63,701)
Long term debt	(221,349)
Purchase consideration	136,344

Also, in connection with the business combination, the Successor Company recognized approximately \$7,181 of transaction expenses during the period from December 17, 2011 through June 30, 2012. The Predecessor Company recognized approximately \$9,913 in transaction expenses during the period from June 26, 2011 through December 16, 2011. All transaction expenses are classified separately in the accompanying consolidated statements of operations.

3 Accounts Receivable and Notes Receivable

At June 30, 2012, and June 25, 2011, accounts and notes receivable balances consisted of the following:

	Successor Company	Predecessor Company
	June 30, 2012	June 25, 2011
	(000)	(000)
	\$	\$
Accounts receivable:		
Trade	21,484	26,000
Notes receivable - Trade	7,916	9,868
Total receivables	29,400	35,868
Less - Allowance for doubtful accounts	(7,747)	(11,338)
Current portion	(18,315)	(19,227)
Total receivables, long term	3,338	5,303

The Company earned interest income from the notes receivable of \$233 for the period from December 17, 2011 to June 30, 2012 (Successor Company), \$233 for the period from June 26, 2011 to December 16, 2011 (Predecessor Company), and \$476 for the year ended June 25, 2011 (Predecessor Company).

4 Property and Equipment

Property and equipment at June 30, 2012, and June 25, 2011, is summarized as follows:

	Successor Company	Predecessor Company
	June 30, 2012	June 25, 2011
	(000)	(000)
	\$	\$
Furniture and fixtures	598	1,525
Computer equipment and software	600	1,481
Shop equipment	619	1,346
Leasehold improvements	175	219
Vehicles	280	400
Total gross	2,272	4,971
Less - Accumulated depreciation	(397)	(2,562)
Total net	1,875	2,409

Depreciation expense was approximately \$397 for the period from December 17, 2011 to June 30, 2012 (Successor Company), \$233 for the period from June 26, 2011 to December 16, 2011 (Predecessor Company), and \$476 for the year ended June 25, 2011 (Predecessor Company).

5 Assets Held for Sale

During the period ended June 30, 2012, and June 25, 2011, the Successor and Predecessor Company purchased certain shop-related assets and classified these assets as held for sale on the accompanying consolidated balance sheets. At June 30, 2012, and June 25, 2011, \$726 and \$667, respectively, of the assets purchased during the period remain held for sale. These held for sale assets are being actively marketed and management believes that their carrying value approximate fair market value. No depreciation has been recorded on these assets since they were initially classified as held for sale.

(in thousands, except for share and per share amounts)

The following table shows the fair value of the Company's non-financial assets and liabilities that are required to be measured at fair value as of June 30, 2012, and June 25, 2011:

Successor Company				
Assets at Fair Value	As of June 30,	Quoted Prices in	Significant Other	Unobservable
	2012	Active Markets	Observable Inputs	Inputs
	(000)	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment (1)	726	-	726	-

Predecessor Company				
Assets at Fair Value	As of June 25,	Quoted Prices in	Significant Other	Unobservable
	2011	Active Markets	Observable Inputs	Inputs
	(000)	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment (1)	667	-	667	-

- (1) Long-lived assets held for sale reflect the current sales price at which equipment is currently being marketed, less costs to sell.

6 Goodwill and Intangible Assets

Successor Company

Intangible assets as of June 30, 2012, consist of the following:

June 30, 2012	Gross Value	Accumulated Amortization	Net Value	Useful Life (Years)
	(000)	(000)	(000)	
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	1,423	(96)	1,327	8 years
Non-compete agreements	660	(129)	531	2-3 years
Franchise agreements	128,350	(2,991)	125,359	20-30 years
Intangible assets not subject to amortization:				
Trademarks	202,740	-	202,740	
Goodwill	62,957	-	62,957	
Total intangible assets	396,130	(3,216)	392,914	

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset. Amortization expense was approximately \$3,216 for the period from December 17, 2011 through June 30, 2012 and the Successor Company recorded no impairment loss on its indefinite lived intangible assets or goodwill.

(in thousands, except for share and per share amounts)

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

	Amount
	(000)
	\$
2013	5,969
2014	5,936
2015	5,812
2016	5,729
2017	5,729
Thereafter	98,042
	127,217

Predecessor Company

Intangible assets as of June 25, 2011, consist of the following:

June 25, 2011	Gross Value	Accumulated Amortization	Net Value	Useful Life (Years)
	(000)	(000)	(000)	
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	1,740	(589)	1,151	8 years
Non-compete agreements	1,644	(1,504)	140	2-5 years
Franchise agreements	49,250	(5,809)	43,441	20-30 years
Intangible assets not subject to amortization:				
Trademarks	156,940	-	156,940	
Goodwill	61,272	-	61,272	
Total intangible assets	270,846	(7,902)	262,944	

Intangible assets with definite lives were being amortized on a straight-line basis over the estimated useful life of each asset. Amortization expense was approximately \$1,482 for the period from June 26, 2011 through December 16, 2011 and \$2,619 for the year ended June 25, 2011 and no impairment loss was recorded on its indefinite lived intangible assets or goodwill. The fair value used to measure the impairment was based on a weighted calculation of a market multiple approach and an income approach using discounted cash flow modeling.

(in thousands, except for share and per share amounts)

7 Long-term Debt

The Successor Company and Predecessor Company's debt obligations consist of the following:

	Successor Company	Predecessor Company
	June 30, 2012	June 25, 2011
	(000)	(000)
	\$	\$
New Senior Credit Agreement	168,938	-
Senior Credit Agreement	-	91,088
New Senior Subordinated Credit Agreement	65,000	-
Priority Senior Subordinated Credit Agreement	-	50,571
Subordinated Note Purchase Agreement	-	50,571
	233,938	192,230
Less - Debt discount	-	(2,258)
Less - Current maturities	(4,250)	(7,887)
	229,688	182,085

Successor Company**New Senior Credit Agreement**

On December 17, 2011, the Successor Company entered into a term loan agreement (the New Term Loan) and revolving credit facility (the New Revolving Facility) (together, the New Senior Credit Agreement) with several financial institutions and was entered into to finance the acquisition of Driven Brands, Inc. and Subsidiaries (Successor Company) and to provide ongoing working capital to the Successor Company. The Senior Credit Agreement is collateralized by substantially all assets of the Successor Company.

New Term Loan

The New Term Loan in the original principal amount of \$170,000 is to be repaid through quarterly payments of principal of approximately \$1,063, with the remaining outstanding balance due upon maturity on December 15, 2016.

Interest is due monthly and the Successor Company has the option for the interest rate to be based on Base Rate plus an applicable margin or LIBOR plus an applicable margin. The Base Rate is the greater of the market prime rate or 2.25%, plus an applicable margin of 5.25%. The LIBOR rate is the greater of the market LIBOR rate or 1.50% plus an applicable margin of 6.50%.

At June 30, 2012, the Successor Company elected to maintain \$165,000 of this balance at LIBOR. Thirty-day LIBOR at June 30, 2012, was 0.24%; therefore, the current interest rate on the \$165,000 balance is payable at 8.0% (1.5%, plus a margin of 6.50%). The Successor Company elected a Base Rate loan for the additional \$3,938 of the outstanding balance at June 30, 2012. The market prime rate at June 30, 2012 was 3.25%; therefore, the current interest rate on the \$3,938 balance is payable at 8.5% (3.25%, plus a margin of 5.25%).

New Revolving Facility

The New Revolving Facility allows the Successor Company to borrow up to \$15,000 and matures on December 15, 2016.

(in thousands, except for share and per share amounts)

Each Revolving Loan shall bear interest on the outstanding principal amount borrowed from the date when made at a rate per annum equal to the LIBOR or the Base Rate, as the case may be, plus the applicable margin. The Base Rate is the greater of the market prime rate or 2.25%, plus an applicable margin of 3.75%. The LIBOR rate is the greater of the market LIBOR rate or 1.50% plus an applicable margin of 5.00%.

At June 30, 2012, total outstanding borrowings under the New Revolving Facility were \$0, and total available and unused borrowings were \$15,000.

New Senior Subordinated Credit Agreement

On December 16, 2011, the Successor Company entered into a Senior Subordinated Credit Agreement (the New Senior Subordinated Credit Agreement) to provide financing for certain transactions and provide ongoing working capital of the Successor Company. The New Senior Subordinated Credit Agreement in the original principal amount of \$65,000 is to be repaid June 16, 2017. This loan is subordinated to the Senior Credit Facility.

Interest on the Senior Subordinated Notes will be payable, at the election of the Successor Company (1) entirely in cash or (2) a portion in cash and a portion by increasing the principal amount of the outstanding notes (PIK interest). For interest payments on the New Senior Subordinated Credit Agreement that the Successor Company elects to pay entirely as cash interest, the cash interest will accrue at a rate equal to 12% per annum. For interest payments on the New Senior Subordinated Credit Agreement that the Successor Company elects to pay as a combination of cash interest and PIK interest, cash interest will accrue at a rate equal to 10% per annum and PIK interest will accrue at a rate equal to 2% per annum. For the period from December 17, 2011 through June 30, 2012, the Company elected to pay cash interest for all interest payments.

Predecessor Company

The Predecessor Company credit agreements described below were eliminated as part of the Acquisition.

Senior Credit Agreement

The Senior Credit Agreement was entered into with several financial institutions to finance certain transactions and to provide ongoing working capital to the Predecessor Company. On May 12, 2010, the Senior Credit Agreement was amended to increase the principal balance to \$100,000 and modify certain terms of the loan agreement. Per the amended agreement, the Predecessor Company was required to make quarterly payments of principal of \$625 which was reduced when the Predecessor Company made prepayments on the outstanding principal balance. The remaining outstanding balance was due upon maturity on October 15, 2014. The Senior Credit Agreement was collateralized by substantially all assets of the Predecessor Company.

Per the amended agreement, interest was due monthly and the Predecessor Company had the option for the interest rate to be based on prime rate plus an applicable margin or LIBOR plus an applicable margin. The prime rate is the greater of (a) the market prime rate, (b) the sum of 3.00% and the Federal Funds Rate, or (c) LIBOR plus the excess of 5.00% over 3.75%. The applicable margin on this rate is 3.75%. The LIBOR rate is the greater of the market LIBOR rate or 1.50%. The applicable margin on this rate is 5.00%. The prime rate at June 25, 2011, was 3.25% and LIBOR at June 25, 2011, was 2.00%, and, therefore, the interest rate was payable at the rate of 6.50% (prime rate of 3.25% plus 3.75%) or 7.00% (LIBOR rate of 2.00% plus 5.00%). The rate selected by the Company as of June 25, 2011 was 6.50%. Total outstanding borrowings under the Senior Loan were \$91,088 as of June 25, 2011. The outstanding borrowings are reduced by a debt discount which was recorded on May 12, 2010 and was being amortized to interest expense over the life of the loan. Amortization of the debt discount of \$2,500 related to the Senior Credit Agreement totaled \$271 and \$564 for the period from June 25, 2011 to December 16, 2011 and the period ended June 25, 2011, respectively.

The Senior Credit Agreement provided additional borrowings of \$5,000 through a Revolving Loan Commitment. The Predecessor Company had drawn \$0 against this facility as of June 25, 2011.

(in thousands, except for share and per share amounts)

The Predecessor Company had to deliver an excess cash flow calculation to the financial institutions related to the Senior Credit Agreement within five business days of the financial statements being issued. If the Predecessor Company had excess cash flow, the Predecessor Company would be required make prepayments on their outstanding principle balance. As of June 25, 2011, the Predecessor Company had excess cash flow and was required to make prepayments of \$5,487. This amount has been included in the current portion of long term debt as of June 25, 2011.

Priority Senior Subordinated Credit Agreement

The Priority Senior Subordinated Credit Agreement was entered into to finance certain transactions and provide ongoing working capital to the Predecessor Company. On May 12, 2010, the Priority Senior Subordinated Credit Agreement was amended to increase the principal balance to \$50,000 and modify certain terms of the loan agreement. Per the amended agreement, interest was due quarterly at a fixed rate of 13.00% with 1.00% as paid-in-kind interest, which was included in the amount owed under this agreement. This loan was to be repaid in full upon maturity on April 20, 2015. This loan was collateralized by substantially all assets of the Predecessor Company. This loan was subordinated to the Senior Credit Facility. The outstanding borrowings were then reduced by a debt discount of \$500 which was recorded on May 12, 2010, and was being amortized to interest expense over the life of the loan. Amortization of the debt discount related to the Priority Senior Subordinated Debt totaled \$47 and \$101 for the period from June 26, 2011 to December 16, 2011, and June 25, 2011, respectively.

Subordinated Note Purchase Agreement

The Subordinated Note Purchase Agreement was entered into to provide financing for certain transactions and provide ongoing working capital of the Predecessor Company. On May 12, 2010, the Subordinated Note Purchase Agreement was amended to modify certain terms of the agreement. On May 12, 2010, the Predecessor Company paid the outstanding principal and related accrued interest related to the original agreement, and then borrowed \$50,000 and certain terms of the loan agreement were modified. Per the amended agreement, interest was due quarterly at a fixed rate of 16.00% with 1.00% as paid-in-kind interest, which was included in the amount owed under this agreement. The entire principal balance plus accrued paid-in-kind interest was due in full on July 31, 2015.

Loan Covenants

The agreements for both Successor Company and Predecessor Company described above contain certain quantitative covenants related to fixed-charge coverage, total debt to earnings before interest, taxes, depreciation and amortization (EBITDA) and maximum capital expenditure limits. These loan agreements also contain various positive and negative operating and financial reporting covenants which are customary for such debt instruments. At June 30, 2012, and June 25, 2011, the Successor Company and Predecessor Company, respectively were in compliance with all covenants under the agreements discussed above.

(in thousands, except for share and per share amounts)

8 Income Taxes

Deferred tax assets and liabilities are comprised of the following at June 30, 2012, and June 25, 2011:

	Successor Company	Predecessor Company
	June 30, 2012	June 25, 2011
	(000)	(000)
	\$	\$
Deferred tax assets:		
Accrued liabilities	234	462
Accounts receivable	2,656	3,907
MAF fund balance	2,684	1,292
Net operating loss carryforwards	19,250	17,962
Deferred costs	144	267
Other deferred assets	890	380
Valuation allowance	-	(19,093)
	25,858	5,177
Deferred tax liabilities:		
Goodwill and intangible assets	85,864	35,987
Lease market adjustment	645	509
Deferred revenue	669	1,147
Other deferred liabilities	17	17
	87,195	37,660
Net deferred tax liability	(61,337)	(32,483)

The balance sheet classification of deferred tax assets and liabilities is as follows:

	Successor Company	Predecessor Company
	June 30, 2012	June 25, 2011
	(000)	(000)
	\$	\$
Deferred income tax assets - Current	2,890	4,369
Valuation allowance - Current	-	(3,437)
Deferred income tax liabilities - Current	(686)	(1,164)
Total current (liability) asset	2,204	(232)
Deferred income tax assets - Noncurrent	22,968	19,900
Valuation allowance - Noncurrent	-	(15,655)
Deferred income tax liabilities - Noncurrent	(86,509)	(36,496)
Total non-current (liability)	(63,541)	(32,251)
	(61,337)	(32,483)

(in thousands, except for share and per share amounts)

The provision for income taxes consists of the following:

	Successor Company	Predecessor Company	Predecessor Company
	Period from December 17, 2011, through June 30, 2012	Period from June 26, 2011, through December 16, 2011	Year ended June 25, 2011
	(000)	(000)	(000)
	\$	\$	\$
Current			
Federal tax expense	43	-	-
Foreign tax expense	129	129	57
State tax expense	78	78	311
Deferred	408	1,615	3,700
Total tax expense	658	1,822	4,068

The Company's effective tax rate for the Predecessor and Successor Company differs from the federal statutory rate primarily due to movements in the valuation allowance, certain permanent differences associated with transaction costs, and state income taxes. During the year ended June 30, 2012, the Company increased its net operating loss by \$5,800 due to current year taxable losses. During the period from June 26, 2011 through December 16, 2011, the Company increased its valuation allowance by approximately \$1,431, related to 1) remaining net operating loss carryforwards of \$50 million, that are not expected to be utilized to reduce future taxable income prior to their expiration, and 2) increases in deferreds for intangibles fully offset by valuation. At the date of the Acquisition based on the fair value of the assets acquired and the liabilities assumed, the Company was in a net deferred tax liability position, even after the exclusion of deferred tax liabilities associated with indefinite-lived intangibles. Because all deferred tax assets are expected to be fully offset by realizable deferred tax liabilities, it is no longer necessary to consider a valuation allowance at the Acquisition date. As of June 30, 2012, the Successor Company had federal and state operating loss carryforwards of \$51,000 and \$47,000 which begin to expire in 2025. As of June 30, 2012, the Successor Company had \$13,280 of goodwill that was deductible for tax purposes. The Company recognizes interest and penalties related to income taxes as a component of income tax expense.

9 Related-party Transactions

Under the Meineke Franchise and Trademark Agreement with franchisees, each franchisee and each company-owned shop is required to contribute weekly advertising funds to the applicable MAF. Meineke obtains various types of advertising on behalf of the MAF through various advertising agencies or service providers. The cost of this advertising is then billed to the MAF. Meineke receives a fee of 2.75% of MAF cash collections for administering the advertising and marketing programs funded by the MAF and for collecting fees on behalf of the MAF. During the period from December 17, 2011 to June 30, 2012 (Successor Company), June 26, 2011 to December 16, 2011 (Predecessor Company) and the period ended June 25, 2011 (Predecessor Company), these fees totaled \$482, \$460, and \$939, respectively. As of June 30, 2012, Meineke had a receivable of \$227 and a payable of \$257, respectively, related to the MAF for such services and advertising placed.

During December 2011, the Successor Company entered into an advisory services agreement with Harvest Partners, a shareholder, which provides that the Successor Company pay an annual advisory services fee to the shareholder in the amount of \$1,000. At June 30, 2012, there was \$41 included in accrued liabilities related to this agreement.

On October 21, 2008, the Predecessor Company entered into an advisory services agreement with Carousel Capital, a shareholder, which provides that the Company pay an annual advisory services fee to the shareholder in the amount of \$500. At June 25, 2011, there was \$125 included in accrued liabilities related to this agreement.

(in thousands, except for share and per share amounts)

The Successor Company's New Senior Subordinated Credit Agreement is partially with several stockholders of the Company (Note 7).

The Predecessor Company's Priority Senior Subordinated Credit Agreement was partially with several stockholders of the Company (Note 7).

10 Employee Benefit Plans

The Successor and Predecessor Company have a 401(k) plan that covers eligible employees as defined by the plan agreement. An employee is eligible to participate in the plan immediately upon employment. The plan permits a deferral of up to 25% of gross wages, with a company match of 50% of the first 6%. The Successor and Predecessor Company's contributions to the plan during the period from December 17, 2011 through June 30, 2012 (Successor Company), the period from June 26, 2011 through December 16, 2011 (Predecessor Company), and the year ended June 25, 2011 (Predecessor Company), were approximately \$150, \$152, and \$284, respectively.

11 Equity Agreements

Successor Company

In November 2011, Harvest Partners VI, LP entered into a limited liability company agreement (the Successor Agreement) as part of the establishment of the entity Driven Holdings, LLC, which was subsequently amended on December 16, 2011 (the Amended Successor Agreement) as part of the Acquisition. As part of the Acquisition, Driven Holdings, LLC acquired 100% ownership in the Company. The Amended Successor Agreement, among other things, established the ownership of certain membership units in Driven Holdings, LLC and defines the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Amended Successor Agreement calls for certain restrictions regarding transfers of units, corporate governance and Board of Director representation.

Predecessor Company

The Predecessor Company's stockholders and the Predecessor Company entered into a stockholders agreement dated October 21, 2008 (the Predecessor Agreement). The Predecessor Agreement confirmed certain aspects of their relationship as holders of common stock of the Predecessor Company. The Predecessor Agreement defined certain restrictions regarding transfer, both voluntary and involuntary, corporate governance and Board of Director representation. Additionally, the Predecessor Agreement called for rights of first refusal regarding sales of company stock for any shareholder other than the majority equity investor, preemptive rights for each eligible shareholder to purchase its proportionate share of any future offering and options to purchase company stock by the Company and other stockholders. Section 5.1 of the Predecessor Agreement indicated that if the majority owners of company stock approve an "Approved Sale," as defined by the Predecessor Agreement, all other stockholders are obligated to participate based on terms and conditions set out in Section 5.2 of the Predecessor Agreement. Section 8.1 of the Predecessor Agreement required the majority equity investor to approve certain fundamental corporate actions (i.e., mergers, acquisitions, dissolutions and voluntary bankruptcy proceedings).

12 Incentive Equity Plan

Successor Company

In December 2011, Driven Holdings, LLC established certain incentive equity units as part of the Amended Successor Agreement (the Successor Plan). The Successor Plan provides for grants of certain incentive units to employees, directors or consultants of Driven Holdings, LLC. Driven Holdings, LLC has approximately 203,820 common units reserved for issuance under the Successor Plan, with 33,970 reserved for each of the following types of units; Incentive Profits Interest-Time Based, Incentive Profits Interest-Time Based Catch Up, Incentive Profits Interest-Performance Based A, Incentive Profits Interest-Time Based Catch Up A, Incentive Profits Interest-Performance Based B, and Incentive Profits Interest-Time Based Catch Up B.

(in thousands, except for share and per share amounts)

The Incentive Units Profits Interest-Time Based units become vested and exercisable in five annual installments if the employee remains employed with the Company or any of its subsidiaries through each of the following vesting dates:

Vesting Date	Units Vested
December 31, 2012	20.0%
December 31, 2013	20.0%
December 31, 2014	20.0%
December 31, 2015	20.0%
December 31, 2016	20.0%

For the Incentive Profits Interest-Time Based units, upon the employee ceasing his or her employment with the Successor Company and its Affiliates for any reason or no reason, all of executive's unvested Incentive Profits Interests – Time Based will be forfeited; provided, however, that if a sale of the business occurs within six months following a termination of executive's employment without cause, all of the executive's unvested Incentive Profits Interests – Time Based shall vest.

All other units vest upon the sale of the business subject to certain conditions specified in the Amended Successor Agreement. An executive must be an employee of the Successor Company at the date of sale of the business or terminated employment without cause within 6 months of any future acquisition.

A summary of the status of the Successor Company's incentive unit plans is presented below:

	Incentive Profits Interest-Time Based	Weighted Average Exercise Price	Incentive Profits Interest-Time Based A	Weighted Average Exercise Price	Incentive Profits Interest-Time Based B	Weighted Average Exercise Price
		\$		\$		\$
Outstanding, December 17, 2011	-	-	-	-	-	-
Granted	31,544	14.61	31,544	14.14	31,544	12.04
Exercised	-	-	-	-	-	-
Forfeited/Cancelled	-	-	-	-	-	-
Outstanding, June 30, 2012	31,544	14.61	31,544	14.14	31,544	12.04

	Incentive Profits Interest-Time Based Catch Up	Weighted Average Exercise Price	Incentive Profits Interest-Time Based Catch Up A	Weighted Average Exercise Price	Incentive Profits Interest-Time Based Catch Up B	Weighted Average Exercise Price
		\$		\$		\$
Outstanding, December 17, 2011	-	-	-	-	-	-
Granted	31,544	291.97	31,544	78.68	31,544	66.64
Exercised	-	-	-	-	-	-
Forfeited/Cancelled	-	-	-	-	-	-
Outstanding, June 30, 2012	31,544	291.97	31,544	78.68	31,544	66.64

The Successor Company recognized approximately \$13 in compensation expense for the period from December 17, 2011 through June 30, 2012.

(in thousands, except for share and per share amounts)

The fair value of all incentive units granted was estimated using a Black-Scholes option pricing model using the following assumptions:

	Incentive Units
Annual dividend yield	0%
Weighted-average expected life (years)	4.00
Risk-free interest rate	0.58%
Expected volatility	60.00%

Predecessor Company

In November 2008, the Predecessor Company established the Driven Brands, Inc. Stock Option Plan (the Predecessor Plan). The Plan provided for grants of nonqualified or incentive stock options to employees, directors or consultants of the Predecessor Company. The Predecessor Company had approximately 8.4 million shares of common stock reserved for issuance under the Plan, with 5.5 million reserved for time-based vesting shares and 2.9 million reserved for performance-based vesting shares. All performance-based shares granted were designated as either Driven Brands or Maaco. Substantially all options granted under this plan had a strike price between \$1.29 and \$1.42. Expiration dates were determined at the date of the grant.

The time-based vesting shares became vested and exercisable in four annual installments through each of the following vesting dates:

Vesting Date	Shares Vested
November 1, 2009	25.0%
November 1, 2010	25.0%
November 1, 2011	25.0%
November 1, 2012	25.0%

All outstanding time-based vesting options under the Predecessor Plan were fully vested at the Acquisition date.

Certain Driven Brands and Maaco performance-based vesting shares became vested in prior years when certain defined performance and market conditions were achieved. All remaining unvested performance-based vesting shares became fully vested at the Acquisition date.

A summary of the status of the Predecessor Company's stock option plans is presented below:

	Time-Based Vesting Shares	Weighted Average Exercise Price	Performance-Based Vesting Shares	Weighted Average Exercise Price
		\$		\$
Outstanding, June 26, 2010	5,480,770	1.29	2,070,000	1.29
Granted	-	-	220,000	1.42
Exercised	-	-	-	-
Forfeited/Cancelled	-	-	(80,000)	1.32
Outstanding, June 25, 2011	5,480,770	1.29	2,210,000	1.30
Granted	-	-	802,103	1.42
Exercised	(5,433,351)	1.29	(3,012,103)	1.34
Forfeited/Cancelled	(47,419)	1.29	-	-
Outstanding, December 16, 2011	-	-	-	-

(in thousands, except for share and per share amounts)

The weighted-average fair value of options granted during the period ended December 16, 2011 and during the period ended June 25, 2011, was \$1.58 per performance-based option. The Predecessor Company recognized approximately \$2,597 in compensation expense for the period from June 26, 2011 through December 16, 2011, of which \$791 and \$1,806 related to the time-based and performance-based options respectively. The Predecessor Company recognized approximately \$1,020 in compensation expense for the year ended June 25, 2011, of which \$609 and \$411 related to the time-based and performance-based options, respectively.

The fair value of time-based and performance-based options granted during the period ended December 16, 2011 and during the year ended June 25, 2011 was estimated using a Black-Scholes option pricing model using the following assumptions:

Annual dividend yield	0%
Weighted-average expected life (years)	6.34
Risk-free interest rate	2.34%
Expected volatility	55.00%
Weighted-average fair value per option granted	\$1.58

13 Commitments and Contingencies

At June 30, 2012, and June 25, 2011, the Successor Company and Predecessor Company's subsidiaries had 174 and 191 noncancelable operating lease agreements, respectively, for the rental of office space, company-owned shops, office equipment and certain franchisee shops where the Subsidiaries entered into lease agreements with owners of real property in order to sublet the leased premises to its franchisees for purposes of operating Meineke and Econo shops. The Successor Company future minimum rental commitments under these operating leases with remaining terms in excess of one year and related sublease rentals are approximately as follows:

	Successor Company	
	Operating Leases	Sublease Rentals
	(000)	(000)
	\$	\$
2013	11,081	8,997
2014	8,407	6,709
2015	6,304	4,866
2016	4,919	3,232
2017	3,484	1,745
Thereafter	4,469	1,902
	38,664	27,451

Total rental expense for the period from December 17, 2011 through June 30, 2012 (Successor Company), the period from June 26, 2011 through December 16, 2011 (Predecessor Company), and the year ended June 25, 2011 (Predecessor Company), was approximately \$7,841, \$5,773, and \$14,731, respectively. This amount was partially offset by approximately \$6,561, \$5,149, and \$12,175 of sublease rental income received for the period from December 17, 2011 through June 30, 2012 (Successor Company), the period from June 26, 2011 through December 16, 2011 (Predecessor Company), and the year ended June 25, 2011 (Predecessor Company), respectively.

(in thousands, except for share and per share amounts)

The Successor and Predecessor Company's subsidiaries are parties to operating leases and subleases that contain escalating rentals. At June 30, 2012 and June 25, 2012 a deferred rent net asset of \$69, and a deferred rent net liability of \$510 was recorded in accrued liabilities and other assets in order to recognize the related rent expense and income on a straight-line basis over the lease term, respectively.

Legal actions incident to the ordinary course of business are pending against the Company or its subsidiaries. In the opinion of management, the eventual disposition of these matters will have no material adverse effect on the financial position, liquidity or results of operations of the Company.

14 Subsequent Events

The Company has performed an analysis of subsequent events and has concluded that there are no significant subsequent events requiring disclosure as of September 28, 2012, the date the financial statements were available to be issued.

Consolidated Financial Statements and Report of
Independent Certified Public Accountants

Driven Brands, Inc. and Subsidiaries

As of June 25, 2011, and June 26, 2010

Contents

Report of Independent Certified Public Accountants	1
Consolidated financial statements:	
Balance sheets	2-3
Statements of operations	4
Statements of shareholders' equity and comprehensive income/(loss)	5
Statements of cash flows	6
Notes to consolidated financial statements	7-21



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Report of Independent Certified Public Accountants

To the Stockholders and Board of Directors of
Driven Brands, Inc. and Subsidiaries:

We have audited the accompanying consolidated balance sheets of **Driven Brands, Inc. and Subsidiaries** (the Company) as of June 25, 2011, and June 26, 2010, and the related consolidated statements of operations, shareholders' equity and comprehensive income/(loss), and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Driven Brands, Inc. and Subsidiaries as of June 25, 2011, and June 26, 2010, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Charlotte, North Carolina
September 19, 2011

Consolidated balance sheets

	June 25, 2011	June 26, 2010
	(000)	(000)
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	6,145	3,579
Accounts and notes receivable, net of allowance	19,227	19,651
Inventory	981	932
Assets held for sale	667	865
Prepays and other assets	2,465	2,565
Deferred tax assets	-	1,310
Advertising fund assets, restricted	10,616	8,101
Total current assets	40,101	37,003
Accounts and notes receivable, net of allowance	5,303	4,235
Property and equipment, net	2,409	2,676
Debt issuance costs, net	804	1,014
Intangible assets, net	201,672	204,291
Goodwill	61,272	61,272
	311,561	310,491

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

Consolidated balance sheets (cont'd)

	June 25, 2011	June 26, 2010
	(000)	(000)
	\$	\$
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	2,834	5,284
Accrued expenses	9,911	5,957
Accrued interest	4,079	1,967
Current portion of long-term debt	7,887	2,500
Income tax payable	157	194
Deferred franchise revenue, net	1,682	1,950
Line of credit	-	3,000
Deferred tax liabilities	232	-
Advertising fund liabilities	11,708	11,672
Total current liabilities	38,490	32,524
Long-term debt	182,085	194,261
Deferred tax liabilities	32,251	30,093
Total liabilities	252,826	256,878
Shareholders' equity:		
Class A common stock (voting), \$.01 par value, authorized 60,000,000 shares; issued and outstanding 56,519,593 shares at June 25, 2011 and June 26, 2010	565	565
Class B common stock (nonvoting), \$.01 par value, authorized 12,461,152 shares; issued and outstanding 0 shares at June 25, 2011 and June 26, 2010	-	-
Additional paid-in capital	73,147	72,127
Retained deficit	(15,251)	(19,444)
Accumulated other comprehensive income	232	324
Noncontrolling interest	42	41
Total shareholders' equity	58,735	53,613
	311,561	310,491

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

Consolidated statements of operations

For the years ended	June 25, 2011	June 26, 2010
	<i>(000)</i>	<i>(000)</i>
	\$	\$
Revenue:		
Initial license fee income	2,456	2,412
Franchise fee income	56,000	53,825
Company-owned shop sales	11,733	13,037
Supply income	37,044	36,456
Shop rental income	12,175	12,595
Advertising	4,553	4,216
Other income	5,656	5,441
	129,617	127,982
Costs and expenses:		
Operating, selling and administrative expenses	49,582	49,853
Company-owned shop cost of sales	4,007	4,645
Cost of goods sold	30,986	31,134
Shop rental expenses	10,826	11,054
Depreciation and amortization	3,544	4,292
Lease amortization	248	248
Total cost and expenses	99,193	101,226
Interest expense, net	22,162	28,709
Loss on extinguishment of debt	-	8,363
Income (loss) before provision for income taxes	8,262	(10,316)
Provision for income taxes - Income tax expense	4,068	3,469
Net income (loss)	4,194	(13,785)
Less - Net income (loss) attributable to noncontrolling interest	1	6
Net income (loss) attributable to Driven Brands, Inc.	4,193	(13,791)

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

Consolidated statements of shareholders' equity and comprehensive income (loss)

	Driven Brands, Inc. Shareholders						
	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Deficit	Noncontrolling Interest	Total Equity
	(000)	(000)	(000)	(000)	(000)	(000)	(000)
	\$	\$	\$	\$	\$	\$	\$
Balance, June 27, 2009	565	-	71,129	89	(5,558)	35	66,260
Share-based compensation expense	-	-	998	-	-	-	998
Effect of adoption of ASC 740-10-25 (formerly referenced as FIN 48)	-	-	-	-	(95)	-	(95)
Net loss	-	-	-	-	(13,791)	6	(13,785)
Accumulated other comprehensive income, foreign currency translation adjustment	-	-	-	235	-	-	235
Balance, June 26, 2010	565	-	72,127	324	(19,444)	41	53,613
Share-based compensation expense	-	-	1,020	-	-	-	1,020
Net income	-	-	-	-	4,193	1	4,194
Accumulated other comprehensive loss, foreign currency translation adjustment	-	-	-	(92)	-	-	(92)
Balance, June 25, 2011	565	-	73,147	232	(15,251)	42	58,735

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

Statements of cash flows

For the years ending	June 25, 2011	June 26, 2010
	<i>(000)</i>	<i>(000)</i>
Cash flows from operating activities:	\$	\$
Net income (loss)	4,194	(13,785)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,418	5,575
Loss on extinguishment of debt	-	8,363
Paid-in-kind interest	1,016	9,523
Loss on disposal of property and equipment	-	1,088
Provision for deferred income taxes	3,700	3,298
Change in fair value of derivatives	6	(56)
Share-based compensation expense	1,020	998
Changes in assets and liabilities:		
Accounts receivable and notes receivable, net	(644)	(5,187)
Inventory	(49)	928
Prepays and other assets	94	(679)
Advertising fund assets	(2,515)	(2,567)
Deferred franchise revenue	(268)	(236)
Accounts payable	(2,450)	1,267
Accrued expenses	6,066	923
Income taxes payable	(37)	142
Advertising fund liabilities	36	1,482
Net cash provided by operating activities	14,587	11,077
Cash flows from investing activities:		
Purchases of property and equipment	(1,130)	(1,542)
Purchase of assets held for sale	(190)	(289)
Proceeds from sales of assets held for sale	860	441
Net cash used in investing activities	(460)	(1,390)
Cash flows from financing activities:		
Payment of deferred financing costs	-	(4,199)
Proceeds from the issuance of debt	-	116,070
Net borrowings on line of credit	-	3,000
Repayment of line of credit	(3,000)	-
Repayment of long-term debt	(8,469)	(128,579)
Net cash used in financing activities	(11,469)	(13,708)
Effect of exchange rate changes on cash	(92)	235
Net increase (decrease) in cash and cash equivalents	2,566	(3,786)
Cash and cash equivalents, beginning of year	3,579	7,365
Cash and cash equivalents, end of year	6,145	3,579
Supplemental cash flow disclosures - Cash paid for:		
Interest, net	18,845	18,266
Income taxes, net	409	135

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

Notes to consolidated financial statements

1 Description of Business and Summary of Significant Accounting Policies

Description of Business

Driven Brands, Inc. and subsidiaries (collectively referred to as the Company) comprises the worldwide operations of Meineke Car Care Centers (Meineke), Maaco Collision Repair and Auto Painting Centers (Maaco), Econo-Lube N' Tune (Econo), AutoQual, Aero-Colours and Tortal.net. (collectively, the Concepts). The Concepts develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. The Company has more than 1,500 units worldwide, with 96% located within the United States and the remainder located primarily in Canada and Mexico.

Meineke and Econo each provide automotive repair and maintenance services through retail locations. Maaco provides auto body repairs and painting services through retail locations. Aero-Colours and AutoQual provide automotive appearance services to new and used car dealerships through mobile vans. Tortal.net provides internet-based training courses to both the Company's subsidiaries and other unrelated organizations.

Basis of Presentation

The Company's fiscal year ends on the last Saturday of June. The 2011 current year started on June 27, 2010, and ended on June 25, 2011. The accompanying consolidated financial statements include the accounts of the Company and all entities required to be consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

Also included in the consolidated financial statements are the restricted assets and related liabilities of the Meineke Advertising Funds, revocable trusts, both U.S. and Canadian (the MAFs), which are administered by a third-party trustee, into which weekly advertising contributions made by Meineke franchisees are deposited.

Revenue Recognition

Initial license fee income is recognized when the franchised shop opens or after certain contractual obligations have been met. Franchise fee income is recognized in the periods that correspond to the periods when retail sales and revenues are recognized by franchisees. Company-owned shop sales are recognized when customer vehicles are repaired or serviced. Shop rental income is recognized on a straight-line basis and in accordance with underlying property lease terms. Advertising income is recognized in accordance with the fee agreements defined in the subsidiaries' franchise agreements. Paint and supply sale income is recognized upon the shipment of products to customers and franchisees. Other income primarily consists of gains on sales of company-owned shops and license and maintenance fees collected from franchisees as a result of providing and servicing proprietary software.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

(in thousands, except for share and per share amounts)

The Company maintains amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and the Company has not experienced any losses on such deposits.

Inventory

Inventory is stated at the lower of cost, as determined by the first-in, first-out method, or market.

Deferred Franchise Revenue and Costs

Revenue and costs relating to the sale of a franchise are deferred until the Company has substantially fulfilled its pre-opening obligations. These revenues and costs are presented net in the consolidated financial statements.

Accounts Receivable

Accounts receivable consist principally of amounts due related to the sale of equipment, supplies, advertising, and franchise fees. Accounts receivable are reported at their estimated net realizable value.

Notes Receivable

Notes receivable are primarily from franchisees and relate to financing arrangements for certain previously past due balances or to finance the sale of company-owned shops. The notes are typically collateralized by the assets of the franchisee shop with interest rates ranging up to 12% depending on the level of credit risk and payment terms. Interest income recognized on these notes is included in interest expense, net on the accompanying consolidated statement of operations.

Allowances for Doubtful Accounts

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts of accounts and notes receivable. The Company determines the allowance by considering a number of factors, including the length of time trade accounts receivable and notes receivable are past due, the Company's previous loss history, the customers' current ability to pay their obligations to the Company and the condition of the general economy and the industry as a whole. Receivables are written off based on individual credit evaluation and specific circumstances of the franchisee and customer. Management has set up an allowance for doubtful accounts of \$11,379 and \$10,852 at June 25, 2011, and June 26, 2010, respectively.

Shop Rental Agreements

Certain of the Company's subsidiaries are parties to leasing and subleasing agreements with third parties and their franchisees, respectively. The minimum rentals associated with these agreements are recognized as expense and income on a straight-line basis over the terms of the agreements.

Property and Equipment

Property and equipment are recorded at fair value at the date of acquisition plus the cost of additions and improvements that increase the useful lives of the assets. The cost and accumulated depreciation of assets retired or sold are removed from the related accounts; gains and losses are included in operating expenses. Maintenance and repairs are charged to expense as incurred. Depreciation is computed principally on the straight-line method over the estimated useful lives of the respective assets.

The average lives used in computing depreciation are as follows:

Furniture and fixtures	5 to 8 years
Computer equipment and software	3 years
Shop equipment	5 to 10 years
Leasehold improvements	5 years
Vehicles	5 years

(in thousands, except for share and per share amounts)

The Company assesses whether its long-lived assets are impaired by determining an impairment loss only if the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows based on an evaluation of undiscounted projected cash flows through the remaining amortization period. If impairment exists, the amount of such impairment is calculated based on the estimated fair value of the asset.

Internal Use Software

The Company amortizes the costs of computer software developed for internal use on a straight-line basis over its estimated useful life of eight years. The carrying value of internal use software is included in property and equipment on the accompanying consolidated balance sheets. No internal use software was capitalized during the years ended June 25, 2011, and June 26, 2010.

Intangible Assets

Intangible assets represent trademarks, royalty agreements, franchise agreements, software, noncompete agreements and copyrights. Intangible assets with an indefinite useful life are not amortized.

Indefinite lived intangible assets including goodwill are tested at least annually for impairment and impairment is deemed to exist if the net book value of the indefinite lived intangible asset exceeds its implied fair value. The Company performed its annual impairment review as of June 25, 2011.

Debt Issuance Costs

Debt issuance costs are amortized using the effective interest method over the estimated term of the related debt. Total debt costs originally capitalized were approximately \$7,532. The Company refinanced its debt in May 2010, and wrote off approximately \$5,382 of debt issuance costs under the guidance of ASC 860, "Transfers and Servicing". The Company recorded a loss on extinguishment of debt under the guidance of ASC 860 in the amount of \$8,363 for the year ended June 26, 2010. The Company capitalized costs relating to the refinancing and is amortizing these costs over the remaining life of the related debt using the effective interest method. Total debt issuance costs capitalized were approximately \$1,040. Amortization expense of approximately \$210 and \$1,205 was recorded for the years ended June 25, 2011, and June 26, 2010, respectively.

Estimated amortization for the next four years is summarized as follows:

	Amount
	\$
2012	210
2013	210
2014	210
2015	174
	804

Stock-based Compensation

The Company recognizes expense related to the fair value of stock-based compensation awards, including employee stock options, over the service period (generally the vesting period) in the consolidated financial statements. The Company recognizes compensation cost as an expense based on the grant-date fair value.

Fair Value of Financial Instruments

The Company has estimated 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. Notes receivable carrying value also approximates fair value due to interest rates that approximate market rates. The Company refinanced all debt instruments on May 12, 2010, and the carrying value is deemed to approximate fair value as of June 25, 2011, as certain of the instruments have variable interest rates and the fixed interest rates are reflective of current market rates.

Derivative Assets and Liabilities

The Company records all derivative instruments as either assets or liabilities on the accompanying balance sheets at their fair value. Changes in the fair value of a derivative are recorded each period in earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, depending on the type of hedge transaction. Ineffective portions, if any, of all hedges are recognized in current period earnings. As more fully described in Note 7 to the consolidated financial statements, the Company, in the normal course of business, enters into derivative financial instruments, principally interest rate caps, to manage interest rate risk.

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 adopted ASC 740, "Income Taxes" on June 28, 2009. ASC 740 clarifies the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. It also 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. Upon adoption, the Company recognized no adjustment in the amount of unrecognized tax benefits. The Company records any interest and penalties associated as additional income tax expense in the consolidated statements of operations. The adoption of ASC 740 in the prior year resulted in an adjustment to opening retained earnings in the amount of \$95. The Company recognized interest and penalties related to uncertain tax positions and recorded \$15 of unrecognized tax benefits for the year ended June 26, 2010. Based on management analysis, the Company does not believe any remaining unrecognized tax benefits significantly changed in the current fiscal year. Furthermore, the Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year. As of June 25, 2011, the Company's open tax years include fiscal 2004-2011.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 Company 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 recorded.

Concentration of Credit Risk

Financial instruments which subject the Company to concentrations of credit risks consist principally of cash balances, accounts receivable and notes receivable. As of June 25, 2011, and June 26, 2010, one individual franchisee, whose note originated from the acquisition of international franchise rights, represented approximately 5% and 11% of the outstanding notes receivables respectively.

Foreign Currency Translation

The Company's revenue, other than those of its Canadian subsidiaries, is denominated in U.S. dollars. For the Company's Canadian subsidiaries, assets and liabilities are translated at exchange rates prevailing on the balance sheet date, and income and expense accounts are translated at average exchange rates for the fiscal period. Currency translation adjustments are included in accumulated other comprehensive income.

Advertising

Advertising costs of the Company are expensed as incurred or the first time an advertisement takes place depending on the nature of the advertising expense. Advertising costs totaled \$1,425 during the period ended June 25, 2011, and \$1,998 during the period ended June 26, 2010, and are included in selling, general and administrative expenses on the accompanying consolidated statements of operations.

The franchisees of some of the Concepts are required to contribute advertising dollars according to the terms of their respective contract (either a percentage of sales or a defined weekly fixed amount) that are used for advertising the brand on a national and local basis. Econo franchisees make their advertising contributions directly to the franchisor, while Meineke franchisees make their contributions to either the U.S. or Canadian Meineke Advertising Fund (the MAFs). These two funds are revocable trusts, which are administered by a third-party trustee. Maaco franchisees make their contributions to the Printz Advertising Fund which in turn administers and distributes their advertising contributions directly to the franchisor.

Revenue and expenses related to these advertising collections and expenditures are not included in the Company's accompanying consolidated statements of income because the contributions to these advertising funds are designated for specific purposes. The advertising related assets and liabilities held by the MAFs and amounts related to the advertising payments of Maaco and Econo are considered restricted and disclosed on the Company's accompanying consolidated balance sheets.

In conjunction with their administration and placement of the advertising funds, the Company receives either an administrative fee or commission in accordance with the respective franchise agreement. These amounts are included in the Company's accompanying consolidated statements of operations as advertising fees.

(in thousands, except for share and per share amounts)

2 Accounts Receivable and Notes Receivable

At June 25, 2011, and June 26, 2010, accounts and notes receivable balances consisted of the following:

	June 25, 2011	June 26, 2010
	(000)	(000)
	\$	\$
Accounts receivable:		
Trade	26,000	26,093
Notes receivable - Trade	9,868	6,621
Total receivables	35,868	32,714
Less - Allowance for doubtful accounts	(11,338)	(8,828)
Current portion	(19,227)	(19,651)
Total receivables, long term	5,303	4,235

The Company earned interest income from the notes receivable of \$476 and \$340 for the periods ending June 25, 2011, and June 26, 2010, respectively.

3 Property and Equipment

Property and equipment at June 25, 2011, and June 26, 2010, is summarized as follows:

	June 25, 2011	June 26, 2010
	(000)	(000)
	\$	\$
Furniture and fixtures	1,525	1,412
Computer equipment and software	1,481	1,047
Shop equipment	1,346	1,618
Leasehold improvements	219	82
Vehicles	400	364
Total gross	4,971	4,523
Less - Accumulated depreciation	(2,562)	(1,847)
Total net	2,409	2,676

Depreciation expense for the periods ending June 25, 2011, and June 26, 2010, was \$925 and \$1,174, respectively.

4 Assets Held for Sale

During the period ended June 25, 2011, and June 26, 2010, the Company purchased certain shop-related assets and classified these assets as held for sale on the accompanying consolidated balance sheets. At June 25, 2011, and June 26, 2010, \$667 and \$865, respectively, of the assets purchased during the period remain held for sale. At June 25, 2011, held for sale assets are being actively marketed and management believes that their carrying value approximate fair market value. No depreciation has been recorded on these assets since they were initially classified as held for sale.

(in thousands, except for share and per share amounts)

The following table shows the fair value of the Company's non-financial assets and liabilities that are required to be measured at fair value as of June 25, 2011, and June 26, 2010.

Assets at Fair Value	As of June 25,	Quoted Prices in	Significant Other	Unobservable
	2011	Active Markets	Observable Inputs	Inputs
	(000)	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment (1)	667	-	667	-

Assets at Fair Value	As of June 26,	Quoted Prices in	Significant Other	Unobservable
	2010	Active Markets	Observable Inputs	Inputs
	(000)	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment (1)	865	-	865	-

- (1) Long-lived assets held for sale reflect the current sales price at which equipment is currently being marketed, less costs to sell.

5 Intangible Assets

Intangible assets as of June 25, 2011, consist of the following:

June 25, 2011	Gross Value	Accumulated Amortization	Net Value	Useful Life (Years)
	(000)	(000)	(000)	
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	1,740	(589)	1,151	8 years
Non-compete agreements	1,644	(1,504)	140	2-5 years
Franchise agreements	49,250	(5,809)	43,441	20-30 years
Intangible assets not subject to amortization:				
Trademarks	156,940	-	156,940	
Goodwill	61,272	-	61,272	
Total intangible assets	270,846	(7,902)	262,944	

(in thousands, except for share and per share amounts)

Intangible assets as of June 26, 2010, consist of the following:

June 26, 2010	Gross Value	Accumulated Amortization	Net Value	Useful Life (Years)
	(000)	(000)	(000)	
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	1,740	(372)	1,368	8 years
Non-compete agreements	1,644	(1,247)	397	2-5 years
Franchise agreements	49,250	(3,664)	45,586	20-30 years
Intangible assets not subject to amortization:				
Trademarks	156,940	-	156,940	
Goodwill	61,272	-	61,272	
Total intangible assets	270,846	(5,283)	265,563	

Future amortization expense on intangible assets is estimated to be approximately the amounts shown below:

	Amount
	(000)
	\$
2012	2,424
2013	2,424
2014	2,381
2015	2,363
2016	2,363
Thereafter	32,777
	44,732

During the periods ended June 25, 2011, and June 26, 2010, the Company had amortization expense of \$2,619 and \$3,093, respectively, and recorded no impairment loss on its indefinite lived intangible assets or goodwill. The fair value used to measure the impairments was based on a weighted calculation of a market multiple approach and an income approach using discounted cash flow modeling.

6 Long-term Debt

The Company's debt obligations consist of the following:

	June 25, 2011	June 26, 2010
	(000)	(000)
	\$	\$
Senior Credit Agreement	91,088	99,558
Priority Senior Subordinated Credit Agreement	50,571	50,063
Subordinated Note Purchase Agreement	50,571	50,063
	192,230	199,684
Less - Debt discount	(2,258)	(2,923)
Less - Current maturities	(7,887)	(2,500)
	182,085	194,261

(in thousands, except for share and per share amounts)

Senior Credit Agreement

The Senior Credit Agreement was entered into with several financial institutions to finance certain transactions and to provide ongoing working capital to the Company. On May 12, 2010, the Senior Credit Agreement was amended to increase the principal balance to \$100,000 and modify certain terms of the loan agreement. Per the amended agreement, the Company is required to make quarterly payments of principal of \$625 which is reduced when the Company makes prepayments on the outstanding principal balance. The remaining outstanding balance is due upon maturity on October 15, 2014. The Senior Credit Agreement is collateralized by substantially all assets of the Company.

Per the amended agreement, interest is due monthly and the Company has the option for the interest rate to be based on prime rate plus an applicable margin or LIBOR plus an applicable margin. The prime rate is the greater of (a) the market prime rate, (b) the sum of 3.00% and the Federal Funds Rate, or (c) LIBOR plus the excess of 5.00% over 3.75%. The applicable margin on this rate is 3.75%. The LIBOR rate is the greater of the market LIBOR rate or 1.50%. The applicable margin on this rate is 5.00%. The prime rate at June 25, 2011, and June 26, 2010, was 3.25% and LIBOR at June 25, 2011, and June 26, 2010, was 2.00%, and, therefore, the interest rate is payable at the rate of 6.50% (prime rate of 3.25% plus 3.75%) or 7.00% (LIBOR rate of 2.00% plus 5.00%). The rate selected by the Company as of June 25, 2011 and June 26, 2010 was 6.50%. Total outstanding borrowings under the Senior Loan were \$91,088 and \$99,558 as of June 25, 2011, and June 26, 2010, respectively. The outstanding borrowings are reduced by a debt discount which was recorded on May 12, 2010 and is being amortized to interest expense over the life of the loan. Amortization of the debt discount of \$2,500 related to the Senior Credit Agreement totaled \$564 and \$67 for the periods ending June 25, 2011, and June 26, 2010.

The Senior Credit Agreement provides additional borrowings of \$5,000 through a Revolving Loan Commitment. The Company had drawn \$0 and \$3,000 against this facility as of June 25, 2011, and June 26, 2010.

The Company must deliver an excess cash flow calculation to the financial institutions related to the Senior Credit Agreement within five business days of the financial statements being issued. If the Company has excess cash flow, the Company will be required make prepayments on their outstanding principle balance. As of June 25, 2011, the Company had excess cash flow and was required to make prepayments of \$5,487. This amount has been included in the current portion of long term debt as of June 25, 2011. As of June 26, 2010, the Company did not have excess cash flow and was, therefore, not required to make prepayments during the period as a result.

Priority Senior Subordinated Credit Agreement

The Priority Senior Subordinated Credit Agreement was entered into to finance certain transactions and provide ongoing working capital to the Company. On May 12, 2010, the Priority Senior Subordinated Credit Agreement was amended to increase the principal balance to \$50,000 and modify certain terms of the loan agreement. Per the amended agreement, interest is due quarterly at a fixed rate of 13.00% with 1.00% as paid-in-kind interest, which is included in the amount owed under this agreement. This loan is to be repaid in full upon maturity on April 20, 2015. This loan is collateralized by substantially all assets of the Company. This loan is subordinated to the Senior Credit Facility. The outstanding borrowings are then reduced by a debt discount of \$500 which was recorded on May 12, 2010, and is being amortized to interest expense over the life of the loan. Amortization of the debt discount related to the Priority Senior Subordinated Debt totaled \$101 and \$12 for the periods ending June 25, 2011, and June 26, 2010.

Subordinated Note Purchase Agreement

The Subordinated Note Purchase Agreement was entered into to provide financing for certain transactions and provide ongoing working capital of the Company. On May 12, 2010, the Subordinated Note Purchase Agreement was amended to modify certain terms of the agreement. On May 12, 2010, the Company paid the outstanding principal and related accrued interest related to the original agreement, and then borrowed \$50,000 and certain terms of the loan agreement were modified. Per the amended agreement, interest is due quarterly at a fixed rate of 16.00% with 1.00% as paid-in-kind interest, which is included in the amount owed under this agreement. The entire principal balance plus accrued paid-in-kind interest is due in full on July 31, 2015.

Loan Covenants

The agreements described above contain certain quantitative covenants related to fixed-charge coverage, total debt to earnings before interest, taxes, depreciation and amortization (EBITDA) and maximum capital expenditure limits. These loan agreements also contain various positive and negative operating and financial reporting covenants which are customary for such debt instruments. At June 25, 2011 and June 26, 2010, the Company was in compliance with all covenants under the agreements discussed above.

7 Derivatives

The Company has financial derivatives that are valued based on the prevailing market information on the date of measurement. Financial assets and liabilities are measured using inputs from three levels of the fair value hierarchy. The three levels are defined as follows:

- Level 1** – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. An active market is defined as a market in which transaction for the assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2** – Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (markets with few transactions), inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or are corroborated by observable market data correlation or other means (market corroborated inputs).
- Level 3** – Unobservable inputs, only used to the extent that observable inputs are not available, reflect the Company's assumptions about the pricing of an asset or liability.

The Company uses derivative financial instruments to manage market risks and reduce its exposure to fluctuations in interest rates with respect to its debt instruments. The Company has entered into a contract to effectively cap the interest rate paid on \$30,525 of debt for \$29. The contract has an escalating notional amount throughout the life of the contract, which became effective on August 12, 2010, and expires on May 12, 2013. Cash settlements are made quarterly on the 15th day of each April, July, October and January coinciding with the Senior Loan payments.

This interest rate cap is valued on a recurring basis at fair value and represents a Level 2 input as defined by ASC 820, "Fair Value Measurement". The estimated fair value of the contract is the estimated amount the Company would pay or receive to terminate the contract at the reporting date, taking into account current interest rates. The estimated fair value does not necessarily reflect the potential income or loss that would be realized on an actual settlement of the contract. The decrease in unrealized loss in the interest rate cap contract of \$6 and \$56 for the years ended June 25, 2011, and June 26, 2010, respectively, was recognized as an adjustment to interest expense in the accompanying consolidated statements of operations. The interest rate cap is recorded in other assets in the accompanying consolidated balance sheet. The Company records interest expense related to this contract as incurred.

(in thousands, except for share and per share amounts)

Derivatives at Fair Value	As of June 25,	Quoted Prices in Active Markets	Significant Other Observable Inputs	Unobservable Inputs
	2011	Level 1	Level 2	Level 3
	(000)	(000)	(000)	(000)
	\$	\$	\$	\$
Derivative assets - Interest rate cap	7	-	7	-
Derivative liabilities	-	-	-	-

Derivatives at Fair Value	As of June 26,	Quoted Prices in Active Markets	Significant Other Observable Inputs	Unobservable Inputs
	2010	Level 1	Level 2	Level 3
	(000)	(000)	(000)	(000)
	\$	\$	\$	\$
Derivative assets - Interest rate cap	1	-	1	-
Derivative liabilities	-	-	-	-

The fair value of the interest rate cap agreement is based on indicative price information obtained via a third-party valuation.

8 Income Taxes

Deferred tax assets and liabilities are comprised of the following at June 25, 2011, and June 26, 2010:

	2011	2010
	(000)	(000)
	\$	\$
Deferred tax assets:		
Accrued liabilities	462	631
Accounts receivable	3,907	4,156
MAF fund balance	1,292	400
Net operating loss carryforwards	17,962	16,527
Deferred costs	267	414
Other deferred assets	380	197
Valuation allowance	(19,093)	(12,966)
	5,177	9,359
Deferred tax liabilities:		
Goodwill and intangible assets	35,987	37,006
Lease market adjustment	509	578
Deferred revenue	1,147	540
Other deferred liabilities	17	18
	37,660	38,142
Net deferred tax liability	(32,483)	(28,783)

(in thousands, except for share and per share amounts)

The balance sheet classification of deferred tax assets and liabilities is as follows:

	2011	2010
	(000)	(000)
	\$	\$
Deferred income tax assets - Current	4,369	4,787
Valuation allowance - Current	(3,437)	(2,919)
Deferred income tax liabilities - Current	(1,164)	(558)
Total current (liability) asset	(232)	1,310
Deferred income tax assets - Noncurrent	19,900	19,192
Valuation allowance - Noncurrent	(15,655)	(11,701)
Deferred income tax liabilities - Noncurrent	(36,496)	(37,584)
Total non-current (liability)	(32,251)	(30,093)
	(32,483)	(28,783)

The provision for income taxes consists of the following:

	2011	2010
	(000)	(000)
	\$	\$
Current		
Federal tax expense	-	-
Foreign tax expense	57	156
State tax expense	311	15
Deferred	3,700	3,298
Total tax expense	4,068	3,469

The Company's effective tax rate differs from the federal statutory rate primarily due to movements in the valuation allowance, changes in the gross deferreds for intangibles, and state income taxes. During the period ended June 25, 2011, the Company utilized net operating loss carryforwards of \$900 to offset expected current year taxable income, and recorded valuation allowances of approximately \$6,127 related to 1) remaining net operating loss carryforwards of \$48 million, that are not expected to be utilized to reduce future taxable income prior to their expiration and 2) increases in deferreds for intangibles fully offset by valuation. The federal net operating loss carryforwards available to the Company begin to expire in 2025. The Company recognizes interest and penalties related to income taxes as a component of income tax expense.

9 Related-party Transactions

Under the Meineke Franchise and Trademark Agreement with franchisees, each franchisee and each company-owned shop is required to contribute weekly advertising funds to the applicable MAF. Meineke obtains various types of advertising on behalf of the MAF through various advertising agencies or service providers. The cost of this advertising is then billed to the MAF. Meineke receives a fee of 2.75% of MAF cash collections for administering the advertising and marketing programs funded by the MAF and for collecting fees on behalf of the MAF. During the periods ended June 25, 2011, and June 26, 2010, these fees totaled \$939 and \$875, respectively. As of June 25, 2011, Meineke had a receivable of \$234 and a payable of \$63, respectively, related to the MAF for such services and advertising placed.

On October 21, 2008, the Company entered into an advisory services agreement with Carousel Capital, a shareholder, which provides that the Company pay an annual advisory services fee to the shareholder in the amount of \$500. At June 25, 2011, and June 26, 2010, there was \$125 and \$0, respectively, included in accrued liabilities related to this agreement.

(in thousands, except for share and per share amounts)

The Company's Senior Subordinated Credit Facility is partially with several stockholders of the Company (Note 7).

10 Employee Benefit Plans

The Company has a 401(k) plan that covers eligible employees as defined by the plan agreement. An employee is eligible to participate in the plan immediately upon employment. The plan permits a deferral of up to 25% of gross wages, with a company match of 50% of the first 6%. The Company's contributions to the plan during the periods ended June 25, 2011, and June 26, 2010, were approximately \$284 and \$310, respectively.

11 Stock Option Plan

In November 2008, the Company established the Driven Brands, Inc. Stock Option Plan (the Plan). The Plan provides for grants of nonqualified or incentive stock options to employees, directors or consultants of the Company. The Company has approximately 8.4 million shares of common stock reserved for issuance under the Plan, with 5.5 million reserved for time-based vesting shares and 2.9 million reserved for performance-based vesting shares. All performance-based shares granted through year-end are designated as either Driven Brands or Maaco. Substantially all options granted under this plan have a strike price between \$1.29 and \$1.42. Expiration dates are determined at the date of the grant.

The time-based vesting shares become vested and exercisable in four annual installments if the employee remains employed with the Company or any of its subsidiaries through each of the following vesting dates:

Vesting Date	Shares Vested
November 1, 2009	25.0%
November 1, 2010	25.0%
November 1, 2011	25.0%
November 1, 2012	25.0%

All outstanding time-based vesting options under the Plan will become fully vested and exercisable in the event of a corporate transaction, as defined by the plan agreement.

The Driven Brands performance-based vesting shares become 100% vested and exercisable on November 1, 2016, if the employee remains with the Company or any of its subsidiaries through that date. The options may become vested and exercisable earlier than November 1, 2016, if certain defined performance and market conditions are achieved.

The Maaco performance-based vesting shares become 100% vested and exercisable on November 1, 2016, if the employee remains with the Company or any of its subsidiaries through that date. The options may become vested and exercisable earlier than November 1, 2016, if certain defined performance and market conditions are achieved.

(in thousands, except for share and per share amounts)

A summary of the status of the Company's stock option plans is presented below:

	Time-Based Vesting Shares	Weighted Average Exercise Price	Performance-Based Vesting Shares	Weighted Average Exercise Price
		\$		\$
Outstanding, June 27, 2009	5,480,770	1.29	2,360,000	1.29
Granted	-	-	60,000	1.29
Exercised	-	-	-	-
Forfeited/Cancelled	-	-	(350,000)	1.29
Outstanding, June 26, 2010	5,480,770	1.29	2,070,000	1.29
Granted	-	-	220,000	1.42
Exercised	-	-	-	-
Forfeited/Cancelled	-	-	(80,000)	1.32
Outstanding, June 25, 2011	5,480,770	1.29	2,210,000	1.30

The weighted-average fair value of options granted during the period ended June 25, 2011, was \$1.58 per performance-based option. The weighted-average fair value of options granted during the period ended June 26, 2010, was \$1.07 per performance-based option. The Company recognized approximately \$1,020 in compensation expense for the period ended June 25, 2011, of which \$609 and \$411 related to the time-based and performance-based options, respectively. The Company recognized approximately \$998 in compensation expense for the period ended June 26, 2010, of which \$406 and \$592 related to the time-based and performance-based options, respectively. The total unrecognized compensation cost for all options not yet vested is approximately \$1,389. Of the options granted, 1,660,000 of the performance-based options and 2,740,385 of the time based options were vested and exercisable as of June 25, 2011.

The fair value of time-based and performance-based options granted is estimated using a Black-Scholes option pricing model using the following assumptions:

	Performance- Based Vesting Options
For the period from June 27, 2010, through June 25, 2011	
Annual dividend yield	0%
Weighted-average expected life (years)	6.34
Risk-free interest rate	2.34%
Expected volatility	55.00%
Weighted-average fair value per option granted	\$1.58
For the period from June 28, 2009, through June 26, 2010	
Annual dividend yield	0%
Weighted-average expected life (years)	7.25
Risk-free interest rate	2.70%
Expected volatility	49.00%
Weighted-average fair value per option granted	\$1.07

(in thousands, except for share and per share amounts)

Stockholders Agreement

The Company's stockholders and the Company have entered into a stockholders agreement dated October 21, 2008 (the Agreement). The Agreement confirms certain aspects of their relationship as holders of common stock of the Company. The Agreement defines certain restrictions regarding transfer, both voluntary and involuntary, corporate governance and Board of Director representation. Additionally, the Agreement calls for rights of first refusal regarding sales of company stock for any shareholder other than the majority equity investor, preemptive rights for each eligible shareholder to purchase its proportionate share of any future offering and options to purchase company stock by the Company and other stockholders. Section 5.1 of the Agreement indicates that if the majority owners of company stock approve an "Approved Sale," as defined by the Agreement, all other stockholders are obligated to participate based on terms and conditions set out in Section 5.2 of the Agreement. Section 8.1 of the Agreement requires the majority equity investor to approve certain fundamental corporate actions (i.e., mergers, acquisitions, dissolutions and voluntary bankruptcy proceedings).

12 Commitments and Contingencies

At June 25, 2011, and June 26, 2010, the Company's subsidiaries had 191 noncancelable operating lease agreements for the rental of office space, company-owned shops, office equipment and certain franchisee shops where the Subsidiaries entered into lease agreements with owners of real property in order to sublet the leased premises to its franchisees for purposes of operating Meineke and Econo shops. Future minimum rental commitments under these operating leases with remaining terms in excess of one year and related sublease rentals are approximately as follows:

	Operating Leases	Sublease Rentals
	(000)	(000)
	\$	\$
2012	12,284	11,427
2013	10,250	9,079
2014	7,966	7,213
2015	5,935	5,126
2016	4,532	3,430
Thereafter	8,508	5,347
	49,475	41,622

Total rental expense for the periods ended June 25, 2011, and June 26, 2010, was approximately \$13,869 and \$14,842, respectively. This amount was partially offset by approximately \$12,175 and \$12,595 of sublease rental income received for the periods ended June 25, 2011, and June 26, 2010, respectively.

The Company's subsidiaries are parties to operating leases and subleases that contain escalating rentals. At June 25, 2011, and June 26, 2010, a deferred rent net liability of \$510 and deferred rent net asset of \$284, respectively, was recorded in accrued liabilities and other assets in order to recognize the related rent expense and income on a straight-line basis over the lease term.

Legal actions incident to the ordinary course of business are pending against the Company or its subsidiaries. In the opinion of management, the eventual disposition of these matters will have no material adverse effect on the financial position, liquidity or results of operations of the Company.

13 Subsequent Events

The Company has performed an analysis of subsequent events and has concluded that there are no significant subsequent events requiring disclosure as of September 19, 2011, the date the financial statements were available to be issued.

Maaco Franchising, Inc. (UNAUDITED)
Balance Sheet
as of June 30, 2012

Assets

Current assets:

Cash and cash equivalents	306,261
Accounts and notes receivable, net of allowance	14,531,356
Inventory	64,860
Assets held for sale	49,035
Prepays and other assets	1,098,113
Deferred tax assets	-
Advertising fund assets, restricted	-
Total current assets	16,049,625
Accounts and notes receivable, net of allowance	-
Property and equipment, net	401,162
Capitalized Buyer Costs	-
Debt issuance costs, net	3,931,503
Other assets	-
Intangible assets, net	151,466,915
Goodwill	32,276,596
	204,125,802

Liabilities and shareholders' equity

Current liabilities:

	-
Accounts payable	767,261
Accrued expenses	1,331,364
Accrued interest	-
Current portion of long-term debt	1,016,049
Income tax payable	256,429
Deferred franchise revenue, net	647,965
Line of credit	-

Maaco Franchising, Inc. (UNAUDITED)
Statement of Operations and Retained Earnings
For the year ended June 30, 2012

Revenue:

Initial license fee income	713,409
Franchise fee income	30,888,496
Company-owned shop sales	269,094
Supply income	38,773,896
Shop rental income	413,880
Advertising	3,132,048
Other income	697,574
	<hr/>
	74,888,398

Costs and expenses:

	-
Operating, selling and administrative expenses	60,900,829
Company-owned shop cost of sales	656,417
Cost of goods sold	7,465,625
Shop rental expenses	-
Depreciation and amortization	2,587,313
Transaction Costs	-
Lease amortization	-
	<hr/>
Total cost and expenses	71,610,185

Interest expense	5,312,385
Loss on extinguishment of debt	-
Loss before provision for income taxes	(2,034,172)
Provision for income taxes - Income tax expense	2,768,930
Net loss	(4,803,101)
Less - Net income attributable to noncontrolling interest	-
Net income (Loss)	(4,803,101)

EXHIBIT B-1
Franchised Centers
as of June 30, 2012

UNITED STATES OF AMERICA

Alabama (4)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Ingram Collision Center, Inc.	11373	2101 Miller Ferry Way SW, Huntsville, Alabama 35801-5363	(256)539-0156
Kenneth A Ingram Mary A. Ingram	11675	1308 Central Parkway, Decatur, Alabama 35601-4818	(256)351-6353
Edward L Bryson Vickie L Bryson	11874	564 N. Eastern Blvd., Montgomery, Alabama 36117-2239	(334)244-9300
Edward L Bryson Vickie L Bryson Christopher E. Bryson	12005	450 Ross Clark Circle, Dothan, Alabama 36303-5870	(334)793-2576

Arizona (10)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
MACKKS, Inc.	11376	7105 N. 51st Avenue, Glendale, Arizona 85301-2640	(623)842-1005
William D Cruce Marilyn A Cruce	11440	1693 West Grant Road, Tucson, Arizona 85745-1450	(520)629-0788
John J De Boer Lynn De Boer	11521	3113 East Main Street, Mesa, Arizona 85213-9503	(480)924-9280
Edward R Sommer	11870	3550 South Palo Verde Road, Tucson, Arizona 85706-5436	(520)629-0909
Dennis Noffz Toni Rae Noffz	12022	541 6th Street, Prescott, Arizona 86301-2013	(928)445-9191
Mascot AZ, LLC	12071	2124 East Van Buren, Phoenix, Arizona 85006-3042	(602)273-6129
John J De Boer Lynn De Boer	12165	1992 East University Drive, Tempe, Arizona 85281	(480)829-6875
Pat E. Johnstonbaugh Gwendolyn M. Johnstonbaugh	12291	2222 W. Deer Valley, Phoenix, Arizona 85027-1935	(623)581-0933
Richard Neimeyer Penny Neimeyer	12344	4000 North Arizona Avenue, Kingman, AZ 86409	(928)692-5190
Travis McQueary	12419	9 N. Roosevelt, Chandler, AZ 85226	(480)753-3220

Arkansas (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Mary V. Kemberly Dawson Amanda Nicole Dawson	11800	3672 West Sunset Avenue, Springdale, Arkansas 72762-4956	(479)872-1111
Mary V. Kemberly Dawson Amanda Nicole Dawson	12104	6101 W. 65th Street, Little Rock, Arkansas 72209-3835	(501)565-2222

California (40)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Ken D Sibley	10900	5925 Payton Avenue, Riverside, California 92504-1003	(951)354-6000
Scott W Jeffery Kirk M Jeffery	10913	112 Commercial Court, Santa Rosa, California 95407-6239	(707)578-8485
Arun K Sharma	11231	1571 Goodyear Ave., Ventura, California 93003-5761	(805)658-6691
The Ivie Group, Inc.	11392	801 Riverside Avenue, Suite R, Roseville, California 95678-4380	(916)782-6555
Michael M Murphy Peggy D Murphy	11431	6750 N. Blackstone Avenue, Fresno, California 93710-3506	(559)439-0339
Robert E Dewalt Diana R Dewalt	11434	454 Enterprise Street, Escondido, California 92029-1242	(760)741-5077
Nitin Patel Suhasini Patel	11441	1216 Arden Way, Sacramento, California 95815-3302	(916)565-2760
ABMAC Industries, Inc.	11536	275 Tully Road, San Jose, CA 95111	(408)279-5777
All Brite and New Auto Painting, Inc.	11614	2477 N. Wigwam Drive, Stockton, California 95205-2430	(209)546-1777
Gary W Jeffery	11632	3095 Sunrise Blvd., Rancho Cordova, California 95742-6502	(916)635-7776
Michael M Murphy Peggy D Murphy Steven Souza	11759	2356 N. Clovis Avenue, Fresno, California 93727-1213	(559)291-1111
Eric Chase Victoria J Chase	11767	5670 Kearny Villa Road, San Diego, California 92123-1110	(858)277-4250
Suhail Anwar Sameera Suhail	11848	2700 Florin Road, Sacramento, California 95822-4562	(916)427-6555
Richard O Tainter Diane E Tainter	12044	816 San Antonio Road, Palo Alto, California 94303-4617	(650)493-6110
Luigi F Cittadino Diana N Cittadino Iida C Vaja Emilio Vaja	12062	924 West 223rd Street, Torrance, California 90502-6023	(310)533-6023
George S. Lezon Heather C Fitzgerald Joel C. Fitzgerald	12066	36223 Plaza Drive, Cathedral City, California 92234-7388	(760)202-1411
Samuel M Hedgpeth, Iii Alene S Hedgpeth	12076	7215 Watt Avenue, North Highlands, California 95660-3209	(916)334-5556
Asam V Reynoso Rosa Isabela Garcia De Reynoso	12079	3470 East LaPalma, Anaheim, California 92806-2020	(714)632-5880
Robert Naber Henry Romero	12090	2076 Placentia Avenue, Costa Mesa, California 92627-3406	(949)548-3130
Cheri L Wardschenk Ruth K Wardschenk	12091	24801 Sunnymead Boulevard, Moreno Valley, California 92553-3795	(951)486-0065
Martin K Megnin	12103	10981 Boatman Avenue, Stanton, California 90680	(714)821-5151
David R Hamilton Marie A Hamilton	12107	1042 W. Evelyn Avenue, Sunnyvale, California 94086-5471	(408)739-3840
David D Co Victoria E Tram-co	12142	1942 National Avenue, Hayward, California 94545	(510) 785-8100
Kenneth R Woerz, Jr. Kandy K Woerz	12147	1120 Kansas Avenue, Modesto, California 95351-1526	(209)576-7722
Vincent J. Mcallister Kelly K. Mcallister	12179	777 Elmira Road, Vacaville, California 95687-5266	(707)451-6140
Peter J. Duenas Jacqueline D. Duenas	12196	250 San Leandro Blvd., San Leandro, California 94577	(510)562-3232
Jack W. Hester Lynette W. Hester	12240	4321 Stgine Road, Bakersfield, California 93313-2304	(661)833-1253
William F. Barnard	12242	37414 Centralmont Place, Fremont, California 94536	(510)745-9770
David Gutierrez	12248	44201 South Grimmer Blvd., Fremont, California	(510)656-8600

California (40)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
		94538	
Aria Julazadeh Kamran Chini	12250	9017 Arrow Route, Rancho Cucamonga, California 91730	(909)980-9444
Amal Dias Shamila J. Dias	12281	1041 Hensley Street, Richmond, California 94801	(510)232-2000
Elias Garcia Maria G. Maravilla	12300	600 Stockton Avenue, San Jose, California 95126	(408)947-9451
Derek Coombes Lorraine Coombes	12302	1055 Horizon Drive, Unit D, Fairfield, CA 94533	(707)422-7200
Phillip Boucher Annette Boucher	12319	1623 E. Main Street, Visalia, California 93292-6605	(559)622-9300
Vinee T. Mehta	12326	1039 West Main Street, Santa Maria, California 93458	(805)352-0095
Affan Topuzoglu	12332	1364 Camino Real, Suite 100, San Bernardino, California 92408	(909)381-3240
Norcal Automotive, LLC	12371	3045 Crossroads Drive, Redding, California 96003- 4604	(530)226-0992
Reza Hashemi	12374	3215 Production Avenue, Oceanside, CA 92054	(760)757-8964
Tiffany Chang	12378	8700 Garvey Avenue, Rosemead, CA 91770	(626) 280-2703
Peter Capdevielle	12423	23141 Orange Avenue, Suite L, Lake Forest, CA 92630	(949)855-41141

Colorado (11)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
CLAD Corporation	10216	6160 Federal Blvd., Denver, CO 80221	(303)423-6626
James O Powell James O. Powell, III	10707	4910 Oneida St, Commerce City, Colorado 80022- 4706	(303)289-5838
James E Bales Elaine Bales Mary Lou Bales	10850	3216 Chelton Circle, Colorado Springs, Colorado 80909-5216	(719)471-9060
Brian G Greenley	11008	8085 Blakeland Drive, Littleton, Colorado 80125- 9701	(303)791-1255
Ronald Vogel Judith Vogel	11032	2424 E. Colfax Ave., Denver, Colorado 80206-1405	(303)377-8817
John F Ambuul, Sr. James A. Ambuul	11207	392 East Garden Of The Gods Road, Colorado Springs, Colorado 80907-4218	(719)260-0285
Earl S Eller Julie Eller	11444	2926 North Avenue, Grand Junction, Colorado 81504- 5317	(970)241-5922
Russell S Gurr	11494	12500 W. Cedar Avenue, Lakewood, Colorado 80228-2016	(303)988-9262
David W. Haggard Leslie Joy Jeffers	12180	1901 Leroy Drive, Suite D, Northglenn, Colorado 80233-3635	(720)872-9480
Grant E. Mathers Carla J. Mathers	12304	1617 East Mulberry Avenue, Fort Collins, Colorado 80524-3521	(970)221-4601
Monika K. Coulson	12369	15608 E. 17th Avenue, Aurora, Colorado 80011- 4604	(303)367-9199

Connecticut (5)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Neil G O'Donnell	10223	31 Nutmeg Valley Rd, Wolcott, Connecticut 06716- 2621	(203)879-2596
Anthony Dandonoli	12225	991 Dixwell Avenue, Hamden, Connecticut 06514	(203)787-6550
BAM Auto, LLC	12232	550 N. Main Street, Manchester, Connecticut 06045	(860)647-9928
Craig D. Roseen/Yelena A.	12354	549 South Street, New Britain, Connecticut 06051	(860) 827-9580

Connecticut (5)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Roseen			

Delaware (3)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Craig Schlott	10001	2400 Gov Printz Blvd, Wilmington, Delaware 19802-4598	(302)762-5777
William H Jewell, Jr. Cynthia B Jewell	10904	729 Dawson Drive, Delaware Ind. Park, Newark, Delaware 19713-5800	(302)737-8460
Scott & Kimberly Koenig Nicholas Luppino	12309	1062 Lafferty Lane, Dover, Delaware 19901	(302)678-0271

District of Columbia (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
S. Earl Reynolds Yvette N. Reynolds Ear Jason Reynolds	12362	1913 Bladensburg NE, Washington, DC 20002	(202)552-1800

Florida (36)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Michael E Evers	10186	189 W. Burgess Road, Pensacola, Florida 32503-7110	(850)477-0317
Trevor Parker	10199	9133 Berry Avenue, Jacksonville, Florida 32211-8060	(904)721-1617
Trevor Parker	10643	5338 San Juan Ave, Jacksonville, Florida 32210-3142	(904)387-1664
Ivan Montoya Annabella Montoya	10842	5409 Anderson Road, Tampa, Florida 33614-5303	(813)885-1319
Harold Magaw Charles Magaw	10951	505 N Highway 17-92, Longwood, Florida 32750-4413	(407)699-5920
Curtis L Smith	11110	78 S. Irwin Avenue, West Melbourne, Florida 32904-6739	(321)951-4081
Christopher Miele	11152	712 Harper Street, Stuart, Florida 34994-3929	(772)283-5533
Scott Ebert Catherine W Ebert Todd E Heminger	11193	2100 South West Pine Avenue, Ocala, Florida 34474-5110	(352)867-7373
Lynn R Lommen	11235	1206 Flomich Avenue, Holly Hill, Florida 32117-1416	(386)677-5650
Bernard W Polidore Theresa A Polidore	11314	3500 Prospect Avenue, Naples, Florida 34104-3722	(239)643-1377
Steven T Gaffney	11558	4317 W. Pensacola Street, Tallahassee, Florida 32304-3711	(850)575-7124
William G. Zando Michel J. Zando	11738	310 Blanding Blvd., Orange Park, Florida 32073-4323	(904)272-4703
William P Fleschner, Jr.	11775	4672 South U.S. #1, Fort Pierce, Florida 34982-7004	(772)461-6212
Carl D Combs Livia A Combs Brian R Combs	11816	2409 E. Highway 92, Lakeland, Florida 33801-2649	(863)665-5644
Frank Furino	11845	917 Mercy Drive, Orlando, Florida 32808-7821	(407)297-8551
Steven Chertock Stacy Chertock	11965	245 North Congress Avenue, Delray Beach, Florida 33445-3418	(561)276-4545
Jose A. Gonzalez Planas	12001	12250 S. W. 117 Court, Miami, Florida 33186-5203	(305)233-1774
Marvin K King Pamela F King	12020	1378 South Volusia Avenue, Orange City, Florida 32763-7929	(386)774-6200

Florida (36)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Gregorio Delfin Salazar Pedro Luis Salazar	12021	1934 Church Street, West Palm Beach, Florida 33409-4162	(561)684-3980
Gregorio Delfin Salazar Pedro Luis Salazar	12134	1825 S. Powerline Road, Deerfield Beach, Florida 33442-8164	(954)429-0308
D.W. Klee, Inc.	12170	2120 Wiley Street, Hollywood, Florida 33020-6265	(954)921-5886
Alberto Figueroa Christy Figueroa Tairo Z. Vellojin Maria S. Vellojin	12181	2450 S. Military Trail, Unit 10, West Palm Beach, Florida 33415-7508	(561)969-7500
Frank Furino	12186	317 Clearlake Road, Cocoa, Florida 32922-6244	(321)631-9195
John Wendkos Susan Wendkos Beth McGucken Frank M. Delvecchio	12214	9808 Palm River Road, Tampa, Florida 33619-4438	(813)628-6868
Sharon T. Wilks Jason A. Wilks Jeffery A Wilks	12246	3222 North Main Street, Gainesville, Florida 32609- 2308	(352)371-4251
Kenneth S. La Greca Ronald A. Oliver Auria J. Oliver Timothy J. Ritchie Malinda Ritchie	12271	2530 East Irlo Bronson Memorial Hwy, Kissimmee, Florida 34744	(407)870-5203
Brian K. Hegwood Shanda B. Hegwood	12292	4401 U.S. Highway 19, New Port Richey, Florida 34652-5405	(727)847-9986
Ivan T. Evanoff Jacqueline Ortiz Paul La Fontaine Patricia E. Saa Ender Urdaneta Aida C. Cienfuegos	12299	10115 North West 79th Avenue, Hialeah Gardens, Florida 33016	(305)825-3313
Ivan Montoya Annabella Montoya Ivan J. Montoya Leslie Montoya Edmunod D. Lacayo	12303	1570 N. Washington Avenue, Sarasota, Florida 34236-2723	(941)951-2505
Robert & Kathy Wise	12317	4118 Fowler Street, Ft. Myers, Florida 33901-2610	(239)939-2155
Peachy Production, LLC	12347	11219 S. Orange Blossom Trail, Orlando, FL 32837	(407)850-4111
Richard Weisgold	12349	2903 9 th Street West, Bradenton, FL 34205	941/747-4007
Celtron, Inc.	12367	12810 49 th Street N, Clearwater, FL 33762	727/573-7636
Jonathan Washer	12413	1221 SE 9 th Terrace, Cape Coral, FL 33990	239/574-5001
Menth Enterprises, LLC	12428	2500 34 th Street North, Suite 2, St. Petersburg, FL 33713	727/525-5518
Francico A. Perez	12490	1721 E. Fowler Avenue, Tampa, FL 33612	813/972-3244

Georgia (20)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
James A Hurley Sharron Hurley James Barry Hurley Gerald H Hurley	11137	3143 Canton Highway, Marietta, Georgia 30066- 3812	(770)424-1999
Anthony M Meyers Pamela Meyers	11517	11265 Elkins Road, Roswell, Georgia 30076-1438	(770)442-8322

Georgia (20)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Christopher S Moore	11518	2007 East Victory Drive, Savannah, Georgia 31404-3700	(912)354-3814
Dilip I Patel Pushpa D Patel	11793	3965 Buford Highway, Atlanta, Georgia 30345-1646	(404)633-7400
William J English	11811	6050 Highway 29, Tucker, Georgia 30084-1832	(770)925-9130
Virainder Balayan Usha Hooda	11972	5392 Floyd Road, Mableton, Georgia 30126-2216	(770)739-7300
Robert J Colarusso Stephanie M Colarusso	11996	411 Pike Boulevard, Lawrenceville, Georgia 30046-4565	(770)963-8080
Frank H Carter Mary Drucilla Carter	12028	2375 West Broad Street, Suite c, Athens, Georgia 30605-3543	(706)546-4664
James Amburgey Carole Amburgey	12042	1960 Highway 138 NE, Conyers, Georgia 30013-1204	(770)761-9916
Emory Joe Anderson	12101	1200 Jesse Jewell Pky. SW, Gainesville, Georgia 30501-6163	(770)533-9594
Ali Kotadiya Seema Patel	12127	6850-A Buford Highway, Doraville, Georgia 30340	(770)441-0748
Victor R. Buch Patricia A. Buch	12206	3759 Martinez Boulevard, Martinez, Georgia 30907	(706)855-1187
William B. Grundmann Lori A. Grundmann Ricardo Grundmann	12217	8 Tower Place, Newnan, Georgia 30263	(770)251-7726
Aubert Myron Horton Wanda R. Horton	12275	3757 North Henry Blvd., Stockbridge, Georgia 30281	(770)507-6630
James & Joan Ergle	12314	Kennesaw, Georgia 30152	(770) 966-0151
James Amburgey Carol Amburgey	12379	8284 Tara Boulevard, Jonesboro, Georgia 30236	(770)478-7335
Huntford, LLC	12380	148 Challenger Court, Columbus, Georgia 31904-4400	(706)571-9500
Anthony S. Locke Angela M. Locke	12390	1350 S. Marietta Parkway, Marietta, Georgia 30067-7868	(770)421-1631
Jay Kempf Patricia Kempf	12406	3040 Highway 78, Snellville, Georgia 30078-7415	(770)972-9044

Hawaii (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Richard A Riley Carol H Riley	11909	98-746 Kuahao Place, Pearl City, Hawaii 96782-3125	(808)488-2222
Kaloko Auto Body, Inc.	12360	73-4820 Kanalani Street #7, Kailua Kona, HI 96740	(808)329-7776

Idaho (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Larry L Feigles Karen L Feigles Dennis C Gardner Doreen R Gardner	12088	9309 Fairview Avenue, Boise, Idaho 83704-8225	(208)376-4992

Illinois (14)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Paul Carnegie	10048	4748 N. Brandywine Drive, Peoria, Illinois 61614-5513	(309)685-4748
Wayne Munson Karla Munson	11106	976 River Lane, Loves Park, Illinois 61111-4713	(815)282-2900
Thomas Regas	11205	1026 Milwaukee Ave, Wheeling, Illinois 60090	(847) 541-2290
Vijay Patel Kapilaben Patel	11266	2115 Ogden Ave., Lisle, Illinois 60532-1508	(630)852-7220
Jagdish Patel Vijay Patel	11356	8383 S. South Chicago Avenue, Chicago, Illinois 60617	(773)933-7373
Ronald L Matthews Paula L Matthews	11647	14739 S. Greenwood Ave., Dolton, Illinois 60419-2223	(708)849-5800
Jagdish Patel Vijay Patel Mahendra Amin Narendra Patel	11657	6740 S. Western Avenue, Chicago, Illinois 60636-2415	(773)776-7374
Ghanshyam Patel Nainesh Vithalbhaj Patel Divyesh A Patel Jagdish Patel	11860	103 West Roosevelt, Villa Park, Illinois 60181-3542	(630)691-8855
Tamara K Renken Ronald L Thorp	11948	543 W. St. Louis Avenue, East Alton, Illinois 62024-1090	(618)258-1090
Jagdish Patel Shilpa Patel Sheetal Patel Smita Patel Anil V Patel Ghanshyam Patel Nainesh Vithalbhaj Patel	11993	255 W. Northwest Highway, Palatine, Illinois 60067-2412	(847)991-9970
Jagdish Patel Daksha J. Patel Jatin S. Patel Anokhi J. Patel Atul S. Desai Daxa A. Desai	12211	252 Commonwealth Drive, Carol Stream, Illinois 60188	(630)752-9240
Edward L. Wristen Rebecca S. Wristen Timothy D. Erwin Molly S. Erwin	12219	7218 Virginia Road, Crystal Lake, Illinois 60014	(815)477-0100
Klepec Enterprises, LLC	12229	3112 Normandy Rd, Springfield, Illinois 62703	(217) 585-9200
Engeman Franchising, Inc.	12230	4208 N. Illinois Street, Swansea, Illinois 62226	(618) 233-8060
Donald J. Cook Susan M. Cook	12283	1909 Plainfield Road, Crest Hill, Illinois 60435	(815) 744-0700
Jagdish Patel	12387	1716 E. Oakton Street, Des Plaines, IL 60018	(847) 390-0500
Paul Oushana	12395	4722 W. Harrison Street, Chicago, IL 60644	773/287-8800
Licocci, Inc.	12408	2826 Barney Court, McHenry, IL 60051	(815) 759-9999

Indiana (7)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Raymond P Bylinowski Kathryn L Bylinowski	11117	3115 Lafayette Road, Indianapolis, Indiana 46222-1303	(317)925-9900
Mohammed Y Sayyah	11155	5880 E. 71st Street, Indianapolis, Indiana 46220-4002	(317)842-3490
Vijay Patel Jagdish Patel Ghanshyam Patel	11297	747 65th Street, Schererville, Indiana 46375-1332	(219)865-1441
Mohammed Y Sayyah Sam J. Sayyah	11615	511-B E. Werges Street, Indianapolis, IN 46227	(317) 791-8888
Zeyad Y Abdulrazzaq	11888	501 N. Earl Street, Lafayette, Indiana 47904-2818	(765)448-4432
Osama M. Awad Hala Awad	12124	10501 East Washington Street, Indianapolis, Indiana 46229	(317)899-3100
Rickie L. Hensley Sally A. Hensley	12207	144 Chambeau Road, Ft. Wayne, Indiana 46805	(260)482-1000
Terrance A. Byrd Elvis Y. Byrd	12237	1502 Research Drive, Jeffersonville, Indiana 47130	(812)280-8400

Iowa (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Timothy Schmidt Patricia A Schmidt	10117	1998 NW 92nd Court, Clive, Iowa 50325-5454	(515)223-6037
David Wilson	11843	15 South 20th Street, Council Bluffs, Iowa 51501-3712	(712)323-3551

Kansas (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Roger Underwood Nina Underwood	10461	601 S E 45th Street, Topeka, Kansas 66609-1855	(785)862-0355
JD Automotive, LLC	11941	8787 Lenexa Drive, Overland Park, Kansas 66214-3236	(913)888-0770

Kentucky (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Jeanne Meek	10174	647 Kennedy Road, Lexington, Kentucky 40511-1820	(859)233-4284
Ervin Lee Mason	11928	7474 Industrial Road, Florence, Kentucky 41042-2916	(859)371-3331

Louisiana (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Mohammad Yasin Ali Ghzala M Ali Sadiq Ali	11642	1243-5 Veterans Blvd., Kenner, Louisiana 70062-5223	(504)468-1404

Maine (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Ashley W Pike	10056	24 Morrill Street, Portland, Maine 04103-3420	(207)878-9066

Maryland (15)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Louis Choporis Barbara I Choporis William G Choporis Sherrie Oldson Choporis Paul J Choporis	11209	111 Westhampton Place, Capitol Heights, Maryland 20743-3517	(301)808-3400
Edris Evans	11252	4030 North Point Blvd., Baltimore, Maryland 21222-3618	(410)477-2800
Erwin Belkov	11273	2730 Garfield Ave., Silver Spring, Maryland 20910-1813	(301)495-7314
Frederic J Berres	11281	9101 51st Place, College Park, Maryland 20740-1912	(301)345-7727
Anastasios Bournousouzis	11674	5600 York Road, Baltimore, Maryland 21212-3601	(410)433-4336
MDSI, Inc.	11762	2115 West Zion Road, Salisbury, MD US 21801	(410) 546-2662
Richard G Kandrick Beverly A Kandrick Danny J Wood Karen B Wood	11887	1101 Conrad Court, Hagerstown, Maryland 21740-5935	(240)420-0090
Stephen D Keel Terri B Keel	12037	1017 Leslie Avenue, Catonsville, Maryland 21228-2913	(410)744-1660
Todd R Squier Robert C Squier Judith K Squier Laurie L Squier	12118	640-646 S. Philadelphia Blvd., P.O. Box 638, Aberdeen, Maryland 21001	(410)273-7570
Jeffrey M. Frost Helene B. Frost Michael S. Frost Kerry Frost	12123	8660 Cherry Lane, Suite 1-3, Laurel, Maryland 20707	(301)490-3300
Koroush Shokouhi Anoushah Shokouhi	12241	701 East Gude Drive, Rockville, Maryland 20850	(301)340-1494
Farzadd Shoaaee-Tehrani Debra Shoaaee-Tehrani	12284	8184 Beechcraft Ave, Gaithersburg, Maryland 20879	(301) 355-7955
Henry D Taylor Sharon Taylor	12295	7361 Assateague Drive, Suite 1060, Jessup, Maryland 20794	(443)755-0690
Paul Faucheux Sandra Faucheux	12322	2756 Old Washington Rd, Waldorf, Maryland 20601	(301) 632-6666
Andrew J. Wise Nancy Wise	12328	140 S. Azar Avenue, Glen Burnie, Maryland 21060	(410)766-5373
Anastasios Bournousouzis	12437	2200 Greenspring Drive, Timonium, MD 21093	(443) 841-7292

Massachusetts (13)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Kristopher Ogonowsky	10019	444 Somerville Ave., Somerville, Massachusetts 02143-3215	(617)666-4882
Ralph Lancy	10239	47 River St, Dedham, Massachusetts 02026-2935	(781)329-7789
Rao R Punukollu Anna Punukollu	10773	154 Middlesex Street, N. Chelmsford, Massachusetts 01863-2028	(978)251-3000
James F Cavanaro	10861	1030 Morrissey Blvd., Boston, Massachusetts 02122-3121	(617)282-3400
Duncan M Prier	11064	84 Westgate Drive, Brockton, Massachusetts 02301-5208	(508)586-2800
Thomas E Kosowski Susan Kosowski	11083	81 West Street, Attleboro, Massachusetts 02703-1618	(508)226-6557
Joseph J Houghton	11269	78 Sylvan Street, W. Springfield, Massachusetts 01089-3444	(413)732-0086
Adel Dasmah	11575	874 Edgell Road, Framingham, Massachusetts 01701-3917	(508)877-4858

Massachusetts (13)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Joseph Cannistraro Marie Cannistraro	11682	58 Pulaski Street, Peabody, Massachusetts 01960-1800	(978)532-1420
David D Haluch	11752	586 Berkshire Ave., Springfield, Massachusetts 01109-1094	(413)785-1908
Timothy M Bowder Frank A Zincone, Jr.	11949	39 7th Street, Fall River, Massachusetts 02720-3017	(508)837-6300
Rudolph V Mosesso Linda Mosesso	12054	49 Potomska Street, New Bedford, Massachusetts 02740-5720	(508)996-9922
Andrew J. Kowalski Rosa C. Kowalski	12359	660 S. Union Street, Lawrence, Massachusetts 01843-3719	(978)688-5117

Michigan (13)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Mark Vitale	10069	25200 Northline Road, Taylor, Michigan 48180-4509	(734)946-7900
Kurt Seifert Kurt Seifert, Jr.	10852	10669 Northend, Ferndale, Michigan 48220-2136	(248)541-3147
Robert C Dobson Barbara M Dobson	10883	28460 Groesbeck Highway, Roseville, Michigan 48066-2329	(586)777-9400
Douglas W Parks	11261	2919 S. Martin Luther King Blvd., Lansing, Michigan 48910-2655	(517)887-1702
Kurt Seifert David F Golec	11472	550 West Maple, Troy, Michigan 48084-5403	(248)362-2233
Jess F Graves Lisa Marie Graves	11685	2330 East High Street, Micor Industrial Park, Jackson, Michigan 49203-3422	(517)783-2838
Randy L Dake Barbara J Dake	12077	2755 28th Street S. W., Wyoming, Michigan 49519-2109	(616)534-0305
Daniel B. Chasins Maria S. Chasins	12167	G3345 S. Dort Highway, Burton, Michigan 48529	(810)743-3400
Wilise Corp.	12239	1250 Cesar E. Chavez Avenue, Pontiac, Michigan 48340-2347	(248)874-1700
Allan L. Edwards Patricia R. Edwards	12276	14080 23 Mile Road, Shelby Twsp., Michigan 48315	(586)566-8200
Bradley & Susan Lee Joseph Bartley	12310	32754 West Eight Mile Road, Farmington, Michigan 48336-5106	(248)442-8510
Kurt Seifert	12316	32630 Ford Rd., Garden City, Michigan 48135	(734)522-1111
Ronald Eason and Jeffrey Boensch	12375	2758 McCarty Road, Sagnaw, Michigan 48603	(989) 791-7500

Minnesota (8)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Richard A Reeves	11262	3245 Country Drive, Little Canada, Minnesota 55117-1094	(651)484-8421
Charles P Liesenfeld Cathy J Liesenfeld	11970	12220 Riverwood Drive, Burnsville, Minnesota 55337-1511	(952)736-7991
Richard L Toboz Robin M Toboz	12081	81 E. Wentworth Avenue, West St. Paul, Minnesota 55118-3407	(651)455-0003
Mark A. Mckee Cynthia S. Mckee	12129	7004 Oxford Street, St. Louis Park, Minnesota 55426-4572	(952)925-3314
McClure Automotive, Inc.	12342	148 Osborne Ave., Fridley, Minnesota 55432-3120	(763)572-2222
Tamra Dmohoski	12345	8765 Jefferson Highway, Osseo, Minnesota 55369	(763)425-4497

Minnesota (8)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
KFE Enterprises, Inc.	12400	2005 East Lake, Minneapolis, Minnesota 55407-1999	(612)721-6448

Mississippi (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
John A Lazzarino Tammy S Lazzarino	11764	1915 Lincoln Road, Hattiesburg, Mississippi 39402-3216	(601)264-2000

Missouri (9)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Albert L Benedick, Jr.	11497	3905 Reavis Barracks Road, St. Louis, Missouri 63125-2309	(314)544-5300
Gary T Vinyard	11574	840 South Kirkwood Road, Kirkwood, Missouri 63122-6015	(314)821-4433
Robert C Mclaughlin Constance L Mclaughlin	12082	1405 W. Chestnut Expressway, Springfield, Missouri 65802	(417)831-4747
David L. Griffiths Amy Griffiths Jared W. McCart Susan L. McCart	12113	238 West 73rd Terrace, Kansas City, Missouri 64114	(816)333-7127
Semere T. Debesai Almaz B. Maherezgi	12131	5136 Southwest Avenue, St. Louis, Missouri 63110	(314)776-5955
Michael J Moody Beverly L. Moody Steven J. Moody	12176	2605 Hub Drive North, Independence, Missouri 64055	(816)478-6511
William J. Colabello Marie L. Colabello	12308	6117 North Lindbergh, Hazelwood, Missouri 63042-2806	(314)895-6262
Suresh Sreerameneeni	12415	7952 Veteran's Memorial Parkway, Saint Peters, MO 63376	(636)281-0083

Montana (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Timothy W Shilhanek Roxy F Shilhanek	12069	2475 Enterprise Avenue, Billings, Montana 59102-7425	(406)652-4022

Nebraska (3)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
John Rodis Pamela S Rodis	10192	2309 North 73rd St, Omaha, Nebraska 68134-7018	(402)392-1527
David Wilson	11549	1820 Cornhusker, Lincoln, Nebraska 68521-1848	(402)435-2081
Kennevan, LLC	12433	4505 South 84th Street, Omaha, Nebraska 68127-1710	(402)331-5350

Nevada (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Gerry P Tomac Barbara L Tomac	11358	2245 Harvard Way, Reno, Nevada 89502-4059	(775)825-5995
Robert Berlinger	11854	4120 East Craig Road, North Las Vegas, Nevada 89030-7598	(702)222-0484
Robert Berlinger	12492	4120 West Russell Rd, Las Vegas, NV 89118	(702) 625-6990

New Hampshire (0)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
N/A	N/A	N/A	N/A

New Jersey (25)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Mathew J Palmer	10097	1460 Prospect Street, Trenton, New Jersey 08638-4802	(609)883-8681
James Lasasso	10190	38 Old Camplain Road, Hillsborough, New Jersey 08844-4228	(908)526-3013
Charles Rechenberg Jack Rechenberg	10236	242 Dover Road, Toms River, New Jersey 08757-5142	(732)240-4626
Mark A Leifer Peter Reese	10277	101 Devins Lane, Pleasantville, New Jersey 08232-4109	(609)646-8125
Joel Schlachter Anita Schlachter David P Schlachter	10779	46 Central Avenue, Orange, New Jersey 07050-3802	(973)678-3900
The Estate Of A. & D. Klein	11088	230 Gloucester Pike, Lawnside, New Jersey 08045-1152	(856)546-8484
Richard S. Trawinski	11236	1299 State Hwy #88, Lakewood, New Jersey 08701	(732)905-2999
The Estate Of A. & D. Klein	11387	Rt. 38 & Rudderow Avenue, Maple Shade, New Jersey 08052-2618	(856)667-4500
Howard M Fairchild, Iii	11469	196 Fries Mill Road, Turnersville, New Jersey 08012-2023	(856)740-4915
Joseph E Karol Walter J. Karol Julie Karol	11488	123 Fifth Street, Saddle Brook, New Jersey 07663-6125	(201)843-3322
Gregory Vovchuk Leonid Gashkevich	11640	295 Route 46, Rockaway, New Jersey 07866-3823	(973)625-2424
William J Calamusa	11725	91 Route 46 East, P.O. Box 414, Pine Brook, New Jersey 07058-9609	(973)227-1210
Beth A Schlamme Scott J Bailey Mary Rose Bailey	11746	77 Highway 35, Keyport, New Jersey 07735-1128	(732)203-9333
Joseph V Vettorino	11784	5401 Tonnelle Avenue, North Bergen, New Jersey 07047-3096	(201)974-8830
Ronald M Raio Marie A Raio	11947	201 Carriage Lane, Delran, New Jersey 08075-1237	(856)461-9400
Muzamil Khan	12027	1130 Convery Blvd., Perth Amboy, New Jersey	(732)324-2222

New Jersey (25)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Shamin Khan Mudassir Khan		08861-1928	
Robert Bruno Lucille Bruno	12040	1101 Highway 33, Neptune, New Jersey 07753-5004	(732)774-5771
William M Palumbo Marie Palumbo William M Palumbo, Jr.	12098	1000 E. Elizabeth Avenue, Linden, New Jersey 07036	(908)486-0220
Samy A Ibrahim Lydia P Ibrahim Michael P Ibrahim	12150	17-H Edgeboro Road, East Brunswick, New Jersey 08816	(732)390-9266
Michael Wisniewski Daniel Wisniewski	12204	50-54 East 31st Street, Route 20 South & 10th Avenue Circle, Paterson, New Jersey 07514-1411	(973)278-6226
Emil Mikhail Ferial Mikhail	12212	224 Lincoln Blvd., Middlesex, New Jersey 08846-2305	(732)469-8222
J & J Collision Experts, Inc.	12293	500 Rt. 73 South, Berlin, New Jersey 08009	(856)809-1144
D. & G. Raftopoulos	12323	1515 Livingston Avenue, North Brunswick, New Jersey 08902	(732)249-1777
Perez Casado Enterprises, Inc.	12336	46 Gilbert St. South, Tinton Falls, New Jersey 07701-4916	(732)842-9202
Robert A. Bruno Corine M. Bruno Robert F. Bruno Lucille Bruno	12409	1035 Hudson Street, Union, New Jersey 07083	(908)687-7474

New Mexico (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
William A. Jackson Barbara A. Jackson William C. Jackson Michael A. Jackson	12141	4701 McLeod, Albuquerque, New Mexico 87109-2107	(505)883-7414
JLV Ventures, Corp	12324	1251 Veranda Road SE, Rio Rancho, New Mexico 87124	(505)891-2755

New York (10)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
John M Shultz Laraine M Shultz John M Shultz, Jr.	10815	2550 Richmond Terr., P. O. Box 237, Staten Island, New York 10303-0237	(718)816-5151
Michael C Ryan	10977	491 Central Avenue, Albany, New York 12206-2214	(518)482-0876
Yechiel Vadai	11082	212-50 Jamaica Ave., Queens Village, New York 11428-1618	(718)776-2000
Herman Baichan Ivan Baichan	11333	31-02 Northern Blvd., Long Island City, New York 11101-2818	(718)786-0966
Alexey Ugrinovskiy	11344	801 South Fulton Avenue, Mt. Vernon, New York 10550-4703	(914)664-1444
Michael C Ryan	11554	1741 Chrisler Avenue, Schenectady, New York 12303-1544	(518)372-4440
Kevin P Calnan Melissa M Fimognari	11634	28 Cannon Hill Drive, New Hampton, New York 10958	(845)374-2113
Jay Weinraub	11641	1768 East 49th Street, Brooklyn, New York 11234-3708	(718)253-8989
Charles Eric	12046	63 Polk Avenue, Hempstead, New York 11550-5415	(516)565-0800
Salvatore Berto	12189	4 Bethpage Road, Copiague, New York 11726	(631)841-4721

New York (10)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Teresa Berto			

North Carolina (13)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Phillip J Collins	11552	2200 N. Church Street, Greensboro, North Carolina 27405-4308	(336)691-0046
Michael P Maxwell Barbara A Maxwell	11573	8230 Chapel Hill Road, Cary, North Carolina 27513	(919)460-6650
Thomas J Almeter	11619	5753 N.Tryon Street, Charlotte, North Carolina 28213-6801	(704)596-5300
Phillip J. Collins	11652	135 Auto Park, Graham, NC 27253	(335) 222-9618
Phillip S Mabe Stacey L Mabe	11813	1650 Silas Creek Parkway, Winston-Salem, North Carolina 27127-3756	(336)777-1366
Phillip J Collins	11901	6315 South Blvd., Charlotte, North Carolina 28217-4442	(704)553-7078
Phillip J Collins	11969	110 Harley Road, Wilmington, North Carolina 28405	(910)798-0810
Kevin V Johnson	12006	2165 Skibo Road, Fayetteville, North Carolina 28314	(910)323-3141
Brian D. Davis Aimee F. Davis Hubert D. Fry, Iii	12068	1964 15th Avenue PL. SE, Hickory, North Carolina 28602-8339	(828)322-6171
Phillip J. Collins	12417	1406 Christian Street, Durham, North Carolina 27705-2989	(919)382-0660
Frank A Pugh Anna Renay Pugh	12096	108 Westover Drive, High Point, North Carolina 27265-2869	(336)889-8333
Frank P Mcfadden Pamela A Mcfadden	12111	8945 Covedale Drive, (near 9100 Monroe Rd.), Charlotte, North Carolina 28270-2129	(704)845-1600
Sigally T Cheek Stephen B Cheek	12119	1659 Old Haywood Road, Asheville, North Carolina 28806	(828)253-1050
Dwight E. Bubac Ryann J. Bubac Corey J. Bubac	12178	5100 Atlantic Avenue, Raleigh, North Carolina 27616-1868	(919)872-6380

Ohio (15)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Neil G Jones Dean E Price Kristi L Price	10028	3474 Needmore Rd., Dayton, Ohio 45414-4314	(937)236-6700
Michael W Young	10204	3545 Marine Drive, Toledo, Ohio 43609-1017	(419)381-1537
Robert A Miller	10897	2581 Ferris Road, Columbus, Ohio 43224-2593	(614)476-0170
Sankar Saha Anjana Saha	10956	3995 Commercial Blvd, Cincinnati, Ohio 45245-2146	(513)752-2720
Robert A Miller	11071	2497 Fairwood Ave., Columbus, Ohio 43207-2797	(614)491-9700
Robert A Miller	11169	6301 East Main St., Columbus, Ohio 43213-3360	(614)860-0035
Robert C Shriver Shirley L Shriver	11189	147 E. Waterloo Road, Akron, Ohio 44319-1215	(330)724-1399
Adam Yonkof	11551	1500 Bauer Blvd., Akron, Ohio 44305-4197	(330)733-6294
Chandrakant B Noticewala Damyanti C Noticewala	12086	5111 Springboro Pike, West Carrollton, Ohio 45439-2972	(937)299-0681
Michael W Lepore Kathryn M Lepore	12143	5236 Kennedy Avenue, Cincinnati, Ohio 45213-2620	(513)531-9900
Donald B. Ballah Lisa J. Ballah	12290	180 Millstone Lane, Amherst, Ohio 44001	(440)989-9955

Ohio (15)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Donald B. Ballah, Iii Kelly M. Ballah			
LDJ & Co., LLC	12298	552 Northland Blvd., Cincinnati, Ohio 45240-3213	(513)825-5100
Craig Mullett	12356	6623 Greenfield Circle NW, N. Canton, OH 44720	330-497-3355

Oklahoma (4)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Hugh Dooley Della Dooley	11021	11313 N. Broadway Ext., Oklahoma City, Oklahoma 73114-6601	(405)755-9144
Gary Butler Ana Butler	11664	400 East I-240, Oklahoma City, Oklahoma 73149-1613	(405)632-8838
William Lytle	11666	8100 North Rockwell, Oklahoma City, Oklahoma 73132-4215	(405)722-7000
Mary V. Kemberly Dawson Amanda Nicole Dawson	12043	9607 East 54th Street, Tulsa, Oklahoma 74145-8158	(918)665-6122

Oregon (4)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Jerry Winetrout Nicolle Cameron Craig Winetrout	10167	1465 Railroad Boulevard, Eugene, Oregon 97402-4119	(541)342-2128
Lewis Woods Teresa Woods	12334	2529 N. Ross Avenue, Portland, Oregon 97227	(503)281-3312
Strategic Ventures One, Inc.	12418	1300 NE Division Street, Gresham, Oregon 97030	(503) 618-6997
Automotive Innovation, Inc.	12420	15679 SE 135 th Avenue, Clackamas, Oregon 97015	(503)656-2320

Pennsylvania (18)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Janice K. Gilbert Alan Bailey	10047	158 Leader Heights Road, York, Pennsylvania 17402-4713	(717)741-0855
Alan Troutman	10112	2744 Easton Ave, Bethlehem, Pennsylvania 18017-4202	(610)866-7115
Anthony Koumaras	10684	502 Basin St, Allentown, Pennsylvania 18103-3337	(610)791-4311
Alan W Bailey Donna Bailey	10953	6498 Carlisle Pike, Mechanicsburg, Pennsylvania 17050-2387	(717)766-8501
Alan W Bailey Donna Bailey	11026	601 South 17th Street, Harrisburg, Pennsylvania 17104-2295	(717)232-4281
Athan G Dialectos Gretchen Dialectos	11555	3645 Pottsville Pike, Reading, Pennsylvania 19605-1719	(610)929-4417
David C Hamburg Sandra J Hamburg	11656	7001 Bristol Pike, Levittown, Pennsylvania 19057	(215)945-7910
Peter A Carrea Linda M Carrea Charles A Arnao	12097	6717 Essington Ave., Philadelphia, Pennsylvania 19153	(215)365-8300
Angelo A. Demarco Kathleen M. Demarco David R. Demarco Tina M. Demarco	12190	9909A Bustleton Avenue, Philadelphia, Pennsylvania 19115-1501	(215)676-2727
Keith Duffy Terri M. Duffy	12194	7673 Frankford Avenue, Philadelphia, Pennsylvania 19136-3634	(215)332-1000

Pennsylvania (18)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Kenneth R. Dickson Patricia A. Dickson	12203	412 Route 202, P.O. Box 521, Montgomeryville, Pennsylvania 18936	(215)362-2406
William E Silvershein Deborah E Silvershein	12215	90 Maaco Street, Pottstown, Pennsylvania 19464	(610)326-1551
Carole Smeltz Lloyd Smeltz	12325	2264 Monroeville Road, Monroeville, PA15146	(412)823-1634
Solomon Cramer	12329	1998 W. Harrisburg Pike, Middletown, PA 17057	717-944-0484
Akram Rihawi Lana Iskandarani	12352	246 E. County Line Road, Hatboro, PA 19040	215/839-3841
James P. Hammersla Linda Hammersla Ryan M. Hammersla Dustin Hammersla	12416	1277 Manheim Pike, Lancaster, Pennsylvania 17601-3121	(717)299-5778
FNM Coach Works, Inc.	12434	3344 Market Street, Aston, PA 19014	(610)497-3545

Puerto Rico (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Jaime J Mayorga Lizzette Perez Mayorga	11588	Kilometer 16.6, State Road, Toa Baja, Puerto Rico 00949	(787)251-4545
Narciso R Villafane Elvira Garayta Villafane	11771	1141 Avenue Houstos, Ponce, Puerto Rico 00717-0931	(787)842-7777

Rhode Island (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Jeffrey P Mocarsky	10833	501 Main Street, Pawtucket, Rhode Island 02860-2944	(401)726-8210
Kevin Villeneuve Davina Villeneuve	10987	1452 Park Ave., Cranston, Rhode Island 02920-6629	(401)943-1100

South Carolina (10)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
William C. Capel, Jr. Donnie B Jordan	11799	1405 Cherry Road, Rock Hill, South Carolina 29732-2550	(803)980-3440
Luke Mcclatchey Monique Mcclatchey	11868	350 N. Pleasantburg Drive, Greenville, South Carolina 29607-2126	(864)232-2811
Mitchell Calhoun Michael Calhoun	11934	610 W. Lucas Street, Florence, South Carolina 29501-2824	(843)667-1440
Fred S Defilippo Lorraine V Defilippo	11991	1974 Sam Rittenberg Blvd., Charleston, South Carolina 29407-4858	(843)763-0020
Joe Perry Johnson Iii Susanne Johnson	12083	1329 Highway 501, Myrtle Beach, South Carolina 29577	(843)839-9199
Millan V. Culver Kenneth E. Culver	12138	210 South Daniel Morgan Avenue, Spartanburg, South Carolina 29306-3214	(864)573-7111
Benji L. Currey	12185	1433A Pearman Dairy Road, Anderson, South Carolina 29625-2003	(864)224-8282
Fred S. De Filippo Lorraine V. De Filippo	12257	5786 Dorchester Road, North Charleston, South Carolina 29418-5523	(843)767-8565
Gerad Bush Melora Bush	12355	2465 Decker Boulevard, Columbia, SC 29206	(803) 736-0581
Community Automotive Services Corp	12399	103 Old Trolley Road, Summerville, SC 29485	(843) 419-8800

Tennessee (8)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Glacacam Co., LLC	10169	4005 Dodds Ave, Chattanooga, TN 37407-2713	(423)867-7134
Robert A White, Jr. Debbie O White	11372	5169 Hickory Hollow Pkwy., Antioch, TN 37013-3001	(615)731-8877
Kabiruddin Gilani	11662	5653 Mt. Moriah Road, Memphis, TN 38115-1602	(901)370-5999
Michael W Fredericks Melba M. Fredericks	11902	1419 NW Broad Street, Murfreesboro, TN 37129-1707	(615)867-1222
Sean C Baskin Linda T. Baskin	12026	1211 Foster Ave., Nashville, TN 37210-4496	(615)255-7471
James C Rollins Marlene Rollins James M Rollins	12087	907 Providence Blvd., Clarksville, TN 37042-4476	(931)906-9694
Michael C. Stephens Virginia A. Stephens Daniel J. Stephens Jessica N. Stephens	12247	6130 Western Avenue, Knoxville, TN 37921	(865)212-3299
Four Tees	12331	221 Nesbitt Lane, Madison, TN 37115	(615)457-1234

Texas (32)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
J E Pedigo Bobbie Pedigo Eddie C Pedigo Sharon Pedigo	11017	1010 Franklin Avenue, Waco, Texas 76701-1908	(254)756-7205
R H Williams Doris J. Williams	11050	5016 Airline Drive, Houston, Texas 77022-2607	(713)699-3821
Jayesh R Patel Jasvant C Patel Hasmukh R Patel	11385	917 East Walnut Street, Garland, Texas 75040-6611	(972)272-7535
Terry J Taylor Judy Taylor	11428	5625 Bellaire Blvd., Houston, Texas 77081-5617	(713)667-5464
Timothy A Honeycutt Pamela W Honeycutt	11582	1500 W. Polk Street, Pharr, Texas 78577-2129	(956)664-0405
Paul M Robertson Virginia Robertson Ben R. Dutton Cheryl R. Dutton	11742	3008 West Normandale (W. Loop 820), Ft. Worth, Texas 76116-6038	(817)560-8991
Jimmy F Kelley Glenda A Kelley	11744	2814 South Padre Island Drive, Corpus Christi, Texas 78415-1810	(361)854-4671
Steven E Lambert Michael Steven Lambert	11806	10200 N. Lamar Blvd., Austin, Texas 78753-3604	(512)821-2700
Frankie W Eustice Nelda Sue Eustice	11923	1300 South College, Bryan, Texas 77801-1209	(979)823-3008
Charles L Smith	11977	17107 Clay Road, Houston, Texas 77084-4016	(281)463-2345
Brian T Musfeldt Antoinette Musfeldt	11986	1440 N Beckley Avenue, Lancaster, Texas 75134-2602	(972)224-3909
Khalid Rizvi Rukhsana Khalid	12007	12050 Highway 6 South, Sugarland, Texas 77478-5728	(281)933-2323
Lonnie W Bliemeister Kathryn Bliemeister	12059	2434 North Story Road, Irving, Texas 75062-7068	(972)594-8301
APAI, LLC	12078	2115 Sadau Court, Denton, Texas 76205-4941	(940)565-9505
Mark I Medina Catherine A Medina	12089	7229 S. Hulen Street, Fort Worth, Texas 76133-6618	(817)263-6398
James A Devitt Melinda J Devitt	12092	1808 Jacquelyn, Houston, Texas 77055-2548	(713)680-2277
Mahesh D. Rohra Sandeep G. Parmekar Suneeta Parmekar Pooja M. Rohra	12116	10807 Harry Hines Blvd., Dallas, Texas 75220	(214)351-2800

Texas (32)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
John M. Forney Deborah F. Forney	12125	4195 Spencer Highway, Pasadena, Texas 77504	(713)947-3260
Roy A Seay Sheila R Seay Mary Yvonne Davidson	12130	5721 Genoa Avenue, Lubbock, Texas 79424	(806)792-1570
Jeffrey W Hawkins Julia A Hawkins	12139	4103 Linbergh Drive, Addison, Texas 75001	(972)702-8877
Anastasio E Favila Anita Q Favila	12140	3308 E. Pioneer Parkway, Arlington, Texas 76010	(817)385-3900
R H Williams Doris J. Williams Andrew H. Williams	12171	13501 Westheimer Street, Houston, Texas 77077-3405	(281)493-4510
Sasidharan T. Nair Sudha S. Nair	12220	1025 N. Main Street, Fort Worth, Texas 76106	(817)740-2217
James J. Miller Kimberly A. Gehring	12256	1002 N. Twin Creek, Killeen, Texas 76543	(254)526-4079
Michael J. Garretson Rita L. Garretson	12273	13310 Fondren Road, Houston, Texas 77085	713-728-2000
Terry J Taylor Judy Taylor	12306	9350 FM 1960 West, Houston, Texas 77070-6209	(281)890-2222
Syed Hussain	12318	3560 Old Spanish Trail, Houston, Texas 77021	(713)741-7444
Preservation Enterprises, Inc.	12338	732 Round Rock Avenue, Round Rock, TX 78681	Unknown
SMB Auto Group, LLC	12346	510 South Mason Road, Suite S-1, Katy, TX 77450	832/437-4665
Teyac, Inc.	12370	2235-37 Michigan Ave., Arlington, Texas 76013-5916	(817)274-2262
Manuel Buchanan Leopoldo Buchanan	12405	8418 Broadway Street, San Antonio, TX 78209	(210) 805-9990
KSP Holdings, LLC	12429	3200 Decker Dr, Baytown, TX 77520	(281) 422-2100
Javed Hasim	12440	3423 ½ FM 1960 Road West, Humble, TX 77338	(281) 821-1771

Utah (7)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Steven L Long Lisa Long	10393	3403 South 300 West, Salt Lake City, Utah 84115-4307	(801)487-9978
Unicorn Auto Paint, LLC	11290	8411 S. State Street, Sandy, Utah 84070-1035	(801)255-7799
Bruce T Keetch Yvonne U Keetch	11841	1275 East Red Hills Parkway, St. George, Utah 84770-3213	(435)652-9370
Patrick H Kenny, Iii Evelyn L Kenny	12030	1305 West Hill Field Road, Layton, Utah 84041-4647	(801)444-3757
Bruce T Keetch Yvonne U Keetch	12049	574 N. State Street, Orem, Utah 84057-3804	(801)224-9911
Paul Mortenson Erik Mortenson	12425	710 N. Main Street, Smithfield, UT 84335	(435)563-1222
Brian David David Hill Clark Van Orden	12430	357 East 900th South, Provo, Utah 84606-61008	(801)377-2827

Vermont (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Michael Fortuna Susan Fortuna	12095	1891 Williston Road, South Burlington, Vermont 05403-60076	(802)862-0008

Virginia (20)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Alfred J Inge	10669	2207 Smith Avenue, Chesapeake, Virginia 23320-2525	(757)424-2003
Kenneth J Denton Crystal J Denton Gerald Dean Myers Carolyn W. Myers	10687	9407 Old Staples Mill Road, Richmond, Virginia 23228-2028	(804)264-2733
Dale Blankenship Regina Blankenship	10875	827 W. Pembroke Ave., Hampton, Virginia 23669-3326	(757)723-0765
James Lee Jae Sung Lee	11001	7661-B Fullerton Road, Fullerton Industrial Park, Springfield, VA 22153	(703) 455-0003
Colm Murtagh Joan E Murtagh	11339	2809 Dorr Avenue, Fairfax, Virginia 22031-1562	(703)573-3972
Kenneth J Denton Crystal J Denton	11343	3318 West Broad, Richmond, Virginia 23230-5008	(804)355-6500
Lawrence F Hewitt Betty B Spalding	11533	3641 Bonney Road, Virginia Beach, Virginia 23452-4042	(757)463-1195
Kenneth J Denton Crystal J Denton	11569	863 Research Road, Richmond, Virginia 23236-3925	(804)794-9714
James B Wagner, Jr. Paulette A Wagner Frank Felle Lisa Felle	11661	40 Seyler Drive, Petersburg, Virginia 23805-9244	(804)861-4330
Danny J Wood Karen B Wood Richard G Kandrick Beverly A Kandrick	11726	240 Prosperity Drive, Winchester, Virginia 22602	(540)868-9511
Frank A. Felle Lisa Felle	11755	11820 Jefferson Davis Highway, Chester, Virginia 23831-2307	(804)748-9872
John F Nichols Patricia Hall Nichols Brian Nichols	11788	3308 Route 29 North, Danville, Virginia 24540-1440	(434)836-9101
John F Nichols Patricia Hall Nichols Jefferson D Nichols	11892	1100 Kemper Street, Lynchburg, Virginia 24501-1800	(434)846-8553
Kenneth J Denton Crystal J Denton Candis Denton Hanson Butler Dawn Butler	11958	3737 Hull Street, Richmond, Virginia 23224-3448	(804)231-9353
James V Ognibene Kathleen M Ognibene	12114	4600 Lassen Lane, Fredericksburg, Virginia 22408-4202	(540)891-0101
Steven D. La France	12192	21585 Cedar Lane, Unit B, Sterling, Virginia 20166	(703)430-5824
Aijaz Kazilbash Parveen Kazilbash	12312	9093 Mathis Avenue, Manassas, Virginia 20110	(703) 368-2221
Peter Uzdavinis	12361	1321 Daimond Springs Road, Virginia Beach, VA 23455	757/464-2980
Shore Capital, LLC	12391	3937 Turnpike, Portsmouth, Virginia 23701-2937	(757)399-7400
David Walker Bruce Windish	12431	1457 Harpers Road, Virginia Beach, Virginia 23454	(757)425-5600
Robert Belcher Brenda Belcher	12498	1711 Williamson Rd NE, Roanoke, VA 24012	540/981-1610

Washington (17)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Scott W White Jenine White	11216	13646 First Ave., S, Burien, Washington 98168-3404	(206)246-9990
Thomas Nugent	11401	3502 South Pine Street, Tacoma, Washington 98409-5703	(253)472-6511

Washington (17)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
David E Konkle Kathy R Konkle	11421	739 9th Avenue North, Seattle, Washington 98109-4309	(206)282-0150
Edward N Pugh, Jr. Cynthia M Pugh	11637	911 Union Avenue, Bremerton, Washington 98312-4380	(360)373-0577
Michael E Scroggins Johnny A Scroggins, Sr. Sharon Scroggins	11753	8605 W. Clearwater Avenue, Kennewick, Washington 99336-9572	(509)783-3196
Jeffrey J Johnson Michelle E Johnson	11931	16011 E. Sprague Avenue, Spokane Valley, Washington 99037-8903	(509)755-0404
Glenn A Miller Linda H Higgons	11952	2735 NE Andresen Road, Vancouver, Washington 98661-7317	(360)254-0555
Jon E. Veenendaal Vicki Veenendaal	12169	19217 Aurora Avenue North, Shoreline, Washington 98133	(206)546-9322
Vinh Pham Hongdiem Tran	12195	9505 Evergreen Way, Everett, Washington 98204-7136	(425)347-8555
Jayson A. Peredo Jessica V. Peredo Leonard D. Peredo Christine H. Peredo	12236	355 Treck Drive, Tukwila, Washington 98188	(206)575-2202
David E Konkle Kathy R Konkle	12244	32828 Pacific Highway S., Building C, Federal Way, Washington 98003-6408	(253)838-6850
Michael E. Phillips Priscilla E. Phillips	12252	12314 Meridian Street East, Puyallup, Washington 98373-5061	(253)845-2026
Vinh Pham Hongdiem Tran	12287	1400 132nd Avenue, NE, Bellevue, Washington 98005-2271	(425)455-0447
Vinh Pham Hongdiem Tran	12398	1515 low Street, Bellingham, Washington 98229	(360) 393-3638
MPSP, LLC	12404	422 E Francis Ave, Spokane, Washington 99208-1037	(509)483-8528
Vinh Pham Thomas Nugent	12421	1020 Central Avenue South, Kent, Washington 98032	(253)520-7777

West Virginia (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Joseph D Lile, li Laurie L Lile	12080	6124 MacCorkle Avenue, St. Albans, West Virginia 25177-2335	(304)766-6155

Wisconsin (6)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Michael E Moser Debra L Moser	11856	4416 Pflaum Road, Madison, Wisconsin 53716-2871	(608)222-0808
John Bluemel Laurie Bluemel	12407	13306 W. Silver Spring Road, Menomonee Falls, Wisconsin 53051	(262)783-5447
Hector O Loyo Julie L Loyo Gary M. Zaroni Catherine Zaroni	12050	2775 S. 166th Street, New Berlin, Wisconsin 53151-3501	(262)784-9540
Donald J Wesolowski Maria P Wesolowski	12137	4128 South 13th Street, Milwaukee, Wisconsin 53221	(414)282-4567
Kim G. Lunderskov Nancy L. Foster	12251	2617 Lathrop Avenue, Racine, Wisconsin 53405	(262)619-0600
Peltridge Auto Painting, Inc.	12353	N. 240 Stoney Brook Road, Appleton, WI 54915	920-380-2000

US

Total franchisee owned:

**INTERNATIONAL
Franchised Centers
as of June 30, 2012**

Canada

Alberta (5)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Clifford J. Fehr Trent Fehr	10648	8803 51 st Avenue, Edmonton, Alberta T6E 5H1	(780)465-6521
Donald G Severin George M Severin	11079	2115 30th Avenue NE, Bay #7, Calgary, Alberta T2E 6Z6 CANADA	(403)250-1100
Scott Deis Chris Belfour	11460	9110 Yellowhead Trail, Edmonton, Alberta T5B 1G2 CANADA	(780)474-7300
Carmello Mirante Nick Mirante Walter Mirante	12014	11459 - 156th Street, Edmonton, Alberta T5M 3N2 CANADA	(780)453-3953
Brad Milligan	12264	6439 67th Street, Red Deer, Alberta T4P 1A3 CANADA	(403)346-2330

British Columbia (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
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British Columbia (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Gregg R Reese	11457	3281 Sexsmith Road, Kelowna, British Columbia V1V 1L5 CANADA	(250)765-0120
Daniel D. Eggen	12262	20109 Login Avenue, Unit #1, Langley, British Columbia V3A 4L5 CANADA	(604)514-9860

Manitoba (1)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Rod J Shwaykosky	11230	983 Wall Street, Winnipeg, Manitoba R3G 2V4 CANADA	(204)775-8945

Nova Scotia (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Donald M Mackay Wade Mackay Darrell Mackay	11455	201 Joseph Zatzman Drive, Dartmouth, Nova Scotia B3B 1R5 CANADA	(902)468-1742
Donald M Mackay Wade Mackay Darrell Mackay	11834	28 Ashland Couret, Halifax, Nova Scotia B3S 1B7 CANADA	(902)454-4774

Ontario (19)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Morris Lawson	10212	361 Grays Rd, Hamilton, Ontario L8E 2Z1 CANADA	(905)560-9744
Willis J Allen	10944	1440 Cyrville Road, Ottawa, Ontario K1B 3L9 CANADA	(613)744-0163
Scott Dance	11024	9 Ceasar Avenue, Nepean, Ontario K2G 0A8 CANADA	(613)224-9932
Gary Mcpherson	11829	45 Otonabee Drive, Kitchener, Ontario N2C 1L7 CANADA	(519)886-9430
Derek Bartlett	11830	2-2300 Maley Drive, Garson, Ontario P3L 1R4 CANADA	(705)566-2189
Ralph L Vecchio Anthony Gioia Ron Guzzo	11912	465 Second Line East, Sault Ste. Marie, Ontario P6B 4K2 CANADA	(705)541-9901
George Mshei'il	11915	3623 Hawkestone Road, Mississauga, Ontario L5C 2V1 CANADA	(905)270-8292
Mario Mango	11916	19 Advance Road, Etobicoke, Ontario M8Z 2S6 CANADA	(416)233-0991
Brett Byers	11917	427 Welham Road, Barrie, Ontario L4N 0B6 CANADA	(705)733-8200
Rajesh Jain	12018	3 Alfred Kuehne Blvd., Unit 3, Brampton, Ontario L6T 4K3 CANADA	(905)789-1400
Jacob Black	12158	554 Squier Street, Thunder Bay, Ontario P7B 4A8 CANADA	(807)622-7272
Wayne Stone	12160	1100 Finch Avenue West, Unit #11A, North York, Ontario M3J 2E2 CANADA	(416)650-5588
Victor Grostern Randolph H. Craig	12260	3208 Albion Road, South, Ottawa, Ontario K1V 9S6 CANADA	(613)523-9393
Steve Celli	12261	1334 Ringwell Drive, Newmarket, Ontario L3Y9C7	(905) 895-5898
Raghib Rangi Mandeep Singh	12266	5138 Everest Drive, Mississauga, Ontario L4W 2R4	(905) 206-0234
2284884 Ontario, Inc.	12267	#1 Laidlaw Blvd, Markham, Ontario L3P 1W5	(905) 209-0088
2286687, Inc.	12268	2200 Eagle Street North, Cambridge, ON N3H 5R9	(519) 650-9452

Ontario (19)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Freeman's Auto Body Repair, Inc.	12269	609 Norfolk Street North, Simcoe, ON N3Y 4L2	(519) 426-2596
Yago Investments Corp	12270	2416 Wyecroft Road, Unit 15 and 16, Oakville, ON L6L 6M6	(905) 847-1113

Saskatchewan (2)

FRANCHISEE	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
Martin L Klyne	11081	2330 - 7th Avenue, Regina, Saskatchewan S4R 1C5 CANADA	(306)565-2650
Russell Don Neufeld Gary W. Fehr Stuart Jason Clark	11456	659 51st Street East, Saskatoon, Saskatchewan S7K 7J7 CANADA	(306)653-5655

International: Canada
Total franchisee owned: 31

Company Owned Centers
as of June 30, 2012

UNITED STATES OF AMERICA

OWNER	CENTER NUMBER	CENTER ADDRESS	CENTER PHONE
MTO, Inc.	12496	1610 W. 10 th Street, Suite A & B, Antioch, California 94509	(925) 755-2447

Total company owned: 1

EXHIBIT B-2

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
as of June 30, 2012

REACQUISITIONS BY THE FRANCHISOR

FRANCHISEE	LICENSE NO.	CITY	STATE	HOME PHONE
G & H Trading Enterprises, Inc.	12090	Costa Mesa	CA	310/995-0300 949/582-5737

Total Centers: 1

TERMINATIONS

FRANCHISEE	LICENSE NO.	CITY	STATE	HOME PHONE
J&B Kaiser, Inc.	11113	Orlando	FL	407/832-3955
Massirio Enterprises, Inc.	11217	Middletown	CT	860/632-0106
Don Phillips Enterprises, LLC	11696	Wenatchee	WA	509/884-8460
JSH Corporation	12004	Chantilly	VA	703/362-9104
Bedway Technology, Inc.	12052	Frazer	PA	610/518-1572
Esmark Limited, LLC	12061	Douglasville	GA	770/642-4177
Ritondaro Enterprises, Inc.	12093	Cleveland	OH	440/845-7226
Goodno Auto Painting, Inc.	12128	Frederick	MD	301/208-0464 301/662-9755
T.K.H. Enterprises, Inc.	12204	Paterson	NJ	973/451-1366
Chanhassen Auto Centers, LLC	12221	Chanhassen	MN	952/933-4305 952/455-2838
Balaji Enterprises, Inc.	12223	Temecula	CA	408/835-5519 951/973-2998
D&M Automotive, LLC	12250	Rancho Cucamonga	CA	909/941-4404
Kastner, Inc.	12278	Cool Valley	MO	314/741-0340
3 C-S Auto Group Corp.	12279	Plano	TX	972/772-6033
CWC of Palm Beach, LLC	12321	Lake Park	FL	561/747-8269
Gabi & Dave, Inc.	12333	Powell	OH	740/817-1219
Coyote Services, LLC	12350	Santee	CA	760/739-1924
Daniel Dew Michael Dew Julie Dew	12412	Douglasville	GA	951/707-8679 951/279-2117
John Wendkos Susan Wendkos	12422	Tampa	FL	302/323-1100

Total Centers: 19

TRANSFERS

FRANCHISEE	LICENSE NO.	CITY	STATE	HOME PHONE
Loren Vrolyk Jayne Vrolyk	11106	Loves Park	IL	812/541-4117
Charles Rechenburg	11236	Lakewood	NJ	732/255-7006

FRANCHISEE	LICENSE NO.	CITY	STATE	HOME PHONE
Jack Rechenburg				609/494-4063
Mike Sudweeks Deanna Sudweeks	11376	Glendale	AZ	602/878-1727
Arshad S. Alvi Nadira T. Alvi	11441	Sacramento	CA	Unknown
Curtis Gipson Letitia Gipson	11666	Oklahoma City	OK	405/921-5086
Patrick Callihan Mary Patricia Callihan	11738	Orange Park	FL	904/278-8057 770/475-7387
Brantly T. Beckham Charles F. Byrd	11934	Florence	SC	843/383-4616 843/332-7666
Mike Sudweeks Deanna Sudweeks	12022	Prescott	AZ	602/878-1727
Russell Pettway Cynthia Carugati- Pettway	12078	Denton	TX	940/271-2708
Russell Lewandowski Carrie Lewandowski	12355	Columbia	SC	843/696-8493

Total Centers: 10

EXHIBIT B-3**NON-OPERATIONAL FRANCHISEES
FRANCHISES AWARDED BUT NOT YET OPEN**

as of June 30, 2012

LICENSE NO.	NAME	CORE BASE STATISTICAL AREA	TELEPHONE NUMBER
N/A	Frank Chen	Anniston, Alabama	205-820-0141
N/A	T & K Prock/A&J White	Phoenix-Mesa-Scottsdale, Arizona	408-988-9788
N/A	Bob Hamby/Timothy James	Riverside-San Bernardino-Ontario, California	714-693-3175
N/A	Richard & Sharon Green	San Diego-Carlsbad-San Marcos, California	858-433-0446
N/A	Rob & Pam Swift	LA-Long Beach-Santa Ana, California	909-613-1980
N/A	Derek Coombes	San Fran-Oakland-Fremont, California	925-978-3104
N/A	Marvin Bohall	Sacramento-Arden-Arcade-Roseville, California	916-933-1227
N/A	J&P Wilson/L Blasier	San Luis Obispo-Paso Robles, California	805-461-0229
N/A	A. Topuzoglu	LA-Long Beach-Santa Ana, California	310-294-9184
N/A	Lauve/Perea/Noriega	Riverside-San Bernardino-Ontario, California	909-899-6818
N/A	Peter & Lila Montez	Greeley, Colorado	970-587-9708
N/A	R.,E. & J. Thompson	Bridgeport-Stamford-Norwalk, Connecticut	203-445-0384
N/A	Farzad Tehrani	Wash-Arl-Alex, DC-VA-MD	301-972-7493
N/A	Aijaz & Parveen Kazilbash	Wash-Arl-Alex, DC-VA-MD	703-580-1678
N/A	Yaz & Akemi Muragaki	Wash-Arl-Alex, DC-VA-MD	240-396-1462
N/A	Paul & Sandra Faucheux	Wash-Arl-Alex, DC-VA-MD	301-290-1363
N/A	Steven & Holly Shultz	Wash-Arl-Alex, DC-VA-MD	301-330-2192
N/A	Albert Luke	Ft. Walton Beach, Florida	850-894-4962
N/A	Jeff Seilbach	Tampa-St. Pete-Clearwater, Florida	727-865-3748
N/A	Sal Tazi & Katherine Kelley	Tampa-St. Pete-Clearwater, Florida	813-550-4514
N/A	Steven & Lorene Menth	Tampa-St. Pete-Clearwater, Florida	813-671-1907
N/A	Matthew & Caroline Peach	Orlando, Florida	352-314-8684
N/A	David & Pauline Shefman	Tampa-St. Pete-Clearwater, Florida	727-796-9007
N/A	D. & C. Stefan	Miami-Ft. Lauderdale-Miami Beach, Florida	561-747-8269
N/A	Joseph Jacobitti	Atlanta, Georgia	864-246-6440
N/A	Kevin Johnston	Atlanta-Sandy Springs-Marietta, Georgia	678-432-0748
N/A	Anthony Locke	Atlanta-Sandy Springs-Marietta, Georgia	770-725-7675
N/A	Bill Frye & Andrew Wise	Atlanta-Sandy Springs-Marietta, Georgia	770-720-8834
N/A	Jacques Mathieu	Atlanta-Sandy Springs-Marietta, Georgia	678-854-8327
N/A	Phil Ergle	Atlanta-Sandy Springs-Marietta, Georgia	770-516-7539
N/A	Bouloute/Mathieu	Atlanta-Sandy Springs-Marietta, Georgia	770-979-7701
N/A	Robert & Roseann Godawa	LaSalle-Peru-Spring Valley-Oglesby, Illinois	312-825-5438
N/A	Baltasar Regalado	Chicago, Illinois	312-247-2586

LICENSE NO.	NAME	CORE BASE STATISTICAL AREA	TELEPHONE NUMBER
N/A	David Brown	Chicago-Naperville-Joliet, Illinois	815-759-0807
N/A	Henry Taylor	Carroll & Howard Cty's, Baltimore-Towson, Maryland	301-253-1033
N/A	Andrew Wise	Baltimore-Towson, Maryland	410-795-5422
N/A	S. Earl Reynolds	Biltmore-Towson, Maryland	240-988-9498
N/A	V., S. & V. Kalyani	Boston-Worcester-Lawrence-Lowell, Massachusetts	603-429-2717
N/A	D & P Patel	Detroit-Warren-Livonia, Michigan	313-531-1775
N/A	Dennis Urquhart	Kalamazoo Cty, Kalamazoo-Portage, Michigan	269-986-1747
N/A	F. & G. Yamoutpour	Minneapolis-St. Paul, MN-WI	No Phone
N/A	Jeffery & Linda Johnson	Minneapolis-St. Paul, MN-WI	651-460-2370
N/A	Charles & Ami McClure	Minneapolis-St. Paul, MN-WI	752-891-8232
N/A	Thomas & Shelly Berry	Kansas City, MO-KS	816-628-3786
N/A	Fredy Sidhom	Las Vegas-Paradise, Nevada	702-855-2692
N/A	D, Leffler, Jr./D. Leffler, Sr.	Las Vegas-Paradise, Nevada	702-575-5483
N/A	William Bruck	Vineland-Millville-Bridgeton, New Jersey	856-881-7216
N/A	Mohamad & Noreen Ehtesham	Newark, New Jersey	732-967-1781
N/A	E. & M. Montalbano	NY-No.NJ-LI, NY-NJ-PA	908-756-6559
N/A	R. & C. Bruno	NY-NJ-Long Island	201-462-3596
N/A	M. Saleh	Phila.-Camden-Wilm.,PA-NJ-DE-MD	856-582-6782
N/A	Gerald & Linda Vigil	Albuquerque, New Mexico	505-858-3417
N/A	Gerald & Maureen Peluso	Nassau-Suffolk, New York	856-914-0558
N/A	Keith & Sandra Grose	Charlotte-Gastonia, NC-SC	803-329-1880
N/A	Hutch & Jill Hutchison	Raleigh-Cary, North Carolina	919-623-1474
N/A	T. Burnside/D. & A. Wannemacher	Columbus, Ohio	314-392-9061
N/A	Jeremy Armstrong	Portland-Vancouver-Beaverton, OR-WA	503-558-0783
N/A	Michael Klein	Phila., PA-NJ	856-546-8484
N/A	William Kaericher/Sung-Hye Park	Pittsburgh, Pennsylvania	724-941-4534
N/A	John & Susan Wendkos	Phila-Camden-Wilm, PA-NJ-DE-MD	302-323-1100
N/A	D. Wang/Y. Chen	Phila-Camden-Wilm, PA-NJ-DE-MD	
N/A	Ricardo Melendez	San Juan, Puerto Rico	787-789-8051
N/A	Harold Mulero	San Juan-Bayamon, Puerto Rico	787-447-3726
N/A	Jeff Mocarisky	Providence-Warwick-Pawtucket, Rhode Islane	401-726-8210
N/A	Kevin Villeneuve	Providence-Warwick-Pawtucket, Rhode Islane	401-943-1000
N/A	Luke & Monique McClatchey	Greenville, South Carolina	864-224-8282
N/A	David & Elizabeth Traeger	Nashville-Davidson-Murfreesboro, Tennessee	615-355-5530
N/A	R. & S. Saenz	Knoxville, Tennessee	865-925-2994
N/A	Charles Tuen	Dallas, Texas	214-332-1808
N/A	Steve Morakabian	Dallas-Ft. Worth-Arlington, Texas	903-712-1500
N/A	Imran & Erum Chagani	Austin-Round Rock, Texas	

LICENSE NO.	NAME	CORE BASE STATISTICAL AREA	TELEPHONE NUMBER
N/A	Delbert & Margarete Marano	Houston-Baytown-Sugar Land, Texas	936-788-5627
N/A	W. & C. Kelly/J. & J. Tomberlin	Austin-Round Rock, Texas	512-663-9034
N/A	Adewale Oshin	Norfolk-VA Beach-Newport New, Virginia	757-686-5498
N/A	Ken & Patrick Ryan	St. Thomas, Virgin Islands	809-777-8275
N/A	Channen & Rene Smith	Milwaukee-Waukesha-West Allis, Wisconsin	262-375-7451
11615	Mohammad Y. Sayyah Sam J. Sayyah	Indianapolis, IN Metro	Unknown
12249	Denver Osborne	Merced, CA	559/760-4949
12269	Jeremy Franklin Hector Espinosa Patrick Aswegan	Kansas City, MO	816/522-1022 816/650-5138 816/200-8743
12340	Thomas G. DeCarlo	Buffalo-Niagara Falls, NY	716-361-1122
12346	SMB Auto Group, LLC	Houston-Baytown-Sugarland, TX	281-948-1912
12348	Ismail S. Latif	Morgantown, WV	304-517-4906
12351	Out of the Ashes, LLC	Tampa-St. Petersburg-Clearwater, FL	813-972-3244
12369	Monika K. Coulson	Denver-Aurora, CO Metro	303-641-4216
12370	Teyac, Inc.	Dallas-Ft. Worth, Arlington	Unknown
12373	James Engeman Carolina Engeman	Edwardsville, IL	618-656-2710
12385	Daniel Wisniewski Michael Wisniewski	New York-Northern NJ-Long Island, NY-NJ-PA	973/248-5792 201/214-9881
12386	Anthony L. Campagna	New York-Northern NJ-Long Island, NY-NJ-PA Metro	Unknown
12388	Jordan Craft	Greenville, NC Metro	843-815-2127
12389	Adam Reubin	Dallas-Ft. Worth-Arlington, TX Metro	972/814-3232
12392	David Havice	Sierra Vista-Douglas, AZ Micro	520/266-1772
12393	David A. Jackson	Dallas-Fort Worth-Arlington, TX Metro	903/389-8611
12394	John R. Tucker Julie A. Tucker	San Diego-Carlsbad-San Marcos, CA Metro	858/384-2141
12410	Jeffrey Klepec Kimberly Klepec Matthew Klepec	Bloomington-Normal, IL Metro	309/319-1260
12411	James J. Shallo	Hartford-West Hartford-East Hartford, CT Metro	914/497-4110
12412	Roofing Concepts & Construction, Inc.	Los Angeles-Long Beach-Santa Ana, CA Metro	951/316-4188
12414	Craig S. Foreman Jenny L. Foreman	Memphis, TN-MS-AR Metro	901/753-0600
12415	Suresh Sreeramneni	St. Louis, MO-IL Metro	314/477-8280
12418	Strategic Ventures One, Inc.	Portland-Vancouver-Beaverton, OR-WA Metro	360/608-0959
12424	John I. Akar	Boston-Cambridge-Quincy, MA-NH Metro	781/424-0908
12428	Menth Enterprises, LLC	Tampa-St. Petersburg-Clearwater, FL	813/671-1907
12429	KSP Holdings, LLC	Houston-Baytown-Sugar Land, TX	281/802-0269
12430	Brian David David Hill Clark VanOrden	Provo-Orem, UT Metro	801/718-6357 801/718-5991 801/319-3593
12432	Glenn Kukac	Phoenix-Mesa-Scottsdale, AZ Metro	602/770-4828

LICENSE NO.	NAME	CORE BASE STATISTICAL AREA	TELEPHONE NUMBER
12435	Syed Hussain Rahima Hussain	Houston-Baytown-Sugar Land, TX Metro	713/741-7444
12436	Syed Khalid Mukhtar	Jacksonville, FL Metro	720/296-6734
12437	Anastasios Bournousouzis	Baltimore-Towson, MD Metro	Unknown
12438	Donnell Brown	Columbia, SC Metro	803/479-0250
12440	Javed hashim	Houston-Baytown-Sugar Land, TX Metro	713/417-8854
12487	Bruce Gardner	Denver-Aurora, CO Metro	970/481-6175
12488	Tom Johnson	St. Louis, MO-IL Metro	314/221-4191
12489	Praveen Sharma	Los Angeles-Long Beach-Santa Ana, CA	714/616-8519
12491	Rafael Zorrilla	Houston-Baytown-Sugar Land, TX Metro	281/610-5888
12493	Hiam Shapi Mohamed Al-Husseiny	Houston-Baytown-Sugar Land, TX Metro	713/992-7131 832/691-1333
12494	Sam Albitouni Tricia Kennedy	Chicago-Naperville-Joilet, IL-IN-WI Metro	708/636-5163
12495	Stefano Ghirimoldi	Phoenix-Mesa-Scottsdale, AZ Metro	917/533-8081
12497	Hubert Callegan	New Orleans-Metairie-Kenner, LA Metro	504/737-6120
12499	Lindsey Osgood	Flint-Saginaw-Bay City, MI	248/626-2642
12500	Gerard Bush Melora Bush	Columbia, SC	803/422-8029
12501	Hisham Mohammad Sheema Zahoor	Washington-Arlington-Alexandria, DC-VA-MD-WV Metro	540/435-9235
12504	John McCloskey	Pocatello, ID Metropolitan Statistical Area	760/443-4090
12505	PRDK, Inc.	Lancaster, PA	410/239-4728
12506	MHAL Corp.	Oakland, CA	510/445-0882
12507	Thomas Andres	Philadelphia, PA	215/868-3864

Total Centers: 141

TEMPORARILY CLOSED CENTERS

LICENSE NO.	FRANCHISEE	CITY	STATE	CENTER PHONE
12065	J & I Mayorga	Carolina	Puerto Rico	809/782-7153

Total Centers: 1

B-4

NON-OPERATIONAL FRANCHISEES WHO HAVE LEFT THE SYSTEM

NON-OPERATIONAL FRANCHISEES TERMINATED

as of June 30, 2012

NAME	LICENSE #	MARKET AREA	TELEPHONE NUMBER
Tyrone Truax Nancy Truax	12343	Rochester, MN	507/289-4003
Domick Como Shannan Bentzien	12439	Visalia-Tulare-Porterville, CA	559/212-0091 559/639-8593
Mohamed K. Saleh Lauri M. Penza	12377	Phila-Camden-Wilmington, PA- NJ-DE-MD	856/582-6782
Donnell Brown	12438	Columbia, SC	803/479-0250
Fredy Sidhom Steve Shibly	12441	Las Vegas, NV	702/630-8185
Tom Johnson	12488	St. Louis, MO	314/221-4191

Total Centers: 6

PARTNERSHIP DISSOLVED/FRANCHISE STILL OPERATIONAL

List of franchisees leaving a particular franchise or corporation

as of June 30, 2012

NAME	LICENSE #	City, State	Telephone Number
Linda Smith	11110	West Melbourne, FL	407/242-2054
Kenneth Ingram Mary Ingram	11373	Huntsville, AL	256/270-8380
Michael T. Costello Sally F. Costello	11392	Roseville, CA	916/624-5142
Djavad Valizadeh	11575	Framingham, MA	617/467-4832
Mark T. Ross Kelly H. Ross	12071	Phoenix, AZ	602/451-4218 623/931-8030
Eduardo J. Lubo	12170	Hollywood, FL	Unknown
Scott H. Cairns Kimberly Lee Cairns	12239	Pontiac, MI	734/564-3928
Douglas J. Wannemacher Ann Marie Wannemacher	12298	Cincinnati, OH	419/410-4011

Total Centers: 8

EXHIBIT C

MAACO FRANCHISING, INC. FRANCHISE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 20__, (“Effective Date”) between MAACO Franchising, Inc., a Delaware corporation, with its principal offices in Charlotte, North Carolina (hereinafter referred to as "MAACO"), and _____
_____ (hereinafter referred to as "Franchisee").

WITNESSETH:

WHEREAS, MAACO and its predecessor have accumulated extensive knowledge of, and experience in the vehicle painting and body repair business and has developed and owns a unique system (the "System") relating to the establishment, development, marketing, administration and operation of centers specializing in vehicle painting and body repair ("Maaco Centers") which may be changed, improved and further developed by MAACO from time to time;

WHEREAS, MAACO is the owner of the trade names, trademarks and service marks, "Maaco Collision Repair & Auto Painting," "Maaco Auto Painting and Bodyworks," "Cosmollision" and such other trade names, service marks, and trademarks as are now designated (and may hereinafter be designated by MAACO) as part of the System (the "Proprietary Marks"), and MAACO continues to develop, use and control such Proprietary Marks for the benefit and exclusive use of itself and its franchises in order to identify for the public the source of services and products marketed thereunder and to represent the System's high standards of quality and service;

WHEREAS, Franchisee has applied to MAACO for a franchise to operate a Maaco Center under the System and to receive the training and other assistance provided by MAACO, and such application has been approved in reliance upon all of the representations made therein;

WHEREAS, Franchisee understands and acknowledges the importance of MAACO's high and uniform standards of quality and service and the necessity of operating the business franchised hereunder in conformity with MAACO's standards and specifications;

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. **APPOINTMENT**

A. MAACO hereby grants to Franchisee, upon the terms and conditions herein contained, the right and franchise to operate a Maaco Center (the "Center"), and to use solely in connection therewith the System, as it may be changed, improved and further developed from

time to time and the Proprietary Marks, within the following designated area (the “Designated Area):

Franchisee accepts this grant and agrees to use his best efforts to develop the business potential of the Center utilizing the System.

B. Provided Franchisee is in compliance with this Agreement, MAACO will not during the term of this Agreement establish nor franchise(a MAACOCenter within a radius of 5 miles from your MAACO Center granted herein. Franchisee shall not relocate the Center without prior written approval of MAACO.

C. Except as provided herein, Franchisee expressly acknowledges and agrees that, this franchise is nonexclusive and that MAACO or its subsidiaries or affiliates or other franchisees or licensees of MAACO may compete with franchisees for customers within and outside of the territory described above. Franchisee further acknowledges and agrees that customers of Maaco Centers are generated under the brand and belong to the System, thereby enhancing the value of the brand.

2. SELECTION OF SITE

A. Franchisee shall use its best efforts to seek and select a proposed location with the Designated Area acceptable to MAACO as suitable for the operation of a Maaco Center. Franchisee shall submit to MAACO, in the form specified by MAACO, a description of the location and such other information or materials as MAACO may require. MAACO's approval of a site shall not constitute, nor be deemed, a judgment as to the likelihood of success of the Center at such location or a judgment as to the relative desirability of such location in comparison to other locations within the Designated Area.

B. Franchisee shall secure a site for the Center by lease or purchase within eighteen (18) months from the date of execution of this Agreement. In the event Franchisee fails to secure a site within this time period, or, if at any time after the execution of this Agreement and prior to the time Franchisee secures a site for the Center, MAACO determines in its judgment that Franchisee has not made good faith efforts to seek and select a suitable location or to secure financing for the development of the Center or that Franchisee has been uncooperative with MAACO during any one or more phases of the pre-operational process, then MAACO shall have the right to terminate this Franchise Agreement upon written notice to Franchisee. In such event, MAACO will refund, without interest, the amount of the initial franchise fee paid less our costs and expenses relating to processing your application, including franchise sales commissions, and evaluating proposed locations, which costs and expenses will not be less than Ten Thousand Dollars (\$10,000.00), provided you sign a general release in form and substance satisfactory to MAACO.

C. MAACO will provide site specifications and standards for general location and zoning, neighborhood, parking requirements, layout and other physical characteristics and lease terms and conditions for Maaco Centers, including lease duration and rental, or terms of purchase, including debt service, in the event Franchisee is purchasing the location for the Center. Franchisee shall submit the lease, if any, prior to its execution to MAACO for its approval, which approval shall not be unreasonably withheld, and which lease shall, among other things, provide that:

- (1) The premises shall only be used for the operation of the Maaco Center;
- (2) Franchisee may not sublease or assign the lease or any part thereof;
- (3) MAACO shall have the right to enter the premises to make any modifications necessary to protect the Proprietary Marks; and
- (4) MAACO shall have the right, at MAACO's election, to receive an assignment of the leasehold interest upon termination or expiration of this Agreement for any reason.

In addition, at the request of MAACO, Franchisee shall execute a collateral assignment of Franchisee's lease in the form prescribed by MAACO to secure Franchisee's obligations under this Agreement.

D. Franchisee shall, prior to occupancy of the Center, submit to MAACO a statement signed by Franchisee certifying that Franchisee has obtained all permits and certifications required for operation of the Center, including, without limitation, zoning, access, sign and fire requirements.

E. E. Franchisee may request that MAACO agree to a termination of this Agreement at any time after the expiration of nine (9) months from the date of execution of this Agreement, but before the expiration of 18 months from the date of execution of this Agreement, provided Franchisee, in MAACO's judgment, has made good faith efforts to obtain a site for the Center but has been unable to do so by that date. If MAACO agrees to such termination, MAACO shall refund, without interest, the amount of the initial franchise fee paid less our costs and expenses relating to processing your application, including franchise sales commissions, and evaluating proposed locations, which costs and expenses will not be less than Ten Thousand Dollars (\$10,000.00), provided you sign a mutual release in form and substance satisfactory to MAACO.

Subject to the terms of the previous paragraph, you agree to open your MAACO center within 18 months after the date of execution of this Agreement. However, if your failure to open your Center within such 18-month period is due to reasons beyond your control (such as acts of God, unavoidable delays in obtaining zoning permits or unavoidable construction delays), at our discretion we may grant a reasonable extension of time for you to open your Center. If however, you have not opened your MAACO center within this 18 month period and no extension has been granted to you then at our option your MAACO franchise will be terminated and you will forfeit all of your initial fees referenced in Paragraph 5(A)(1) of this Agreement.

F. In the event Franchisee elects to purchase an existing Maaco Center following execution of this Agreement, MAACO will retain from the amount of the initial franchise fee paid its reasonable expenses incurred, and, if applicable, any franchise business broker fees or commissions that were paid or are payable by MAACO. The remainder, if any, of the initial franchise fee paid shall be applied to Franchisee's initial training fee, initial advertising deposit or any other amounts payable to or due MAACO in connection with the transfer.

G. In the event of a termination of this Agreement as described in Paragraph 2(B) (E) or 2(F) above, Franchisee shall execute a mutual release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities.

3. TERMS AND RENEWAL

A. The term of the franchise is fifteen (15) years and shall run from the date the Center opens for business as determined by MAACO.

B. Franchisee may, at its option, renew this franchise for a term of fifteen(15) years, provided that:

(1) Franchisee has given MAACO written notice of election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial term;

(2) Franchisee must pay all past due amounts under this Agreement and any other agreements between Franchisee and MAACO or its subsidiaries or affiliates;

(3) Franchisee is not in default of any provision of this Agreement, any amendment hereof or any other Agreement between Franchisee and MAACO or its subsidiaries or affiliates and has substantially complied with all the terms and conditions of such agreements during the terms thereof;

(4) Franchisee agrees to execute upon renewal MAACO's then current form of Franchise Agreement, which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement including, without limitation: (i) a higher percentage royalty fee; and (ii) a continuing weekly advertising contribution in an amount equal to Franchisee's weekly budget at the time of renewal, or the amount set forth in MAACO's then current Franchise Agreement, whichever is greater; and

(5) At MAACO's request, Franchisee shall execute a general release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorney, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities.

(6) If you have failed to renew your MAACO franchise license at the end of the initial term of your Agreement and you continue to operate your MAACO center after the expiration date then at our option we can treat your continued operation of your center as an extension or renewal of your MAACO Franchise Agreement. If we treat it as an extension then we may terminate your Franchise thereafter for any reason upon 30 days written notice to you.

C. Franchisee shall complete the following Center refurbishing tasks, at Franchisee's expense, upon renewal of the franchise:

- (1) Install MAACO's then-current merchandising system;
- (2) Install MAACO's then-current exterior signage and trade dress;
- (3) Complete general cleaning, fixing, repairing and painting of the Center;
- (4) Complete maintenance service of the equipment (including, but not limited to, the oven, booth, mixing equipment and compressors); and
- (5) Replace equipment not repairable, as necessary.

D. Franchisee must provide MAACO with a copy of the lease agreement in effect for the Center location. The lease term must be at least equal to the term or any renewal term.

E. Franchisee must provide MAACO with an assignment of its leasehold interest upon termination or expiration of any renewal term.

4. DUTIES OF MAACO

A. MAACO shall provide an initial training program to Franchisee and the majority investor in the franchise (as defined in Paragraph 7B hereof), and make available such other training programs as it deems appropriate. If Franchisee is an existing franchisee, MAACO can require Franchisee or Franchisee can elect to attend the initial training program before the Center opens. All training shall be at such times and places as may be designated by MAACO.

B. MAACO shall use Franchisee's initial advertising contribution to provide for the opening promotion and initial advertising of the Center.

C. MAACO shall provide such initial and continuing advisory assistance in the operation of the Center as it deems appropriate.

D. MAACO shall provide Franchisee with a set of specifications as to the types and quantities of inventory, supplies and equipment necessary for operation of the Center and specifications for exterior and interior signs.

E. MAACO shall provide Franchisee one copy of the Confidential Operating Manual, as more fully described in Paragraph 10 hereof.

F. MAACO shall conduct, as it deems advisable, inspections of the Center and evaluations of the vehicle painting and body repair services rendered at the Center.

G. MAACO shall administer the advertising funds paid hereunder in the manner prescribed by Paragraph 6B hereof.

5. FEES AND OTHER PAYMENTS

A. Franchisee agrees to pay MAACO the following fees:

(1) An initial franchise fee of Forty Thousand Dollars (\$40,000.00) which, when paid to MAACO, shall be deemed fully earned and non-refundable except as noted herein, shall be payable as follows: (i) Twenty Thousand Dollars (\$20,000.00) upon Franchisee's execution of this Agreement; and (ii) Twenty Thousand Dollars (\$20,000.00) upon Franchisee's arrival at the initial training program (or 30 days prior to opening if Franchisee is an existing franchisee who will not attend the initial training program).

(2) An Initial Training and Opening Fee of Twenty-Three Thousand Dollars (\$23,000.00) payable upon Franchisee's arrival at the initial training program (or 30 days prior to opening if Franchisee is an existing franchisee who will not attend the initial training program). MAACO shall apply the Initial Training and Opening Fee to Franchisee's initial training in the operation and management of the Center and the pre-opening assistance MAACO provides Franchisee for real estate selection and financing.

(3) An Initial Software License Fee of Five Thousand Dollars (\$5,000.00), or an amount equal to the then current fee being charged, whichever is greater, payable before MAACO delivers possession of the software to Franchisee or thirty (30) days prior to the scheduled opening of the Center, whichever occurs first. Franchisee must also sign the MAACO Polaris 2000 Software License Agreement or any other software license agreements as MAACO may require from time to time.

(4) A continuing weekly royalty fee during the term of this Agreement in an amount equal to nine percent (9%) of the gross receipts of the Center. The continuing weekly royalty fee shall be due and payable by Friday of each week on gross receipts of the Center for the previous week.

B. All continuous advertising contributions and royalty fees on gross receipts shall be due on Friday of each week on gross receipts for the preceding week, together with a signed statement in the form prescribed by MAACO reflecting all gross receipts for the week's business, including specific customer information, costs incurred, cash transactions, customer invoices and such other data and information as MAACO may require (the "Weekly Business Report"). In the event that the weekly royalty fees and advertising contributions are paid by

Friday for the previous week's business and submitted with the Weekly Business Report, the royalty fee payable shall be reduced to eight percent (8%) of gross receipts as a cash discount, provided that Franchisee is current as of the date of payment with all weekly royalty fees, advertising contributions and any other monies due MAACO or its affiliates or subsidiaries.

In the event MAACO requests Franchisee to pay required weekly royalty fees and advertising contributions by electronic withdrawal, Franchisee shall comply with the terms of subsection G below.

C. MAACO has developed, manages and controls a national accounts program with various fleet and commercial accounts (the "National Accounts Program"). Under the National Accounts Program, qualified Maaco Centers that meet MAACO's standards and criteria will be selected by MAACO to provide paint and body service repair services to MAACO's fleet and commercial accounts. At MAACO's option, all services provided by Franchisee under the National Accounts Program will be centrally billed through MAACO. In the event Franchisee is not current with payment of all weekly royalty fees, advertising contributions and any other monies due MAACO, MAACO will apply all or a portion of the payment for services rendered under the National Accounts Program to Franchisee's past due accounts.

D. If any payment to MAACO under this Agreement or any other agreement or account with MAACO or its affiliates or subsidiaries is overdue, Franchisee shall pay to MAACO or its affiliates or subsidiaries interest compounded monthly on such amount from the due date until paid at the maximum rate permitted by law (or, in the absence of such rate, a rate equal to one and a half percent (1.5%) per month). Entitlement to such interest shall be in addition to any other remedies MAACO or its affiliates or subsidiaries may have.

E. Gross receipts as used herein shall mean the amount of all cash collected, or other consideration received, for all sales of merchandise and services of any nature at or from or as a result of the Center, including, but not limited to, sublet labor and new and used replacement parts, less sales or equivalent taxes.

F. At MAACO's request, Franchisee shall promptly execute or re-execute within five (5) days after MAACO's request and deliver to MAACO, in the form required by MAACO, pre-authorized checks or such other instruments or drafts, payable against Franchisee's bank account to enable MAACO to collect by electronic withdrawal the royalty fees and continuing advertising contributions due under the terms of this Agreement. MAACO may require that Franchisee establish a commercial bank account at a bank that meets MAACO's requirements. MAACO may further require that Franchisee's account have minimum overdraft protection in an amount determined by MAACO. Franchisee shall deposit all collected gross receipts into its commercial bank account as soon as practicable but in no event later than the end of the business day following receipt. In the event Franchisee changes the banking institution or the account for its commercial business bank account that MAACO has on record, Franchisee shall provide MAACO with ten (10) days' written notice prior to changing the banking institution or the account and Franchisee shall re-execute the appropriate form(s) required by MAACO to reflect the change in account information within the time necessary for timely electronic withdrawals from the new account.

Franchisee shall submit, for MAACO's receipt by Friday of each week for the preceding week, the Weekly Business Report (as defined in Paragraph 5B). In the event that the Weekly Business Report is received by MAACO on Friday for the previous week's business and the applicable royalty fees and advertising contributions due thereon are paid by Friday, the royalty fee payable shall be reduced to eight percent (8%) of gross receipts as a cash discount, provided that Franchisee is current as of the date of payment with all weekly royalty fees, advertising contributions and other monies due MAACO or its affiliates or subsidiaries. If Franchisee fails to submit the Weekly Business Report on a timely basis as stated herein, MAACO shall estimate the amount of Franchisee's gross receipts by using the last reported amount of gross receipts by Franchisee to MAACO and MAACO shall calculate the royalty fees due at nine percent (9%). Upon MAACO's receipt of the required Weekly Business Report from Franchisee reflecting the actual gross receipts, MAACO will recalculate the royalty fees due at nine percent (9%) of the gross receipts reported and MAACO shall debit or credit the Franchisee's royalty fee obligation for that week accordingly.

On Friday of each week, MAACO will deposit or transfer into its own account, using Franchisee's pre-authorized checks or other instruments, the amount of royalty fees (or in the absence of a Weekly Business Report, the estimated amount of royalty fees) and the advertising contributions due for the preceding week. If any draft, electronic or otherwise, is unpaid because of insufficient funds or otherwise, royalty fees shall be due at nine percent (9%) of the gross receipts, and Franchisee shall pay all of MAACO's expenses arising from such non-payment including bank fees.

6. ADVERTISING AND TELEPHONE

6.1 ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the good will and public image of the System, the parties agree as follows:

A. Franchisee shall pay to MAACO an initial advertising contribution in the amount of Thirty Thousand Dollars (\$30,000.00) payable upon Franchisee's arrival at the initial training program (or 30 days prior to opening if Franchisee is an existing franchisee who will not attend the initial training program), for pre-opening and grand opening promotion, promotional materials, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed Franchisee's initial advertising contribution, in which case MAACO will charge Franchisee the difference.

B. Franchisee shall pay MAACO a continuing weekly advertising contribution in the amount of Eight Hundred Fifty Dollars (\$850.00), or an amount equal to the weekly advertising budget of Franchisees operating in Franchisee's designated market area, whichever is greater, for the creation and placement of advertising and promotional programs by MAACO for the benefit of the System, including website development, telemarketing and Center locator numbers. Notwithstanding anything stated to the contrary, during the first six months that You open your

new MAACO center the amounts that you contribute as stated above may be spent on local marketing for your specific center or for the local market as determined by MAACO within its sole discretion. Any such local marketing done on a local market basis will include the center information of existing franchisees in said marketing area as MAACO may deem appropriate from time-to-time. All weekly advertising contributions shall be payable at the same time as the weekly royalty payments due under Paragraph 5A hereof. Franchisee hereby acknowledges MAACO's right to pay from the advertising funds collected all costs and expenses related to the formulation, development, production, media and all other costs of such advertising and promotion (including without limitation, the proportionate compensation of employees of MAACO who devote time and render services in the conduct, formulation, development and production of such advertising and promotion programs or the administration of the funds used therefore.) Franchisee hereby acknowledges that advertising contributions payable hereunder will not be used to pay for Yellow Page advertising of Franchisee (see Paragraph 6D below). Franchisee agrees that MAACO may increase the amount of such advertising contributions on or after the date hereof and Franchisee shall pay such increased amounts in accordance with this Paragraph 6B; provided, however, that the amount of such increase after the first twelve (12) months of Franchisee's operations shall not exceed ten percent (10%) per year. The amount of the increase in advertising contributions chargeable to Franchisee hereunder shall be cumulative and if MAACO does not increase the advertising contribution of Franchisee by the maximum amount permitted hereunder in any given year, MAACO may add the amount not charged to Franchisee in any given year to the amount chargeable to Franchisee in subsequent years. MAACO will spend all advertising contributions hereunder for advertising and promotion as herein described, provided that it shall not be obligated to spend such contributions in the year in which paid by Franchisee. Franchisee acknowledges and understands that advertising and promotion conducted by MAACO is intended to maximize general public recognition and patronage of the System in the manner determined to be most effective by MAACO and that MAACO undertakes no obligation in developing, implementing or administering such programs to ensure that expenditures which are proportionate or equivalent to Franchisee's contributions are made for the Center or that any center will benefit directly or pro rata from the placement of advertising. MAACO will provide an annual statement of receipts and disbursement with respect to advertising contributions payable hereunder upon written request by Franchisee.

C. Franchisee shall pay MAACO at the same time as the weekly royalty fee payments due under Paragraph 5A hereof a continuing weekly national marketing fee in the amount of fifty dollars (\$50.00) or an amount equal to the then current national marketing fee being charged by MAACO to be used, in part, for national broadcast opportunities, national public relations and promotional efforts, and internet related advertising designed to promote the MAACO brand on a national level.

D. MAACO shall be the owner of and shall secure the Remote Call Forward ("RCF") telephone number and listing for the Center. Franchisee shall not change telephone service providers for the Center without MAACO's approval. MAACO shall have the right to control all Yellow Page advertising and telephone listings. MAACO shall determine, at its sole discretion, the size of display advertisements and the type of advertisement to be placed in all Yellow Page advertisements. Franchisee will also be obligated to reimburse MAACO for all telephone bills paid by MAACO with respect to the telephone and telephone number used by the

Center upon receipt of invoice from MAACO, or, at the request of MAACO, Franchisee agrees to pay the telephone bill directly immediately upon receipt thereof from MAACO or the telephone company. MAACO will place all Yellow Page advertising for Franchisee and other franchisees of the System. All centers must have a display ad in the Yellow Page directory of the provider of its phone service. In addition to the payments made under Paragraph 6B above, Franchisee will be obligated to pay to MAACO the annual costs of such Yellow Page advertising which will be billed to Franchisee. Franchisee agrees to remit all such payments on a weekly basis in addition to the weekly payments referenced in Paragraph 6B above. In the event that more than one (1) franchisee shares the Yellow Page advertising the cost will be apportioned among all participating franchisees on an equal basis. If any payment to MAACO under this paragraph is past due, MAACO may require Franchisee to pay in full the annual cost of any Yellow Page advertising renewal upon demand by MAACO.

E. Franchisee acknowledges the need to aggressively advertise and promote his business on a local basis. Accordingly, Franchisee agrees to use his best efforts to promote the business of the Center through local advertising and promotion and agrees to expend such funds which may be necessary to accomplish this result.

F. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements prescribed by MAACO. Franchisee shall submit to MAACO for its prior approval, samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by MAACO.

G. Franchisee will not develop, own or operate any website for the business franchised hereunder.

H. The telephone number owned and secured by MAACO shall be the only telephone number used in all advertising in any medium. Franchisee shall not own or use any toll free lines without the prior written approval of MAACO.

6.2 USE AND OWNERSHIP OF TELEPHONE NUMBERS

Certain advertising, including yellow pages, placed for a MAACO is placed using an RCF telephone number, or other such tracking mechanism that we may use from time to time. This/these number(s) are established by us and will be directed to the primary local telephone number secured for your center. You are not to publish, print, or otherwise use the RCF number(s), or other tracking mechanism used or sponsored by us, are not to be published, printed or used by you or your MAACO Center in connection with any other business or any MAACO business related forms such as business cards, invoices, letterhead, etc. At no time does the franchisee have rights to or control of a MAACO Advertising RCF number. Only at such time when the MAACO franchise license associated with the location using the particular RCF number, or other tracking mechanism that may be used from time to time, is terminated, will the franchisee lose the use of the RCF number or such tracking mechanism

You will be required to obtain local telephone service and establish it according to the

guidelines set forth by MAACO. For your advertising RCF number(s) to be established and for your center to be included in MAACO coordinated advertising programs, you will be required to provide MAACO with the documentation showing the primary local telephone number and showing that it was established in the required manner. The primary local telephone number that you obtain will be the number used on business cards, letterhead, invoices and other business forms. This will also be the number to which your advertising RCF number(s) will be directed. It is understood and agreed by you that the RCF program at some time may be replaced with other telephone tracking mechanisms that we believe is more advanced than the current tracking mechanism and in that event you agree to comply with the same or similar requirements that may be necessary to provide the same type of benefits that are now provided through the RCF number.

In addition, you agree to sign such release and transfer documents as we may require to authorize us to obtain the telephone numbers of your Center upon any termination or expiration (without renewal) of this Agreement. If, during the Term, the telephone numbers for your Center should be transferred to someone other than us, you will cooperate with us to ensure that they are returned to us.

You agree not to place any restrictive codes on the telephone numbers for your Center without our consent. You agree not to terminate any such telephone numbers during the Term or do anything else that may directly or indirectly impede our ability to transfer or use those numbers upon any termination or expiration (without renewal) of this Agreement.

All telephone numbers and directory listings for your Center are our property, and we have the right to transfer, terminate or amend such telephone numbers and directory listings only on termination or expiration (without renewal) of this Agreement. If we take any action pursuant to this Section 6.2, the telephone company and all listing agencies may accept this Agreement as conclusive evidence of our exclusive rights to such telephone numbers and directory listings and as conclusive evidence of our authority to direct their amendment, termination or transfer, without any liability to you.

7. DUTIES OF FRANCHISEE

A. Franchisee shall develop the Center in the manner prescribed by MAACO for a Maaco Center, including, without limitation, the implementation of the System as directed by MAACO, and shall use in the operation of the Center only those brands and types of equipment, inventory and supplies which meet MAACO's standards and specifications.

B. Before the Center opens, Franchisee and the majority investor in the franchise shall attend and successfully complete in MAACO's sole opinion, an initial training program prescribed by MAACO. The majority investor is defined as any signatory to this Agreement who has collateralized a loan for the business, guaranteed the lease, or guaranteed the mortgage on of the Center. MAACO shall provide and pay only for, training instructors, facilities, training materials, Franchisee's round trip transportation to and from the training site and lodging for the initial training program (if there are two or more persons named as Franchisee in this Agreement,

MAACO will pay round trip transportation and lodging to and from the training for a maximum of two (2) individuals including the majority investor if applicable). All other expenses incurred in such initial training, including, without limitation, the cost of food, shall be borne by Franchisee. In the event that Franchisee or the majority investor is unable to complete the initial training program to MAACO's satisfaction, MAACO shall have the right, upon written notice to Franchisee, to terminate this Agreement.

C. Franchisee shall attend, at the request of MAACO, supplemental or refresher training programs, sales meetings, operations meetings, advertising meetings and conventions which may be offered by MAACO from time to time during the term of the franchise. All expenses incurred in connection with additional training programs, sales meetings, operations meetings, advertising meetings and conventions as MAACO may reasonably require including, without limitation, the cost of travel, room, board and wages, shall be borne by Franchisee, and MAACO shall provide and pay only for training instructors and materials.

D. Franchisee, at its sole expense, shall conduct ongoing training programs at the Center for employees.

E. Franchisee shall maintain the Center in the highest degree of sanitation, repair and condition, and shall perform such periodic repainting, repairs to impaired equipment and replacement of obsolete signs as MAACO may reasonably direct. At MAACO's request, which shall not be more often than once every five (5) years (and not more often than once every three (3) years for computer hardware and software), Franchisee shall refurbish the Center to conform to MAACO's then current public image, and shall make such , remodeling and redecorating and such modifications to existing improvements as may be necessary. Franchisee shall purchase any additional equipment and replace any obsolete equipment as MAACO may from time to time direct at Franchisee's expense.

F. Franchisee shall render prompt, workmanlike, courteous and willing service to all customers of the Center and agrees to handle all customer complaints promptly and courteously.

G. At MAACO's request, Franchisee shall provide MAACO with customer data and information that MAACO may require, including, but not limited to, customer invoices, customer's names, addresses and cash collected from customers.

H. Franchisee will at all times actively promote the sale of Maaco's services and will use its best efforts to cultivate, develop and expand the business of the Center within the market. Franchisee will do nothing which may, in MAACO's sole opinion, tend to discredit, dishonor, reflect adversely upon or in any manner injure the reputation of MAACO, Franchisee, any other franchisees or MAACO customers.

I. Franchisee will offer all products and services that MAACO from time to time authorizes in writing for a Maaco Center. Franchisee shall not offer or sell any other products or services without MAACO's written consent.

J. Franchisee shall make all payments required under this Agreement in the manner and at the time prescribed in this Agreement.

K. Franchisee shall dedicate a telecommunications line for the sole purpose of supporting MAACO's computer system and shall subscribe to an Internet service provider approved by MAACO. At MAACO's election, Franchisee shall obtain telecommunications and computer infrastructure products required to support MAACO's then-current information technology systems.

L. Franchisee agrees to purchase from suppliers approved by MAACO, paint, abrasives and other products as MAACO may specify from time to time to ensure the integrity of the products used in the operation of your MAACO center and to support certain marketing programs that facilitate and support purchasing programs and arrangements negotiated by MAACO for the System.

M. If Franchisee, or an affiliate of Franchisee, acquires the location at any time during the term of the Agreement or any renewal, Franchisee, or its affiliate, shall provide MAACO with the option to purchase the property or enter into a lease with Franchisee, or its affiliate, upon termination or expiration of this Agreement, in a form satisfactory to MAACO.

N. Franchisee shall comply with all other requirements set forth in this Agreement.

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

B. Franchisee agrees to honor valid customer claims presented under warranties and guarantees made by Franchisee and other MAACO franchisees without demanding reimbursement therefore from the customer. In the event that Franchisee honors a warranty or guarantee issued by another Maaco Center, Franchisee shall be reimbursed by the franchisee that originally performed the work. Such reimbursement shall be in an amount not to exceed MAACO's current nationally recommended warranty rates. In the event of a dispute between any customer of the Center and Franchisee over any warranty issued by the Center or any other Center, MAACO 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 franchisee who satisfies any warranty or guarantee issued by Franchisee hereunder, in an amount as described in Paragraph 8B, hereof, within five (5) days after receipt of an invoice for such reimbursement.

D. Franchisee shall not issue or offer any other warranty or guarantee without MAACO's prior written approval.

9. PROPRIETARY MARKS

A. Franchisee's right to use the Proprietary Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement, including, but not limited to, standards and procedures prescribed by MAACO with respect to Franchisee's use of any Proprietary Mark in connection with an electronic address, domain name, website or search engine. Any unauthorized use of the Proprietary Marks by Franchisee, including, but not limited to, the unauthorized use by Franchisee of any Proprietary Mark as part of an electronic address, domain name, website or search engine, shall constitute an infringement of the rights of MAACO in and to the Proprietary Marks. Franchisee agrees that all usage of the Proprietary Marks and any goodwill established thereby shall inure to the exclusive benefit of MAACO. Franchisee acknowledges that this Agreement does not confer any goodwill or other interest in the Proprietary Marks upon Franchisee.

B. Franchisee agrees that after termination or expiration of this Agreement he will not directly or indirectly at any time or in any manner identify himself or any business as a current or former Maaco Center or as otherwise associated with MAACO, or use in any manner or for any purpose the Proprietary Marks or any colorable imitation thereof.

C. Franchisee agrees to operate, advertise and promote the Center under the trade and service mark "Maaco Collision Repair & Auto Painting," or other name prescribed by MAACO, provided that Franchisee shall identify himself as the owner and operator thereof in the manner prescribed by MAACO. Franchisee shall not use the Proprietary Marks as part of any corporate name or with any prefix, suffix or other modifying words, designs or symbols, or in any modified form, nor may Franchisee use the Proprietary Marks in connection with the sale of any unauthorized service or product or in any manner not expressly authorized by MAACO. Franchisee agrees to prominently display the Proprietary Marks on all sales invoices, stationery and other forms and materials designated by MAACO, and in the manner prescribed by MAACO, and to obtain such fictitious or assumed name registrations as may be required under applicable law.

D. Franchisee shall promptly notify MAACO of any use by any person or legal entity other than MAACO or another of its franchisees of any Proprietary Marks, any colorable variation thereof, or any other mark in which MAACO has or claims a proprietary interest. Franchisee further agrees to notify MAACO promptly of any litigation instituted by any person or legal entity against MAACO or Franchisee involving the Proprietary Marks. In the event MAACO, in its sole discretion, undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of MAACO's counsel, be reasonably necessary to carry out such defense or prosecution.

E. MAACO may modify or discontinue Franchisee's use of any Proprietary Marks and/or substitute Proprietary Marks. Franchisee agrees, at his/her expense, to comply with any such modification or discontinuance in accordance with time periods reasonably prescribed by MAACO.

10. CONFIDENTIAL OPERATING MANUAL

A. In order to protect the reputation and goodwill of MAACO and to maintain uniform standards of operation under the Proprietary Marks, Franchisee shall operate the Center in accordance with MAACO's Confidential Operating Manual (the "Manual"), one copy of which will be supplied to Franchisee upon his or her arrival at training.

B. Franchisee shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the franchised business, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time, without MAACO's prior written consent, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

C. The Manual shall at all times remain the sole property of MAACO.

D. MAACO may from time to time revise the contents of the Manual and Franchisee expressly agrees to comply with each new or changed standard; provided, however, that any such revision or modification will not materially change or alter the fundamentals of the System unless it is determined by MAACO that such changes are necessary or desirable to respond to changing market conditions or to enable its franchisees to compete more effectively in the market place. The provisions of the Manual as modified from time to time shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include the provisions of the Manual.

11. CONFIDENTIAL INFORMATION

Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or entity, any trade secrets or Confidential Information, knowledge, or know-how concerning the methods of operation of a Maaco Center which may be communicated or disclosed to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such trade secrets and Confidential Information only to its employees who must have access to it in order to operate the Center. Confidential Information shall include the Manual, MAACO's operating systems, MAACO's publications including Paintline, and such other documents, marketing/advertising strategies, media buying policies, methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Centers and all customer lists and customer information.

12. RECORDS AND REPORTS

A. During the term of this Agreement, Franchisee shall maintain and preserve, for at least seven (7) years from the dates of their preparation, full complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by MAACO from time to time. Franchisee acknowledges that reporting this information to MAACO is critical to MAACO's operations and MAACO shall have the right to designate an accounting service or firm to compile all books, business records and reports prescribed from time to time by MAACO.

B. Franchisee shall report to MAACO, no later than noon on Tuesday of each week, the Center's weekly business figures for the preceding week, including without limitation, gross receipts and all related figures, as required by MAACO and in the manner specified by MAACO. MAACO shall have the right, in its sole discretion, to publish and disclose the Center's business figures in business publications distributed to its franchisees.

C. Franchisee shall, at its expense, submit to MAACO by the fifteenth (15th) day of each month, during the first twelve (12) months of the operation of the Center, an income statement and statement of cash flow for the Center for the preceding month and for the year-to-date and a balance sheet as of the end of such month. Within 120 days after the end of each calendar year, a year-end balance sheet and income statement and statement of cash flow of the Center for such year, reflecting all year-end adjustments and accruals, provided MAACO will not unreasonably withhold its consent to a request for an extension of time to provide such statements, and such other information as MAACO may require from time to time, including sales and income tax statements.

D. Franchisee shall submit to MAACO, for review or auditing, such other forms, reports, records, information and data as MAACO may reasonably request, including the Center's and Franchisee's personal income tax returns.

E. MAACO or its designated agents shall have the right at all reasonable times to examine, at its expense, the books, records and tax returns of Franchisee. MAACO shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If any inspection or audit should reveal that any payments due MAACO have been understated in any report to MAACO, then Franchisee shall immediately pay to MAACO or its affiliates or subsidiaries the amount understated upon demand, plus interest from the date such amount was due until paid, at the rate specified in Paragraph 5F hereof. Additionally, if any inspection or audit should reveal that any payments due MAACO have been understated in any report to MAACO or if Franchisee fails to produce all books and records to be audited at the time specified by MAACO, Franchisee shall reimburse MAACO for any and all costs and expenses connected with the inspection, any re-inspection or with the audit (including, without limitation, the charges of any independent accountant, attorneys' fees and travel expenses, room, board and compensation of MAACO employees). The foregoing remedies shall be in addition to any other remedies MAACO may have.

13. INSURANCE

A. Franchisee shall purchase and at all times during the term of this Agreement shall maintain in full force and effect at his/her sole expense and for minimum policy limits prescribed from time to time by MAACO, public liability insurance, including but not limited to, employer's liability, garage liability, pollution liability, garagekeeper's legal liability, employment practices liability and commercial umbrella coverage against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Center and worker's insurance and other insurance required by law. MAACO may, upon written notice to Franchisee, increase the policy limits or minimum liability protection or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances.

B. All policies of insurance shall be issued by an insurance company having a policy holder's rating of A+ or better by A.M. Best Company and duly authorized to transact business in the state where the premises is located.

C. All policies of insurance shall name MAACO as additional insured and any other party designated by MAACO. All such policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation or other entity, shall constitute knowledge of the insured. Franchisee shall furnish MAACO, any other named insureds and all other persons designated by MAACO, certificates issued by each of Franchisee's insurers indicating that all required insurance is in full force and effect and will not be terminated or changed without at least thirty (30) days prior written notice to MAACO of each such policy. Within five (5) days of any request by MAACO, Franchisee shall deliver a copy of all such insurance policies to MAACO for examination.

D. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees, MAACO shall have the right and authority (without, however, any obligation to do so), to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for MAACO's expenses in so acting, shall be payable by Franchisee immediately upon notice.

E. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by MAACO, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Paragraph 20 of this Agreement.

14. TRANSFERABILITY OF INTEREST

A. MAACO shall have the right to transfer or assign all or any part of its rights or obligations herein to any other person or legal entity.

B. Franchisee understands and acknowledges that the rights and duties set forth in the Agreement are personal to Franchisee. Accordingly, Franchisee shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this franchise or in

Franchisee without the prior written consent of MAACO. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of MAACO shall be null and void and shall constitute a material breach of this Agreement. MAACO shall not unreasonably withhold its consent to a transfer of any interest in the franchise or Franchisee, provided, however, that prior to the time of transfer, MAACO may, in its sole discretion, except in the case of a transfer to a corporation formed solely for the convenience of ownership, require that:

(1) All of Franchisee's accrued monetary obligations to MAACO and its affiliates and subsidiaries and all other outstanding obligations related to the Center shall have been satisfied;

(2) Franchisee shall have executed a general release in a form satisfactory to MAACO, of any and all claims against MAACO and its officers, directors, shareholders and employees, in their corporate and individual capacities;

(3) The transferee shall execute MAACO's then-current Franchise Agreement and pay MAACO a pro-rata amount of the then current initial franchise fee charged by MAACO for a MAACO franchise based upon the number of years that have elapsed since the date of execution of this Agreement. If a transfer occurs after the beginning of any year hereof, that year shall be deemed to have elapsed for purposes of this calculation;

(4) The transferee shall assume all warranty and guarantee work of the Franchisee;

(5) The transferee shall pay MAACO its then-current training fee and shall complete the initial training program then in effect for franchisees;

(6) The transferee shall demonstrate to MAACO's satisfaction that he or she meets MAACO's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business of the Center; and has adequate financial resources and capital to operate the Center;

(7) The transferee shall pay MAACO an initial advertising deposit of Ten Thousand Dollars (\$10,000.00); provided MAACO shall have the right to increase the amount of such advertising deposit ten percent (10%) per year from the date of this Agreement to the date of any such transfer;

(8) In the event that as a result of MAACO's marketing/referral efforts an individual/transferee is identified or if the transferee has already executed a franchise agreement with MAACO, Franchisee shall pay MAACO a sales commission in the amount of ten percent (10%) of the gross sales price of the Center or Twenty-Five Thousand Dollars (\$25,000.00), whichever is greater, regardless of whether Franchisee has a listing with a third party broker;

(9) Franchisee and transferee shall execute such other documents as may be reasonably required by MAACO; and

(10) Franchisee or transferee shall complete the following Center refurbishing tasks, at Franchisee's expense, prior to MAACO's consent to any such transfer:

- a. Install MAACO's then-current merchandising system;
- b. Install MAACO's then-current exterior signage and trade dress;
- c. Complete general cleaning, fixing, repairing and painting of the Center;
- d. Complete maintenance service of the equipment (including, but not limited to, the oven, booth, mixing equipment and compressors);
- e. Replace equipment not repairable, as necessary; and
- f. Purchase hardware and software to operate MAACO's current computerized management information system.

C. In the event the proposed transfer is to a corporation or other business entity formed solely for the convenience of ownership, MAACO's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

(1) The business entity transferee shall be newly organized and its charter or other organizational documents shall provide that its activities are confined exclusively to the operation of the Center;

(2) Franchisee shall own a majority interest in the transferee, shall not diminish his proportionate ownership interest in the transferee franchisee, except as may be required by law, and shall act as its principal executive officer;

(3) Each stock certificate or other certificate evidencing ownership of the Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to MAACO that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignment by this Agreement;

(4) All shareholders or others holding ownership interests in the transferee shall execute an agreement in the form prescribed by MAACO guaranteeing such corporation's obligations under this Agreement and agreeing to be bound jointly and severally by all provisions hereof; and

(5) The transferee shall agree to be bound by all of the provisions of this Agreement and to assume and discharge all of Franchisee's obligations hereunder.

D. In the event of a proposed transfer, Franchisee agrees that MAACO shall have the right to make available to the transferee its complete file of Franchisee.

E. If Franchisee is a corporation or other entity, the articles of incorporation, by-laws and other organizational documents shall recite that the issuance and transfer of any security is restricted by the terms of Paragraph 14 hereof and each stock certificate or other documents representing ownership interests shall have conspicuously endorsed upon its face a statement in a form satisfactory to MAACO that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignment by this Agreement.

F. Upon the death or permanent incapacity of any person with an interest in the franchise or in Franchisee, the executor, administrator, personal representative or trustee of such person or entity shall transfer his or its interest to a third party approved by MAACO within a reasonable time, not to exceed 12 months from the date of death or permanent incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any lifetime transfer. If the heirs or beneficiaries of any such person are unable to meet the conditions in Paragraph 14 hereof, the executor, administrator, personal representative or trustee of the deceased or incapacitated franchisee shall have a reasonable time, not to exceed 12 months from the date of death or permanent incapacity, to dispose of the deceased's or incapacitated person's interest in the franchise, which disposition shall be subject to all the terms and conditions for transfers contained in the Agreement.

G. MAACO's consent to transfer of any interest in the franchise granted herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of MAACO's right to demand exact compliance with any of the terms of this Agreement by the transferee.

15. TERMINATION BY MAACO

A. In addition to MAACO's right to terminate this Agreement as provided in Paragraph 2B hereof, MAACO may terminate this Agreement and the franchise by notice of termination to Franchisee upon the occurrence of any of the following events:

(1) Franchisee becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated as bankrupt, suffers temporary or permanent court appointed receivership of substantially all of its property or suffers the filing of a voluntary or involuntary bankrupt petition which is not dismissed within thirty (30) days after filing or is dissolved for any reason;

(2) Franchisee abandons or ceases to do business at the Center, or loses the right to possession of the Center or otherwise forfeits the right to do or transact business in the jurisdiction where the Center is located; however, if any loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of Franchisee, the Center is damaged or destroyed by a disaster such that it cannot, in MAACO's judgment, reasonably be restored, then in either such event this Agreement shall not be terminated for that reason for ninety (90) days thereafter, provided

Franchisee applies within that time for approval to relocate the Center, for the remainder of the term hereof, which approval shall not be unreasonably withheld;

(3) Final conviction of Franchisee or any owner of Franchisee of a felony;

(4) Franchisee purports to transfer any rights or obligations under this Agreement to any third party without MAACO's prior written consent, contrary to the terms of Paragraph 14 of this Agreement;

(5) Franchisee fails to comply with the in term covenants in Paragraph 18 hereof;

(6) Franchisee discloses or divulges the contents of the Manual or other trade secret or Confidential Information provided Franchisee by MAACO contrary to Paragraphs 10 and 11 hereof;

(7) If an approved transfer is not effected within a reasonable time following Franchisee's death or permanent incapacity as required by Paragraph 14F hereof;

(8) A threat or danger to public health or safety results from the maintenance or operation of the Center;

(9) MAACO discovers that Franchisee made any material misrepresentation on or in connection with his application for the franchise;

(10) MAACO receives repeated customer complaints about the Center;

(11) Franchisee misrepresents or intentionally underreports the Center's business figures or gross receipt in reports submitted to MAACO;

(12) Franchisee or the majority investor fails or is unable to complete the initial training program to the satisfaction of MAACO; or

(13) Franchisee fails on two (2) or more occasions within any twelve (12) month period to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee.

B. MAACO shall have the further right to terminate this Agreement and the franchise by notice of termination to Franchisee, if Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by MAACO and does not correct such failure within seven (7) days if such failure relates to the use of the Proprietary Marks, fifteen (15) days if such failure relates to the payment of money by Franchisee pursuant to this Agreement or any other agreement between Franchisee and MAACO or its subsidiaries or affiliates, otherwise within thirty (30) days, after written notice of such failure to comply (which shall describe the action that Franchisee must take to correct same) is given to Franchisee.

C. Termination is effective the date the notice of termination is mailed to Franchisee.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement:

A. Franchisee shall immediately cease to operate the business franchised under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of MAACO.

B. Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, confidential methods, procedures and techniques associated with the System; the trade and service mark "Maaco Auto Painting & Bodyworks" or "Maaco Collision Repair & Auto Painting," and any Proprietary Marks and distinctive forms, slogans, signs, symbols, or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, equipment, advertising materials, stationery, forms and any other articles which display the Proprietary Marks.

C. Franchisee shall immediately stop accepting new customers using MAACO paperwork, shall complete all work-in-progress and deliver all motor vehicles to their owners, and shall provide MAACO with all customer data and customer lists in its possession.

D. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the name "Maaco" or any other service mark or trademark of MAACO, and to notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use all telephone numbers and all classified and other directory listings of the Center and, where applicable, to authorize same to transfer to MAACO or its franchisee all such numbers and directory listings. Franchisee acknowledges that as between MAACO and Franchisee, MAACO has the sole rights to and interest in all telephone number and directory listings associated with any name or mark and, where applicable, authorizes MAACO to direct the telephone company and all listing agencies to transfer same to MAACO or its franchisee should Franchisee fail to do so, and the telephone company and all listing agencies shall accept such direction or this Agreement as conclusive of the exclusive rights of MAACO in such telephone numbers and directory listings and its authority to direct their transfer. Franchisee shall be obligated to immediately pay all outstanding charges related to such telephone numbers upon termination or expiration.

E. Franchisee shall make such modifications or alterations to the premises operated hereunder (including without limitation, ceasing all use of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to prevent the operation of any business thereon by himself or others in derogation of this Paragraph 16 and shall make such specific additional changes thereof as MAACO may reasonably request for that purpose. In the event Franchisee fails to make such modifications, MAACO shall have the right to re-enter the premises and make such modifications or alterations to the premises.

F. Franchisee shall promptly pay all sums owing to MAACO and its subsidiaries and affiliates.

G. Franchisee shall immediately return to MAACO, at Franchisee's expense, all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the franchised business including, without limitation, brochures, agreements, and any and all other materials relating to the operation of the Center in Franchisee's possession.

H. Franchisee shall comply with the covenants contained in Paragraph 18 of this Agreement.

I. Franchisee shall execute a general release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their individual and corporate capacities. .

17. OPTION TO PURCHASE

A. Upon termination or expiration of this Agreement, MAACO shall have the right for a period of sixty (60) days commencing on the date of termination or expiration to purchase from Franchisee the assets of the Center and obtain an assignment of Franchisee's lease for the premises of the Center, or if Franchisee owns the real property on which the Center is located, to purchase the property or enter into a lease with Franchisee for the premises of the Center.

B. The purchase price for the assets of the Center shall be their fair market value exclusive of any goodwill, provided that MAACO may exclude from the purchased assets, any fixtures, equipment, signs, products or supplies that it has not theretofore approved as meeting quality or performance standards for Centers. If MAACO and Franchisee are unable to agree on the fair market value, the fair market value shall be determined by an independent appraiser selected by both parties.

C. The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than sixty (60) days after receipt by Franchisee of MAACO's notice of exercise of this option to purchase the assets, at which time Franchisee shall deliver instruments transferring to MAACO or its assignee: (1) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances with all sales and other transfer taxes payable by Franchisee; and (2) all licenses or permits which may be assigned or transferred. MAACO shall have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to MAACO.

18. COVENANTS

A. Except as otherwise approved in writing by MAACO, Franchisee (or if Franchisee is more than one person, the person approved by MAACO) shall devote full time, energy and efforts to the management and operation of the Center. The Center shall at all times be managed

and operated by Franchisee (or if Franchisee is more than one person, the person approved by MAACO). Franchisee conducting the day to day management and operation of the Center and the majority investor in the franchise, shall attend and complete to MAACO's satisfaction the initial training program described in Paragraph 7E of this Agreement.

B. Franchisee covenants that during the term of this franchise, except as otherwise approved in writing by MAACO, Franchisee shall not directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation:

(1) Divert or attempt to divert any business or customer of the business franchised hereunder to any competitor, by direct or indirect inducement or otherwise, do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

(2) Employ or seek to employ any person who is at that time employed by MAACO or by any other franchisee of MAACO, or otherwise directly or indirectly induce such person to leave his or her employment thereat, unless Franchisee obtains written approval from such person's employer.

(3) Own, maintain, engage in, be employed by, finance, assist or have any interest in any other business providing, in whole or in part, motor vehicle painting or body repair services or products.

C. Franchisee covenants that for a period of one (1) year from whichever of the following events occur later: (i) the expiration or termination of this Agreement, regardless of the cause of termination; (ii) the date upon which Franchisee ceases to operate the business franchised hereunder, either from his current location or any other location within 10 miles of his existing center, following termination or expiration of this Agreement; or (iii) the date upon which Franchisee complies with this Paragraph 18C, Franchisee shall not either directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership or corporation:

(1) Do or engage in any act prescribed by Paragraphs 18B(1) and (2) of this Agreement, which are hereby incorporated by reference as if more fully set forth herein.

(2) Own, maintain, engage in, be employed by, finance, assist or have any interest in any business providing, in whole or in part, motor vehicle painting or body repair services or products at the premises of the Center or within a radius of ten (10) miles of the Center or within a ten (10) mile radius of any existing MAACO location that was in existence at the time that Franchisee signed your Franchise Agreement.

D. Franchisee understands and acknowledges that MAACO shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph 18B and C, in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply

forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Paragraph 23 hereof.

E. If any court or other tribunal having jurisdiction to determine the validity or enforceability of this Paragraph 18 determines that it would be invalid or unenforceable as written, then the provisions heretofore shall be deemed to be modified to such extent or in such manner as necessary for such provisions to be valid and enforceable to the greatest extent possible.

19. TAXES, PERMITS AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed by any federal, state or local tax authority, and any and all indebtedness incurred by Franchisee in the conduct of the business franchised hereunder.

B. Franchisee shall comply with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business franchised hereunder, including, without limitation, those related to hazardous waste storage and removal, licenses to do business, fictitious name registrations and sales tax permit clearance.

C. Franchisee shall notify MAACO in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

B. During the term of this Agreement and any extensions hereof, Franchisee expressly agrees to hold itself out to the public as an independent contractor operating the business pursuant to a franchise from MAACO. Franchisee agrees to take such affirmative action as may be necessary to do so, including without limitation, exhibiting a notice of that fact in a conspicuous place in the franchised premises, the content of which MAACO reserves the right to specify.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on MAACO's behalf, or to incur any debt or other obligation in MAACO's name, and that MAACO shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the franchised business or any claim or judgment arising therefrom against MAACO, including those related to Franchisee employees. Franchisee shall

indemnify and hold MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, and employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the franchised business, including but not limited to, any claims relating to hazardous waste storage, removal or disposal, as well as the cost, including attorney's fees, of defending against them.

21. APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of MAACO, Franchisee shall make a timely written request to MAACO therefore, and such approval or consent shall be obtained in writing.

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

C. No failure of MAACO to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of MAACO's right to demand exact compliance with any of the terms herein. Subsequent acceptance by MAACO of any payments due to it hereunder shall not be deemed to be a waiver by MAACO of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22. NOTICES

A. Franchisee acknowledges and agrees that exchanging information with MAACO by e-mail, electronic transmission and facsimile transmission is an important way to enable quick, effective and efficient communication. To facilitate the use of e-mail, electronic transmission and facsimile transmission to exchange information, Franchisee authorizes during the term of this Agreement the transmission of e-mails, electronic and facsimile transmissions by MAACO, its employees, vendors and affiliates to Franchisee on matters pertaining to the business contemplated hereunder. In order to implement the terms of this Paragraph, Franchisee agrees that: (1) MAACO and its employees, vendors and affiliates are authorized to send e-mails, electronic transmissions and facsimile transmissions to those of Franchisee's employees as Franchisee may designate for the purpose of communicating with MAACO; (2) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen and paper writing, as MAACO may reasonably require) to MAACO's transmission of e-mails to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails from MAACO, its employees, vendors or affiliates during the time that such person works for or is affiliated with Franchisee; and (3) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails from MAACO, its employees, vendors or affiliates during the term of this Agreement.

B. Any and all notice required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to MAACO:

MAACO Franchising, Inc.
128 S. Tryon Street
Suite 900
Charlotte, NC 28202

Notices to Franchisee:

Except for a notice of termination, as stated in Paragraph 15C, any notice by certified or registered mail shall be deemed to have been delivered two (2) business days from the date of mailing. The consent and authorization given in Paragraph 22A above shall not apply to the provision of notices under Paragraph 22B above unless the parties otherwise agree in a pen and paper writing signed by both parties.

23. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full and complete agreement between MAACO and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchisee to execute this Agreement. No representations, inducements, promises or agreements, oral or otherwise, not embodied herein or attached hereto (unless of subsequent date) are made by either party, and none shall be of any force or effect with reference to this Agreement or otherwise. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that MAACO made in the most recent disclosure document (including its exhibits and amendments) that MAACO delivered to Franchisee or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

24. SEVERABILITY AND CONSTRUCTION

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

shall continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not to be part of this Agreement.

B. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of, or election not to renew this Agreement, or the taking of some other action with respect to such termination or election not to renew than is required hereunder, the prior notice of other action required by such law or rule shall be substituted for the notice or other requirements thereof.

C. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than MAACO or Franchisee and such of their respective successors and assigns as may be contemplated by Paragraph 14 hereof, any rights or remedies under or by reason of this Agreement.

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

E. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

F. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgements, promises, covenants, agreements and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all parties hereto on behalf of Franchisee.

G. This Agreement may be executed in counterparts, and each copy so executed shall be deemed an original.

25. ENFORCEMENT

A. This Agreement takes effect upon its acceptance and execution by MAACO. This Agreement shall be interpreted and construed under the laws of the State of North Carolina and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of North Carolina, which laws shall prevail in the event of a conflict of law.

B. 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 county or district where MAACO's principal offices are located, which as of the date of this Agreement is Charlotte, North Carolina. As such, Franchisee irrevocably submits to the jurisdiction of the courts located in Mecklenburg County, North Carolina, and irrevocably waives any objection he

may have to either the jurisdiction or venue of such courts. Franchisee further irrevocably agrees not to argue that any such court is an inconvenient forum or to request transfer of any such action to any other court. MAACO, however, shall have the option of bringing any action to enforce the terms of this Agreement or prevent any actual or threatened breach of this Agreement in any court of competent jurisdiction and Franchisee consents to the entry of injunctive relief, including, without limitation, temporary restraining orders and/or preliminary and permanent injunctions without the requirement of bond, according to the equity rules in the jurisdiction in which such relief is sought.

C. No right or remedy conferred upon or reserved to MAACO or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

D. Nothing herein contained shall bar MAACO's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

E. If MAACO shall institute any action at law or in equity against Franchisee to secure or protect its rights hereunder or to enforce the terms of this Agreement, MAACO shall be entitled to recover, in addition to any judgment rendered in its favor, reasonable attorneys' fees together with court costs and expenses of litigation.

FRANCHISEE ACKNOWLEDGES THAT THE SUCCESS OF THE CENTER INVOLVES RISKS AND IS DEPENDENT UPON: (I) THE ABILITY AND ACUMEN OF FRANCHISEE AS AN INDEPENDENT BUSINESSPERSON; (II) FRANCHISEE'S FULL-TIME PARTICIPATION IN THE DAY-TO-DAY OPERATION OF THE CENTER; AND (III) FRANCHISEE'S IMPLEMENTATION OF THE SYSTEM. FRANCHISEE REPRESENTS AND WARRANTS THAT NEITHER MAACO NOR ANY PERSON OR ENTITY ACTING ON ITS BEHALF HAS PROVIDED ANY ASSURANCES OR MADE ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME, PROFITS OR PROBABLE SUCCESS OF THE CENTER. FRANCHISEE ACKNOWLEDGES THAT HE/SHE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE MAACO FRANCHISE OPPORTUNITY. FRANCHISEE HAS READ THE ABOVE FRANCHISE AGREEMENT AND UNDERSTANDS ITS TERMS. FRANCHISEE WOULD NOT SIGN THIS FRANCHISE AGREEMENT IF FRANCHISEE DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

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

FRANCHISEE

If a corporation, limited liability company or partnership:

_____ a _____

(Name of corporation, limited liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISING, INC.

a Delaware corporation

By: _____

Print Name: _____

Title: _____

Attest: _____



MAACO FRANCHISING, INC.
EQUIPMENT PACKAGE

F/O Name: _____

Location: _____

F/A date: _____

Date Prepared: _____

A. EQUIPMENT PKG. (pg. 2 & 3) including INSTALLATION		\$122,600.00	
Deletions:	(Refer to Equip Pkg for itemized deletions)	\$0.00	
Adjusted Equipment Pkg. Incl. Installation		\$122,600.00	
Additions to the Equip Pkg.:			
	Estimated Freight	\$6,000.00	
	Estimated Storage & Rigging	\$2,000.00	
	Duct Work Transition / Offset	\$0.00	
Total Additions		\$8,000.00	
TOTAL EQUIPMENT PACKAGE		\$130,600.00	
B. INVENTORY (Supply Pkg (pg. 8 & 9) and PAINT PACKAGE)		\$19,582.41	
C. STATIONERY and PROMO PACKAGE (pg. 10)		\$508.09	
D. SIGN PACKAGE (pg. 11)		\$10,205.63	
Deletions to Sign Pkg: (Refer to Sign Pkg for itemized deletions)		\$0.00	
TOTAL SIGN PACKAGE		\$10,205.63	
E. COMPUTER PACKAGE (pg. 12)		\$3,952.00	
F. AIR QUALITY PERMIT APPLICATION FEES & FEDERAL REG., 40CFR63 SUBPART 6H		\$2,040.00	
CMI / Air	\$1,900.00	ERS / Federal	\$140.00
TOTAL INITIAL PACKAGE (Sales Tax not included)			\$166,888.13

Jim Alderson
Sr. Director of Real Estate

Date

Signature of Acknowledgement, by Franchise
Owner, of the Equipment Package & Contents

Date

THIS PACKAGE IS NOT APPROVED UNTIL SIGNED BY JIM ALDERSON

EQUIPMENT PACKAGE

<u>ITEM #</u>	<u>DESCRIPTION</u>	<u>QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	Semi-Downdraft Spray Booth 27'	1	\$31,230.00	\$31,230.00
2	Convection Drying Enclosure	1	\$20,070.00	\$20,070.00
3	Assorted Spray Equipment (itemized list attached - page 4)	1	\$4,539.84	\$4,539.84
4	Rotary Screw Air Compressors - 15HP	2	\$6,805.00	\$13,610.00
5	Vacuum Cleaner	1	\$139.95	\$139.95
6	Portable Maskers	3	\$55.23	\$165.69
7	36" Apron Taper	2	\$56.10	\$112.20
8	Polisher	1	\$166.25	\$166.25
9	DA Sanders 3/16	2	\$183.97	\$367.94
	DA Sanders 3/8	3	\$183.97	\$551.91
10	Dusting Gun	6	\$23.92	\$143.52
11	3 Ton Floor Jack	1	\$114.48	\$114.48
12	6 Ton Car Stands	2	\$39.59	\$79.18
13	Mig Welder (110V) & Cart	1	\$783.89	\$783.89
14	50' Extension Cords	4	\$17.17	\$68.68
15	25' Drop Lights	2	\$16.14	\$32.28
16	Repair Order Racks	7	\$52.00	\$364.00
17	Paint Room Shelving Unit	7	\$96.70	\$676.90
18	Fire Suppression System	1	\$4,711.46	\$4,711.46
19	Full Face Air Supply Sys.	1	\$772.09	\$772.09
20	Electrical Package (itemized list attached - page 5)	1	\$981.73	\$981.73
21	Battery Jumper	1	\$137.00	\$137.00
22	Office Supply Package (itemized list attached - page 6)	1	\$766.69	\$766.69
23	Hardware Supply Package (itemized list attached - page 7)	1	\$1,783.24	\$1,783.24

EQUIPMENT PACKAGE

<u>ITEM #</u>	<u>DESCRIPTION</u>	<u>QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
24	Power Washer	1	\$1,013.50	\$1,013.50
25	Stud Gun & studs	1	\$313.04	\$313.04
26	Portable Infrared Heat Lamp	2	\$125.00	\$250.00
27	BT10 Bumper Stand & wire coil	1	\$228.55	\$228.55
28	Parts Super Stand	1	\$133.40	\$133.40
29	Eye Wash Station & Solution	1	\$159.16	\$159.16
30	5GL Pail Pump	2	\$15.39	\$30.78
31	Fender Stand	2	\$31.20	\$62.40
32	HD Utility Cart	4	\$51.63	\$206.52
33	Eraser Tool Kit	1	\$102.98	\$102.98

TOTAL EQUIPMENT PACKAGE \$84,869.25

STANDARD EQUIP PKG TOTAL as of 6-29-2012 \$84,869.25

EQUIPMENT PKG DELETIONS \$0.00

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

ASSORTED SPRAY EQUIPMENT PACKAGE

(Total package price is line item #3 in Equipment Package)

<u>QTY</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	CT PLUS Desiccant Air Dryer	\$394.35	\$394.35
2	FLG-671 Finishline Waterborne HVLP Kit	\$148.71	\$297.42
3	GFG-670 Plus Gravity Gun/Cup	\$295.00	\$885.00
14	H-2008 Nipple	\$3.38	\$47.32
1	HA-5850 50' Air Hose w/Connections	\$64.55	\$64.55
14	HA-5867 35' Air Hose w/Connections	\$64.55	\$903.70
7	HAR-600 Air Regulator	\$65.83	\$460.81
2	HAV-501 Air Valve w/Gauge	\$16.77	\$33.54
36	HC-1166 Quick Disconnect Stem	\$3.64	\$131.04
30	HC-4419 Quick Disconnect Stem	\$4.74	\$142.20
21	HC-4719 Quick Disconnect Air connection	\$13.29	\$279.09
14	HC-4720 Quick Disconnect	\$13.29	\$186.06
12	P-HC-4528 Air Hose Connection	\$4.80	\$57.60
2	WR-103 Spray Gun Wrench	\$8.59	\$17.18
2	13-0042 Filter-Regulator Assembly	\$137.72	\$275.44
1	192212 Spray Gun Cleaning Kit	\$32.96	\$32.96
2	3M37078 Respirator - Medium	\$31.18	\$62.36
4	3M7046 Cartridge 2/pk	\$7.18	\$28.72
2	3M7194 P95 Filter 10/bx	\$12.61	\$25.22
1	Disp. Cup System	\$215.28	\$215.28
TOTAL SPRAY EQUIPMENT PACKAGE			<u><u>\$4,539.84</u></u>

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

ELECTRICAL PACKAGE

(Total package price is line item #20 in Equipment Package)

<u>QTY</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	No Smoking Sign (6/pack)	\$14.04	\$14.04
1	Magnehelic Gauge	\$52.73	\$52.73
12	Hose Hangers	\$6.00	\$72.00
2	Bronze Flexible Coupling	\$223.20	\$446.40
2	FXS Tumbler Switch	\$198.28	\$396.56
TOTAL ELECTRICAL PACKAGE			<u><u>\$981.73</u></u>

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

OFFICE SUPPLY PACKAGE

(Total package price is line item #22 in Equipment Package)

<u>QTY</u>	<u>UNIT</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	CT	Customer Chairs - 4/Ct	\$280.00	\$280.00
1	EA	Legal File Cabinet 4 Drawer w/Lock	\$192.00	\$192.00
1	EA	Adding Machine w/Paper Receipt	\$16.98	\$16.98
3	RL	Adding Machine Tape	\$0.39	\$1.17
12	EA	Clipboard Legal	\$0.99	\$11.88
1	EA	Petty Cash Box w/Lock	\$22.00	\$22.00
1	PK	Petty Cash Receipt Pad - Pk/12	\$8.79	\$8.79
3	EA	Wall File Pocket Legal	\$5.82	\$17.46
4	BX	Hanging Folder Legal - Bx/25	\$7.72	\$30.88
3	PK	Key Tag Paper Ring - Pk/50	\$3.44	\$10.32
1	BX	Felt Tip Pen Sharpie Red - Bx/12	\$14.99	\$14.99
1	BX	Felt Tip Pen Sharpie Black - Bx/12	\$14.99	\$14.99
2	EA	Magic Marker Wide Black	\$0.52	\$1.04
1	DZ	Hi-Liters Yellow	\$2.19	\$2.19
1	EA	Expanding File A - Z Legal	\$10.79	\$10.79
1	EA	Expanding File 1-31 Legal	\$15.15	\$15.15
1	EA	Step Stool	\$29.99	\$29.99
3	EA	Wastepaper Can	\$4.79	\$14.37
2	EA	Calculator	\$8.50	\$17.00
1	EA	Manilla folders -100 pk	\$11.90	\$11.90
1	DZ	China Marker Yellow	\$9.00	\$9.00
1	DZ	China Marker Black	\$9.00	\$9.00
6	EA	Brochure Holders	\$2.50	\$15.00
1	EA	Stapler	\$9.80	\$9.80

TOTAL OFFICE SUPPLY PACKAGE

\$766.69

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

HARDWARE PACKAGE

(Total package price is line item #23 in Equipment Package)

<u>QTY</u>	<u>UNIT</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	EA	Parts Cleaning Brush	\$4.00	\$4.00
1	EA	8' Step Ladder	\$66.50	\$66.50
2	EA	36" Dust Mop & handle	\$20.42	\$40.84
2	EA	75' Garden Hose	\$22.72	\$45.44
5	EA	6' x 2' Workbench	\$109.00	\$545.00
2	PR	Chemical Resistant Gloves	\$7.61	\$15.22
1	EA	Chemical Resistant Apron	\$2.68	\$2.68
3	EA	36" Broom - Soft Bristle	\$13.75	\$41.25
2	EA	36" Broom - Hard Bristle	\$15.94	\$31.88
1	EA	Wet Mop & handle	\$3.75	\$3.75
1	EA	Shovel, Short Handle, Square Mouth	\$21.58	\$21.58
1	EA	First Aid Kit (20 Person)	\$16.88	\$16.88
1	EA	Welding Hood	\$30.13	\$30.13
2	EA	3" Putty Knife	\$3.20	\$6.40
1	EA	Bench Vise - Medium	\$42.46	\$42.46
1	EA	Pliers	\$2.16	\$2.16
1	EA	Mig Welder Tip Cleaner	\$4.00	\$4.00
1	EA	Sponge	\$1.75	\$1.75
1	EA	Mop Bucket & Wringer	\$61.69	\$61.69
1	PR	Welding Gloves	\$8.00	\$8.00
1	EA	Cutting Shears 3 pack	\$12.78	\$12.78
1	EA	Vise Grip	\$9.35	\$9.35
1	EA	Flame Retardant Apron	\$13.87	\$13.87
1	EA	Adjustable Wrench - Small	\$4.50	\$4.50
1	EA	Adjustable Wrench - Large	\$6.79	\$6.79
6	EA	Plastic Trash Can w/Lid 32 Gallon	\$29.00	\$174.00
1	EA	Steel Trash Can w/Lid	\$21.00	\$21.00
1	EA	Socket Set Standard & Metric	\$39.50	\$39.50
2	EA	Metal Standard Nozzle	\$6.79	\$13.58
1	EA	Torx Driver Set	\$11.83	\$11.83
1	EA	Screw Driver Set Standard & Philips	\$6.20	\$6.20
1	EA	Heavy Duty Hand Riveter	\$26.36	\$26.36
2	EA	Razor Blade Scraper	\$5.96	\$11.92
2	EA	Windshield Wiper Removal Tool	\$3.15	\$6.30
2	EA	Welding Blanket 30 OZ	\$40.50	\$81.00
1	EA	Drum Pump	\$25.09	\$25.09
25	EA	4.5 Qt Bucket System	\$1.26	\$31.50
6	EA	Touch up Brush	\$6.30	\$37.80
1	BX	Ear Plug	\$23.16	\$23.16
6	EA	Safety Glasses	\$1.65	\$9.90
2	BX	Mirror Maskers	\$11.22	\$22.44
2	EA	Chamois	\$8.67	\$17.34
1	QT	Air Tool Oil	\$4.22	\$4.22
6	EA	Pump & Spray Bottle	\$30.20	\$181.20

TOTAL HARDWARE PACKAGE

\$1,783.24

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

INVENTORY - SUPPLY PACKAGE

<u>QTY</u>	<u>UNIT</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	EA	Polish / Compounding Kit	\$124.19	\$124.19
1	CS	Wiping Rags	\$16.21	\$16.21
3	CS	3/4 " Masking Tape	\$84.48	\$253.44
2	CS	1 1/2" Masking Tape	\$95.28	\$190.56
2	BX	Razor Blades	\$3.28	\$6.56
2	RL	Plastic Car Cover Large	\$26.32	\$52.64
10	PK	Wipe Alls	\$3.26	\$32.60
6	RL	Lifting Tape	\$18.98	\$113.88
2	BX	2 3/4x17 1/2 150 Velcro Sandpaper	\$20.53	\$41.06
25	EA	2½ Quart Mixing Cups	\$0.89	\$22.25
25	EA	5 Quart Mixing Cups	\$1.40	\$35.00
25	EA	1 Quart Mixing Cups	\$0.38	\$9.50
1	BX	5 1/2 x 9 2500 Wet/Dry Sandpaper	\$11.13	\$11.13
2	EA	8" Sanding Pad Velcro	\$47.84	\$95.68
12	EA	Spray Socks	\$0.87	\$10.44
8	BX	6x6 180 Velcro Vacuum Sandpaper	\$17.85	\$142.80
12	BX	6x6 320 Velcro Vacuum Sandpaper	\$18.32	\$219.84
8	BX	6x6 400 Velcro Vacuum Sandpaper	\$17.00	\$136.00
5	BX	6x6 1000 Velcro Vacuum Sandpaper	\$17.85	\$89.25
2	BX	6x6 2000 Velcro Vacuum Sandpaper	\$19.85	\$39.70
8	BX	6x6 220 Velcro Vacuum Sandpaper	\$18.32	\$146.56
6	RL	6" Masking Paper	\$5.03	\$30.18
6	RL	18" Masking Paper	\$12.18	\$73.08
2	RL	36" Masking Paper	\$24.39	\$48.78
2	BX	6x6 1200 velcro Vacuum Sandpaper	\$17.85	\$35.70
2	BX	Particle Masks	\$8.33	\$16.66
6	RL	6" Poly Masking Paper	\$6.67	\$40.02
6	RL	18" Poly Masking Paper	\$19.03	\$114.18
2	LG	36" Poly Masking Paper	\$40.06	\$80.12
2	EA	Tyvek Paint Suit Large	\$9.89	\$19.78
2	EA	Tyvek Paint Suit X-Large	\$9.89	\$19.78
3	BX	Latex Gloves Large	\$4.99	\$14.97
1	BX	Nitrile Gloves Large	\$7.99	\$7.99
48	EA	Tac Cloth	\$0.57	\$27.36
1	BX	Wipers	\$39.75	\$39.75
2	BX	Maroon Scuff Pads	\$18.45	\$36.90
2	BX	Gray Scuff Pads	\$18.45	\$36.90
10	EA	Interface Pads	\$9.49	\$94.90
1	EA	Alcohol Wiper Box	\$9.27	\$9.27
3	BG	Alcohol Wipers	\$13.01	\$39.03
2	ST	Wheel Covers Canvas	\$11.44	\$22.88
2	EA	6" Vacuum Sanding Pad Velcro	\$39.28	\$78.56
2	TB	Finishing Polyester Putty	\$27.05	\$54.10
6	EA	Mixing Board	\$3.13	\$18.78
2	GL	Short Hair Fiberglass Compound	\$45.95	\$91.90
2	GL	Long Hair Fiberglass Compound	\$46.01	\$92.02

INVENTORY - SUPPLY PACKAGE

<u>QTY</u>	<u>UNIT</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
6	TB	Metal Polyester Putty	\$29.10	\$174.60
4	PL	Body Plastic	\$85.39	\$341.56
2	EA	Body Plastic Dispenser	\$111.37	\$222.74
1	RL	5/16" Pinstripe - Charcoal Metallic	\$6.84	\$6.84
1	EA	Pinstripe Color Chart	\$0.00	\$0.00
1	RL	3/16" Pinstripe - Black	\$6.09	\$6.09
1	RL	3/16" Pinstripe - Silver Metallic	\$6.09	\$6.09
1	RL	3/16" Pinstripe - Tomato Red	\$6.09	\$6.09
2	RL	5/16" Pinstripe - Black	\$6.97	\$13.94
1	RL	5/16" Pinstripe - Silver Metallic	\$6.97	\$6.97
2	RL	5/16" Pinstripe - White	\$6.84	\$13.68
1	RL	5/16" Pinstripe - Gold Metallic	\$6.84	\$6.84
1	RL	5/16" Pinstripe - Tomato Red	\$6.84	\$6.84
6	CN	Gloss Paint Black	\$8.32	\$49.92
6	CN	Semi-Gloss Paint Black	\$8.39	\$50.34
10	PK	1/4" Fine Line Tape	\$6.80	\$68.00
1	PK	1/2" Fine Line Tape	\$9.07	\$9.07
1	PK	1/8" Fine Line Tape	\$6.18	\$6.18
4	GL	Glass Cleaner	\$12.68	\$50.72
4	GL	Tire Cleaner	\$9.72	\$38.88
6	CN	Rubberized Undercoating	\$6.15	\$36.90
2	CN	Chip Guard White	\$16.34	\$32.68
3	CN	Chip Guard Black	\$16.34	\$49.02
2	RL	1/2" Attachment Tape	\$23.99	\$47.98
1	TB	Emblem Adhesive	\$7.00	\$7.00
2	PK	Rollers for primer 10/pk	\$7.41	\$14.82
4	KIT	Tray/roller/handle for primer	\$3.02	\$12.08
2	BX	3/4" Foam Aperture Tape	\$40.09	\$80.18
1	EA	Plastic Repair Kit	\$473.65	\$473.65
2	PT	Abrasive Cleaner	\$9.48	\$18.96
2	CN	Adhesion Promoter	\$15.45	\$30.90
1	BX	Cheesegraters	\$29.10	\$29.10
2	BX	2 3/4x17 1/2 80 Velcro Sandpaper	\$23.49	\$46.98
2	BX	2 3/4x17 1/2 40 Velcro Sandpaper	\$24.93	\$49.86
100	EA	Plastic Spreaders	\$0.13	\$13.00
6	EA	Rubber Squeegee	\$0.47	\$2.82
2	BX	8x0 40 Velcro Sandpaper	\$47.44	\$94.88
4	BX	8x0 80 Velcro Sandpaper	\$44.92	\$179.68
2	BX	6x6 40 Velcro Vacuum Sandpaper	\$20.57	\$41.14
6	BX	6x6 80 Velcro Vacuum Sandpaper	\$17.57	\$105.42
2	BX	5x7/8 24F Fast Sandpaper	\$24.94	\$49.88
1	BX	3" Rol Loc Discs 24 Grit	\$37.11	\$37.11
2	BX	3" Cut Off Wheels	\$24.92	\$49.84

TOTAL SUPPLY PACKAGE

\$5,522.15

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

STATIONERY AND PROMO PACKAGE

<u>QTY</u>	<u>UNIT</u>	<u>PROMOTIONAL ITEMS</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
50	EA	MAACO Pen	\$0.47	\$23.50
12	EA	MAACO Mug	\$3.57	\$42.84
1	EA	Grand Opening Banner	\$105.50	\$105.50
1	EA	Counter Display	\$23.00	\$23.00
1	EA	Maaco Clock	\$20.45	\$20.45

PRINTED MATERIAL

1	PK	Franchise Fee Credit Request	\$0.00	\$0.00
1	PK	Fleet Brochures	\$26.00	\$26.00
1	EA	Inventory Ref. Chart	\$7.29	\$7.29
1	EA	Haz Mat Reference Chart	\$7.29	\$7.29
1	EA	MSDS How to Use	\$5.58	\$5.58
1	EA	Appointment Pad	\$13.15	\$13.15
1	PK	Mirror Tags	\$0.00	\$0.00

IMPRINTED STATIONERY

1	BX	#10 Envelopes Bx / 1000	\$62.99	\$62.99
2	BX	Business Cards Bx / 500	\$34.00	\$68.00
1	BX	Letterhead Bx / 1000	\$62.50	\$62.50
1	BX	Business Cards Bx / 1000	\$40.00	\$40.00

TOTAL STATIONERY AND PROMO PACKAGE \$508.09

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

SIGN PACKAGE

<u>QTY</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
1	4' x 12' Outdoor Illuminated Sign Consists of: (2) Sign faces, (1) Housing	\$3,844.00	\$3,844.00
1	Outdoor Wall, Curb & Interior Safety Signs Consists of:		
1	Set 15" Lettering	\$770.00	\$770.00
1	3½' x 12' Wall Sign	\$1,820.00	\$1,820.00
1	Accident Sign	\$44.00	\$44.00
1	Customer Entrance Sign	\$32.00	\$32.00
1	No Checks Sign	\$26.00	\$26.00
1	Curb Sign w/3 Sets of Signs	\$544.95	\$544.95
			\$3,236.95
1	Merchandising Board Package Consists of:	\$3,010.03	\$3,010.03
1	Painting Options Header		
1	Painting Process Option Wheel		
1	Painting Services Header		
1	Painting Services Board		
1	Collision Repair Services Header		
1	Collision Repair Services Board		
1	Collision Repair Options Header		
1	Collision Repair Process Option Wheel		
1	Platinum Package Board		
1	Brand Promise		
1	MAACO Focal Sign		
1	Current Promotions		
1	Special		
1	Extras		
1	Rates		
11	Procedure Boards		
7	Maintenance Boards		
	Pricing Magnets		
1	Merchandising Accessory Package Consists of:		
2	Packs Paint Services Brochures	\$9.52	\$19.04
2	Packs Spot Repair Brochure	\$7.24	\$14.48
4	Packs Thank You Brochures	\$13.78	\$55.12
1	Decal	\$17.63	\$17.63
2	Warranty Brochures	\$4.19	\$8.38
			\$114.65
	TOTAL SIGN PACKAGE		\$10,205.63

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

COMPUTER PACKAGE

<u>QTY</u>	<u>HARDWARE DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
3	Lenova ThinkCentre, Intel Dual Core E5300, Mini-tower, 2GB Memory, 17" Flat Panel Monitor w/USB Keyboard & Mouse, 160GB Hard Drive, Integrated NIC, DVD Writer, Microsoft Windows XP Pro OS, 3 Year Onsite Repair Warranty	\$775.00	\$2,325.00
1	Netgear Prosafe FVS318	\$115.00	\$115.00
2	HP Laserjet P2055DN 2 Tray	\$435.00	\$870.00
	1 Year Extended Warranty for HP Laserjet P2055DN (2 Yr. Total)	\$28.50	\$0.00
2	USB Printer Cable, 10 ft	\$2.00	\$4.00
	External USB Floppy Drive	\$55.00	\$0.00
3	APC Backup UPS 650VA	\$79.00	\$237.00
	Hayes Accura V.92 PCI Soft Modem	\$25.00	\$0.00
2	Category 5e Cable, 25 ft	\$3.00	\$6.00
1	Category 5e Cable, 50 ft	\$5.00	\$5.00
1	Western Digital 250GB	\$90.00	\$90.00
1	<i>System Configuration/setup/incoming freight/handling</i>	\$150.00	\$150.00
2	<i>System Configuration/setup/incoming freight/handling</i>	\$75.00	\$150.00
TOTAL COMPUTER HARDWARE PACKAGE			<u><u>\$3,952.00</u></u>

PRICING DOES NOT INCLUDE TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

**SHERWIN WILLIAMS
NEW OPENING PAINT ORDER
NATIONAL RULE
Mar-12**

DESCRIPTION		UNIT	QTY	UNIT SHOP	EXT. SHOP
BS10	1K Urethane Blending Solvent	CN	1	9.68	9.68
E2B931	3.5 VOC Epoxy Primer Black	GL	1	76.18	76.18
E2W932	3.5 VOC Primer Off White	GL	1	78.74	78.74
FT220	Economy Laquer Thinner	5GL	3	33.12	99.36
PT7	Interference Green Pearl	EA	1	66.56	66.56
PT8	White Pearl	EA	1	66.56	66.56
PT9	Small White Pearl	EA	1	66.56	66.56
PT10	Bronze Pearl	EA	1	66.56	66.56
PT11	Russet Pearl	EA	1	66.56	66.56
PT12	Small Russet Pearl	EA	1	66.56	66.56
PT13	Interference Blue Pearl	EA	1	66.56	66.56
PT14	Orange Pearl	EA	1	66.56	66.56
PT15	Lilac Pearl	EA	1	66.56	66.56
PT16	Gold Pearl	EA	1	66.56	66.56
PT17	Copper Pearl	EA	1	66.56	66.56
PT18	Red Pearl	EA	1	66.56	66.56
PT19	Moss Green Pearl	EA	1	66.56	66.56
PT20	Fine White Pearl	EA	1	66.56	66.56
PT22	Aqua Green Pearl	EA	1	66.56	66.56
PT23	Fine Blue Pearl	EA	1	66.56	66.56
PT24	Fine Green Pearl	EA	1	66.56	66.56
PT25	Violet Pearl	EA	1	66.56	66.56
PT26	Scarab Red Pearl	EA	1	66.56	66.56
PT27	Fine Copper Pearl	EA	1	66.56	66.56
PT28	Fine Gold Pearl	EA	1	66.56	66.56
PT29	White Mica Pearl	EA	1	66.56	66.56
PT30	Crystal Silver Mica Pearl	EA	1	66.56	66.56
PT31	Fireside Copper Mica Pearl	EA	1	66.56	66.56
PT32	Sunbeam Gold Mica Pearl	EA	1	66.56	66.56
PT33	Radiant Red Mica Pearl	EA	1	66.56	66.56
PT34	Galaxy Blue Mica Pearl	EA	1	66.56	66.56
PT35	Stellar Green Mica Pearl	EA	1	66.56	66.56
R7K158	Surface Prep Fast	GL	1	25.48	25.48
RHF75	2K Stabilizer Medium	GL	1	53.58	53.58
RHF85	2K Stabilizer Medium Slow	GL	2	53.58	107.16
S66	2K Basecoat Adhesion Promoter	GL	1	114.84	114.84

SHERWIN WILLIAMS NEW OPENING PAINT ORDER - NATIONAL RULE

DESCRIPTION		SIZE	QTY	SHOP PRICE	SHOP PRICE
U7030	HS Monastral Red	QT	1	95.24	95.24
U7031	HS Bright Red	QT	1	109.53	109.53
U7034	UHS Perylene Maroon	QT	1	133.69	133.69
U7036	HS Magenta	QT	1	72.57	72.57
U7037	HS Blue Shade Magenta	QT	1	88.54	88.54
U7046	Oceanic Blue	QT	1	42.69	42.69
U7048	Azure Blue	QT	1	39.42	39.42
U7080	White	QT	1	31.00	31.00
U7081	Black	QT	1	27.93	27.93
U7106	Russet Red	QT	1	24.86	24.86
U7107	Organic Yellow	QT	1	47.21	47.21
U7111	Carba Violet	QT	1	36.21	36.21
U7119	HS Red	QT	1	96.45	96.45
U7123	HS Maroon	QT	1	94.87	94.87
U7124	Lead Free Orange	QT	1	72.46	72.46
U7127	Lead Free Nickle Titanate	QT	1	35.15	35.15
U7128	Lead Free Bright Yellow	QT	1	91.47	91.47
U7134	HS Low Opacity Yellow	QT	1	56.05	56.05
U7136	HS Golden Maroon	QT	1	134.20	134.20
U7137	HS Yellow Shade PT Green	QT	1	59.31	59.31
U7139	HS PT Violet	QT	1	94.77	94.77
U7140	HS Ferrite Yellow	QT	1	55.72	55.72
U7146	Frost White	QT	1	97.52	97.52
U7151	Copper Brown	QT	1	48.00	48.00
U7201	Small Metallic	GL	1	185.76	185.76
U7202	Medium Metallic	GL	1	240.20	240.20
U7203	Large Metallic	GL	1	187.22	187.22
U7204	Coarse Metallic	GL	1	250.39	250.39
U7205	Paliochrome Gold	QT	1	109.39	109.39
U7206	Small Bright Metallic	GL	1	201.50	201.50
U7208	Medium Bright Metallic	GL	1	253.87	253.87
U7209	Clear Binder	GL	1	192.08	192.08
U7211	Bright Medium Metallic	QT	1	107.63	107.63
U7212	Coarse Metallic	QT	1	119.88	119.88
U7213	Graphitan Basecoat	QT	1	56.89	56.89
U7215	Three Stage Mixing Clear	QT	1	34.12	34.12
U7218	HS Black	GL	1	129.99	129.99
U7221	Paliochrome Orange	QT	1	81.05	81.05
U7222	Red Shade Gold	QT	1	77.36	77.36
U7231	RS Yellow	QT	1	112.06	112.06
U7233	GS PT Blue	QT	1	68.37	68.37
U7235	Indo Blue	QT	1	96.32	96.32

SHERWIN WILLIAMS NEW OPENING PAINT ORDER - NATIONAL RULE

DESCRIPTION		UNIT	QTY	SHOP PRICE	SHOP PRICE
U7238	PT Green	QT	1	86.65	86.65
U7271	Effect Additive	QT	1	42.16	42.16
U7272	LS Violet	QT	1	48.09	48.09
U7273	LS Oxide Red	QT	1	48.09	48.09
U7275	LS Oxide Yellow	QT	1	48.09	48.09
U7276	LS Blue	QT	1	48.09	48.09
U7277	Trans Red Shade Blue	QT	1	55.58	55.58
U7280	HS Red Shade Blue	QT	1	54.04	54.04
U7281	Deep Black	GL	1	116.09	116.09
U7282	HS Bright White	GL	1	157.34	157.34
U7283	Brilliant Red	QT	1	104.97	104.97
U7284	Scarlet Red	QT	1	104.96	104.96
U7285	Red Shade Blue	QT	1	71.60	71.60
U7288	Fast Yellow	QT	1	111.14	111.14
U7289	Red Shade Yellow	QT	1	104.49	104.49
MBC49762	Fact Pack Red Midcoat	QT	1	95.43	95.43
UPO7229	New Plastic Adhesion Promoter	QT	1	51.35	51.35
V6V943	3.5 Epoxy Primer Activator	QT	2	22.20	44.40
VS100	VOC Solvent Fast	GL	1	12.68	12.68
988	Self Etch Primer - Aerosol	EA	2	6.14	12.28
TOTAL SHERWIN WILLIAM PAINT PACKAGE					8035.16

**DIMENSION
NEW OPENING PAINT ORDER
NATIONAL RULE**

DESCRTIPTION	UNIT	QTY	UNIT SHOP	EXT.SHOP	
DA667	Fisheye Eliminator	PT	6	15.88	95.28
DA668	Flattener	QT	2	26.87	53.74
DC5010	Pro Spot / Panel Clearcoat	GL	4	53.19	212.76
DC5020	Pro Multi / Overall Clearcoat	GL	4	53.19	212.76
DCI51	Urethane Integrating Clear	GL	1	44.97	44.97
DFP760	Bright White	GL	2	50.04	100.08
DFP789	Coach Black	GL	2	43.92	87.84
DH656	Pro Urethane Hardener	GL	6	91.59	549.54
DH658	Undercoat Hardener	QT	8	15.18	121.44
DM500	Strong Black	GL	2	34.12	68.24
DM502	Orange	QT	2	35.88	71.76
DM503	Red Orange	GL	2	52.15	104.30
DM504	Yellow Green	GL	2	75.58	151.16
DM505	Green	GL	2	55.93	111.86
DM506	Dark Violet	GL	2	52.76	105.52
DM507	Red Blue	GL	2	52.06	104.12
DM508	Green Blue	GL	2	51.63	103.26
DM509	Indo Blue	GL	2	67.15	134.30
DM510	Blue	GL	1	64.52	64.52
DM511	Blue Green	GL	2	57.51	115.02
DM512	Maroon	QT	2	36.94	73.88
DM513	Gold Maroon	QT	2	39.83	79.66
DM514	Strong Maroon	QT	2	36.79	73.58
DM515	Red Gold	GL	2	76.32	152.64
DM516	Copper Brown	GL	1	67.02	67.02
DM517	Violet	GL	1	74.87	74.87
DM518	Oxide Red	GL	2	37.20	74.40
DM520	Strong Red	QT	2	43.82	87.64
DM521	Strong Magenta	QT	2	25.49	50.98
DM522	Strong White	GL	2	46.49	92.98
DM523	Special Effect White	QT	2	24.83	49.66
DM524	Dark Yellow	GL	2	65.79	131.58
DM525	Yellow	GL	1	81.89	81.89
DM526	Red Yellow	QT	2	45.44	90.88
DM527	Strong Yellow	GL	1	49.22	49.22
DM528	Ferrite Yellow	GL	1	44.83	44.83
DM529	Clean Yellow	QT	2	77.19	154.38
DM530	Medium Yellow	GL	1	42.24	42.24
DM531	Bright Yellow	GL	1	42.20	42.20
DM532	Magenta	GL	2	73.07	146.14
DM533	Blue Magenta	GL	2	97.07	194.14
DM534	Bright Red	GL	2	112.23	224.46

DIMENSION - NEW OPENING PAINT ORDER - NATIONAL RULE

DESCRTIPTION	UNIT	QTY	UNIT SHOP	EXT.SHOP	
DM535	Bright Medium Metallic	GL	2	108.25	216.50
DM536	Large Metallic	GL	1	84.43	84.43
DM538	Coarse Metallic	GL	1	76.76	76.76
DM539	Bright Fine Metallic	GL	2	97.50	195.00
DM540	Medium-Large Metallic	QT	2	24.26	48.52
DM541	Clean Bright Yellow	QT	2	39.43	78.86
DM542	Red Shade Blue	QT	1	24.30	24.30
DM543	Blue Shade Red	QT	1	35.14	35.14
DM544	Yellow Shade Red	QT	1	35.14	35.14
DM546	HS Graphite	QT	2	29.95	59.90
DM622	Pro Mixing Clear	GL	6	51.98	311.88
DM623	Basecoat Fixe	GL	3	36.02	108.06
DM625	Mica Mettalic Balancing Clear	GL	2	25.66	51.32
DS690	DIM. BLACK SEALER	GL	1	31.05	31.05
DS694	2K Acry Ure Sealer Black	GL	2	39.73	79.46
DS695	2K Acry Ure Sealer White	GL	2	39.73	79.46
DS692	DIM White Sealer	GL	1	31.05	31.05
DR641	DIM SEALER REDUCER	GL	1	11.74	11.74
DR642	DIM SEALER REDUCER	GL	1	27.30	27.30
DR733	Pro Moderate Reducer	GL	1	20.68	20.68
DR734	Pro Warm Reducer	GL	6	23.78	142.68
DR735	Pro Hot Reducer	GL	1	24.77	24.77
FP410	FINISH 1 2K PRIMER	GL	4	35.34	141.36
FH411	FINISH 1 PRIMER HARDENER	QT	4	16.62	66.48
FT200	FINISH 1 WAX & GREASE REMOVER	5G	1	71.02	71.02
TOTAL DIMENSION PAINT PACKAGE				6744.60	

REVISED 3/2012

EXHIBIT E

CENTER NUMBER: _____

MAACO FRANCHISING, INC.

**AMENDMENT TO THE FRANCHISE AGREEMENT
(TRANSFER)**

THIS AMENDMENT TO THE FRANCHISE AGREEMENT ("Amendment") is made and entered into this _____ day of _____, 20__, by and between **MAACO Franchising, Inc.**, a Delaware corporation with its principal offices in Charlotte, North Carolina ("MAACO"), and _____ (collectively, "Franchisee").

BACKGROUND

A. Franchisee and MAACO executed a Franchise Agreement dated _____, 20__ (the "Franchise Agreement") related to the establishment, development, and operation of a Maaco Collision Repair & Auto Painting Center Located at _____, within _____ Core Based Statistical Area as defined as of the date of this Agreement by the Office of Management and Budget (the "Center").

B. Under the Franchise Agreement, its term and the franchise begin when Franchisee's Maaco Center opens for business as determined by MAACO.

C. Franchisee has entered into a _____ dated _____ with _____ ("Transferor") under which Franchisee agreed to purchase the **assets of Transferor's existing Maaco Collision Repair & Auto Painting Center.**

D. Franchisee has requested, and MAACO has agreed, that pursuant to the terms of this Amendment, the Franchise Agreement be amended as it relates to Franchisee's purchase of the Center.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. The Franchise Agreement is amended to clarify certain terms and conditions of the Franchise Agreement which are applicable to Franchisee's purchase of the Center:

(A) The fifteen (15) year term of the Franchise Agreement will commence on the date MAACO recognizes the transfer of the Center from Transferor to Franchisee.

(B) The address of the Center is _____.

(C) Paragraph 4.B. regarding opening promotion and initial advertising of the Center is deleted in its entirety.

(D) Paragraph 5.A.(1) regarding initial franchise fee is amended to substitute the following language in lieu of the original language:

An pro-rated initial franchise fee in the amount of \$_____ which, when paid to MAACO, shall be deemed fully earned and non-refundable.

(E) The initial training and opening fee referenced in Paragraph 5.A.(2) is \$_____.

(F) Paragraph 5.A.(3) regarding initial software license fee is amended to substitute the following language in lieu of the original language:

Franchisee will sign MAACO's Polaris 2000 Software License Agreement, or any other software license agreements, and pay all fees associated therewith, as MAACO may require from time to time.

(G) Paragraph 5.C. regarding the working capital deposit is deleted in its entirety.

(H) Paragraph 6.A. regarding the initial advertising contribution is amended to substitute the following language in lieu of the original language:

Franchisee will pay to MAACO an initial advertising contribution in the amount of \$_____, payable upon Franchisee's arrival at the initial training program, for pre-opening promotion, promotional materials, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed Franchisee's initial advertising contribution.

(I) The notice address for Franchisee in Paragraph 22B is amended as follows:

2. This Amendment is intended to modify certain terms and conditions contained in the Franchise Agreement. This Amendment is an integral part of the Franchise Agreement and the terms of this Amendment shall be controlling with respect to the subject matter contained in this Amendment. This Amendment may not be amended, changed, revised or altered, except by a written instrument signed by the parties.

3. The Franchise Agreement, all attachments thereto, if any, and this Amendment, constitute the entire, full and complete Agreement between MAACO and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchisee to execute the Franchise Agreement or this Amendment. No representations, inducements, promises or agreements, oral or otherwise not embodied in the Franchise Agreement or attachments thereto, or this Amendment (unless of subsequent date), were made by either party and none shall be of any force or effect with reference to the Franchise Agreement, this Amendment or otherwise. Except as otherwise described herein, all other terms and conditions in the Franchise Agreement are hereby ratified and confirmed. In the event of any conflict between the terms of this Amendment and the Franchise Agreement, the terms of this Amendment shall control.

**I HAVE READ THE ABOVE AMENDMENT AND UNDERSTAND ITS TERMS.
I WOULD NOT SIGN THIS AMENDMENT IF I DID NOT UNDERSTAND AND
AGREE TO BE BOUND BY ITS TERMS.**

Intending to be legally bound, the parties execute this Amendment as of the date first written above.

MAACO Franchising, Inc.

By: _____

Franchisee

EXHIBIT F

**MAACO FRANCHISING, INC.
RENEWAL ADDENDUM TO FRANCHISE AGREEMENT**

This Renewal Addendum to Franchise Agreement (the "Addendum") is made effective as of the _____ day of _____, 20____ between **MAACO Franchising, Inc.**, a Delaware corporation with its principal office at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("MAACO") and _____ (collectively "Franchisee").

WITNESSETH:

A. Franchisee and MAACO entered into a franchise agreement dated _____ and identified by MAACO as contract number _____ (the "Prior Franchise Agreement") under which Franchisee was granted the right and undertook the obligation to operate a Maaco Auto Painting and Bodyworks Center at _____ for a term of fifteen (15) years.

B. Pursuant to its terms, the Prior Franchise Agreement will expire on _____, 20____ unless Franchisee elects to renew the franchise as therein provided.

C. Franchisee has requested, and MAACO has agreed that the franchise shall be renewed pursuant to the terms of this Addendum, the Prior Franchise Agreement and MAACO's current Franchise Agreement.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. The following paragraphs contained in the Franchise Agreement shall be amended to clarify certain terms and conditions of the Franchise Agreement in connection with the renewal of Franchisee's franchise:

A. Paragraphs 2A., 2B., 2D., 2E., 2F., and 2G. regarding "Selection Of Site" shall be deleted.

B. Paragraph 3A shall be amended as follows:

The term of this Agreement and franchise shall run for fifteen (15) years (the "Term") which shall commence on the date of execution of this Agreement.

C. Paragraph 3E is amended as follows:

Franchisee must provide MAACO with an assignment of its leasehold interest upon the termination of the Franchise Agreement or expiration of any renewal term. If, upon expiration of the Franchise Agreement, Franchisee or an affiliate of Franchisee owns the premises where the Center is located, Franchisee will not be obligated to lease, sublease or sell the premises of the Center to MAACO in accordance with the terms of the Franchise Agreement, provided that Franchisee notifies MAACO at least twelve (12) months prior to the expiration of the Franchise Agreement that Franchisee does not intend to exercise its right to renew the franchise, and neither Franchisee nor any of its affiliates will own, maintain, engage in, be employed by, finance, assist or have any interest in any business providing, in whole or in part, motor vehicle painting or body repair services or products at the premises of the Center for one (1) year after expiration of the Franchise Agreement.

D. Paragraph 4A regarding “training” is amended as follows:

Maaco shall make available training programs as it deems appropriate. All training shall be at such times and places as may be designated by Maaco.

E. Paragraph 4B regarding “opening promotion and initial advertising” is deleted in its entirety.

F. Paragraph 4C is amended as follows:

MAACO shall provide continuing advisory assistance in the operation of the Center as it deems appropriate.

G. Paragraph 5A (1) regarding “initial franchise fee” is deleted in its entirety.

H. Paragraph 5A (2) regarding Initial Training and Opening Fee” is deleted in its entirety.

I. Paragraph 5A (3) regarding “Initial Software License Fee” is deleted in its entirety.

J. Paragraph 5B is amended in part, to delete the requirement of Franchisee having to pay weekly royalty fees and advertising contributions by electronic withdrawal, provided Franchisee is current as of the date of payment with all weekly royalty fees, advertising contributions and any other monies due MAACO or its affiliates, parents or subsidiaries.

K. Paragraph 5C regarding “working capital” is deleted in its entirety.

L. Paragraph 6A regarding “initial advertising contribution” is deleted in its entirety.

M. Paragraph 7B regarding “initial training program” is deleted in its entirety.

N. Paragraph 10A regarding “Confidential Operating Manual” is amended as

follows:

In order to protect the reputation and goodwill of MAACO and to maintain uniform standards of operation under the Proprietary Marks, Franchisee shall operate the Center in accordance with Franchisor's Confidential Operating Manual (the "Manual").

O. Paragraph 12D is amended as follows:

Franchisee shall submit to MAACO, for review and auditing, such other forms, reports, records, information and data as MAACO may reasonably request, including the Center's income tax returns. In the event Franchisee is in default of the Franchise Agreement or MAACO has an audit made of Franchisee books and records, Franchisee shall, upon MAACO's request, submit to MAACO, franchisee's personal tax returns.

P. Paragraph 14B(8) is amended as follows:

In the event that as a result of MAACO's marketing/referral efforts an individual/transferee is identified or if the transferee has already executed a franchise agreement with MAACO, Franchisee shall pay MAACO a sales commission in the amount of six percent (6%) of the gross sales price of the Center, regardless of whether Franchisee has a listing with a third party broker.

Q. Paragraph 18C(2) is amended as follows:

Own, maintain, engage in, be employed by, finance, assist or have any interest in any business providing, in whole or in part, motor vehicle painting or body repair services or products at the premises of the Center or within a radius of ten (10) miles of the Center or within a ten (10) mile radius of any existing or proposed MAACO location that is under a lease agreement or purchase agreement by MAACO or a MAACO franchisee.

2. This Addendum is intended to modify certain terms and conditions contained in the Franchise Agreement. This Addendum is an integral part of the Franchise Agreement and the terms of this Addendum shall be controlling with respect to the subject matter contained in this Addendum. This Addendum may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

3. The Franchise Agreement, all attachments thereto, if any, and this Addendum, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchisee to execute the Franchise Agreement or this Addendum. No representations, inducements, promises or agreements, oral or otherwise, not embodied in the Franchise Agreement, or attached thereto, or this Addendum (unless of subsequent date), were made by either party and none shall be of any force or effect with reference to the Franchise Agreement, or this Addendum or otherwise. Except as amended hereby, all other terms and conditions of this Franchise Agreement are unmodified and confirmed.

I HAVE READ THE ABOVE ADDENDUM AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS ADDENDUM IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Addendum as of the date first written above.

MAACO FRANCHISING, INC.

FRANCHISEE:

By: _____

EXHIBIT G

**MAACO FRANCHISING, INC.
ADDENDUM TO FRANCHISE AGREEMENT
(ADDITIONAL CENTER)**

This Addendum to Franchise Agreement (Additional Center) (the "Addendum") is made and entered into this _ day of _____, 20__ between **MAACO Franchising Inc.**, a Delaware a corporation with its principal offices at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("MAACO") and _____ ("Franchisee").

WITNESSETH:

- A. Franchisee is an existing franchisee in good standing with MAACO.

- B. Franchisee and MAACO entered into a new franchise agreement dated _____ (the "Franchise Agreement") under which Franchisee was granted the right and franchise to operate a Maaco Collision Repair & Auto Painting Center pursuant to the terms specified therein.

- C. Existing franchisees who purchase additional franchises are entitled to a reduction of the initial franchisee fee due under MAACO's franchise agreement.

- D. The initial franchise fee due under the Franchise Agreement shall be amended pursuant to the terms of this Addendum.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

- 1. The following paragraphs contained in the Franchise Agreement shall be amended to clarify certain terms and conditions of the Franchise Agreement:
 - A. Paragraph 2B shall be amended as follows:

Franchisee shall secure a site for the Center by lease or purchase within eighteen (18) months from the date of execution of this Agreement. Franchisee may, on or before the expiration of such eighteen (18) month period, request a reasonable extension of time in order to continue its

efforts to secure a lease or purchase agreement for the site. In the event Franchisee fails to secure a site within eighteen (18) months from execution of this Agreement (or the date approved extension), MAACO shall have, at any time thereafter, the right to terminate this Agreement upon written notice to Franchisee.

B. Paragraph 2E shall be deleted in its entirety.

C. Paragraph 5A(1) shall be amended as follows:

An initial franchise fee of Thirty Five Thousand Dollars (\$35,000.00) which, when paid to MAACO, shall be deemed fully earned and non-refundable. The initial franchise fee shall be payable as follows: Twenty Thousand Dollars (\$20,000.00) upon Franchisee's execution of this Agreement; and (ii) Fifteen Thousand Dollars (\$15,000.00) upon Franchisee's execution of a lease agreement or purchase contract for Franchisee's Maaco Center.

D. Paragraph 6A shall be amended as follows:

Franchisee shall pay to MAACO an initial advertising contribution in the amount of Thirty Thousand Dollars (\$30,000.00) payable sixty (60) days before the opening date of the Center for pre-opening and grand opening promotion, promotional materials, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed Franchisee's initial advertising contribution, in which case MAACO will charge Franchisee the difference.

2. This Addendum is intended to modify certain terms and conditions contained in the Franchise Agreement. This Addendum is an integral part of the Franchise Agreement and the terms of this Addendum shall be controlling with respect to the subject matter contained in this Addendum. This Addendum may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

3. The Franchise Agreement, all attachments thereto, if any, and this Addendum, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchisee to execute the Franchise Agreement or this Addendum. No representations, inducements, promises or agreements, oral or otherwise, not embodied in the Franchise Agreement, or attached thereto, or this Addendum (unless of subsequent date), were made by either party and none shall be of any force or effect with reference to the Franchise Agreement, or this Addendum or otherwise. Except as amended hereby, all other terms and conditions of this Franchise Agreement are unmodified and confirmed.

I HAVE READ THE ABOVE ADDENDUM AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS ADDENDUM IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Addendum as of the date first written above.

MAACO FRANCHISING, INC.

FRANCHISEE:

By: _____

EXHIBIT H

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor, under the Lease dated _____, 2007 (the "Lease"), between Lessor and _____ (collectively, "Assignor"), hereby approves the attached Collateral Assignment of Lease (the "Collateral Assignment") between MAACO Franchising, Inc., a Delaware corporation with its principal offices at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("MAACO") and Assignor. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Lessor and MAACO agree as follows:

(a) Lessor shall notify MAACO in writing of any default by Assignor under the Lease as and when such defaults occur;

(b) Pursuant to the Collateral Assignment, if Assignor defaults in its obligations under the Lease or under its Franchise Agreement for a Maaco Collision Repair & Auto Painting Center (the "Franchise Agreement"), MAACO shall have the right, but not the obligation, and is empowered to take possession of the Premises demised by the Lease, and in this event, Assignor shall have no further right, title or interest in the Lease;

(c) MAACO may exercise its rights under the Collateral Assignment upon the occurrence of any of the following events: (i) Lessor's receipt of notice from MAACO that Assignor is in default of the Franchise Agreement and has failed to cure within the allotted time, or (ii) MAACO's receipt of any notice of default by Assignor under the Lease. If MAACO elects to exercise its rights under the Collateral Assignment, it shall, within thirty (30) days of MAACO's or Lessor's receipt of the applicable notice, as set forth above, notify Lessor of its intention to take possession of the Premises with no liability for any default of Assignor up to the point MAACO assumes the Lease;

(d) In the event MAACO exercises its rights under the Collateral Assignment, Lessor shall take all action necessary to retake the Premises and deliver them to MAACO. Such action shall include, without limitation, termination, eviction and related legal action and MAACO shall have no obligation under the Collateral Assignment until the Premises are lawfully tendered to it;

(e) If MAACO takes possession of the Premises and confirms to Lessor the assumption of the Lease by MAACO as Lessee, Lessor shall recognize MAACO as Lessee under the Lease;

(f) In addition to MAACO's rights under the Collateral Assignment, if MAACO purchases Assignor's business and/or assets of the business, Lessor agrees to recognize MAACO as Lessee under the Lease upon MAACO's written request;

(g) Lessor agrees that MAACO may, with Lessor's consent, which will not be unreasonably withheld, further assign the Lease to any person or entity which agrees to assume Lessee's obligations under the Lease, and after the assignment, MAACO shall have no further liability or obligation under the Lease;

(h) On termination or expiration of the Franchise Agreement or the Lease, MAACO shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises including the removal of all articles which display MAACO's Proprietary Marks. MAACO's re-entry shall not be deemed as trespassing.

This Consent is incorporated into and made a part of the Lease. All terms capitalized, but not defined in this Consent, shall have the same meaning as in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Consent and Agreement of Lessor this ____ day of _____, 20____.

MAACO Franchising, Inc.

By: _____

LESSOR:

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns to MAACO Franchising, Inc., a Delaware corporation ("Assignee"), all of Assignor's right, title and interest as Lessee under that certain lease, a copy of which is attached (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, Assignee shall have no liability or obligation of any kind arising from or in connection with this Collateral Assignment or the Lease unless Assignee takes possession of the Premises and assumes the obligations of Assignor under the Lease. Assignor agrees to indemnify Assignee from all claims and demands made by any third party which arise out of or are in any manner related to Assignor's use and/or occupancy of the Premises.

Assignor represents and warrants to Assignee that it has full power and authority to assign its interest in the Lease.

If Assignor defaults under the Lease or under the Franchise Agreement for a Maaco Collision Repair & Auto Painting Center between Assignee and Assignor (the "Franchise Agreement"), which default is not cured within the allotted time, or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement which is not cured within the allotted time, Assignee shall have the right and is empowered to take possession of the Premises, have Assignor expelled 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 Lessor or otherwise, attorneys' fees and expenses of litigation incurred in enforcing this 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 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, 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 the option must be exercised, unless Assignee otherwise agrees in writing. On failure of Assignor to so elect to extend or renew the Lease, Assignor appoints Assignee as its lawful attorney-in-fact to exercise such extension or renewal options in the stead of Assignor for the purpose of effecting the extension or renewal.

On termination or expiration of the Franchise Agreement or the Lease, MAACO shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises and to all articles which display MAACO's Proprietary Marks. MAACO's re-entry shall not be deemed as trespassing.

This Collateral Assignment is incorporated into and made a part of the Lease.

All terms capitalized, but not defined in this Collateral Assignment, shall have the same meaning as in the Lease.

I HAVE READ THE ABOVE COLLATERAL ASSIGNMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS COLLATERAL ASSIGNMENT IF I DID NOT UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties have executed this Collateral Assignment of Lease on the _____ day of _____, 20__.

ASSIGNOR: _____ ASSIGNEE: MAACO Franchising, Inc.

By: _____

EXHIBIT I

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is made and entered into this ____ day of _____, 20____, by and among **MAACO Franchising, Inc.**, a Delaware corporation, with its principal offices at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("MAACO") and _____

and _____, residents and citizens of the State of _____ (collectively "Assignor") and _____, ("Assignee"), a _____ owned and controlled by Assignor.

BACKGROUND

A. Assignor and MAACO entered into a certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement") whereby Assignor was given the right and undertook the obligation to operate a Maaco Collision Repair & Auto Painting Center at _____ (the "Center").

B. Assignor has organized Assignee for the convenience and purpose of owning and operating the Center.

C. Assignor desires to assign its rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement.

D. MAACO is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Agreement, including without limitation, Assignor's agreement to guarantee the performance by Assignee of its obligations under the Franchise Agreement and to continue to be bound by all of the provisions of the Franchise Agreement.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignor hereby assigns and transfers over to Assignee all of its rights, title and interest in and to the Franchise Agreement, effective as of the date hereof.

2. Assignee hereby assumes all of Assignor's obligations, agreements, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties of the Franchisee thereunder with the same force and effect as if the Franchise Agreement were originally written with Assignee as Franchisee.

3. Assignor agrees that it shall continue to be bound by all of the terms and conditions of the Franchise Agreement, including without limitation, the provisions contained in Paragraphs 14 and 18 thereof, and that nothing contained herein shall be deemed to relieve it of any of its obligations contained in the Franchise Agreement. Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee of all of its obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to MAACO (i) that Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement or any other agreement with MAACO or its affiliates concerning the operation of the Center, and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing MAACO and all damages that may arise as a result of any such non-compliance.

4. In the enforcement of any of its rights against Assignor, MAACO may proceed as if Assignor were the primary obligor under the Franchise Agreement. Assignor waives any right to require MAACO to first proceed against Assignee or to proceed against or exhaust any security (if any) held by MAACO or to pursue any other remedy available to it before proceeding against Assignor. No dealings between MAACO and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Assignor hereunder, in whole or in part and in particular and without limiting the generality of the foregoing, MAACO may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as MAACO may see fit without affecting, lessening or limiting in any way the liability of Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmation or disclaimer of this Agreement or the Franchise Agreement, Assignor shall continue to be fully liable.

5. This Agreement shall be construed and interpreted in accordance with the laws of the State of North Carolina, which laws shall control in the event of any conflict of law.

6. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

7. Assignor and Assignee agree that they have had a substantial relationship with MAACO at its corporate offices where MAACO'S decision-making authority is vested and franchise operations are conducted and supervised. Therefore 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 county or district where MAACO'S corporate offices are located. Assignor and Assignee irrevocably submit to the jurisdiction of such courts and irrevocably waive any objection they may have to either the jurisdiction or venue of such courts. Assignor and Assignee further irrevocably agree not to argue that any such court is an inconvenient forum or to request transfer of any such action to any other court. MAACO however shall have the option of bringing any action to enforce the terms of this Agreement or to prevent any actual or threatened breach of this Agreement in any court of competent jurisdiction and the Assignor and Assignee consent to the entry of injunctive relief, including, without limitation, temporary restraining orders and/or preliminary and permanent injunctions without the requirement of bond, according to the usual equity rules in the jurisdiction in which such relief is sought.

8. This Agreement shall constitute the entire integrated agreement between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

9. In the event MAACO retains the services of legal counsel to enforce the terms of this Agreement, MAACO shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Agreement.

10. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Agreement.

11. _____ acknowledges his authority to execute this Agreement on behalf of _____.

12. The obligations of _____ under this Agreement shall be joint and several.

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written.

MAACO Franchising, Inc.

By: _____

ASSIGNOR:

ASSIGNEE:

By: _____

By: _____

EXHIBIT J

PERSONAL GUARANTY

This Personal Guaranty ("Guaranty") is made and entered into as of _____, _____ by and among **MAACO Franchising, Inc.**, a Delaware corporation with its principal offices located at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("MAACO") and _____, a resident and citizen of the State of _____, ("Guarantor").

BACKGROUND

A. On _____, 20____, _____, ("Franchisee") and MAACO entered into a MAACO Franchise Agreement (the "Franchise Agreement") for the operation of a Maaco Collision Repair & Auto Painting Center located at _____ (the "Center").

B. On _____, 20____, _____, ("Franchisee") assigned its rights and obligations under the Franchise Agreement to _____ ("Assignee") pursuant to an Assignment and Assumption Agreement (Corporation) entered into between Franchisee, Assignee and MAACO.

C. Franchisee and Guarantor each own _____ percent (____%) of the outstanding shares of stock of Assignee, and Guarantor owns _____ percent (____%) of the outstanding shares of Assignee.

D. Pursuant to the terms of the Franchise Agreement, Guarantor shall jointly and severally guaranty all of Assignee's obligations under the Franchise Agreement pursuant to the terms of this Guaranty.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Guaranty, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Guarantor confirms and acknowledges that it has reviewed the Franchise Agreement and understands and is familiar with all of the terms and conditions contained in the Franchise Agreement.

2. Guarantor agrees to be jointly and severally bound by all of the terms and conditions of the Franchise Agreement, including without limitation, the provisions contained in

paragraphs ___ and ___ of the Franchise Agreement. Guarantor further agrees to guaranty and act as surety for the performance of all of Assignee's obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Guarantor, severally, irrevocably and unconditionally guarantees to MAACO: (i) that Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement or any other agreement with MAACO or its affiliates concerning the operation of the Center; and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Guarantor shall, upon demand, pay all amounts due and owing MAACO and all damages that may arise as a result of any such noncompliance.

3. In the enforcement of any of its rights against Guarantor, MAACO may proceed as if Guarantor were the primary obligor under the Franchise Agreement. Guarantor waives any right to require MAACO to first proceed against Assignee or to proceed against or exhaust any security (if any) held by MAACO or to pursue any other remedy available to it before proceeding against Guarantor. No dealings between MAACO and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Guarantor hereunder, in whole or in part and in particular and without limiting the generality of the foregoing, MAACO may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as MAACO may see fit without affecting, lessening or limiting in any way the liability of Guarantor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee, and notwithstanding any rejection, disaffirmation or disclaimer of this Guaranty or the Franchise Agreement, Guarantor shall continue to be fully liable.

4. This Guaranty shall be construed and interpreted in accordance with the laws of the State of North Carolina which laws shall control in the event of any conflict of law.

5. This Guaranty contains the entire integrated agreement by Guarantor regarding the subject matter contained in this Guaranty, and may not be modified, changed or amended without the written consent of Guarantor and MAACO.

6. This Guaranty shall be binding upon and inure to the benefit of MAACO's and Guarantor's heirs, successors and assigns.

7. Guarantor agrees that as a shareholder of and active participant in Assignee, it will have a substantial relationship with MAACO at its corporate offices where MAACO's decision-making authority is vested and franchise operations are conducted and supervised. Therefore, any action arising out of or relating to this Guaranty shall be commenced, litigated and conducted only in any state or federal court of general jurisdiction in the county or district where MAACO'S corporate offices are located. Guarantor irrevocably submits to the jurisdiction of such court and irrevocably waives any objection it may have to either the jurisdiction or venue of such court. Guarantor further irrevocably agrees not to argue that any such court an inconvenient forum or to request transfer of any such action to any other court.

8. In the event that MAACO retains the services of legal counsel to enforce the terms of this Guaranty, MAACO shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Guaranty.

9. Guarantor declare that the terms of this Guaranty have been completely read and are fully understood and voluntarily accepted by Guarantor, after having a reasonable opportunity to retain and confer with counsel. This Guaranty is entered into after a full investigation by Guarantor, and Guarantor is not relying upon any statements or representations not contained in this Guaranty.

I HAVE READ THE ABOVE GUARANTY AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS GUARANTY IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

MAACO Franchising, Inc.

By:_____

EXHIBIT K

DISCLOSURE ACKNOWLEDGEMENT STATEMENT

MAACO Franchising, Inc. ("MAACO") through the use of this document, desires to ascertain that _____ ("Franchisee") fully understands and comprehends that the purchase of a Maaco Collision Repair & Auto Painting Center franchise is a business decision, complete with its associated risks, and that it is the company policy of MAACO to verify that the Franchisee is not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by MAACO.

1. The Franchisee recognizes and understands that the business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including the skills and abilities of the Franchisee, the hours worked by the Franchisee, competition, interest rates, the economy, inflation, center location, operation costs, lease terms and costs and the marketplace. The Franchisee hereby acknowledges its willingness to undertake these business risks.

2. The Franchisee has had the opportunity to seek professional assistance, to have professionals review the documents and to consult with the Franchisee regarding the risks associated with the purchase of the franchise.

3. The Franchisee agrees and states that the decision to enter into this business risk is in no manner predicated upon any oral representations, assurances, warranties, guarantees or promises made by MAACO as to the likelihood of success of the franchise. The Franchisee further acknowledges that he has not received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than information contained in MAACO's Franchise Disclosure Document. If the Franchisee believes that he has received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings, please describe these in the space provided below or write "None". _____

For Prospective Franchisees in Maryland

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Acknowledged and accepted this _____ day of _____, _____.

FRANCHISEE:

EXHIBIT L

MAACO® POLARIS 2000

SOFTWARE LICENSE AGREEMENT

This SOFTWARE LICENSE AGREEMENT ("Agreement") is made and entered into this _____ day of _____, ____ (the "**Effective Date**"), by and between MAACO Franchising, Inc., a Delaware corporation with a place of business at 128 S. Tryon Street, Suite 900, Charlotte, NC 28202 ("MAACO"), and _____, a _____ and franchisee of MAACO, operating a Maaco Collision Repair & Auto Painting Center located at _____ ("Licensee").

1. DEFINITIONS. For purposes of this Agreement, the following terms are defined as follows:

1.1 Software means that certain MAACO Polaris 2000 software, which software includes MAACO Manager Desktop and MAACO Estimator Desktop.

1.2 Confidential Information means any business, marketing and technical information and other proprietary information of MAACO disclosed by MAACO to Licensee pursuant to this Agreement, including, without limitation all Documentation (as defined below).

1.3 Documentation means the user guide(s) and other documentation delivered by MAACO in paper or digital form to Licensee with the Software.

1.4 Franchise Location means the Licensee's franchised place of business identified in the introductory paragraph.

2. LICENSE. Subject to the terms and conditions contained herein, MAACO grants to Licensee, and Licensee accepts, a non-exclusive, nontransferable right and license to use the Software and Documentation in connection with the management and operation of Licensee's business at the Franchise Location. Licensee may not use the Software or Documentation for any other purpose. Licensee may make copy the software for the purpose of making archive copies. Licensee may also create copies of this software for use on multiple network workstations at the Franchise Location. Licensee shall not, under any circumstances, create copies of the Software for use at any other franchise location or by any other party.

3. INITIAL FEE. Licensee agrees to pay MAACO an initial software licensee fee of five thousand dollars (\$5,000.00) before MAACO delivers possession of the equipment, inventory, supplies or signage to Licensee.

4. TERM. The initial term of this Agreement will commence on the Effective Date and end on _____. This Agreement shall be renewable for additional one (1) year terms unless MAACO notifies Licensee of its election not to renew at least sixty (60) days but not more than ninety (90) days prior to the end of the initial term or any renewal term, as applicable.

5. PROPRIETARY RIGHTS. MAACO retains all of its respective rights, title and interest in the Software and Licensee shall not take any action inconsistent with such title and ownership. Licensee shall not reverse engineer, disassemble or decompile the Software.

6. CONFIDENTIAL INFORMATION. Licensee shall hold the Confidential Information in confidence at all times during the terms and after termination or expiration of this Agreement. Licensee agrees not to make the Confidential Information available to or disclose it to any third party for any purpose other than Licensee's employees or agents in furtherance of the license granted to Licensee hereunder. Licensee agrees to take all reasonable steps to ensure that the Confidential Information is not disclosed or distributed by its employees or agents in violation of the terms of this Agreement.

7. SUPPORT. MAACO will provide support for the Software and aid in resolving Software problems through its "Help Desk". Licensee may receive Help Desk support via telephone or through the World Wide Web. MAACO's full support services are only available through the Internet, and Licensee is solely responsible for obtaining the internet connection, web browsing software, electronic mail address and any other hardware or software necessary to obtain support utilizing the Internet. Licensee is also responsible for providing the Help Desk with an accurate account of events leading up to and including any problem experienced by Licensee. Within sixty (60) days of issue of an update to the Software, or any component thereof, Licensee must obtain and install such updates in order to receive full product support. Licensee may attend classes periodically offered by MAACO in King of Prussia, Pennsylvania. Licensee shall bear all costs associated with such classes, including all travel and living expenses. Licensee acknowledges and agrees that it is solely responsible for the hardware on which Licensee operates the Software.

8. TERMINATION. MAACO shall have the right to terminate this Agreement effective upon delivery of notice to Licensee, if:

- a. the franchise agreement for the Franchise Location or any other agreement entered into by MAACO and Licensee is terminated in accordance with its terms; or
- b. Licensee fails to comply with any provisions of this Agreement, the franchise agreement for the Franchise Location or other agreement between MAACO and Licensee, and Licensee fails to correct this failure within five (5) days after written notice is delivered to Licensee.

Upon termination or expiration for any reason (a) Licensee shall have no further right to use or copy the Software, (b) Licensee shall pay MAACO all amounts due under this Agreement, and (c) the Licensee shall immediately deliver to MAACO, at Licensee's expense, all originals and copies of the Software, Documentation, and Confidential Information in the possession or under the control of Licensee.

9. WARRANTY AND DISCLAIMER OF WARRANTY. MAACO HEREBY WARRANTS THAT THE SOFTWARE SHALL, UNDER NORMAL USE, BE FREE OF ALL MATERIAL DEFECTS IN MATERIALS AND WORKMANSHIP FOR A PERIOD OF THIRTY (30) DAYS FROM THE EFFECTIVE DATE. MAACO WILL ALSO PROVIDE THE SUPPORT SERVICES AS PROVIDED IN SECTION 7 HEREOF. MAACO HEREBY DISCLAIMS ANY OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE SOFTWARE INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

10. LIMITATION OF LIABILITY. MAACO'S LIABILITY FOR DAMAGES TO LICENSEE FOR ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ANY CLAIM OR ACTION, SHALL NOT EXCEED THE AGGREGATE LICENSE FEES OR SUPPORT FEES, AS

APPLICABLE, PAID BY LICENSEE FOR THE PRODUCT OR SERVICE INVOLVED IN THE CLAIM. MAACO SHALL IN NO EVENT BE LIABLE FOR ANY LOSS OF DATA, PROFITS OR USE OF THE SOFTWARE, OR FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE SOFTWARE WITHOUT REGARD TO WHETHER MAACO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS ARE INDEPENDENT FROM ALL OTHER PROVISIONS OF THIS AGREEMENT AND SHALL APPLY NOTWITHSTANDING THE FAILURE OF ANY REMEDY PROVIDED HEREIN. MAACO SHALL NOT BE LIABLE FOR ANY DAMAGES CAUSED BY DELAY IN PROVIDING THE SOFTWARE TO LICENSEE.

11. GENERAL PROVISIONS

11.1 Force Majeure. In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any cause beyond the reasonable control of the party invoking this provision, the affected party's performance shall be extended for the period of delay or inability to perform due to such occurrence.

11.2 Waiver. The waiver by either party of a breach or a default of any provision of this Agreement by the other party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has, or may have hereunder, operate as a waiver of any right, power or privilege by such party.

11.3 Governing Law; Jurisdiction & Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to its choice of law provisions. Exclusive jurisdiction and venue for any litigation arising under this Agreement is in the federal and state courts located in Charlotte, North Carolina and both parties hereby consent to such jurisdiction and venue for this purpose.

11.4 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties with regard to the Software. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing signed by both parties.

11.5 Assignment. This Agreement and the rights and obligations hereunder may not be assigned, in whole or in part by Licensee without the prior written consent of MAACO. In the case of any permitted assignment or transfer of this Agreement, MAACO may, in its sole discretion, require: (i) that the transferor execute a general release, in a form satisfactory to MAACO of any and all claims against MAACO its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, directors, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities; and (ii) that the transferee enter into a written assignment in a form satisfactory to MAACO assuming and agreeing to discharge all of Licensee's obligations under this Agreement or, at the option of MAACO, that the transferee execute MAACO's then-current form of Software License Agreement.

11.6 Notices. Any notice or communication from one party to the other shall be in writing and either personally delivered or sent via facsimile or certified mail, postage prepaid and return receipt requested, addressed to such other party at the address specified in the introductory paragraph of this Agreement or at such other address as such party may from time to time designate in a notice to the other party.

11.7 Headings. Captions and headings contained in this Agreement have been included for ease of reference and convenience and shall not be considered in interpreting or construing this Agreement.

11.8 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

MAACO FRANCHISING, INC.

LICENSEE:

By: _____

EXHIBIT M

WARRANTY WORK FRANCHISE TRANSFER ACKNOWLEDGEMENT

The National Warranty Program is one of the major selling points of MAACO's Paint and Bodyworks Services. This is because a customer is assured that warranty related items will be corrected by the original center, or if he or she moves, by a MAACO franchise located within the new marketplace. In the latter case, the original center agrees to pay the new center to perform the required warranty repairs at warranty rates. Once completed, the performed repairs become the responsibility of the new center.

Cooperation among all of our franchise owners is essential if MAACO is to continue to differentiate itself from its competitors through the use of a National Warranty Program.

If you are buying a franchise formerly owned by another party, you should be aware of the following:

Notification to Buyers of Existing Franchises (Transfer)

The buyer of a Maaco center is responsible for performing warranty work for vehicles serviced by the prior owner. A franchise transfer purchase agreement may include an escrow account which is set aside to cover the costs that the new buyer will experience with regard to warranty repairs on work performed while the seller was in operation. Not only does this escrow account cover those costs incurred by the buyer when customers come into his or her own shop, but when the customer moves and the National Warranty Program must be honored.

The escrow account can be established for a period of one to two years in the amount of \$3,000 to \$5,000, although the actual amount to be set aside and the time period are determined by the seller and buyer based upon their evaluation of the particular business.

In the past, during some seller and buyer negotiations, the seller and buyer have not incorporated an escrow account in the purchase agreement. Please be advised that should this be the case in your purchase agreement or in the event the escrow account is insufficient, you as the buyer of the pre-existing MAACO franchise are still responsible for all warranty work arising from the service performed by the seller.

The undersigned, acknowledges its understanding of the foregoing information and requirements relating to the purchase of a MAACO Center.

IN WITNESS WHEREOF, the undersigned have executed this Warranty Work Franchise Transfer Acknowledgment on this _____ day of _____, _____.

_____, INC.

By: _____

Its: _____

EXHIBIT N

WARRANTY AGREEMENT

The undersigned (**collectively**, the "Undersigned") agrees that in consideration of MAACO Franchising, Inc.'s ("MAACO") approval of its purchase of the Maaco Collision Repair & Auto Painting Center located at _____, it will perform all warranty work for vehicles serviced prior to its ownership of the Center, all in accordance with the MAACO warranty program.

The Undersigned further agrees that in the event any customer dissatisfaction is brought to the attention of MAACO's Customer Service Department, it will honor said warranties as required by MAACO.

The obligations of _____ under this Warranty Agreement shall be joint and several.

I HAVE READ THE ABOVE WARRANTY AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS WARRANTY AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, the Undersigned has executed this Warranty Agreement on this ____ day of _____, _____.

By: _____

EXHIBIT O

TRI PARTY AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20___, by and among **MAACO Franchising, Inc.**, with an address at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("MAACO"), _____, with an address at _____ ("Franchisee"), and _____, with an address at _____ ("Lender").

W I T N E S S E T H;

WHEREAS, Franchisee has signed a Franchise Agreement dated _____, 20___ (the "Franchise Agreement") with MAACO related to the operation of a Maaco Collision Repair & Auto Painting Center at _____ (the "Center"). A copy of the Franchise Agreement is attached to and made a part of this Agreement as Exhibit "A";

WHEREAS, the Center was previously owned and operated by Lender;

WHEREAS, Lender is making a loan of approximately \$_____ (the "Loan") for the purpose of financing Franchisee's purchase of the Center; and

WHEREAS, MAACO is willing to acknowledge the Loan provided Lender and Franchisee agree to the following terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The above recitals are true and correct and hereby incorporated herein.
2. MAACO agrees to provide Lender with a copy of any written notice of default ("Notice of Default") served on Franchisee by MAACO relating to Franchisee's failure to pay MAACO monies due under the Franchise Agreement ("Monetary Default"), at the same time such Notice of Default is provided to Franchisee.
3. Lender agrees that, upon receipt of a copy of the Notice of Default, it shall defer Franchisee's obligation to make Loan payments to Lender for the lesser of ninety (90) days from the date of delivery of a copy of the Notice of Default to Lender or until MAACO gives Lender notice that Franchisee has cured the Monetary Default, to allow Franchisee to make payments to MAACO to cure the Monetary Default.
4. Lender agrees that any deferral of Loan payments resulting or arising under the terms of this Agreement shall not cause Lender to take any action under the Loan documents unless the Loan payments under the Loan documents are not paid to Lender after the deferral period ends.

5. Lender acknowledges that any rights it has under the Loan documents to take possession of or operate the Center if Franchisee defaults under the Loan, are subject to the restrictions on assignment contained in the Franchise Agreement, including but not limited to, Franchisor's right to approve the transfer of any interest in the Center.

6. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns. Nothing contained in this Agreement shall release the parties from their obligations under this Agreement.

7. This Agreement shall be construed and interpreted in accordance with the laws of the State of North Carolina, which laws shall control in the event of any conflict of law. The parties agree that any action arising out of or relating to this Agreement shall be commenced, litigated and concluded only in ~~any~~ state or federal court of general jurisdiction in the county or district where MAACO's corporate offices are located. All parties irrevocably submit to the jurisdiction of such court and irrevocably waive any objection that they may have to either the jurisdiction or venue or such court. All parties further irrevocably agree not to argue that any such court is an inconvenient forum or to request transfer of any such action to any other court.

8. This Agreement constitutes the entire integrated agreement of the parties and may not be changed without the written consent of all the parties.

9. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel or advisors of each party's choosing. This Agreement is entered into after a full investigation by the parties and the parties are not relying upon any statements or representations not contained in this Agreement.

10. In the event MAACO retains the services of legal counsel to enforce the terms of this Agreement, MAACO shall be entitled to recover all costs and expenses from the responsible party, including reasonable attorney's fees, incurred in enforcing the terms of this Agreement.

11. The persons executing this Agreement on behalf of corporations acknowledge their authority to do so.

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS.
I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND IT AND
AGREE TO BE BOUND BY ITS TERMS.**

Intending to be legally bound, the parties execute this Agreement as of the date first written above.

MAACO Franchising, Inc.

By: _____

Lender:

Franchisee:

EXHIBIT P

OPTION TO PURCHASE OR LEASE AGREEMENT

This Option To Purchase or Lease Agreement (“Agreement”) is entered into this _____ day of _____, 20__ between **MAACO Franchising, Inc.** (“MAACO”), a Delaware corporation located at 128 S. Tryon Street, Suite 900, Charlotte, NC 28202, and _____ (“Owner”), having a principal address at _____.

BACKGROUND

A. Owner owns a certain lot or parcel of land, with all improvements located at _____ (the “Premises”) which will be developed for use as a Maaco Collision Repair & Auto Painting Center.

B. MAACO and Owner shall enter into a franchise agreement (the “Franchise Agreement”) under which MAACO shall grant Owner the right and franchise to operate a Maaco Collision Repair & Auto Painting Center at the Premises.

C. In order to preserve the Premises as a Maaco Collision Repair & Auto Painting Center in the event of the termination or expiration of the Franchise Agreement, Owner has granted to MAACO, and MAACO has accepted, an exclusive and irrevocable option to: (i) purchase the Premises pursuant to the terms set forth in this Agreement and the Agreement of Sale attached to this Agreement as Appendix “A” (the “Agreement of Sale”); or (ii) enter into a lease for the Premises under the terms and conditions set forth in the lease attached to this Agreement as Appendix “B” (the “Lease”).

AGREEMENT

THEREFORE, in consideration of the mutual promises contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **Grant of Option.** As a material essential condition for the approval of the Premises for development as a Maaco Collision Repair & Auto Painting Center, Owner hereby grants to MAACO, its successors and assigns, the exclusive and irrevocable right and option, upon termination or expiration of the Franchise Agreement, to: (i) purchase the Premises pursuant to the terms and conditions set forth in the Agreement of Sale; or (ii) enter into a lease for the Premises pursuant to the terms and conditions set forth in the Lease. This Agreement shall continue during the term of the Franchise Agreement and all renewal agreements.

2. **Option Period.** The right to exercise the Option to Purchase or Lease shall become effective (the “Effective Date”) on the date Owner receives notice of termination of the

Franchise Agreement in accordance with the termination provisions of the Franchise Agreement, or on the day prior to the expiration of the initial or any renewal term of the Franchise Agreement. The right to exercise the Option to Purchase or Lease shall remain effective for the sixty-day (60) period immediately following the Effective Date (the "Option Period").

3. **Exercise of Purchase/Lease Option.** MAACO shall have the right to exercise the Option to Purchase or Lease at any time during the Option Period. To exercise its Option, MAACO must send notification of its election to Owner no later than 11:59 p.m. on the sixtieth (60th) day following the Effective Date.

4. **Option to Purchase.** The purchase price shall be determined by mutual written agreement of the parties. If Owner and MAACO are unable to agree on a purchase price, the purchase price shall be the fair market value as determined by an independent appraiser selected by agreement of Owner and MAACO; the cost of such appraisal to be shared equally by Owner and MAACO. If Owner and MAACO are unable to select an independent appraiser within five (5) business days from MAACO's written notice to Owner, each shall appoint an appraiser and the two appraisers shall jointly appoint a third independent appraiser which independent appraiser shall determine the purchase price based on the fair market value of the Premises. The third independent appraiser shall determine the fair market value of the real property and its determination shall be final and binding on the parties. The purchase price will be payable in full at the closing, minus customary prorations, including the pay-off of existing mortgage liens. If either party fails to appoint their party-appraiser within ten (10) days after receiving notice to do so from the other party, the party failing to appoint its appraiser shall be deemed to have waived its right to an appraiser. In this event, the non-waiving party's appraiser shall perform the appraisal and such appraisal shall be binding on both Owner and MAACO. In the event the party appraisers are unable to agree on a third party appraiser within ten (10) days after the date the last party appraiser is appointed, MAACO shall select an independent appraiser whose appraisal shall be binding on both Owner and MAACO.

5. **Operation During Option to Purchase.** MAACO will have the right, upon written notice to Owner, to manage the Center during the period following MAACO's election to exercise the Option to Purchase to the closing as defined in paragraph 6 of this Agreement.

6. **Closing.** The closing shall occur within ninety (90) days after MAACO exercises the Option to Purchase or such later date as may be necessary to comply with applicable bulk sales or similar laws (the "Closing"). At the Closing, Owner and MAACO agree to execute and deliver all documents necessary to vest title in the Premises to MAACO free and clear of all liens and encumbrances, except those expressly assumed by MAACO. MAACO reserves the right to assign its Option to Purchase the Premises to an affiliate of MAACO.

7. **Option to Lease.** Within five (5) days after Owner's receipt of written notice from MAACO advising Owner of MAACO's election to exercise the Option to Lease, Owner shall execute, acknowledge, and deliver the Lease to MAACO and upon its acceptance and execution by MAACO, Owner shall deliver possession of the Premises to MAACO, free and clear of all rights of any third parties whatsoever. The rental under the Lease for the initial five (5) year term shall be the fair rental value of the property as determined by mutual written

agreement of the parties or by an independent appraiser selected in the manner described in paragraph 4 of this Agreement. The rental payable during the subsequent five (5) year extension period shall be adjusted at the commencement of the five (5) year extension period in accordance with the change in the "Revised Consumer Price Index" ("CPI"), published by the U.S. Bureau of Labor Statistics, using the date that rent first commenced as a base period and comparing it with the CPI as of the date of the end of the then-expiring term. The CPI Index shall be the "Revised Consumer Price Index for Urban Wage Earners and Clerical Workers," all items U.S. Cities average, Series A (1967 = 100) published by the Bureau of Labor Statistics.

8. **Owner's Representations and Warranties.** Owner represents and warrants as follows:

(A) owner holds fee simple title to the Premises;

(B) this Agreement has been duly executed and delivered by Owner and constitutes the legal and binding obligation of the Owner, enforceable with its terms;

(C) the execution and delivery by Owner of this Agreement and the consummation of the transactions contemplated by this Agreement, and the performance by Owner of Owner's obligations under this Agreement will not conflict with, or result in, any violation or termination of, or any default under (either immediately or with notice or lapse of time) or the creation of any right of acceleration or any lien, charge or encumbrance pursuant to any provision of any agreement, contract, mortgage, lease, license or other instrument to which the Owner or the Premises are bound.

9. **Appointment of MAACO as Agent.** Owner hereby designates and appoints MAACO as its authorized agent to execute any and all documents and to take all action as may be necessary or desirable to effectuate the performance of any and all of Owner's duties under this Agreement in the event of termination of the Franchise Agreement. Owner agrees to peaceably and promptly vacate the Premises and to remove Owner's personal property therefrom upon receipt of MAACO's written notice of its exercise of its rights under this Agreement. Any property not so removed, within ten (10) days following Owner's receipt of such written notice, shall be deemed abandoned.

10. **Commencement of Rent/Right to Set Off.** MAACO's obligation to pay rent under the Lease shall not begin to accrue until MAACO is in possession of the Premises, free and clear of any rights of third parties. MAACO shall be entitled to offset against rent under the Lease, all amounts required in order to cure Owner's defaults under the Franchise Agreement or any other agreement between the parties relating to the Center.

11. **MAACO's Right to Assign and/or Sublease.** In the event MAACO exercises the Option to Lease, MAACO shall have the right to assign without recourse its rights under this Agreement or its rights under the Lease, to an affiliate, subsidiary or franchisee of MAACO without the consent of Owner, provided that the assignee shall execute and deliver to Owner an assumption agreement by which the assignee agrees to assume MAACO's obligations under the Lease and to observe the terms and conditions and agreements on the part of the lessee to be

performed under the Lease. MAACO may sublet the Premises, or any part thereof, without the consent of Owner to an affiliate, subsidiary or franchisee of MAACO. In the event such sublessee or assignee defaults under any provision of the Lease, Owner shall immediately notify MAACO in writing of such default.

12. **Remedies and Additional Provisions.** This Agreement shall run with the land and be binding upon the parties hereto and their successors, assigns, executors and administrators and representatives. The rights and obligations herein contained shall continue, notwithstanding changes in the person or entity that may hold any leasehold or ownership in the land or building. Owner shall notify MAACO in writing of any sale, transfer or conveyance of the Premises within a reasonable time of such sale, transfer or conveyance. At the request of Owner, MAACO's rights hereunder may be subordinated to the lien of any mortgage or deed of trust hereinafter placed upon the Premises, provided that the mortgagee or trustee shall agree in writing to recognize, honor and not disturb MAACO's right to exercise the Option to Lease and enter into the Lease as set forth in this Agreement. Any party may record this Agreement. Any party may seek equitable relief or injunctive relief including, without limitation, specific performance for actual or threatened violation or non-performance of this Agreement by any other party. Such remedies shall be in addition to all other rights provided for in this Agreement or by law.

13. **Multiple Owners.** In the event that more than one person or entity has an ownership interest in the Premises, the obligations of each such person under this Agreement shall be joint and several.

14. **Notices.** Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to MAACO:	MAACO Franchising, Inc. 128 S. Tryon Street, Suite 900 Charlotte, NC 28202
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Notice to Owner:	_____ _____ _____
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Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

THE PARTIES HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. THE PARTIES WOULD NOT SIGN THIS AGREEMENT IF THEY DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties hereto have executed this Agreement on the date written above.

Owner:

MAACO Franchising, Inc.

By: _____

By: _____

AGREEMENT OF SALE

This Agreement of Sale (the "Agreement") is made the ___ day of _____, by and between _____, having an address at _____ ("Seller") and **MAACO Franchising, Inc.**, a Delaware corporation, and/or its assigns, having an address at 128 S. Tryon Street, Suite 900, Charlotte, NC 28202.

1. **Property:** Seller hereby agrees to sell and convey to Buyer, free from all encumbrances, except as this Agreement may otherwise provide, the real property located in _____ County and known as _____, as described on Exhibit "A" annexed to and made a part of this Agreement, together with all buildings, improvements, fixtures, rights, privileges and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, and rights-of-way (the "Property").

2. **Purchase Price:** The total consideration and purchase price (the "Purchase Price"), which Buyer agrees to pay to Seller and Seller agrees to accept for the Property is the sum of _____ payable as follows:

A. Upon execution of this Agreement, Buyer shall deliver to _____, located at _____ (the "Title Company") the sum of _____, which sum shall be held by the Title Company in an interest bearing account pending the Closing, as defined in paragraph 6 of this Agreement (the "Deposit"). At the Closing, the Deposit shall be credited toward the payment of the Purchase Price. If the transaction contemplated by this Agreement shall fail to close, the Title Company shall apply the Deposit by paying it to the party entitled thereto in accordance with the relevant provisions of this Agreement.

B. The balance of the Purchase Price shall be paid to Seller at the Closing, subject to adjustments made pursuant to the terms of this Agreement, by wire transfer in U.S. dollars or certified or bank check.

3. **Title Policy and Survey:**

A. Buyer shall take title to the Property free and clear of any and all leases, oral or written, liens, mortgages, charges, claims, pledges, security interests and/or encumbrances of any and every nature whatsoever, except those liens and encumbrances accepted by Buyer as hereafter provided. Title to the Property shall be conveyed at Closing by Seller to Buyer in fee simple by general warranty deed. The title to be delivered to Buyer at Closing shall be insurable at regular rates by the Title Company and shall indicate that the Property is free and clear of all encumbrances of any nature except those liens and encumbrances accepted by Buyer as hereafter provided. Seller will neither encumber the Property nor do

anything to cause exception to title from the date of this Agreement to the Closing Date without Buyer's prior written consent.

B. Upon full execution of this Agreement:

(1) Seller shall deliver to Buyer copies of all site plans, plot plans and topographical plans, if any, affecting the Property in Seller's possession; and

(2) Seller shall order a commitment for fee title insurance (the "Title Commitment").

C. Buyer may, within fifteen (15) business days after Buyer's receipt of the Title Commitment: (i) object in writing to any matter which constitutes a defect or encumbrance to title; and (ii) object in writing to any easements, rights of way, declarations, restrictions, covenants and any other matters of record disclosed by the Title Commitment including copies of recorded documents evidencing those title exceptions, easements, rights of way, declarations restrictions and other matters of record.

D. Buyer's failure to object under this paragraph 3 within the time allowed shall constitute a waiver of Buyer's right to object. If objections are made by Buyer, Seller shall have the right, but shall have no obligation, to cure the objections within twenty (20) days after the date Seller receives them (the "Cure Period"). If objections are not cured within the Cure Period, this Agreement shall terminate and the Deposit shall be refunded to Buyer unless Buyer elects to waive the objections. It is expressly understood and agreed that Seller shall not be required to cure any title objections, bring any action or proceeding, or otherwise incur any expense in connection therewith, other than to cause any existing mortgage on the Property to be released at Closing. All matters shown or disclosed by the Title Commitment with respect to which: (i) Buyer fails to object within the time and in the manner provided in subparagraph 3C; or (ii) Buyer waives its objection as provided in this subparagraph 3D shall be collectively deemed "Permitted Exceptions" and Buyer agrees to take title to the Property subject thereto.

4. **Condition of Property:** Subject to paragraph 13A and all of the other conditions precedent set forth herein, Buyer shall accept the Property at the Closing "as-is".

5. **Contingencies:** It is understood that Buyer is entering into this Agreement for the sole purpose of operating on the Property, a **MAACO Collision Repair & Auto Painting** ("Buyer's Intended Use"). If the Property is not suitable for any reason for Buyer's Intended Use, then Buyer may terminate this Agreement in accordance with the terms of this paragraph 5:

A. Buyer shall have seventy-five (75) days from the date of the execution of this Agreement (the "General Review Period"), to obtain all necessary governmental permits, approvals and authorizations, and inspections of the Property by inspectors of Buyer's choice. Inspections may include but are not limited to: (i) physical property inspections; (ii) economic feasibility studies; and (iii) any type of environmental assessments or engineering studies including the performance of tests such as soils tests, air sampling or paint sampling. Seller shall permit Buyer and Buyer's inspectors reasonable access to the Property at reasonable times.

B. If at the expiration of the General Review Period, Buyer determines, in Buyer's sole judgment, that the Property is not suitable for any reason or the Property is not in satisfactory condition, then Buyer may terminate this Agreement by providing Seller with written notice of termination of this Agreement, given on or before the last day of the General Review Period, and copies of all reports of inspections, studies or assessments completed or caused to be completed by Buyer under paragraph 5A shall be provided to Seller, and the Deposit shall immediately be refunded to Buyer. If Buyer does not terminate this Agreement within the time required, any objections and all contingencies under paragraph 5A and this paragraph shall be deemed waived by Buyer. If this Agreement does not close through no fault of Seller, Buyer shall restore the Property to its original condition if altered due to inspections, studies or assessments completed by Buyer or Buyer's inspectors.

6. **Closing:** The closing of the sale (the "Closing") shall take place within fifteen (15) days after Buyer's satisfaction of all contingencies hereunder or Buyer's waiver thereof (the "Closing Date"), at the office of the Title Company. Time is of the essence.

7. **Closing Documents:** At least five (5) business days prior to Closing, all documents which Seller shall be required to provide Buyer, either at or prior to Closing, shall be presented in form to Buyer. At the Closing, Seller shall furnish, at Seller's expense:

A. tax statements showing no delinquent taxes on the Property;

B. a fee simple General Warranty Deed conveying good and indefeasible title to the Property subject to the Permitted Exceptions;

C. Standard Affidavit of Title with such changes therein as shall be reasonably acceptable to Seller, certifying that there are no mechanic's and materialman's liens;

D. "FIRPTA" certification that Seller is not a foreign person. Section 1455 of the Internal Revenue Code provides that the transferee of a United States real property interest must deduct and withhold a tax equal to ten percent (10%) of the amount realized by the transferor on the disposition, if the transferor is a foreign person;

E. evidence that the person executing this Agreement is legally capable and authorized to bind Seller; and

F. a closing statement for this transaction.

8. **Possession:** Seller shall deliver possession of the Property to Buyer at the Closing subject to the Permitted Exceptions.

9. **Representations and Warranties of Seller:** Seller represents and warrants to Buyer that:

A. it owns good and marketable title to the Property, and that this Agreement constitutes a valid and binding Agreement of Seller enforceable in accordance with its terms. Neither the execution and delivery nor the performance of this Agreement by Seller will violate the terms of any agreements between Seller and any third party or violate or constitute a default under any judgment, order, law or regulation;

B. between the date of this Agreement and the Closing Date, Seller shall maintain the Property in the same manner as the Property has been maintained by Seller prior to the date of this Agreement such that the Property will be substantially in its present condition, reasonable wear and tear excepted. Seller also warrants that there are no persons in possession of or with a possessory interest in the Property, and shall confirm to Buyer in writing, no later than ten (10) days prior to Closing, that there is no one in possession of or with a possessory interest in the Property;

C. no insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition among or arrangement with creditors, voluntary or involuntary, affecting the Property are pending against Seller or any authorized member of Seller, or to Seller's knowledge, threatened. Seller has not made any assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of any such insolvency proceedings. Transfer of the Property shall not render Seller insolvent;

D. no litigation, petition, complaint, proceeding, investigation or similar matter by or before any court, administrative agency or any other entity is pending, or to Seller's knowledge is threatened against Seller or any authorized member of Seller pertaining to the Property;

E. no representation or warranty of Seller contained in this Agreement or in any schedule, exhibit, certificate or other instrument to be furnished pursuant to the terms of this Agreement, contains or will contain any untrue statement of a material fact, or omits or will omit to state a fact necessary to make such statements not misleading;

F. to Seller's knowledge, the Property does not contain underground storage tanks, fill of any kind, basements or building foundations, dry wells, septic tank;

G. to Seller's knowledge: (i) there are no environmental hazards or conditions affecting the Property which would violate any federal, state or local statutes, regulations, ordinances or other requirements; and (ii) the Property has never been used for the storage or disposal of hazardous substances or materials or toxic waste, a dump site or landfill; and

H. as of the date of this Agreement, and as of Closing, the person executing and delivering this Agreement has the full power, capacity and authority to commit Seller to the provisions of this Agreement.

10. **Covenants of Seller:** Between the date of this Agreement and Closing, Seller shall:

- A. maintain the Property substantially in its present condition;
- B. notify Buyer of Seller's receipt of any written notice of violation, fine or complaint of any type against the Property and provide Buyer with a copy of any such notice received by Seller;
- C. allow Buyer's employees, agents and representatives to have reasonable access to the Property; and
- D. not modify the Property to be transferred under this Agreement without Buyer's prior written consent.

11. **Representations and Warranties of Buyer:** Buyer represents and warrants to Seller that:

- A. this Agreement constitutes a valid and binding Agreement of Buyer enforceable in accordance with its terms. Neither the execution and delivery nor the performance of this Agreement by Buyer will violate the terms of any agreements between Buyer and any third party or violate or constitute a default under any judgment, order, law or regulation;
- B. as of the date of this Agreement, and as of the Closing, the person executing and delivering this Agreement, has the full power, capacity and authority to commit Buyer to the provisions of this Agreement; and
- C. no insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition among or arrangement with creditors, voluntary or involuntary, are pending against Buyer or any authorized partner of Buyer, or to Buyer's knowledge, threatened. Buyer has not made any assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of any such insolvency proceedings. Purchase of the Property shall not render Buyer insolvent.

12. **Risk of Loss:** The risk of loss or damage to the Property by fire or other casualty, or of taking by eminent domain, until delivery of the deed, shall be assumed by Seller, and upon the happening of such event, Buyer shall have the right to terminate this Agreement without further liability, in which event the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations towards the other except as herein expressly provided. In the event Buyer elects not to terminate this Agreement, Buyer shall consummate this Agreement and accept the Property in its then-existing condition, in which event Seller shall assign to Buyer all insurance proceeds payable and those previously collected and not spent for repairs with respect to such damage, or all condemnation proceeds, and there shall be no reduction in the Purchase Price.

13. **Conditions Precedent to Buyer's and Seller's Obligations:**

A. The obligation of Buyer to consummate the transactions contemplated in this Agreement is subject to the satisfaction (or waiver in writing by Buyer) at or prior to Closing of the following:

(1) the representations and warranties of Seller set forth in this Agreement shall be true and correct on the Closing Date in all material respects as if made on the Closing Date;

(2) there shall be no tenants or occupants of the Property;

(3) Seller shall have performed all acts and covenants required of Seller pursuant to this Agreement; and

(4) there shall have been no material adverse change in the Property after completion of Buyer's inspections and investigation thereof.

B. The obligation of Seller to consummate the transactions contemplated in this Agreement is subject to the satisfaction (or waiver in writing by Seller) at or prior to Closing of the following:

(1) the representations and warranties of Buyer set forth in this Agreement shall be true and correct on the Closing Date in all material respects as if made on the Closing Date; and

(2) Buyer shall have performed all acts and covenants required of Buyer pursuant to this Agreement.

14. **Indemnification:**

A. **Indemnity by Seller.** Seller shall indemnify and hold Buyer and, if applicable, Buyer's partners, shareholders, directors, employees, agents, affiliates and subsidiaries harmless with respect to any and all claims, losses, obligations, liabilities, costs and expenses, including reasonable attorneys' and other professional fees, arising out of or resulting from: (i) claims by tenants and/or former tenants concerning any leases for all or any portion of the Property; (ii) any breach of any of the covenants, representations and/or warranties of Seller under this Agreement; (iii) claims by third parties arising out of the ownership of the Property prior to Closing; and (iv) any liability or obligation relating to the Property with respect to the periods prior to Closing.

B. **Indemnity by Buyer.** Buyer shall indemnify and hold Seller and, if applicable, Seller's members, directors, officers, employees, agents, affiliates and subsidiaries harmless with respect to any and all claims, losses, obligations, liabilities, costs and expenses, including reasonable attorneys' and professional fees and costs, arising out of or resulting from: (i) any breach of any of the covenants, representations and/or warranties of Buyer under this

Agreement; (ii) claims by third parties arising out of Buyer's ownership, use and operation of the Property after Closing (other than as to claims to title, except any claims arising by, through or under Buyer); and (iii) any liability or obligation relating to the Property with respect to periods after Closing.

15. **Closing Adjustments:** As of the Closing Date, all real estate taxes, water, gas, electric, utility and sewer charges shall be prorated and adjusted in cash on a per diem basis with Buyer being responsible for the cost of same as of the Closing Date.

16. **Closing Costs; Proration of Taxes:**

A. Each party shall bear all of its own attorney's, accountants' and other fees and costs incurred in connection with this transaction.

B. All general state, county and city taxes and (if any) installments of special assessments levied or assessed against the Property (collectively, "Taxes") shall be paid to the collecting authorities by Seller if due and payable on or before the Closing Date and by Buyer if due and payable after the Closing Date, provided however, that the Taxes for the fiscal year in which the Closing Date occurs (the "Proration Period") shall be prorated between Seller and Buyer at Closing, with Seller bearing only that proportion thereof determined by multiplying the amount of such Taxes by a fraction, the numerator of which is the number of days in the Proration Period to and including the Closing Date and the denominator of which is 365. If the actual amount of Taxes for the Proration Period is not ascertainable on the Closing Date, the amount of Taxes for the immediately preceding fiscal year shall be used for the purpose of such proration, and within thirty (30) days after the actual amount of such Taxes is known, the parties shall recompute the proration and adjust any difference. The obligations of the parties under this subparagraph B shall survive the Closing and delivery of the deed and all other performances hereunder.

C. Any customary real estate taxes related to the transfer of the Property, including, without limitation, municipality, county and/or state real estate transfer taxes, shall be divided equally between Seller and Buyer and shall be paid at Closing.

17. **Remedies on Default:** If the transaction contemplated by this Agreement has not been consummated because of a material default or breach by Buyer of Buyer's obligations under this Agreement and Seller is not in material breach of Seller's obligations, Buyer shall forfeit the Deposit to Seller as Seller's full and complete liquidated damages and as Seller's sole and exclusive remedy. If Seller fails to perform Seller's obligations as a result of a default in the performance of its obligations or a breach of its representations and warranties, Buyer, in addition to all other legal remedies, shall have the right to enforce the terms of this Agreement by a decree of specific performance and to recover all costs and expenses (including reasonable attorneys' and other professional fees and costs) incurred by Buyer as a result of Seller's default

18. **Survival of Representations and Warranties:** All representations and warranties made by Seller and Buyer in or related to this Agreement, or in any certificate, exhibit or schedule delivered by one party to another, shall survive the Closing Date.

19. **Notices:** All notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent by registered or certified mail, return receipt requested, or by facsimile transmission at Buyer's and/or Seller's addresses set forth in this Agreement or other addressees as they may designate by written notice. In the case of Buyer, notices shall be sent to the attention of Buyer at the address set forth above. In the case of Seller, notices shall be sent to the attention of Seller at the address set forth above. Notices given by registered or certified mail shall be deemed given on the date deposited at a United States Post Office, postage prepaid, and shall be deemed received on the earlier of (i) the date of the return receipt therefor, or (ii) three (3) days after deposit as aforesaid. Notices given by facsimile transmission shall be deemed given and received upon actual receipt by the addressee thereof.

20. **Recording:** Neither party shall record this Agreement without the prior written consent of the other party which may be given or withheld at the other party's discretion.

21. Each party represents and warrants to the other party that it has not dealt with any broker, agent or finder in connection with this transaction, and agrees to indemnify and hold the other party harmless from and against all claims, loss, damage, cost and expense (including, without limitation, court costs and reasonable attorney's fees) made against or suffered or incurred by the other party as a result of a breach of the foregoing representation.

22. **Agreement of the Parties:** This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, representatives, successors and assigns. This Agreement shall be construed under and in accordance with the laws of the State in which the Property is located. This Agreement contains the entire integrated agreement of the parties and cannot be changed except by written agreement. If this Agreement is executed in a number of identical counterparts, each counterpart is deemed an original and all counterparts shall, collectively, constitute one agreement. Buyer may assign this Agreement to an affiliate of Buyer. If Buyer assigns this Agreement to an affiliate of Buyer, Buyer shall be relieved of any further liability only if the affiliate assignee assumes in writing all obligations and liability of Buyer under this Agreement.

23. **Other Documents.** The parties shall execute such other documents as may be reasonably necessary to carry out the provisions of this Agreement.

Intending to be legally bound, the parties execute this Agreement as of the date first written above.

SELLER:

By: _____

BUYER: MAACO Franchising, Inc.

By: _____

LEASE AGREEMENT

This Lease Agreement (the "Lease") is made and entered into this ____ day of _____, 200_, by and among _____ ("Lessor"), and _____, or its nominee or assignee, d/b/a Maaco Collision Repair & Auto Painting ("Lessee").

AGREEMENT

1. Lease and Premises. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, on the terms and subject to the conditions specified in this Lease, the premises which are commonly known as _____, together with all and whatever improvements which are now existing or hereafter placed thereon (the "**Improvements**") and any and all appurtenances thereto, all being referred to as the "**Premises**". Lessor represents and warrants that it owns good and marketable title to the Premises, subject to restrictions, agreements, conditions and easements of record, conditions and notes on recorded plats or plans, and rights of any utility company.

2. Term. The Term of this Lease (the "**Term**") shall be five (5) years.

3. Commencement Date.: The Lease shall commence on _____ (the "**Commencement Date**").

4. Rent. Lessee agrees to pay to Lessor, at the principal office referenced in paragraph 26, or at such place as Lessor may designate in writing from time to time, rent for the Premises, payable monthly in advance in the amounts set forth on Exhibit "A" attached and incorporated by reference, beginning on the Commencement Date and continuing on the first day of each calendar month of the Term of this Lease, except that for the first and final calendar months (or portions thereof) of the Term of this Lease, the rent shall be apportioned pro rata on a per diem basis. Lessee does for itself, its successors and assigns, covenant and promise to pay rent without further notice and without demand, deduction, counterclaim or set-off of any kind. Any other sums due and payable to Lessor under this Lease shall be considered additional rent.

5. Use of Premises.

(A) The Premises may be used for the operation of a Maaco Collision Repair & Auto Painting Center (the "Intended Use"), and for no other purpose.

(B) Lessee shall comply with all applicable laws, ordinances and regulations and will not use or permit any use of the Premises in violation thereof, and will operate the business in a first class, clean, safe and sanitary manner. Lessee shall be responsible to maintain and procure, at Lessee's own expense, all licenses, permits or inspection certificates required by any governmental authority respecting Lessee's business. Lessee may, after giving Lessor ten (10) business days' written notice, contest any such law, ordinance or regulation in the name of

Lessor, if necessary, but in which event Lessee shall indemnify Lessor against any costs, penalties or reasonable attorney's fees incurred by or asserted against Lessor by reason thereof.

(C) Lessee, in good faith, diligently shall pursue and obtain a Certificate of Occupancy for the Premises, at its sole cost and expense, upon completion of all improvements to be made to the Premises.

6. Taxes, Insurance and Utilities.

(A) Lessee shall pay to Lessor each month, in addition to the monthly rental, one-twelfth (1/12th) of all estimated Real Property Taxes assessed against the Premises annually. The Real Property Taxes for the immediately preceding calendar year shall be the basis for the computation of the monthly tax installments. Upon receipt of the actual tax assessment invoice for each calendar year, any additional taxes owing to Lessor as a result of any increase in taxes shall be paid by Lessee immediately, and the monthly tax installments to thereafter be paid by Lessee shall be adjusted accordingly. Lessee shall have the right, at its sole cost and expense, to file an appeal of the local tax assessment of the Premises. Lessee shall be responsible for all fees, costs, and expenses (including attorney's fees) in connection with any such appeal.

(B) Lessee shall pay property and fire insurance covering the Premises in accordance with paragraph 9.

(C) Lessee shall pay for all water, gas, electricity and all other utilities serving the Premises.

(D) Lessee shall be liable for all business use and occupancy taxes due for the Premises.

7. Lessor Access. Upon reasonable prior notice (except that no notice shall be required in the event of an emergency), Lessee shall permit Lessor and its agents to enter into and upon the Premises at reasonable times during normal business hours for the purpose of inspecting the Premises. For a period of six (6) months prior to the termination of this Lease, Lessor may: (i) enter upon the Premises during normal business hours to show the Premises to prospective tenants provided that such entry and showing does not interfere with the conduct and operations of Lessee's business; and (ii) erect signage upon the Premises for the purpose of advertising the availability of the Premises for lease/sale. In addition, immediately after termination or expiration of this Lease, Lessor shall have the right to re-enter the Premises and de-identify the Premises so as to protect MAACO's trade names, service marks and trademarks, and shall further have the right to charge Lessee for the costs associated with such re-entry and de-identification.

8. Public Liability and Workers Compensation Insurance and Indemnity.

(A) Lessee shall, during the entire Term of this Lease, at Lessee's expense, keep in force by advance payment of premiums, public liability insurance in an amount of not less than \$1,000,000.00 for injury to or death of one person as a result of one occurrence and not

less than \$3,000,000.00 for injury to or death of more than one person as a result of one occurrence, and for damage to property in the amount of \$500,000.00 insuring Lessee and Lessor (as insured) against any liability that may accrue against them jointly or either of them severally on account of any occurrences in or about the Premises during the Term of this Lease or in consequence of Lessee's occupancy thereof and resulting in bodily injury, personal injury or death or property damage to any third party. Each of said policies shall provide for notice to be given to Lessor thirty (30) days before any such insurance will terminate, be revoked, lapse or end for any reason. Each insurance policy shall be issued by an insurance company having a policy holder's rating of B+ or better by A.M. Best & Company and be duly authorized to transact business in the state where the Premises are located. Before occupying the Premises and at any time requested by Lessor thereafter, Lessee shall furnish to Lessor certificates of all insurance required under this paragraph. If Lessee does not maintain such insurance in full force and effect, Lessor may notify Lessee of such failure and if Lessee does not deliver to Lessor, within ten (10) days after such notice, certification showing all such insurance to be in full force, Lessor may obtain, at its option, the insurance necessary to comply with the provisions hereof and pay the premiums on the items specified in such notice and Lessee covenants that it shall reimburse and pay Lessor any amounts paid or expended in the amount of the insurance premiums required hereby and specified in the notice, as additional rent, with interest thereon at the rate of five percent (5%) per annum from the date of such payment by Lessor until repaid by Lessee; in the alternative, upon Lessee's failure to secure the appropriate insurance and such failure continues after the notice period set forth above, Lessor may deem such failure to be a default (as hereinafter defined) and Lessor may avail itself of any and all remedies set forth in paragraph 23 hereof.

(B) Lessee shall indemnify and hold Lessor harmless from and against any and all costs pertaining to any claims of whatever nature which are asserted against Lessor with respect to its ownership of the Premises during the Term hereof or thereafter and which are based on: (i) any act or omission of Lessee, including, but not limited to, any default in the performance of any agreement to be performed by Lessee under this Lease; or (ii) any injury to or death of any person, or damage to any property occurring in or about the Premises during the Term hereof, if caused by the negligence or willful misconduct of Lessee, or any of its respective agents, licensees, business invitees or guests. Lessor shall have the option to defend itself or to have Lessee defend it in any action initiated, or claim asserted against Lessor arising out of, or in any manner whatsoever associated with or connected with the negligence or willful misconduct of Lessee, or any of its respective agents, licensees, business invitees or guests, and Lessee shall be responsible for all costs pertaining to said defense. The term "**costs**" means all liabilities, judgments, penalties and fines and interest arising out of any such claims.

(C) Lessor shall indemnify and hold Lessee harmless from and against any and all costs pertaining to any claims of whatever nature which are asserted against Lessee with respect to its occupation of the Premises during the Term hereof or thereafter and which are based on: (i) any act or omission of Lessor, including, but not limited to, any default in the performance of any agreement to be performed by Lessor under this Lease; or (ii) any injury to or death of any person, or damage to any property occurring in or about the Premises during the Term hereof, if caused by the negligence or willful misconduct of Lessor, or any of its respective agents, licensees, business invitees or guests. Lessee shall

have the option to defend itself or to have Lessor defend it in any action initiated, or claim asserted against Lessee arising out of, or in any manner whatsoever associated with or connected with the negligence or willful misconduct of Lessor, or any of its respective agents, licensees, business invitees or guests, and Lessor shall be responsible for all costs pertaining to said defense. The term "costs" means all liabilities, judgments, penalties and fines and interest arising out of any such claims.

(D) Lessee shall throughout the Term of this Lease keep and maintain statutory workers compensation insurance covering all persons working in or about the Premises. Lessee shall provide Lessor certificates evidencing said workers compensation insurance on the Commencement Date and at any time required by Lessor thereafter.

9. Fire and Extended Coverage Insurance.

(A) Lessee shall throughout the Term of this Lease, at Lessee's expense, keep the Premises and all Improvements on the Premises adequately insured, naming Lessor as insured, in an amount equal to the full replacement cost of the Improvements with insurance companies having an insurance rating of B+ or better as established by A.M. Best & Company or any other qualified rating organization against damages as set forth in special form exception coverage. Such insurance shall include a broad form business owners package policy, which contains business income insurance coverage for a period not less than one (1) year, which is in form and substance acceptable to Lessor. On the Commencement Date, and as requested by Lessor after the Commencement Date, Lessee shall deliver to Lessor copies of insurance certificates evidencing the aforesaid insurance.

(B) Lessee shall throughout the term of this Lease, at Lessee's expense, keep the equipment, furniture and trade fixtures in the Premises adequately insured in an amount equal to full replacement cost with insurance companies having an insurance rating of B+ or better established by A.M. Best & Company or any other qualified rating organization against damages caused by fire, lightning and all other causes of physical loss. Lessee will deliver to Lessor copies of insurance certificates evidencing the aforesaid insurance on the Commencement Date and at any time requested by Lessor thereafter.

10. Mutual Waiver of Subrogation Rights. Whenever any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease in connection with the Premises, and such loss, cost, damage or expense is insurable under the insurance required to be carried by the parties hereto, then the party required to be so insured thereby releases the other party from liability, other than liability arising out of the gross negligence or intentional misconduct it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance, and waives any right of subrogation in the amount of any insurance amount recovered which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or be contrary to any statute, ordinance, law or public policy.

11. Damages to Premises.

(A) **Damage – Insured.** Subject to the provisions of paragraphs 11(D) and 11(E), if the Premises are damaged and such damage was caused by a casualty covered under an insurance policy required to be maintained pursuant to paragraph 6(B) and 9, Lessor shall at Lessor's expense repair such damage within ninety (90) days after issuance of permits and this Lease shall continue in full force and effect, provided, however, if the commencement or completion, as the case may be, of such repairs or restoration shall be delayed by weather, strikes, inability to procure labor or materials, fire, flood, delays in obtaining insurance proceeds not caused by Lessor or other occurrences or conditions beyond Lessor's control, the aforesaid time period shall be extended by the period of such delay. Lessor shall not repair or replace Lessee's fixtures or equipment.

(B) **Damage – Uninsured or Partially Uninsured.** Subject to the provisions of paragraph 11(D) and 11(E), if at any time during the term hereof the Premises are damaged, except by a negligent or willful act of Lessee, and such damage was caused by a casualty not covered under an insurance policy required to be maintained pursuant to paragraph 6(B) and 9 or actually maintained by Lessor, Lessor shall at Lessor's option either: (i) repair such damage within ninety (90) days after the issuance of permits at Lessor's expense, in which event this Lease shall continue in full force and effect; or (ii) give written notice to Lessee, within thirty (30) days after the date of the occurrence of such damage, of Lessor's intention to cancel and terminate this Lease as of the date of the occurrence of such damage. In the event Lessor elects to give such notice of Lessor's intention to cancel and terminate this Lease, Lessee shall have the right within thirty (30) days after the receipt of such notice, to give written notice to Lessor of Lessee's intention to repair such damage at Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs within ninety (90) days after the issuance of permits. In such event, Lessor shall promptly turn over to Lessee all insurance proceeds, if any, arising out of such damage and shall cooperate with Lessee in connection with any adjustment of insurance proceeds. If Lessee does not give notice within such 30-day period, this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

(C) If Lessor does not commence such repairs or restoration within thirty (30) days after the issuance of permits, or complete such repairs or restorations within ninety (90) days after such damage or destruction, Lessee may, at Lessee's option, cancel and terminate this Lease by giving Lessor written notice of Lessee's election to do so at any time prior to the commencement of such repair or restoration. In such event, this Lease shall terminate as of the date of such damage or destruction.

(D) **Damage Near End of Term.** If the Premises are partially damaged or destroyed during the last twelve (12) months of the last option and/or extension term of this Lease, Lessor may at Lessor's option cancel and terminate this Lease as of the date of the occurrence of such partial damage by giving written notice to Lessee of Lessor's election to do so within thirty (30) days after the date of the occurrence of such damage.

(E) Abatement of Rent; Lessee's Remedies. If the Premises are partially damaged and Lessor or Lessee repairs or restores them pursuant to the provisions of this paragraph 11, the rent payable thereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired.

12. Condemnation.

(A) If during the Term of this Lease the Premises or a portion of the Premises (the "**Parcel Taken**") shall be taken as a result of the exercise or threat of the power of eminent domain, upon delivery of possession to the condemnor of the Parcel Taken, without further action of the parties, this Lease shall be amended by deleting the Parcel Taken from the description of the Premises, and except as so amended, this Lease and Lessee's obligations under this Lease, with the exception of the rent obligations specified in this Lease, which rent obligations may abate in proportion to the Parcel Taken as of the day on which the condemning authority shall take possession, shall continue in full force and effect without change. In the event that the Parcel Taken does not affect Lessee's operation, there shall be no abatement of rent.

(B) Notwithstanding anything to the contrary in paragraph 12(A), if as a result of the exercise of the power of eminent domain, the Parcel Taken would render the Premises unsuitable for its Intended Use, this Lease shall be terminated as of the date on which legal title vests in the condemning authority or the date on which Lessor settles pursuant to a contract for the sale for public use or under the threat of condemnation, whichever first occurs, and all rental and other sums payable under this Lease shall be prorated to such date. The entire amount of any award for such taking shall belong to Lessor, and Lessee waives any other right it may have to any portion of such award.

(C) Lessee shall have the right to claim and recover from any condemning authority such compensation as may be awarded or recoverable by Lessee in Lessee's own right on account of any and all damages to Lessee's business by reason of the acquisition or condemnation, and for or on account of any loss, losses or expenses to which Lessee may incur in removing Lessee's merchandise, furniture, fixtures, equipment and leasehold improvements.

13. Maintenance and Repairs.

(A) Lessee shall, at its sole cost and expense, maintain the Premises and make repairs, restorations and replacements to the Premises, including without limitation, windows, doors, plate glass, sewer, mechanical, electrical, plumbing, heating, ventilation and air conditioning systems and all fixtures and appurtenances to the Premises as and when needed, to preserve them in good working order and condition. Lessee shall maintain and repair the parking area and driveways, including clearing of ice and snow from the sidewalks and parking lot, and maintenance and repair of the ground areas. If Lessee fails (after 30 days notice, except that such period shall be extended if Lessee, within said 30 day period, has commenced and thereafter diligently continues to pursue to cure such failure) to maintain the Premises or make repairs, restorations, or replacements as required in this paragraph, Lessor may make them at the

expense of Lessee and the expense will be collectible as additional rent to be paid by Lessee within fifteen (15) days after delivery of a statement for the expense.

(B) Lessor shall be responsible for the structural walls, foundation and roof of the building of which the Premises are a part.

14. Environmental. Lessor represents and warrants that, to the best of Lessor's knowledge, no substance or condition exists in or on the Premises that would support a claim or cause of action under any Environmental Law, and no action has been taken with respect to the Premises to remove or eliminate any such substance or condition. Lessor has not received any notice or other communication, written or oral, from any governmental or quasi-governmental authority regarding any such substance or condition. For purposes of this Lease, the term "Environmental Law" includes, but is not limited to: (i) any federal, state, or local law, statute or ordinance; (ii) any rule, regulation, interpretation, policy, permit, order or consent decree issued pursuant to any of the foregoing; or (iii) any federal, state or local decisional law which pertains to, governs or otherwise regulates the emission, discharge, release or spill of any substance, including but not limited to a hazardous or toxic substance, or the use, manufacture, processing, sale, treatment, storage, disposal, transportation, or other management of any substance. Lessor shall be responsible for any and all costs, expenses, or liabilities arising from or relating to any environmental contamination existing on the Premises as of the date hereof; Lessee shall be responsible for any and all costs, expenses, or liabilities arising from or relating to any environmental contamination which occurs on the Premises during the term hereof (unless due to the acts or omissions of Lessor or its employees, agents, contractors, invitees or representatives), including any extensions or renewals hereof.

15. Alterations. Lessee shall not make any alterations, improvements or additions to the Premises without first obtaining the written permission of Lessor, which consent shall not be unreasonably withheld. Lessor's prior written consent will not be necessary for any alteration, addition or improvement which: (i) costs less than Five Thousand Dollars (\$5,000.00) including labor and materials; (ii) does not change the general character of the Premises or reduce the fair market value of the Premises; or (iii) is in compliance with the laws, ordinances, orders, rules, regulations, certificates of occupancy or other governmental requirements.

16. Assignment.

(A) In connection with the execution and delivery of this Lease, on the date even herewith, Lessor and Lessee have executed the Consent and Agreement of Lessor and Collateral Assignment of Lease to evidence Lessor's consent to the assignment of this Lease by Lessee to a MAACO Franchisee, a copy of which is attached as Exhibit "B" hereto.

(B) Lessor agrees to permit Lessee to assign this Lease to a corporation or other legal entity in which Lessee is the principal shareholder.

(C) Lessor agrees that Lessee may transfer its rights under the Lease to a person firm or corporation who shall continue to operate a franchise pursuant to the terms of the

Lease, and who shall agree to assume Lessee's obligations under the Lease. Upon such assignment, Lessee shall have no further liability or obligation under the Lease.

17. Signs and Fixtures.

(A) Lessee shall have the right to erect signs for the purpose of identification of Maaco Collision Repair & Auto Painting services; said signs to conform to any state and/or local restrictions.

(B) Lessee shall also have the right to install in accordance with all governmental regulations any equipment or trade fixtures required in the operation of its business, which shall be deemed personal property subject to repossession for protection of its interests by any conditional sales vendor or equipment lessor or similar seller thereof retaining or obtaining and perfecting under applicable state laws a security interest therein, if applicable.

(C) Upon the expiration or termination of this Lease, Lessee shall remove from the Premises any and all signs as well as any equipment, trade fixtures, improvements and property which it may have installed or placed therein, and Lessee shall repair any damage to the Premises caused by such removal. If Lessee fails to repair any damage to the Premises caused by such removal, Lessor shall make such repairs. Lessee shall pay to Lessor any costs incurred by Lessor in repairing any damage to the Premises and/or in the removal and disposal of any signs and/or equipment as provided in this paragraph.

(D) Lessor agrees to waive its right to distraint upon: (i) trade equipment, inventory or chattels owned by Lessee or the occupant of the Premises and situated upon the Premises; and (ii) any and all decals, signs, logos, descriptive literature and any other printed material bearing the name of Maaco Collision Repair & Auto Painting. Such waiver shall not, however, apply to the building and improvements erected upon the Premises.

18. Liens. If any act or omission of Lessee or claim against Lessee results in a lien or claim of lien against Lessor's title to the Premises, Lessee, upon notice thereof, shall promptly remove or release same by payment of bond or otherwise to fully satisfy said lien. If not so released within fifteen (15) days after notice to Lessee to do so, Lessor may (but need not) pay or discharge any lien without inquiry as to the validity thereof at Lessee's expense and Lessee shall, within ten (10) days after demand for payment of all costs and expenses incurred by Lessor, pay unto Lessor the full amount plus interest at the rate of 1 1/2% per month. Lessee may contest any lien by first furnishing Lessor with a good and sufficient surety bond issued by a reputable surety company.

19. Lessor's Right to Perform and Expenditures. If Lessee shall default in the performance of any covenant on its part to be performed under this Lease, and shall fail to remedy such default with reasonable dispatch after Lessor shall have notified Lessee of such default, Lessor, without being obligated to do so and without thereby waiving such default, may take such action as is commercially reasonable and appropriate to cure such default. Lessor's expenditures and costs in connection therewith, together with 1 1/2% per month interest thereon, shall be at Lessee's expense and shall be payable as additional rent upon the fifteenth (15th) day

of the month next following. Lessee shall also pay all of Lessor's reasonable costs and expenses, including reasonable attorneys', experts' and investigation fees, which may be necessary in the sole discretion of Lessor in enforcing Lessee's obligations hereunder.

20. Waivers. No waiver by either party to this Lease of any provision or default under this Lease, whether in a single instance or repeatedly, shall be deemed a future waiver of such provision or default.

21. Lessor's Representations. Lessor represents and warrants that:

(A) it is legally empowered to execute this Lease and that the person signing this Lease on behalf of Lessor has all authority to do so;

(B) upon the payment by Lessee of the rent and other sums due Lessor, and upon performance of all the covenants, terms and conditions on Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the Premises or the tenancy created under this Lease without hindrance or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through or under Lessor, subject nevertheless to the terms and conditions of this Lease. Except as set expressly and specifically forth in this Lease, Lessor has made no representation or warranty regarding the Premises; and

(C) Zoning for the Premises will permit the Intended Use.

22. Option to Extend Term. Provided that Lessee has substantially complied with the terms of this Lease and further provided no default by Lessee then exists under this Lease, Lessee is granted the option to extend the Term of this Lease for two (2) additional periods of five (5) years upon the same terms and conditions stated in this Lease at the rental set forth in Exhibit "A". Lessee may exercise the option to extend the Term of this Lease by providing written notice to Lessor not less than six (6) nor more than nine (9) months prior to the expiration of the then current Lease Term.

23. Defaults and Remedies.

(A) Each of the following events shall constitute an "Event of Default" by Lessee under the Lease:

(1) the appointment of a receiver or trustee for Lessee in any court which appointment is not vacated in thirty (30) days;

(2) the adjudication of Lessee as bankrupt or insolvent;

(3) the Assignment by Lessee for the benefit of creditors;

(4) Lessee's failure to pay any rent or other sums due Lessor when due, and such failure continues for a period of ten (10) days after Lessor gives notice of such failure to Lessee; and

(5) Lessee's failure to comply with any of its other obligations under this Lease and such failure continues for thirty (30) days after Lessor gives notice of such failure to Lessee; provided, however, that if such default cannot reasonably be cured within thirty (30) days after the date of Lessor's notice, Lessee may cure it if Lessee commences such cure within thirty (30) days after the date of such notice and thereafter diligently prosecutes such cure to completion and such cure is cured in full on or before the one hundred and twentieth (120th) day after the date of such notice; or

(B) Upon the occurrence of an Event of Default, Lessor may, by giving further written notice to Lessee at any time thereafter during the continuance of such default, either: (i) terminate this Lease; or (ii) re-enter the Premises by summary legal proceedings or otherwise, expelling Lessee and removing all property therefrom and reletting the Premises at the best possible rent obtainable, making reasonable efforts therefor, and receive the rent therefrom; but Lessee shall remain liable for the equivalent of the amount of all rent payable under this Lease less the proceeds, if any, of reletting; or (iii) avail itself of all the rights, remedies and relief otherwise available to Lessor under this Lease and the laws of the State in which the Premises are located. Any and all deficiencies in payment by Lessee shall be paid monthly to Lessor on the date provided in this Lease for the payment of rent. If any petition shall be filed by or against Lessee under any bankruptcy law to adjudge Lessee insolvent or bankrupt, or to delay, reduce or modify Lessee's debts and obligations, and such petition is not dismissed within sixty (60) days after its filing, or if any assignment of Lessee's property shall be made for the benefit of creditors, Lessor, at its option, may terminate this Lease.

24. Late Payment. Any payment due under this Lease that is received ten (10) or more days after the due date, shall be subject to a late charge equal to five percent (5%) of the amount thereof.

25. Subordination/Attornment. Lessee agrees that this Lease shall be subordinate to any holder of a mortgage encumbering the Premises. If the holder of any mortgage or trust deed encumbering the Premises shall succeed to the rights of Lessor under this Lease, whether through repossession or foreclosure action, deed in lieu of foreclosure or otherwise, then at the request of such party so succeeding to Lessor's rights (sometimes called "Successor-lessor") and upon delivery to Lessee of evidence reasonably sufficient to verify such succession and such Successor-lessor's written agreement to accept Lessee's attornment, Lessee shall attorn to and recognize such Successor-lessor as Lessee's lessor under this Lease, and shall promptly execute and deliver any instrument that such Successor-lessor may request to evidence such attornment. Upon such attornment this Lease shall continue in full force and effect as, or as if it were a direct lease between such Successor-lessor and Lessee upon all of the terms, conditions, and covenants as are set forth in this Lease, and the same shall be applicable after such attornment. Successor-lessor shall provide Lessee a statement of non-disturbance recognizing Lessee's rights under this Lease in return for Lessee's execution of any such attornment instrument.

Upon the request of Lessor, Lessee agrees to subordinate its rights under this Lease to the lien of any mortgage hereafter encumbering the Premises, and to attorn to the holder of the mortgage, provided that the holder of such mortgage agrees with Lessee, in writing, that so long as Lessee is not in default of its obligations under this Lease beyond the period provided herein for the cure of such default, Lessee's possession of the Premises and its interest under the Lease will not be disturbed by reason of a foreclosure of the lien of any such mortgage or a conveyance in lieu thereof, and Lessee will not be named as a party in any such foreclosure except as required by the rules of the applicable court, such agreement to be reasonably satisfactory to Lessee and the holder of such mortgage.

26. Notices. Any and all notices required or permitted under this Lease shall be in writing and shall be personally delivered or mailed by registered or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to Lessor:

Notice to Lessee:

MAACO Franchising, Inc.
128 S. Tryon Street, Suite 900
Charlotte, NC 28202

27. Security Deposit. Upon execution of this Lease, Lessee shall deposit with Lessor, a security deposit equivalent to the first month's rent ("Deposit") as security for Lessee's faithful performance of Lessee's obligations under this Lease. If Lessee fails to pay rent or other charges due, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of the Deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby without limiting any other rights or remedies of Lessor under this Lease. If Lessor uses or applies all or any portion of the Deposit, Lessee shall within ten (10) days after written demand, deposit cash with Lessor in an amount sufficient to restore the Deposit to the full amount stated in this paragraph and Lessee's failure to do so shall be a material breach of this Lease. If Lessee performs all of Lessee's obligations under this Lease, the balance of the Deposit, without payment of interest or other increment shall be returned to Lessee at the expiration of the Term of this Lease, less such sums as shall be required for the payment of damages to the Premises (or at Lessor's option, to the last assignee, if any, of Lessee's interest under this Lease). Any damages to the Premises not repaired by Lessee as required under this Lease will be repaired by Lessor, and the cost for such repairs, shall be deducted from the Deposit. No trust relationship is created between Lessor and Lessee with respect to the Deposit. The parties agree that no part of the Deposit is to be considered as the last payment of Rent due under the terms of this Lease.

28. Security. Lessee shall be responsible for security for the Premises.

29. Termination and Holding Over.

(A) In the event Lessee does not elect to extend the Term of this Lease as provided in paragraph 22, it is agreed that this Lease shall terminate without notice by either party, upon the expiration of the Term.

(B) In the event Lessee holds possession of the Premises after the expiration of the Term, Lessee will be a tenant from month to month under the terms of this Lease.

30. Mitigation of Damages. If Lessee is evicted, if this Lease is terminated, or if the Lessee is otherwise unable or unauthorized to occupy the Premises, Lessor shall take all reasonable steps to mitigate its damages and re-let the premises. Among other things, Lessor shall list the Premises for rent with a broker or real estate agent; place a "For Rent" sign in a conspicuous place at the Premises; advertise the Premises for rent in a newspaper or other periodical of general circulation; and take such others steps as may be reasonably necessary to locate a new lessee for the Premises.

31. Meaning of Words. The words "Lessor" and "Lessee" shall mean respectively all parties of Lessor or Lessee, regardless of number, and the word "he" shall be synonymous with "she", "it" and "they", and the word "his" shall be synonymous with "her", "its" and "their". If the Term of this Lease is extended in the manner provided in paragraph 22, the word "Term" shall thereafter mean the Term of this Lease as so extended.

32. Remedies Cumulative. All remedies of the parties are cumulative.

33. Captions. The captions of this Lease are for convenience only and shall not be construed as defining or modifying any of the provisions of this Lease.

34. Governing Law. This Lease shall be governed by the laws of the state where Premises are located.

35. Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

36. Entire Agreement. This Lease and any Exhibits attached to this Lease shall constitute the entire integrated agreement between the parties with respect to the Premises and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

37. Legal Fees. In the event that it becomes necessary for either party to retain the services of legal counsel to enforce the terms of this Lease, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's, expert and investigative fees, incurred in enforcing the terms of this Lease.

38. Broker. Lessor and Lessee represent and warrant to each other that they have not dealt with any real estate agent or broker in connection with this transaction, and each agrees to

indemnify and save the other harmless from and against all liability, damage, loss, cost and expense incurred by reason of the indemnitor's breach of said representation and warranty. Lessor shall pay the Broker's commission in accordance with a separate agreement executed by and between Lessor and Broker.

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

LESSOR:

LESSEE: MAACO Franchising, Inc.

By: _____

By: _____

EXHIBIT "A"
RENT SCHEDULE

YEAR

MONTHLY RENT

YEARLY RENT

OPTION PERIOD

EXHIBIT "B"

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor, under the Lease dated _____, 200_ between Lessor and _____ (collectively, "Assignor"), hereby approves the attached Collateral Assignment of Lease (the "Collateral Assignment") between MAACO Franchising, Inc., a Delaware corporation with its principal offices at 128 S. Tryon Street, Suite 900 Charlotte, NC 28202 ("MAACO") and Assignor. In connection with the Collateral Assignment, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and MAACO agree as follows:

(a) Lessor shall notify MAACO 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 Maaco Collision Repair & Auto Painting Center (the "Franchise Agreement"), MAACO 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) MAACO may exercise its rights under the Collateral Assignment upon the occurrence of either of the following events: (i) Lessor's receipt of notice from MAACO that Assignor is in default of the Franchise Agreement and has failed to cure within the time prescribed thereunder, or (ii) MAACO's receipt of any notice of default by Assignor under the Lease, in which event, if MAACO elects to exercise its rights under the Collateral Assignment, it shall, within thirty (30) days of MAACO's or Lessor's receipt of the applicable notice, as set forth above, notify Lessor of its intention to take possession of the Premises with no liability for any default of Assignor up to the point MAACO assumes the Lease;

(d) In the event MAACO exercises its rights under the Collateral Assignment, Lessor shall take all action necessary to retake the Premises and deliver same to MAACO. Such action shall include, without limitation, termination, eviction and legal action and MAACO shall have no obligation under the Collateral Assignment until the Premises are lawfully tendered to it;

(e) If MAACO takes possession of the Premises demised by the Lease and confirms to Lessor the assumption of the Lease by MAACO as lessee thereunder, Lessor shall recognize MAACO as lessee under the Lease;

(f) Lessor agrees that MAACO may further assign the Lease to a person, firm or corporation who shall agree to assume lessee's obligations under the Lease, and upon such assignment, MAACO shall have no further liability or obligation under the Lease as Assignee, lessee or otherwise;

(g) Upon termination or expiration of the Franchise Agreement or the Lease Agreement, MAACO 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 MAACO's Proprietary Marks associated with the Maaco Collision Repair & Auto Painting System, including without limitation, all signs, advertising materials, stationery and forms. MAACO'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.

IN WITNESS WHEREOF, the parties hereto have executed this Consent and Agreement of Lessor this _____ day of _____, 200_.

LANDLORD:

By: _____

MAACO Franchising, Inc.

By: _____

EXHIBIT "B"

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") hereby assigns, transfers and sets over unto MAACO Franchising, Inc., a Delaware corporation ("Assignee"), all of Assignor's right, title and interest as lessee in, to and under that certain lease, a copy of which is attached 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 its interest therein.

Upon a default by Assignor under the Lease or a default under the Franchise Agreement for a Maaco Collision Repair & Auto Painting Center between Assignee and Assignor (the "Franchise Agreement"), which is not cured within the time prescribed, or in the event of a default by Assignor under any document or instrument securing said 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 Lessor or otherwise, attorneys' fees and expenses of litigation incurred in enforcing this 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 MAACO 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 MAACO's Proprietary Marks associated with the MAACO System, including without limitation, all signs, advertising materials, stationery and forms. MAACO'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.

I HAVE READ THE ABOVE COLLATERAL ASSIGNMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS COLLATERAL ASSIGNMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

The obligations of Assignor hereunder shall be individual, joint and several.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties have executed this Collateral Assignment of Lease on the _____ day of _____, 200_.

ASSIGNEE: MAACO Franchising, Inc.

By: _____

ASSIGNOR: _____

EXHIBIT Q

WAIVER AND RELEASE

For consideration which I acknowledge, I irrevocably grant MAACO Franchising, Inc. (“MAACO”) and its successors, assigns and licensees the right to use my image, name, statement(s) and/or endorsement(s) (“Information”) in all forms and media including composite or modified representations for all purposes, including advertising, trade or any commercial purpose throughout the world. I waive any right to inspect or approve versions of my Information used for publication. I release MAACO and its successors, assigns and licensees from any claims that may arise regarding the use of my Information including any claims of defamation, invasion of privacy, rights of publicity or copyright.

I have read and understood this agreement and I am over the age of 18. This Agreement expresses the complete understanding of the parties.

Name: _____

Date: _____

Signature: _____

Address: _____

EXHIBIT R

NEW FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, you and MAACOFranchising, Inc. ("MAACO") are preparing to enter into a Franchise Agreement for the operation of a Maaco Collision Repair & Auto Painting franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that MAACO has not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question by writing your initials next to the appropriate answer. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

- Yes ___ No ___ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?
- Yes ___ No ___ 2. Have you received and personally reviewed the MAACOFranchise Disclosure Document?
- Yes ___ No ___ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
- Yes ___ No ___ 4. Do you understand all of the information contained in both the Franchise Disclosure Document and Franchise Agreement?
- Yes ___ No ___ 5. A) Are you aware that you can discuss the Franchise Disclosure Document and Franchise Agreement as well as the benefits and risks of operating a franchise with your professional advisor?
- Yes ___ No ___ B) Did you have the opportunity to discuss the benefits and risks of operating a franchise with existing franchisees?
- Yes ___ No ___ C) Do you understand that pursuant to paragraph 2F of the Franchise Agreement, in the event that you do not secure a site within 9 months after the execution of the Franchise Agreement and provided that you, in MAACO's sole judgment have made good faith efforts to obtain a site for the Center but have been unable to do so, you may request that MAACO terminate the Franchise Agreement. If MAACO agrees to such termination, MAACO shall refund the amount of the initial franchise fee paid less the sum of \$10,000.00. In the event you were referred to MAACO by a franchise/business broker, MAACO shall also deduct the fees paid by MAACO to the broker.
- Yes ___ No ___ 6. Were you promised a specific town within the Designated Area referenced in the Franchise Agreement in which to operate your MaacoCenter. If you were, please indicate the name of the town
_____.
- Yes ___ No ___ 7. Do you understand that: (i) it is your responsibility to make your Center profitable and to expand the local market for Maaco Collision Repair & Auto Painting services; (ii) your success is determined by your willingness to implement and follow MAACO's Operating System, your skills, abilities and efforts as well as those of the persons you employ; and (iii) Maaco Centers require an intensely hands on, full time obligation, and you must be prepared to make this type of commitment.
- Yes ___ No ___ 8. Do you understand that the franchisee and majority investor in the franchise must satisfactorily complete the training course at headquarters before a center will be allowed to open?

Yes ___ No ___

9. Is it true that no employee or other person, including brokers, speaking on behalf of MAACO made any statement or promise regarding the costs involved in operating a franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes ___ No ___

10. Is it true that no employee or other person, including brokers, speaking on behalf of MAACO made any statement or promise or provided you with information regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a franchise will generate?

Yes ___ No ___

11. Is it true that no employee or other person, including brokers, speaking on behalf of MAACO made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support services or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes ___ No ___

12. Do you understand that the Franchise Agreement contains the entire agreement between you and MAACO concerning the franchise license for the center, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes ___ No ___

13. Do you understand that you will be an independent businessperson with a license to use MAACO's trademark?

Yes ___ No ___

14. Do you understand that you will be responsible to reimburse MAACO for any sales commission it paid to a Franchise/Business Broker in the event you purchase an existing Maaco Collision Repair & Auto Painting Center.

If you were introduced to MAACO by a Franchise/Business Broker, please provide the name of the Company and the name of the Broker below:

Broker's Company

Broker Name

DO YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

For Prospective Franchisees in Maryland

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Date

Date

EXHIBIT S

INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT COMPLIANCE
QUESTIONNAIRE



**International Emergency Economic Powers Act
Compliance Questionnaire**

Pursuant to 50 USC §1701 the undersigned franchise applicant (“Applicant”) is required to complete the following:

1. Were you born in the U.S.? ___ YES ___ NO
2. If No, are you a U.S. Citizen? ___ YES ___ NO
3. If you are not a U.S. citizen,
 - a. Of what country are you a citizen? _____
 - b. What is your immigration status? _____
4. Identification/Social Security # _____
5. Please provide a copy of a picture I.D. (example, driver’s license, Passport, etc.)

Applicant represents that “neither he/she nor anyone having an ownership or other interest in the MAACO franchise that he/she is purchasing, nor any affiliate, parent, child or spouse of the Applicant supports terrorism, provides money or financial services to terrorists, or is engaged in terrorism, is on the current U.S. government list of organizations that support terrorism, nor has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and all are eligible under applicable U.S. immigration laws to travel to the United States for MAACO’s training and to open and operate a Maaco Collision Repair and Auto Painting Center or similar business.

Date

Franchisee

EXHIBIT T

RELEASE OF TELEPHONE NUMBER & TRANSFER OF TELEPHONE SERVICE

This telephone release ("Release") is entered into and made by the undersigned franchisee ("Franchisee") in favor of MAACO Franchising, Inc., a Delaware corporation with its place of business located at 128 S. Tryon Street, Suite 900, Charlotte, North Carolina 28202.

WHEREAS, MAACO Franchising, Inc. is the national franchisor of Maaco Collision Repair & Auto Painting Centers throughout North America;

WHEREAS, Franchisee has executed a MAACO Franchising, Inc. Franchise Agreement (the "Franchise Agreement") for the operation of a Maaco Collision Repair & Auto Painting Center located at _____, and identified by MAACO Franchising, Inc. as Center No. _____, which provides that the telephone number used in the operation of Franchisee's Maaco Collision Repair & Auto Painting Center shall be, to the extent allowed by the local telephone company, the property of MAACO Franchising, Inc.;

WHEREAS, the telephone service associated with this telephone listing is to be established under the name MAACO Franchising, Inc.;

WHEREAS, the telephone numbers and listings have been procured for Franchisee's use by or at the direction of MAACO Franchising, Inc.;

WHEREAS, Franchisee acknowledges and understands that the telephone listing will be used by Franchisee in the operation of its Maaco Collision Repair & Auto Painting Center, will be displayed in various directory listings and yellow page advertisements in conjunction with MAACO Franchising, Inc.'s name and federally registered trade names, trademarks and service marks (collectively, "MAACO's Proprietary Marks"), and that these Proprietary Marks are the sole and exclusive property of MAACO Franchising, Inc.;

WHEREAS, Franchisee acknowledges that the MAACO's Proprietary Marks, and the goodwill associated with MAACO's Proprietary Marks are of the greatest value to MAACO Franchising, Inc., and that if Franchisee's Maaco Collision Repair & Auto Painting franchise license were to be terminated or otherwise discontinued, or Franchisee were to cease operating its Maaco Collision Repair & Auto Painting Center, but retained the use and control of the telephone listing referred to in this Release, MAACO Franchising, Inc. would be irreparably harmed and without an adequate remedy at law. Under those conditions MAACO Franchising, Inc. would be entitled to a temporary, preliminary and/or permanent injunction without the need to show actual or threatened harm;

WHEREAS, because the telephone listing will be in the name of MAACO Franchising, Inc., MAACO Franchising, Inc. may be called from time-to-time to guaranty the payment of the invoices associated with the telephone service that accompanies this telephone listing;

WHEREAS, Franchisee acknowledges that in the event that MAACO Franchising, Inc. is called upon to guaranty the payment of the telephone service accompanying this telephone listing, or if Franchisee's franchise is terminated or Franchisee ceases to operate its Maaco Center under the name Maaco Collision Repair & Auto Painting for any reason, then in order to protect the subject telephone listing as being associated with the MAACO Franchising, Inc. system, Franchisee would be required to assign and transfer the telephone listing to MAACO Franchising, Inc.;

NOW THEREFORE, for and in partial consideration for the use of MAACO Franchising, Inc.'s Proprietary Marks in various Yellow Page directories, Franchisee hereby authorizes the telephone company, upon written notice from MAACO Franchising, Inc., to transfer all telephone listings ("Telephone Listings"), together with the telephone service used in conjunction with the Telephone Listings, regardless of any code that may be placed upon such listings, to MAACO Franchising, Inc., in the event the Franchise Agreement is terminated, or Franchisee ceases operating a Maaco Collision Repair & Auto Painting Center;

In the event the Franchise Agreement is terminated, or Franchisee ceases operating a Maaco Collision Repair & Auto Painting Center, or MAACO Franchising, Inc. is called upon to honor or satisfy any guaranty of the Telephone Listings by the telephone company, Franchisee grants to MAACO Franchising, Inc., the irrevocable right to have these Telephone Listings removed, transferred, or suspended, from Franchisee's place of business in accordance with the terms of the Franchise Agreement. Further, in such event, Franchisee hereby acknowledges and agrees that the telephone company shall have the right, authority and obligation to transfer the Telephone Listings to MAACO Franchising, Inc. as detailed in this Release regardless of any code or protection that is or has been placed upon such telephone listing.

In transferring the Telephone Listings to MAACO Franchising, Inc. in accordance with the terms of this Release, Franchisee hereby relinquishes any and all right, title and interest it may have in and to the Telephone Listings, and further agrees that in the event that the form of this Release is not in a form that is acceptable to the telephone company, then Franchisee agrees to execute any document or documents that the telephone company may require to accomplish the matters recited in this Release. On failure of Franchisee to so execute documents required by the telephone company, Franchisee hereby appoints MAACO Franchising, Inc. as its lawful attorney-in-fact to execute such documents in the name of Franchisee for the purpose of effecting the transfer of the Telephone Listings to MAACO Franchising, Inc.

Furthermore, at any time during the term of the Franchise Agreement or upon or subsequent to the termination of the Franchise Agreement, Franchisee hereby authorizes MAACO Franchising, Inc. to place a protective code on the Telephone Listings restricting access to the listings from unauthorized individuals, including Franchisee, in order to protect the franchise system in the event that Franchisee ceases operating its business as a Maaco Collision Repair & Auto Painting Center.

Executed this ____ day of _____, 20__.

Franchisee:

(Corporation/Company Name):

By: _____
Name/Title

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public for said County and State, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing Release of Telephone Number & Transfer of Telephone Service.

Witness my hand and official seal this ____ day of _____, 20__.

[SEAL]

Notary Public

My commission expires: _____

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public for said County and State, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing Release of Telephone Number & Transfer of Telephone Service.

Witness my hand and official seal this ____ day of _____, 20__.

[SEAL]

Notary Public

My commission expires: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public for _____ County, State of _____, do hereby certify that _____ personally appeared before me this day and stated that he/she is _____ of _____, and acknowledged, on behalf of _____, the due execution of the foregoing Release of Telephone Number & Transfer of Telephone Service.

Witness my hand and official seal this ____ day of _____, 20__.

[SEAL]

Notary Public

My commission expires: _____

EXHIBIT U

TABLE OF CONTENTS MANUAL

CENTER OPERATING PROCEDURES MANUAL

Marketing & Sales	127 Pages
Technical Topics	58 Pages
Production Management	61 Pages
Management Information Systems	144 Pages
Personnel Management	119 Pages
Polaris	95 Pages
TOTAL PAGES	604 Pages

NATIONAL ACCOUNTS MANUAL

MISSION STATEMENT	1 Page
INTRODUCTION	2 Pages
HOW TO USE THIS BOOK	2 Pages
IMPORTANT POINTS AND STRATEGIES	14 Pages
COMPANY LISTINGS	130 Pages
TOTAL PAGES	149 Pages

PUBLIC RELATIONS MANUAL

Introduction	2 Pages
Public Relations Assistance	4 Pages
Media Contacts	3 Pages
Grand Openings	14 Pages
Community Activities	20 Pages
Exhibit Marketing Program	42 Pages
Half-And-Half Vehicle	2 Pages
Approach to Business World	14 Pages
Approach to Insurance Industry	3 Pages
News Releases	54 Pages
PR/Advertising Specials	7 Pages
Promotional Items	6 Pages
TOTAL PAGES	171 Pages

PRINTZ ADVERTISING MANUAL

PREFACE	3 Pages
MEDIA	11 Pages
SERVICE DEPARTMENT	2 Pages
FORMS	9 Pages
PRINT ADS	101 Pages
CLASSIFIED	5 Pages
FLEET ADS	2 Pages
TOTAL PAGES	133 Pages

INSTALLATION MAINTENANCE MANUAL

Cover Page	1 Page
Maintenance Checklist	3 Pages
Maintenance Bulletins	29 Pages
Motor Information	1 Page
Spray Booth	45 Pages
Compressors	70 Pages
Drying Enclosure	29 Pages
Tools	70 Pages
Service Companies	1 Page
Miscellaneous	15 Pages
TOTAL PAGES	263 Pages

HEALTH AND SAFETY MANUAL

Health and Safety

84 Pages

EXHIBIT V

LIST OF STATE REGULATORY AUTHORITIES/FRANCHISOR'S AGENTS FOR SERVICE OF PROCESS

STATE REGULATORY AUTHORITIES

California

Department of Corporations
320 West 4th St., Ste. 750
Los Angeles, CA 90013-2344
(213) 576-7500

340 Maple
Des Moines, IA 50319-0066
(515) 281-4441

Connecticut

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8233

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-7042

Florida

Florida Dept. of Agriculture
and Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, FL 32314
(850) 488-2221

Michigan

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Law Building
Lansing, MI 48913
(517) 373-7117

Hawaii

Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Minnesota

Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-6328

Illinois

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Nebraska

Dept. of Banking and Finance
Suite 311
1200 N Street
P.O. Box 95006
Lincoln, NE 68509
(402) 471-3445

Indiana

Franchise Section
Indiana Securities Division
Secretary of State
302 W. Washington Street
Room E-111
Indianapolis, IN 46204
(317) 232-6681

New York

Bureau of Investor Protection
and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271
(212) 416-8211

Iowa

Iowa Securities Bureau

North Dakota

Office of Securities Commissioner

5th Floor
600 East Boulevard
Bismark, ND 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, OR 97310
(503) 378-4140

Rhode Island

Chief Securities Examiner
Securities Division
1511 Pontiac Avenue
Cranston, RI 02920-4407
(401) 462-9500

South Dakota

Franchise Administration
Division of Securities
445 East Capitol Avenue
Pierre, SD 57501-3185
(605) 773-4823

Texas

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

Utah

Division of Consumer Protection

Utah Department of Commerce
160 East Three Hundred South
SM Box 146704
Salt Lake City, UT 84114-6704
(801) 530-6601

Virginia

State Corporation Commission
Division of Securities &
Retail Franchising
1300 E. Main St. 9th floor
Richmond, VA 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Dept. of Financial Institutions
Division of Securities
P.O. Box 1768
Madison, WI 53701
(608) 266-2801

Federal Trade Commission

Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington, DC 20580
(202) 326-3128

FRANCHISOR'S AGENTS FOR SERVICE

*Franchisor requests that duplicate documents be served at these addresses.

California

Commissioner of Corporations
Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

*National Registered Agents, Inc.
2875 Michelle Drive, Suite 100
Irvine, CA 92606

Florida

Florida Dept. of Agriculture
and Consumer Services
Division of Consumer Services
2005 Apalachee Parkway
Tallahassee, FL 32399-6500

*NRAI Services, Inc.
2731 Executive Park Drive Suite 4
Weston, FL 33331

Hawaii

Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

*National Registered Agents of HI, Inc.
1136 Union Mall, Suite 301
Honolulu, HI 96813

Illinois

Office of Attorney General
500 S. Second Street
Springfield, IL 62706

*National Registered Agents, Inc.
200 West Adams Street
Chicago, IL 60606

Indiana

Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, IN 46204

*National Registered Agents, Inc.
320 N. Meridian Street
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place, 20th Floor
Baltimore, MD 21202

*National Registered Agents, Inc. of MD
836 Park Avenue
Second Floor
Baltimore, MD 21201

Michigan

Corporations and Securities Bureau of the Department
of Commerce
670 Law Building
Lansing, MI 48913

*National Registered Agents, Inc.
712 Abbott Road
East Lansing, MI 48823

Minnesota

Commissioner of Securities
Minnesota Dept. of Commerce
Market Assurance Division
85 7th Place East, Ste. 500
St. Paul, MN 55101-2198
*National Registered Agents, Inc.
Capitol Professional Bldg.
590 Park Street, Suite 6
St. Paul, MN 55103

New Jersey

National Registered Agents, Inc. of NJ
100 Canal Pointe Boulevard, Suite 108
Princeton, NJ 08540

New York

Secretary of State
NYS Department of State
123 William Street
New York, NY 10038-3804

*National Registered Agents, Inc.
875 Avenue of the Americas Suite 501
New York, NY 10001

North Carolina

Ted P. Pearce
First Citizens Bank Plaza
128 South Tryon Street
Suite 900
Charlotte, NC 28202

North Dakota

Securities Commissioner
5th Floor
600 E. Boulevard
Bismarck, ND 58505-0510

*National Registered Agents, Inc.
220 North Fourth Street
Bismarck, ND 58501

Pennsylvania

National Registered Agents, Inc.
County of Dauphin Pennsylvania

Rhode Island

Dir. of Business Regulations
Division of Securities
233 Richmond St., Ste. 232
Providence, RI 02903

*National Registered Agents, Inc.
222 Jefferson Boulevard
Suite 200
Warwick, RI 02888

South Dakota

Director of Division of Securities
Franchise Administration
445 East Capitol Avenue
Pierre, SD 57501-3185

*National Registered Agents, Inc.
300 South Phillips Avenue
Suite 300
Sioux Falls, SD 57104-6322

Texas

National Registered Agents, Inc.
16055 Space Center Blvd.

Suite 235
Houston, TX 77062

Utah

Utah Dept. of Commerce
Division of Consumer Protection
160 East Three Hundred South
Salt Lake City, UT 84114-6704

*National Registered Agents, Inc.
3622 W. Bay Circle
Lehi, UT 84043

Virginia

Clerk of State Corporation
Commission of Virginia
1300 E. Main St.
Richmond, VA 23219

*National Registered Agents, Inc.
526 King Street
Alexandria, VA 22314

Washington

Director, Dept. of Financial Institutions
Securities Division
150 Israel Road SW
Olympia, WA 98501

*National Registered Agents, Inc.
1780 Barnes Boulevard, S.W.
Bldg. G
Tumwater, WA 98512-0410

Wisconsin

Office of Commissioner of Securities
Department of Financial Institutions
Division of Securities
345 W. Washington Ave.
4th Floor
PO Box 1768
Madison, WI 53701-1768

*National Registered Agents, Inc.
901 South Whitney Way
Madison, WI 53711

EXHIBIT W

STATE ADDENDA AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF MAACO FRANCHISING, INC.

The following are additional disclosures for the Franchise Disclosure Document of MAACO Franchising, Inc. required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

ILLINOIS

1. The "Summary" section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety and is replaced with the following:

Litigation in county or district office where our principal offices are located (except for any claims arising under the Illinois Franchise Disclosure Act).

2. The "Summary" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Pennsylvania law applies (except for any claims arising under the Illinois Franchise Disclosure Act).

MINNESOTA

1. The following language is added in Item 13 at the end of the second to last paragraph:

As a condition to our franchise registration in the State of Minnesota, we have agreed and are obliged to protect your rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols and will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. **Renewal, Termination, Transfer and Dispute Resolution**. 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. Those provisions also provide that nothing in the Disclosure Document or Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

VIRGINIA

1. According to Rule 21, VAC Section 5-110-55, Subsection D of the regulations issued under the Virginia Retail Franchising Act, the third paragraph of the cover page of the Disclosure Document is deleted and replaced with the following:

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

2. According to Rule 21, VAC Section 5-110-55, Subsection E of the regulations issued under the Virginia Retail Franchising Act, the first sentence of the second paragraph of the receipt pages in Item 23 is deleted and replaced with the following:

If we offer you a franchise, we 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 or grant.

***THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT***

**RIDER (FOR RESIDENTS OF CALIFORNIA)
TO THE MAACO FRANCHISING, INC.
STANDARD FRANCHISE AGREEMENT
BETWEEN MAACO FRANCHISING, INC. AND**

DATED _____

Sections 18, entitled Covenants, contains covenants not to compete which extend beyond the termination of the franchise. These provisions may not be enforceable under California Law. Therefore, these sections are hereby modified to the extent necessary to be consistent with California Business and Professions Code Sec. 16600.

Section 15.A.1, entitled Termination by MAACO, provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

Section 25.A entitled Enforcement, requires application of the laws of North Carolina. This provision may not be enforceable under California law.

MAACO FRANCHISING, INC.

DATED: _____

By: _____

ATTEST:

AS INDIVIDUALS:

AS A CORPORATION:

Franchisee

Corporation

Franchisee

By: _____

Franchisee

Franchisee

**RIDER (FOR RESIDENTS OF FLORIDA)
TO THE MAACO FRANCHISING, INC.
STANDARD FRANCHISE AGREEMENT
BETWEEN MAACO FRANCHISING, INC. AND**

DATED _____

1. The total initial investment (pre-opening), including the initial franchise fee, to be paid by Franchisee for the franchise is \$296,500.00. Item 7 of the Disclosure Document should be consulted for further information regarding the investment.

2. There is no delivery date of franchise goods or materials to the Franchisee stated in the Agreement.

MAACO Franchising, Inc.

FRANCHISEE

FRANCHISEE

FRANCHISEE

**RIDER (FOR RESIDENTS OF ILLINOIS)
TO THE MAACO FRANCHISING, INC.
STANDARD FRANCHISE AGREEMENT
BETWEEN MAACO FRANCHISING, INC. AND**

DATED_____

1. Section 23 of the Standard Franchise Agreement is deleted in its entirety and is replaced with the following:

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full and complete agreement between MAACO and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations (except for those made in the Franchise Disclosure Document that Franchisee received from MAACO) having induced Franchisee to execute this Agreement. No representations, (except for those made in the Franchise Disclosure Document that Franchisee received from MAACO), inducements, promises or agreements, oral or otherwise, not embodied herein or attached hereto (unless of subsequent date) were made by either party, and none shall be of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

2. Section 25, Paragraph A of the Standard Franchise Agreement is deleted in its entirety and is replaced with the following:

This Agreement shall be interpreted and construed under the laws of the State of Illinois and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of Illinois.

3. Section 25, Paragraph B of the Standard Franchise Agreement is deleted in its entirety and is replaced with the following:

Any action arising out of or relating to this Agreement shall be commenced, litigated and concluded in the State of Illinois.

MAACO Franchising, Inc.

FRANCHISEE

FRANCHISEE

FRANCHISEE

RIDER (FOR RESIDENTS OF MARYLAND)
TO THE MAACO FRANCHISING, INC.
STANDARD FRANCHISE AGREEMENT
BETWEEN MAACO FRANCHISING, INC. AND

DATED _____

Section 3. Terms and Renewal

The following language shall be added to this section:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Section 14. Transferability of Interest

The following language shall be added to this section:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Section 15.(1) Termination by MAACO

The following language shall be added to this section:

This provision which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Section 25. Enforcement

The following language shall be added to this section:

Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Franchisor irrevocably consents to be sued in the State of Maryland by the Franchisee for any claims arising under the Maryland Franchise Registration and Disclosure Law.

The following language shall be added to the franchise agreement signature page:

All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MAACO Franchising, Inc.

FRANCHISEE

FRANCHISEE

FRANCHISEE

**RIDER (FOR RESIDENTS OF MINNESOTA)
TO THE MAACO FRANCHISING, INC.
STANDARD FRANCHISE AGREEMENT
BETWEEN MAACO FRANCHISING, INC. AND**

DATED _____

1. The following language is added to the end of Section 3, Paragraph B(5) and Section 14, Paragraph B(2) of the Standard Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

2. Section 9, Paragraph D of the Standard Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

MAACO shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Proprietary Marks.

3. Section 15 of the Standard Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Minnesota law provides franchisees with certain termination and non-renewal rights. Minn. Stat. §80C.14, subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given ninety (90) days notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days notice for non-renewal of the Agreement.

4. Section 25, Paragraph A of the Standard Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

MAACO Franchising, Inc.

FRANCHISEE

FRANCHISEE

FRANCHISEE

**RIDER (FOR RESIDENTS OF NORTH DAKOTA)
TO THE MAACO FRANCHISING, INC.
STANDARD FRANCHISE AGREEMENT
BETWEEN MAACO FRANCHISING, INC. AND**

DATED: _____

1. The following language is added to the end of Section 3, Paragraph B(5) and Section 14, Paragraph B(2):

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. Section 18, Paragraph C of the Standard Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Covenants not to compete are generally unenforceable in the State of North Dakota.

3. Section 25, Paragraph A of the Standard Franchise Agreement is deleted in its entirety and the following language is substituted in its place:

A. This Agreement takes effect upon its acceptance and execution by MAACO in Pennsylvania. This Agreement shall be interpreted and construed under the laws of the State of North Dakota and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of North Dakota, which laws shall prevail in the event of a conflict of law.

4. Section 25, Paragraph B of the Standard Franchise Agreement is deleted in its entirety.

5. Section 25, Paragraph E of the Standard Franchise Agreement is deleted in its entirety.

MAACO Franchising, Inc.

FRANCHISEE

FRANCHISEE

FRANCHISEE

EXHIBIT X

GUARANTY OF PERFORMANCE


GUARANTY OF PERFORMANCE

For value received, DRIVEN BRANDS, INC. (f/k/a Meineke Holding Company), a Delaware corporation with its principal place of business located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("Guarantor"), absolutely and unconditionally guarantees the performance of MAACO FRANCHISING, INC., a Delaware corporation with its principal with its principal place of business located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina 28202 ("Franchisor") of all obligations referenced in the franchise disclosure documents and governing franchise agreements given to the franchisee including those obligations created under the franchise registration obligations for the States of California, Florida, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Utah, Virginia, Washington, and Wisconsin ("Registration States"), and of all of the obligations of Franchisor to furnish goods and/or services necessary to establish and open the business of franchisees to whom franchises are granted by Franchisor pursuant to the preparation and distribution the disclosure document for all States within the United States and in particular the registration of such franchises in the Registration States and the terms and conditions of its franchise and other agreements entered into after this date with franchisees under the jurisdiction of the Registration States as the same have been or may hereafter be amended, modified, renewed or extended from time to time. This guaranty shall continue in force until all such obligations of Franchisor shall have been satisfied or until such liability of Franchisor to such franchisees has been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any such claim by a franchisee against Franchisor remains outstanding. Notice of acceptance is waived. Notice of default on the part of Franchisor is not waived. This guaranty shall be binding upon Guarantor, its successors and assigns.

In witness whereof, guarantor has, by a duly authorized officer, executed this guarantee at Charlotte, North Carolina, this 9th day of July, 2012.

Driven Brands, Inc.

By: _____


Jonathan Fitzpatrick
President and Chief Executive Officer

Attest: _____



Ted P. Pearce
Vice President and Secretary

EXHIBIT Y

CONVERSION AGREEMENT

THIS AGREEMENT (“Agreement”) entered into as of this ___ day of _____, _____, by and between _____, a(n) _____ with its principal office located at _____ (“Converter” or “Franchisee”), and MAACO Franchising, Inc., a Delaware corporation with its corporate offices located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina (“MAACO” or “Franchisor”).

WHEREAS, MAACO is the national Franchisor of MAACO Collision Repair and Auto Painting (“Centers”), which are located throughout the United States and parts of Canada;

WHEREAS, Converter has purchased a MAACO franchise license, which has been assigned center number _____ by MAACO (“Center No. _____”);

WHEREAS, Converter wishes to open Center No. _____ at a location which has an existing operating business;

WHEREAS, Converter desires to convert the existing business to a MAACO Center under the terms and conditions of this Conversion Agreement (“Conversion Center”);

WHEREAS, in order to induce Converter to convert the existing location to a MAACO center, MAACO will enter into this Conversion Agreement that will provide MAACO and Franchisee with certain incentives to open and operate this location as a MAACO center.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Converter agrees to convert his Conversion Center to a MAACO franchised center using the MAACO license for Center No. _____ to operate the Conversion Center as a MAACO Center in accordance with the terms and conditions of this Conversion Agreement, and in accordance with the terms and conditions of the governing MAACO Franchise and Trademark Agreement, which Franchisee will sign contemporaneously with this Conversion Agreement. The term of the MAACO Franchise and Trademark Agreement will be for a primary term of 15 years with renewal rights contained in the Franchise and Trademark Agreement. The effective date of this Agreement shall be the earlier of the date Franchisee begins operating their location as a MAACO Center, or 2 weeks after Franchisee completes the MAACO training course held in Philadelphia, Pennsylvania (“Effective Date”). Notwithstanding anything stated to the contrary, the Effective Date shall not be later than 12 weeks from the date of this Agreement.

2. If there is a conflict between the terms of this Conversion Agreement and the terms of Franchisee’s governing MAACO Franchise and Trademark Agreement, this Conversion Agreement shall control.

3. Franchisee acknowledges that he has submitted the Conversion site to MAACO for review and approval, and Conversion Center has been approved by MAACO, so Converter will not be required to take any additional action in order to comply with the location approval requirements contained in section 2B of the governing Franchise and Trademark Agreement. The location for the converted MAACO center will be _____.

4. Contemporaneously with the execution of the Conversion Agreement Franchisee shall execute MAACO's then current Franchise and Trademark Agreement, which together with this Conversion Agreement shall govern the franchise relationship between Franchisee and MAACO. Franchisee acknowledges that he has received the MAACO Disclosure document fourteen (14) days prior to signing this Conversion Agreement and the governing MAACO Franchise and Trademark Agreement.

5. Upon the opening of the Conversion Center, Converter shall display the MAACO name and signage so designating the business as a MAACO Car Care Center.

6. Upon the execution of this Conversion Agreement, Converter shall sign MAACO's then current telephone release, which assigns to MAACO the rights to the current telephone listing or new telephone listing for the Conversion Center. Such telephone listing shall be placed in the next available MAACO Yellow Pages listing and advertisement for the market in which the Conversion Center is located.

7. Upon executing this Conversion Agreement Franchisee shall take the necessary steps to cancel their current Yellow Pages Advertisements for the business that is now being conducted at the conversion location, and he shall not renew such Yellow Pages advertisements or telephone listings in the Yellow Pages for his formerly operated business.

8. Franchisee shall display the MAACO sign at their Conversion Center as soon as practicable after the execution of this Agreement, but in no event later than 30 days from the date of this Agreement. Franchisee shall cause to be removed from the Conversion Center all signage and other items that affiliates him with his former business. The removal of these items shall be completed within 180 days from the date of this Conversion Agreement.

9. Upon opening the Conversion Center as a MAACO Center Franchisee shall report to MAACO all sales conducted at the Conversion Center of whatever type and shall remit to MAACO and the MAACO Advertising account all fees due as a result of these sales.

10. Upon the opening of the Conversion Center, Converter shall transmit electronically their sales information to MAACO using software that can interface with MAACO's internal computer system, and which is authorized by the MAACO business system. In that regard, MAACO will make available to Converter the Polaris software package at the current retail price offered to other MAACO franchisees.

11. Franchisee shall hold harmless and indemnify MAACO, including attorneys fees from and against any claims, damages, judgements, liability brought or received from or by and third party relating to Conversion Center that occurred prior to it opening as a MAACO Car Care Center pursuant to this Conversion Agreement.

12. In partial consideration for Converter converting their existing business to a MAACO franchised Center, and notwithstanding the language contained in paragraph 5A(1), and in lieu thereof, Converter shall pay to MAACO an initial franchise fee of \$20,000.00, which shall be deemed fully earned and non-refundable.

13. Upon the execution of this Agreement Converter shall pay to MAACO a training fee in the amount of \$10,000. The payment of this training fee shall be instead and in lieu of the training fee referenced in paragraph 5A(3) of their governing Franchise and Trademark Agreement. Nothing in this paragraph shall excuse Converter from attending and completing the MAACO initial training course required by the governing Franchise and Trademark Agreement.

14. In addition to the fees stated in the preceding paragraphs 12 and 13 Converter shall pay to MAACO the following additional fees: (i) an advertising Fee in the amount of \$15,000.00, which shall be in lieu and instead of the Advertising Fee enumerated in Section 6B of their governing Franchise and Trademark Agreement; (ii) a software license fee in the amount of \$5,000, which is the same amount as such fee that is referenced in paragraph 5A(3) of their governing Franchise and Trademark Agreement. All of the fees referenced in paragraphs 12, 13, and 14, which total \$50,000, shall be paid to MAACO by Converter upon their execution of this Agreement.

15. In partial consideration for Converter converting their existing business to a MAACO franchise, for the first 3 years (12 calendar quarters) after the Effective Date (“Concession Period”) MAACO will provide to Converter a product purchase credit towards the purchase of MAACO products from MAACO at the same price such products are provided to other franchisees in the MAACO system. The product purchase credits will equal a portion of the royalties that the Converter is required to pay to MAACO in accordance with their governing Franchise Agreement (“Royalty Rebates”). The Royalty Rebates, which translates into product purchase credits will be in accordance with the payment schedule contained in §15(a) – (e) of this Agreement and the attached Exhibit A. In addition, the product purchase credits through the Royalty Rebates are contingent upon the Converter purchasing from or through MAACO at least 50% of its products used in their business during each calendar quarter during the Concession Period, which are listed on Exhibit C to their Franchise Disclosure Document. Failure to purchase at least 50% of its products from MAACO during such calendar quarter will result in the forfeiture of the product purchase credit for the next subsequent calendar quarter. These quarterly Royalty Rebates will be based on the calculation of a pro-forma quarterly Royalty Rebate (“Pro-forma Quarterly Royalty Rebate) which will be calculated by taking the gross receipts referenced in section 5A4 of their governing MAACO Franchise Agreement (excluding any sales of services that are not approved by MAACO) of the Converted Center for the 12 months prior to the Effective Date (“Converted Center Sales”) and multiplying these gross receipts by the royalty rate pursuant to the MAACO Franchise Agreement (8% [assuming payment of such royalties on a timely basis]). The aggregate of this amount will then be divided by four (converting to a quarterly amount), which number is the Pro-forma Quarterly Royalty Rebate. The Pro-forma Quarterly Royalty Rebate will be used as the basis for the calculation of the quarterly rebates in the manner listed below:

- a) At the end of each of the first 4 Quarters from the Effective Date MAACO will grant to the Converter a product purchase credit equal to 75% of the Pro-forma Quarterly Royalty Rebate ;
- b) At the end of each of the second 4 Quarters MAACO will grant to the Converter a product purchase credit equal to 50% of the Pro-forma Quarterly Royalty Rebate ;
- c) At the end of each of the third 4 Quarters MAACO will grant to the Converter a product purchase credit equal to 25% of the Pro-forma Quarterly Royalty Rebate;

The results of these calculations i.e. the Quarterly Royalty Rebates (not adjusted for 15 (e) below) are set out in Exhibit A.

- d) All product purchase credits will be granted to Converter no later than the 15th day of the month following the end of the specific Quarter during the Concession Period.
- e) In the event that the Franchisee does not convert their store at the beginning of a calendar quarter, the first product purchase credit generated from Quarterly Royalty Rebate will include the period from the Effective Date until the end of the succeeding 2nd calendar quarter. For this extended period an extended royalty rebate will be calculated by dividing the Quarterly Royalty Rebate for the 1st quarter (per Exhibit A) by the number of operating days in the first full calendar quarter and multiplying by the number of actual operating days in the period from the Effective Date through the end date of the second calendar quarter. That product purchase credit will be greater than the Royalty Rebate credits granted for the remaining calendar quarters during the first year of operation after the Effective Date. Therefore, the difference between this extended quarterly rebate and the Quarterly Royalty Rebate for the 1st quarter (per Exhibit A) will be deducted from the last payments to be made to the Franchisee during the 3rd year after the Effective Date. (By way of example only refer to Exhibit A)

16. Notwithstanding anything stated to the contrary, in any given period the Quarterly Royalty Rebate credit will be no more than the royalties Converter pays to MAACO pursuant to the terms of their governing Franchise and Trademark Agreement during that same period. In addition, any rebates that are to be credited towards the product purchase credit on a quarterly basis will be first applied to any outstanding monies owed by Converter to MAACO or the MAACO advertising account by Converter.

17. Converter shall begin paying all royalties and advertising contributions the first week after the Effective Date and they shall pay such advertising contributions and Royalties in accordance with the terms of their governing Franchise Agreement.

18. This Agreement shall be governed by and construed under the laws of the State of North Carolina. In the event of any conflict of law, North Carolina law will prevail without regard to the application of North Carolina Conflict of Law principles.

19 Any judicial proceedings that may be brought to enforce or defend the terms of this contract will be brought in the courts for the Western District of North Carolina or Mecklenburg County, North Carolina. Nothing in this paragraph shall supercede any of the State amendments covering choice of law provisions, to the MAACO Franchise and Trademark Agreement signed by Franchisee in conjunction with the grant of this MAACO license.

20 Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement other than the MAACO Franchise Disclosure document and the governing MAACO Franchise and Trademark Agreement. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement will be deemed to confer any rights or remedies on any person or legal entity not a party hereto.

21. Unless otherwise modified by this Agreement, the terms and conditions of the governing Franchise and Trademark Agreement shall remain in full force and effect, unmodified and un-cancelled.

22. This Agreement shall serve as an addendum to Franchisee's MAACO Franchise and Trademark Agreement for MAACO Center No. _____ and shall be incorporated by reference to that agreement for all purposes. Nothing in this Agreement shall affect the other MAACO franchised centers that Converter now or hereafter operates.

23. This Agreement may not be assigned by Franchisee without the prior written permission of MAACO.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and the year first above written.

CONVERTER:

By: _____
Authorized Representative

IF INDIVIDUALS:

"INDIVIDUAL NAME"

MAACO Franchising, Inc.

By: _____
Authorized Representative

EXHIBIT Z

NEW CENTER ADDENDUM
PRODUCT CREDIT AGREEMENT

THIS AGREEMENT (“Agreement” or “Addendum”) entered into as of this ___ day of _____, _____, by and between _____, a(n) _____ with its principal office located at _____ (“Franchisee”), and MAACO Franchising, Inc., a Delaware corporation with its corporate offices located at 128 South Tryon Street, Suite 900, Charlotte, North Carolina (“MAACO” or “Franchisor”).

WHEREAS, MAACO is the national Franchisor of MAACO Collision Repair and Auto Painting (“Centers”), which are located throughout the United States and parts of Canada;

WHEREAS, Franchisee has purchased an additional MAACO franchise license, which has been assigned center number _____ by MAACO (“Center No. _____”);

WHEREAS, Franchisee, is a franchisee in good standing and therefore wishes to open Center No. _____ as an additional MAACO center and to take advantage of the program that is offered through this Addendum;

WHEREAS, in order to induce Franchisee to open this additional MAACO center Franchisor will give the Franchisee the ability to take advantage of this existing dealer additional center opportunity under the terms and conditions set out in this Addendum.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. This Addendum is executed contemporaneously by Franchisee with their governing MAACO Franchise Agreement and shall be effective as of the effective date of the MAACO Franchise Agreement that Franchisee is executing along with this Addendum (“Effective Date”).

2. Unless otherwise amended by this Addendum the terms and conditions of the governing MAACO Franchise and Trademark Agreement shall remain in full force and effect and un-modified. In the event that there is a conflict between the terms of this Addendum and Franchisee’s governing MAACO Franchise and Trademark Agreement, this Addendum shall control.

3. In partial consideration for Franchisee converting their existing business to a MAACO franchised Center, and notwithstanding the language contained in paragraph 5A(1), and in lieu thereof, Franchisee shall pay to MAACO an initial franchise fee of \$20,000.00, which shall be deemed fully earned and non-refundable.

4. Upon the execution of this Agreement Franchisee shall pay to MAACO a training fee in the amount of \$5,000.00. The payment of this training fee shall be instead and in lieu of the training fee referenced in paragraph 5A(3) of their governing Franchise and Trademark Agreement. Unless otherwise authorized by MAACO, nothing in this paragraph shall excuse Franchisee from attending and completing the MAACO initial training course required by the governing Franchise and Trademark Agreement. Whether or not Franchisee attends training they shall be required to remit the Training Fee to MAACO

5. In addition to the fees stated in the preceding paragraphs 3 and 4 Franchisee shall pay to MAACO the following additional fees: (i) an advertising Fee in the amount of \$0 Dollars, which shall be in lieu and instead of the Advertising Fee enumerated in Section 6A of their governing Franchise and Trademark Agreement; (ii) a software license fee in the amount of \$5,000, which is the same amount as such fee that is referenced in paragraph 5A(3) of their governing Franchise and Trademark Agreement. All of the fees referenced in paragraphs 3, 4, and 5, which total \$30,000, shall be paid to MAACO by Franchisee upon their execution of this Agreement. All initial fees paid by the Franchisee to MAACO referenced in Paragraphs 3, 4, and 5 of this Agreement shall be deemed earned at the time of payment and shall not be refundable.

6. In partial consideration for Franchisee opening this additional MAACO center, for the first 3 years (12 calendar quarters) after the Effective Date (“Concession Period”) MAACO will provide to Franchisee a product purchase credit towards the purchase of MAACO products from MAACO at the same price such products are provided to other franchisees in the MAACO system. The product purchase credits will equal a portion of the royalties that the Franchisee is required to pay to MAACO in accordance with their governing Franchise Agreement (“Royalty Rebates”). The Royalty Rebates, which translates into product purchase credits will be in accordance with the payment schedule contained in §6(a) – (d) of this Agreement. Rebates are contingent upon the Franchisee purchasing from or through MAACO at least 50% of its products used in their business during each calendar quarter during the Concession Period, which are listed on Exhibit A to their Franchise Disclosure Document. Failure to purchase at least 50% of its products from MAACO during such calendar quarter will result in the forfeiture of the product purchase credit for the next subsequent calendar quarter. These quarterly Royalty Rebates will be based on the calculation of gross receipts referred to in Section 5 A(4) of the Franchise Agreement, that are reported to MAACO during the particular calendar quarter, and for which royalties are paid in full for during that calendar quarter. For purposes of this partial Royalty Rebate gross receipts shall be receipts of the sale of authorized products and services provided for in the MAACO Franchise Agreement and Operations Manual less any required sales taxes. Consistent with the terms of Franchise Agreement royalties will be calculated by taking the gross revenues reported to MAACO and multiplying that number by (8%[assuming payment of such royalties on a timely basis]).

- a) Subject to the terms of this Paragraph 6, at the end of each of the first 4 Quarters from the Effective Date MAACO will grant to the Franchisee a product purchase credit equal to 75% of the royalties paid by the Franchisee to MAACO during that particular calendar quarter;

- b) Subject to the terms of this Paragraph 6, at the end of each of the second 4 Quarters MAACO will grant to the Franchisee a product purchase credit equal to 50% of royalties paid by Franchisee to MAACO during that particular calendar quarter ;
- c) Subject to the terms of this Paragraph 6, at the end of each of the third 4 Quarters MAACO will grant to the Franchisee a product purchase credit equal to 25% of the royalties paid by Franchisee to MAACO during that particular calendar quarter.
- d) All product purchase credits will be granted to Franchisee no later than the 15th day of the month following the end of the specific calendar uarter during the concession period.

7. Notwithstanding anything stated to the contrary the grant of these partial royalty rebates is contingent upon Franchisee opening for business their MAACO center corresponds to the Franchise Agreement referenced in this Addendum.

8. The partial royalty rebates described herein are in lieu of any other discounts to which Franchisee may be entitled from MAACO regarding the award and opening of the franchise license that is made the subject of this Addendum.

9. Consistent with their Franchise Agreement, Franchisee shall begin paying all royalties and advertising contributions after the first week they begin operations of their franchise and they shall pay such advertising contributions and Royalties in accordance with the terms of their governing Franchise Agreement.

10. This Agreement shall be governed by and construed under the laws of the State of North Carolina. In the event of any conflict of law, North Carolina law will prevail without regard to the application of North Carolina Conflict of Law principles.

11. Any judicial proceedings that may be brought to enforce or defend the terms of this contract will be brought in the courts for the Western District of North Carolina or Mecklenburg County, North Carolina. Nothing in this paragraph shall supercede any of the State amendments covering choice of law provisions, to the MAACO Franchise and Trademark Agreement signed by Franchisee in conjunction with the grant of this MAACO license.

12. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement other than the MAACO Franchise Disclosure document and the governing MAACO Franchise and Trademark Agreement. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement will be deemed to confer any rights or remedies on any person or legal entity not a party hereto.

13. This Agreement shall serve as an addendum to Franchisee's MAACO Franchise and Trademark Agreement for MAACO Center No. _____ and shall be incorporated by

reference to that agreement for all purposes. Nothing in this Agreement shall affect the other MAACO franchised centers that Franchisee now or hereafter operates.

14. This Agreement may not be assigned by Franchisee without the prior written permission of MAACO.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and the year first above written.

FRANCHISEE:

By: _____
Authorized Representative

IF INDIVIDUALS:

"INDIVIDUAL NAME"

"INDIVIDUAL NAME"

MAACO Franchising, Inc.

By: _____
Authorized Representative

Exhibit A
(example)

Sales in the 12 months prior to the date of this agreement - \$500,000

Royalty Rebate 8% = \$40,000

Pro-forma Quarterly Royalty Rebate (Aggregate divided by 4) = \$10,000

Quarter 1 (75% of Pro-forma Quarterly Royalty Rebate)	-	\$7,500
Quarter 2 (75% of Pro-forma Quarterly Royalty Rebate)	-	\$7,500
Quarter 3 (75% of Pro-forma Quarterly Royalty Rebate)	-	\$7,500
Quarter 4 (75% of Pro-forma Quarterly Royalty Rebate)	-	\$7,500
Quarter 5 (50% of Pro-forma Quarterly Royalty Rebate)	-	\$5,000
Quarter 6 (50% of Pro-forma Quarterly Royalty Rebate)	-	\$5,000
Quarter 7 (50% of Pro-forma Quarterly Royalty Rebate)	-	\$5,000
Quarter 8 (50% of Pro-forma Quarterly Royalty Rebate)	-	\$5,000
Quarter 9 (25% of Pro-forma Quarterly Royalty Rebate)	-	\$2,500
Quarter 10 (25% of Pro-forma Quarterly Royalty Rebate)	-	\$2,500
Quarter 11 (25% of Pro-forma Quarterly Royalty Rebate)	-	\$2,500
Quarter 12 (25% of Pro-forma Quarterly Royalty Rebate)	-	\$2,500

In the event that the Commencement Date is not a calendar quarter end, the 1st Quarter will extend to the 2nd calendar quarter end (pro-rated per 15 e). The difference between the Extended Quarterly Royalty Rebate and the Quarter 1 rebate listed above will be deducted from the last Quarter payments listed above.

Example: assuming the Effective date is February 15th

1st product purchase credit would be for the period from February 15th to June 30th and would be calculated as follows:

$\$7,500 / 78 \text{ work days in a qtr} * 114 \text{ work days between Feb 15}^{\text{th}} \text{ and June 30}^{\text{th}} = \$10,961$

The difference between “normal” quarter (\$7,500) and 1st payment (\$10,961) = \$3,461 will be deducted from last 2 payments. So payment for Qtr 11 would be \$0 and payment for Qtr 12 would be zero.

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 MAACO Franchising, Inc. 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. [However, some state franchise laws require MAACO Franchising, Inc. to provide this disclosure document to you at the first personal meeting held to discuss the franchise sale or at least 10 business 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.]

If MAACO Franchising, Inc. 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 on Exhibit E.

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows:

, MAACO Franchising, Inc.,

The issuance date of this Franchise Disclosure Document is October 1, 2012.

We authorize the respective state agents identified on Exhibit E to receive service of process for us in the particular states.

I received a disclosure document from MAACO Franchising, Inc. dated as of October 1, 2012 that included the following Exhibits:

- | | | | |
|-----|---|---|--|
| A | Financial Statements | I | Assignment and Assumption Agreement |
| B-1 | List of Centers | J | Personal Guaranty |
| B-2 | Franchisees Who Have Left the Systems | K | Disclosure Acknowledgement Statement |
| B-3 | Non-Operational Franchisees | L | Maaco Polaris 2000 Software License Agreement |
| B-4 | Non-Operational Franchises Who Have Left the System | M | Warranty Work – Franchise Transfer Acknowledgement |
| C | Franchise Agreement | N | Warranty Agreement |
| D | Opening Equipment, Inventory and Signs | O | Tri Party Agreement |
| E | Amendment to Franchise Agreement (Transfer) | | |
| F | Renewal Addendum to Franchise Agreement | | |
| G | Addendum to Franchise Agreement (Additional Center) | | |
| H | Collateral Assignment of Lease | | |

ITEM 23 – RECEIPT CONTINUED

P	Option to Purchase or Lease Agreement	V	List of State Regulatory
Q	Waiver and Release		Agencies/Franchisor's Agents for Service of
R	New Franchise Disclosure Questionnaire		Process
S	International Emergency Economic Powers	W	State Addenda and Agreement Riders
	Act Compliance Questionnaire	X	Guaranty of Performance
T	Telephone Release	Y	Conversion Agreement
U	Tables of Contents – Manuals	Z	New Center Addendum – Product Credit
			Agreement

Date [Print Name] [Signature]

Date [Print Name] [Signature]

Center No. _____

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D	Opening Equipment, Inventory and Signs	O	Tri Party Agreement
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ITEM 23 – RECEIPT CONTINUED

- | | | | |
|---|--|---|--|
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| R | New Franchise Disclosure Questionnaire | X | Guaranty of Performance |
| S | International Emergency Economic Powers Act Compliance Questionnaire | Y | Conversion Agreement |
| T | Telephone Release | Z | New Center Addendum – Product Credit Agreement |
| U | Tables of Contents – Manuals | | |

Date [Print Name] _____ [Signature]

Date [Print Name] _____ [Signature]

Center No. _____