

PRECISION TUNE AUTO CARE



FRANCHISE INFORMATION



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Franchising@precisionac.com • www.PrecisionTune.com

The Right Brand. The Total Package.



Dear Future Franchisee:

I want to thank you for your interest in exploring the franchise opportunities available with Precision Tune Auto Care. We are committed to conducting business in accordance with the highest standards of professional and ethical conduct and have been doing so for more than 40 years. We want to be partners with people who have the same philosophy.

With the US automotive aftermarket and our economy constantly growing and changing, people contemplating owning their own business want to be partners with a company with a proven operating system. Precision Tune Auto Care has a system that works in the US and in many other places around the globe. Because we own and operate over 40 company stores, we are constantly refining that model.

Whether you are new to the market or have prior experience in the Automotive Industry, we can develop a solution adapted to your objectives, skills and means.

In order to move forward, you will want to learn more about us and as you review the information that follows, you will see that we are very committed to our Franchisees. Conversely, we will want to learn more about you and understand your commitment to developing the PTAC brand in your city. I hope you will take the time to review our prospectus and visit our website.

If you have any questions, please contact our development department at **(703) 777-9095** x211.

Sincerely,

A handwritten signature in black ink that reads "Robert A. Falconi". The signature is written in a cursive style with a large, prominent "R" and "F".

Robert Falconi
President and CEO

PRECISION TUNE AUTO CARE A CUSTOMER-CENTRIC GLOBAL BRAND



As of January, 2016 there are approximately 327 centers internationally



Nigeria



Oman



Portugal



Republic
of Georgia



Mexico



Taiwan



United
States





Founded in 1976 and franchising since 1977, we are one of America's largest maintenance and repair automotive franchises. We have approximately 260 Precision Tune Auto Care centers in the United States, and another 67 centers located internationally in the following countries: Nigeria, Oman, Portugal, the Republic of Georgia, Mexico and Taiwan.

We continue to grow each year and look forward to the opening of centers across the United States. The brand is available throughout the US. We'd be happy to discuss opening a center in your city.

THE MARKET

The primary Precision Tune Auto Care customers are middle class families who are dependent on their vehicle for transportation. With the complexity of today's vehicles, the "Do It Yourselfers" find they cannot *always* do it. While they may have the necessary tools to change their oil, and maybe change their spark plugs, they don't have the resources to diagnose and repair today's technologically advanced engines.

THE COMPETITION

In the 1970s and early 1980s, our primary competition came from full-service gas stations. Today, our primary competition comes from the dealership. The dealerships are focusing more on after-sale service as a revenue generator. The problem with the dealers' strategy is that today's automobile owners are not happy with the dealerships. The high cost, inconvenience and the quality of the work are most often cited. Tire dealers and maintenance garages form the next level of competition. We are prepared to analyze market potential anywhere in the United States.

Regardless of the competition, our model has been proven to work in small and large towns from California to Virginia. Precision Tune Auto Care has positioned itself as the alternative to the dealership while providing convenience, expertise and the best value for today's consumer.



The original Precision Tune Auto Care center in Beaumont, TX, 1976

WHY THE AUTOMOTIVE SERVICE INDUSTRY MAKES SENSE



The Automotive Service Industry is worth a look for several reasons. First, the United States lacks an efficient mass transit network. Because of this fact, Americans have come to rely upon their vehicles for daily transportation. The United States, with more than 265 million light cars and trucks, has the lowest person to vehicle ratio in the world, 1.2 people per car, with most citizens having access to two or more cars. The automotive aftermarket expanded to \$340 billion in 2015. The service segment represents nearly \$237 billion dollars and is expected to continue to expand further regardless of the total economy. Some say the automotive aftermarket is recession proof.

Other factors to consider include the fact that salvage rates continue to decline, a very strong indicator for the U.S. aftermarket for maintenance and repair. Consumers are more likely to maintain their present vehicle rather than buy a new one. The fact that Americans are continuing to hold their cars longer bodes well for the auto care industry. For the fourth year in a row, the average age of passenger cars reached 11 years. Light vehicle longevity increased from 11.4 to 11.5 years in 2015. On average, light vehicles are being held one-year longer than six years ago. This equals an amount of \$400 - \$600 per year for general automotive maintenance and an additional equivalent amount for tires every 24 - 36 months.

Given the rate of population expansion and the lack of national transportation alternatives, Americans will continue to be reliant upon their vehicles for their daily transportation needs well into the 21st century. Therefore, we should continue to see annual growth within the automotive aftermarket for years to come.

Source: 2016 AAIA Factbook



SIZE OF THE U.S. MOTOR VEHICLE AFTERMARKET



(Billions of Consumer Dollars)

Year	Automotive	Medium and Heavy Duty	Total Auto Care Industry	Yr./Yr. % Change
2007 (Census)	\$207.9	\$68.8	\$276.7	--
2008 [#]	\$208.5	\$69.0	\$277.5	0.3%
2009 [#]	\$205.7	\$68.0	\$273.7	-1.4%
2010 [#]	\$213.3	\$70.6	\$283.9	3.7%
2011 [#]	\$223.4	\$73.9	\$297.3	4.7%
2012 [#]	\$231.2	\$76.5	\$307.7	3.5%
CAGR '07-12	2.1%	2.1%	2.1%	--
2013 [#]	\$238.4	\$78.8	\$317.2	3.1%
2014 [#]	\$246.7	\$81.5	\$328.2	3.5%
2015 [#]	\$256.2	\$84.7	\$340.9	3.9%
2016 [*]	\$267.5	\$88.4	\$355.9	4.4%
2017 [*]	\$275.6	\$91.1	\$366.7	3.0%
2018 [*]	\$284.3	\$94.0	\$378.3	3.2%
CAGR '13-18[*]	3.6%	3.6%	3.6%	--

[#] Estimate

^{*} Forecast

Historical data have been revised.

Figures do not include warranty work.

Source: 2016 AAIA Factbook

The U. S. Motor Vehicle Aftermarket, consisting of service, repair, and maintains on Light Vehicles, Medium and Heavy Duty trucks was a \$328.2 billion industry in 2014. It is expected to grow at a compounded annual growth rate of 3.6 percent per year and reach almost \$380 billion in 2018. This expected growth will be fueled by the increasing average age of vehicles and more specifically the growth of vehicle population in the 11 year and older category.

WHAT DOES THIS MEAN?

Motorists recognize that vehicles are engineered to last longer and are therefore demonstrating a willingness to take advantage of the favorable economies of vehicle maintenance and repair vs. the cost of purchasing new vehicles.

SIZE OF THE U.S. MOTOR VEHICLE AFTERMARKET (CONTINUED)



Total vehicle operating costs, which vary by vehicle class, include the costs for fuel, maintenance and tires. The vehicle type with the highest estimated vehicle operating costs for 2015 are SUVs (21.63 cents per mile), followed by minivans (19.68 cents) and large sedans (21.69 cents). The vehicle types with the lowest operating costs are small sedans (14.54 cents).

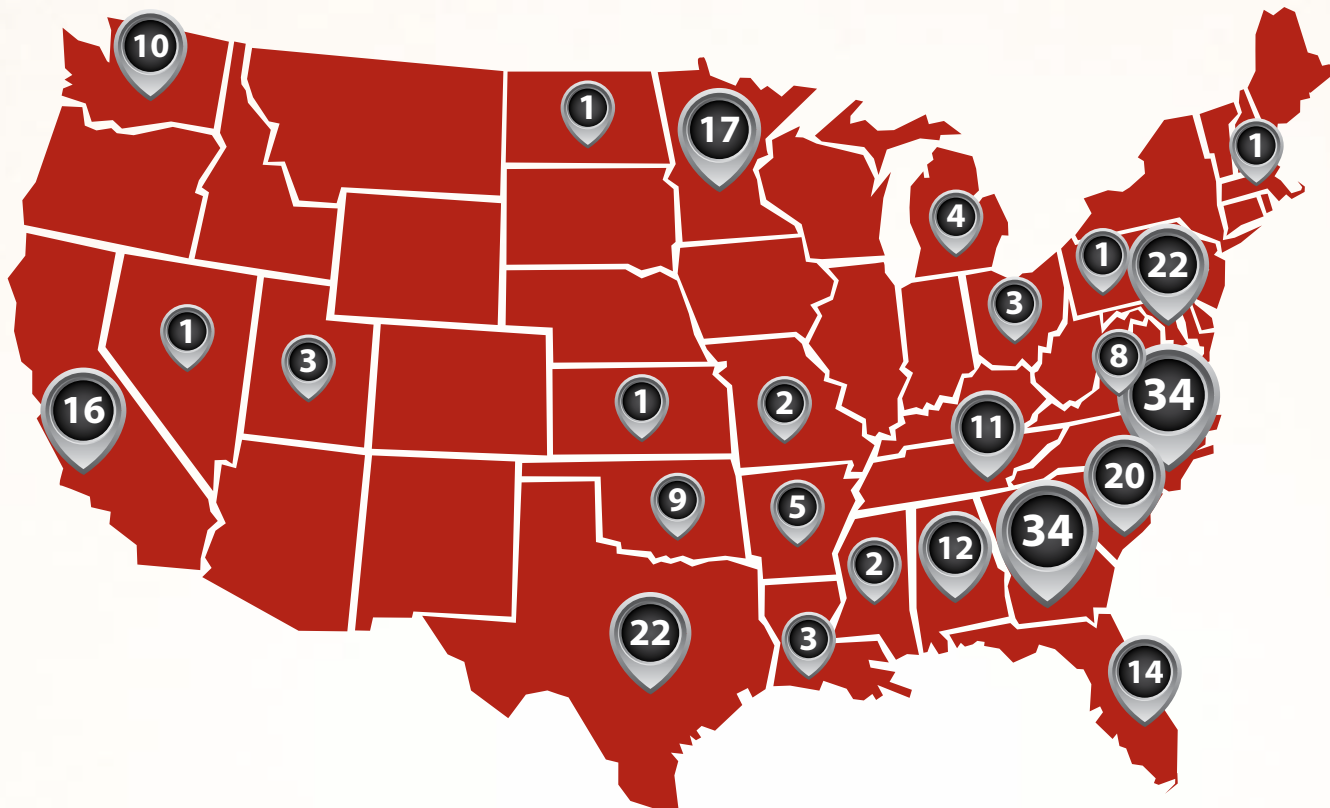
Vehicle operating costs are primarily driven by gasoline prices. Maintenance costs are the next largest vehicle operating expense, ranging from 4.68 to 5.65 cents per mile. Tires are the least expensive operating cost for light vehicles. This means the average person will spend \$400 - \$900 annually in maintenance expenses.

Average Annual Miles Traveled, 1996 – 2005 (By Vehicle Type)

Year	Light Duty, Short WB Vehicles (1)	Motorcycles	Lt. Duty, Long WB Vehicles (2)	Single Unit Trucks (3)	Combination Trucks
2000	11,044	2,801	14,604	15,277	66,906
2001	10,723	2,268	14,654	14,840	68,394
2002	11,116	2,232	14,304	15,408	69,693
2003	11,062	2,120	14,770	15,974	72,503
2004	10,992	2,590	15,221	15,507	72,056
2005	10,963	2,212	14,797	14,786	71,101
2006	10,540	2,868	16,340	15,900	68,783
2007	10,710	2,997	14,970	14,782	69,896
2008	10,290	2,684	15,256	15,306	71,106
2009	10,380	2,623	15,237	14,380	64,132
2010	10,649	2,248	15,463	13,469	68,907
2011	10,614	2,221	14,596	13,239	66,768
2012	11,265	2,519	11,882	12,815	66,161
2013	11,244	2,423	11,712	13,116	68,155

Source: 2016 AAIA Factbook

PRECISION TUNE AUTO CARE EXISTING FRANCHISE LICENSES IN THE U.S.



As of January 1, 2016 there are approximately 260 centers in the United States

- Coral Springs, FL
- Margate, FL
- Delray Beach, FL
- Naranja, FL
- Lauderhill, FL
- Dallas, TX
- Fort Worth, TX
- Arlington, TX
- Dallas, TX
- Plano, TX
- Jacksonville, FL
- Macon, GA
- Warner Robins, GA
- Albany, GA
- Valdosta, GA
- Macon, GA
- Columbus, GA
- Columbus, GA
- Phenix City, AL
- Port Arthur, TX
- Beaumont, TX
- Fort Walton Beach, FL
- Pensacola, FL
- Columbus, GA
- Daphne, SC
- Gulf Breeze, FL
- Panama City, FL
- Crestview, FL
- Mobile, AL
- Gulfport, LA
- Pensacola, FL
- Mobile, AL
- Pensacola, FL
- Jacksonville, FL
- Alexandria, LA
- Lake Charles, LA
- Baton Rouge, LA
- San Antonio, TX
- Little Rock, AR
- North Little Rock, AR
- Nashville, TN
- Knoxville, TN
- Nashville, TN
- Knoxville, TN
- Arlington, TX
- Nashville, TN
- Knoxville, TN
- Chattanooga, TN
- Macon, GA
- Chattanooga, TN
- Chattanooga, TN
- Chattanooga, TN
- Murfreesboro, TN
- Austin, TX
- Austin, TX
- Killeen, TX
- Austin, TX
- Waco, TX
- Victoria, TX
- Temple, TX
- Pflugerville, TX
- Eagle Pass, TX
- Harker Heights, TX
- Copperas Cove, TX
- Cedar Park, TX
- Killeen, TX
- Roseville, MN
- Minneapolis, MN
- Columbia Heights, MN
- St. Paul, MN
- Minneapolis, MN
- Coon Rapids, MN
- Eagan, MN
- Eden Prairie, MN
- Plymouth, MN
- New Hope, MN
- Bloomington, MN
- Champlin, MN
- Maple Grove, MN
- Andover, MN
- Elk River, MN
- Apple Valley, MN
- Fargo, ND
- Spring Lake Park, MN
- Lino Lakes, MN
- Burnsville, MN
- Independence, MO
- Shawnee, KS
- St. Joseph, MO
- Kearns, UT
- Murray, UT
- Salt Lake City, UT
- Las Vegas, NV
- Lynnwood, CA
- Marysville, WA
- Everett, WA
- Renton, WA
- Culpeper, VA
- Hayes, VA
- Newport News, VA
- Petersburg, VA
- Richmond, VA
- Harrisonburg, VA
- North Chesterfield, VA
- Tulsa, OK
- Springdale, OK
- Tulsa, OK
- Owings Mills, MD
- Catonsville, MD
- Baltimore, MD
- Rosedale, MD
- Annapolis, MD
- Hunt Valley, MD
- Randallstown, MD
- Edgewood, MD
- Severna Park, MD
- Salisbury, MD
- Baltimore, MD
- Frederick, MD
- Lexington Park, MD
- Baltimore, MD
- Aberdeen, MD
- Williamsport, MD
- Burton, MI
- Traverse City, MI
- Raleigh, NC
- Raleigh, NC
- Durham, NC
- Raleigh, NC
- Wilmington, NC
- Raleigh, NC
- Burlington, MN
- Jacksonville, FL
- Goldsboro, NC
- Greenville, NC
- Rocky Mount, NC
- Cary, NC
- Raleigh, NC
- Wilson, NC
- Wake Forest, NC
- Morrisville, NC
- Decatur, NC
- Birmingham, AL
- Florence, SC
- Birmingham, AL
- Alabaster, AL
- Pelham, NC
- Opelika, AL
- Oklahoma City, OK
- Edmond, OK
- Oklahoma City, OK
- Oklahoma City, OK
- Oklahoma City, OK
- Yukon, OK
- Fayetteville, NC
- Pineville, NC
- Charlotte, NC
- Charlotte, NC
- Gastonia, NC
- Charlotte, NC
- Greensboro, NC
- Hickory, NC
- Concord, NC
- Greensboro, NC
- Greensboro, NC
- Greensboro, NC
- Winston Salem, NC
- Raleigh, NC
- High Point, NC
- High Point, NC
- Mooresville, NC
- Dayton, OH
- Huber Heights, OH
- Englewood, OH
- Columbia, SC
- Charleston, SC
- Columbia, SC
- Columbia, SC
- Summerville, SC
- Rock Hill, SC
- Florence, SC
- Sumter, SC
- Hendersonville, SC
- Myrtle Beach, SC
- Asheville, NC
- Cayce, SC
- Mount Pleasant, SC
- Johnson City, TN
- Irmo, SC
- Greenwood, SC
- Greenville, SC
- Greenville, SC
- Spartanburg, SC
- Lexington, SC
- Silver Spring, MD
- Clinton, MD
- Beltsville, MD
- Manassas Park, VA
- Bowie, MD
- Montgomery Village, MD
- District Heights, MD
- Shelton, CT
- Fairhaven, CT
- Hanover, PA
- Detroit, MI
- Royal Oak, MI
- Atlanta, GA
- Marietta, GA
- Smyrna, GA
- Norcross, GA
- Athens, GA
- Lawrenceville, GA
- Decatur, GA
- Tucker, GA
- Duluth, GA
- Forest Park, GA
- Mableton, GA
- Atlanta, GA
- Gainesville, GA
- Union City, GA
- Douglasville, GA
- Newnan, GA
- Lilburn, GA
- Marietta, GA
- Snellville, GA
- Riverdale, GA
- Conyers, GA
- Marietta, GA
- McDonough, GA
- Decatur, GA
- Savannah, GA
- Salinas, CA
- San Jose, CA
- San Jose, CA
- San Jose, CA
- San Jose, CA
- Sunnyvale, CA
- Sunnyvale, CA
- San Mateo, CA
- Fremont, CA
- Redwood City, CA
- Milpitas, CA
- Santa Clara, CA
- Gilroy, CA
- August, GA
- Augusta, GA
- North Augusta, GA
- Aiken, SC
- El Cajon, CA
- San Diego, CA
- Murrieta, GA
- Vancouver, WA
- University Place, WA
- Gig Harbor, WA
- Lakewood, WA
- Parkland, WA
- Tacoma, WA

PRECISION TUNE AUTO CARE US CENTERS





OUR SERVICES

Precision Tune Auto Care was founded on the basic engine tune up. Over the years, we have expanded our services to provide comprehensive quality car care to our customers.

Today, we offer a wide variety of specialized and scheduled car care services. These services include:

- | | | | |
|---|--|---|--|
|  | OIL CHANGE |  | ALIGNMENTS |
|  | BRAKES AND TRACTION CONTROL |  | INSTRUMENT PANEL, GAUGES AND WARNING LIGHTS |
|  | COOLING SYSTEM |  | LIGHTING AND HORNS |
|  | DIAGNOSTIC DISCOVERY SERVICES |  | STARTING AND CHARGING |
|  | EMISSION CONTROLS |  | STATE INSPECTIONS |
|  | ENGINE AND POWER-TRAIN MANAGEMENT & REPLACEMENT |  | STEERING AND SUSPENSION |
|  | RELAYS AND MODULES |  | TIRE SALES AND SERVICE |
|  | EXHAUST SYSTEMS |  | TRANSMISSION AND DRIVETRAIN |
|  | FACTORY SCHEDULED MAINTENANCE SERVICES |  | WINDOWS AND GLASS |
|  | HEATING AND AIR CONDITIONING |  | WIPER AND WASHER SYSTEMS |



OUR SUPPORT SYSTEM

Precision Tune Auto Care franchisees can count on their brand franchisor to provide them with the support they need. Our brand has been successfully operating in the United States since 1976 and internationally since 1991. We continue to develop and refine the systems and procedures, that when properly implemented, can lead to businesses with excellent sales potential. Our support system provides the necessary disciplines for franchisees to develop and grow, no matter if you want to own one center or you would like become a multi-unit owner. Precision Tune Auto Care support includes, but is not limited to: site selection, marketing, advertising, technical and management training, operations, parts acquisition and much more.

Site Selection — In our early years, many of our centers were converted service stations. By the 1980's we began opening in auto malls which are occupied exclusively by tenants in like industries. In the 1990s, we began operating in state of the art professionally designed centers. Complete blueprint packages, equipment listings, parts room design, and graphic requirements are provided to each franchisee. With over forty years in the automotive business, Precision Tune Auto Care has established a formula for success.

The site criteria and demographics we look for are:

- A population base of 50,000 (predominantly middle income) within 5 miles of the location of the proposed Precision Tune Auto Care site.
- Activity generators: We strive to create synergies. We locate our centers around retail centers. These surrounding businesses draw customers into our locations and may provide fleet opportunities.
- Fleet Services: Are there other retail and services businesses within three miles of your center that might have the potential to become fleet customers? Examples of potential fleet customers are rental car agencies, federal and state agencies, delivery companies or local tradesman.

Training at Precision University — Precision Tune Auto Care offers one of the most advanced training programs in the industry. We will teach you how to create and implement the needed infrastructure to support your center(s), as well as how to profitably operate a PTAC center in our Franchise Management course. Our training covers all aspects of the business including: financial management, salesmanship, business management, marketing and advertising, labor and purchasing, as well as an overview of our services. In addition to the Franchise Management course, Precision University offers the following management courses: Service Writer Training; Financial Modeling and Templating; and Softwrench (POS System) Training.

Our engine performance and automotive maintenance training program for technicians spans eight weeks and entails 40% classroom time and 60% hands-on training. While it is an extensive course, when your team has successfully completed the course, you will have the most qualified technicians in your country. These technical classes include: Engine Performance; Automotive Electronics, Emissions and On-Board Diagnostics; Brakes; Air Conditioning Service and Repair; Preventative Maintenance; Domestic and Asian Fuel Injection; and Hybrids.

BENEFITS OF BEING A PRECISION TUNE AUTO CARE FRANCHISEE



Operations — Precision Tune Auto Care centers receive routine support in marketing and day-to-day operations, as well as periodic training, site visits and offer constructive feedback of the center's operation.

Advertising —The Precision Tune Auto Care brand has been attracting customers for more than 40 years and has developed an effective marketing strategy focused on customer acquisition, satisfaction, and retention. Each center is required to participate in the Precision Marketing Fund which in turn provides the blueprint tools and programs our franchisees use to grow their car count. The Precision Tune Auto Care marketing department provides centers with professional advice on the selection and implementation of marketing plans. Franchisees also receive regular updates on advertising materials and opportunities.

THE OPPORTUNITY

Precision Tune Auto Care is looking to establish long-term relationships with quality business professionals. Prior experience in the automotive industry is not as critical to your success as is your ability to adapt and implement a proven business system to your local conditions. Precision Tune Auto Care provides the system, superb training in the specifics, continuous and ongoing support and the opportunity to capture a significant portion of the growing automotive industry in your neighborhood.



ESTIMATED EXPENDITURES



Expenditure	Estimated Amount or Estimated Low-High Range
Initial Franchise Fee	\$2,000 - \$25,000
Land/Building	
Construction/Site Acquisition	\$5,000 - \$7,000
Deposits, including rent and utilities	\$6,000 - \$10,000
Interior & Exterior Signs	\$5,500 - \$15,000
Equipment, Fixtures, Furniture and Technical Manuals	\$59,500 - \$95,000
Installation of Signs and Compressors	\$10,000 - \$25,000
Initial Inventory	\$5,000 - \$7,500
Insurance (Workman's Compensation Insurance and other prepaid insurance costs)	\$2,000 - \$6,500
Initial Training	\$0 - \$2,500
New Center Marketing	\$3,000
Miscellaneous	\$1,000 - \$10,000
Computer Software Support	\$0 - \$600
Computer Hardware	Purchase: \$2,500 - \$4,500 Lease: \$200 - \$700 (Monthly)
Computer Software	\$500 - \$2,000
Additional Funds 3 months	\$25,000 - \$40,000
Estimated Initial Investment	\$127,000 - \$253,600

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

Note 1: The fee for transferring your interest in the franchise is \$2,000 if the transferee is an existing PTAC franchisee, center manager or certified lead technician with at least 2 year's experience; otherwise, the transfer fee is \$10,000. See Sections 3.1.1 and 16.6 of the Franchise Agreement. We may reduce the initial franchise fee for certain existing franchisees in accordance with the incentive program described above in Item 5. If you qualify for our VetFran program, the initial franchise fee will be \$10,000. See Item 10 below.

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



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

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

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

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

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

Note 6: Under the Franchise Agreement, you may obtain all required equipment from sources of your choosing as long as each item of equipment meets our specifications. In addition to the equipment, you must pay delivery and installation costs.

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

Note 8: We recommend above-ground lifts for oil change and lubrication work. Below ground pits are optional. For each lube pit added to a Center, there will be construction costs of about \$15,000. If your Location (as defined in Item 12) will not approve below-ground pits, you must add above-ground lifts. The cost for other oil change and lubrication equipment is about \$4,000; however, if you enter into a supply contract, an oil company may loan this equipment (including a compressor and/or a lift) at no additional cost.

Note 9: "Other equipment" includes a compressor (about \$1,600), air conditioning recharge/recycling equipment (about \$3,800), radiator flush/fill equipment (about \$400) or radiator recycler (about \$3,200), wheel balancer (about \$1,800) and starting/charging systems equipment (about \$2,000). "Other equipment" does not include oil and lube equipment and inventory, which you may obtain directly from an oil company. Depending on local emission control and environmental regulations, you may need other specialty equipment if you offer certain services (e.g., BAR 90 emission inspection equipment). If you purchase the assets of a company-owned Center and sublease the Center from us, you may make a greater initial investment than other franchisees. The investment will vary depending on a number of factors, including the extent to which we have equipped the Center, the extent to which we have made leasehold improvements to the Center, and the amount of business conducted at the Center. You also may incur additional costs, such as fees to sublease the Center and fees to assume certain commercial contracts. The total purchase price in the asset purchase and sale agreement will be established through negotiation with us.

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

Note 11: Under the Franchise Agreement, you may obtain all required initial and continuing inventory from sources of your choosing, as long as each item meets our specifications. The estimated \$5,000 to \$7,500 inventory cost covers the entire menu of required services.

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

Note 13: New Center Marketing expenses will vary by location depending on local media marketing rates, methods of marketing employed, and other factors. Under Section 13.6 of the Franchise Agreement, you must spend, in addition to amounts spent on normal marketing, a minimum of \$3,000 for approved opening marketing within 4 weeks after the Center opens. Depending on a number of marketing factors, we may recommend a higher minimum. This \$3,000 expenditure is for "coming soon" and "now open" signs and grand opening marketing expenses.

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

Note 15: We estimate the cost of the software to be \$500 to \$2,000 and the cost of the hardware to be \$2,500 to \$4,500 if you buy the hardware. If you lease the hardware, we estimate that the monthly lease payments will be \$200 to \$700. See Item 11.

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

All estimates set forth in the chart are based upon our experience and the experience of our affiliates and predecessors operating Centers and selling franchises over the past 35 years. Since these figures are estimates, we make no representations that your costs will not exceed the estimated range when starting a Precision Tune Auto Care business. These expenses will vary according to region, time of year, and local and other conditions, such as: your management skill and experience; local economic conditions; the prevailing wage rate; competition; and the sales level you reach during the initial phase of your business. You should review these figures with a business advisor before making any decision to purchase a franchise.

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

BENEFITS OF BEING A PRECISION TUNE AUTO CARE FRANCHISEE



PRECISION TUNE AUTO CARE VALUE

- Over 40 years of worldwide franchising success
- Proven international operating system
- World-class training at Precision University
- Turn-key marketing and advertising
- Worldwide vendor partnerships
- Continuous and ongoing communications support provided to Franchisee:

SUPPORT PROVIDED

- Current standard construction plans and specifications for franchise centers in the U.S.
- Operational manuals
- Annual visits from Sr. V.P. of Operations and V.P. of Training
- Point of sale software
- Training for franchisee and employees of franchisee made available
- Advice, consultation, technical support available through our intranet, telephonic conference calls and technical hotline
- Advertising and promotional plans and materials

\$916,647 Average store revenue of top 25% of Precision Tune Auto Care centers

\$598,358 Average Precision Tune Auto Care center revenue

\$481,347 Average industry revenue of general repair shops in 2014

Precision Tune Auto Care's top 25% of centers perform 90% higher than the industry average.

Precision Tune Auto Care's average center produces 24% higher revenue than the industry average.

Source: 2015 PTAC FDD, AAIA 2016 Automotive Aftermarket Factbook.



HOW DO YOU GET STARTED?

Call us today at **(703) 777-9095** x211 and we will discuss your interests. We will want to get details about your plans and the resources available to you to bring those plans into effect. We are also prepared to meet with you in our corporate office in Leesburg, Virginia (a suburb of Washington, DC.)

As part of the process, you will also need to complete the attached CQR and fax it back to our office. Our fax number is **(703) 771-7108**.

Once received, we will contact you to discuss our franchise model in more detail. As well, we will mail you a copy of our Federal Disclosure Document (FDD) for further review.

After attending a Discovery Day, we encourage you to visit some of our corporate stores and speak with franchisees. This process will typically take between one and two months. Opening your own business is a big decision, and we want you to fully explore our brand before taking that step for yourself. If there is a “meeting of the minds” we would be happy to award you a franchise license.



CONFIDENTIAL QUALIFICATION REPORT



GETTING STARTED: Confidential Qualification Report

NAME _____

ADDRESS STREET _____

CITY _____ STATE _____ ZIP _____ HOW LONG AT THIS RESIDENCE? _____

PREVIOUS ADDRESS IF LESS THAN 5 YEARS STREET _____

CITY _____ STATE _____ ZIP _____

HOME PHONE _____ WORK PHONE _____ FAX _____ E-MAIL _____

SOCIAL SECURITY # / ID # _____ DRIVER'S LICENSE # _____

DATE OF BIRTH _____ MARITAL STATUS _____ SPOUSE'S NAME _____ NO. OF DEPENDENTS _____



This form is for the presentation of personal information for the confidential use of our Executive Review Committee. Please complete this in detail by each person owning 5% or more of the franchise, as it will enable us to begin qualification quickly. The completion of this report places no continuing obligation on either Precision Franchising LLC or its agents or the prospective franchisee.

EMPLOYMENT HISTORY

NAME _____ CITY _____ STATE/COUNTRY _____

PHONE _____ FROM _____ TO _____ POSITION _____

OTHER INVESTORS

1. INDIVIDUAL ADDRESS % OWNERSHIP % TIME SOCIAL SECURITY # _____

2. INDIVIDUAL ADDRESS % OWNERSHIP % TIME SOCIAL SECURITY # _____

GENERAL EDUCATION

PLEASE CIRCLE HIGHEST LEVEL COMPLETED.

1-12 GRADES _____ 1 2 3 4 COLLEGE _____ ADDITIONAL DEGREES (PLEASE STATE AND GIVE DETAILS) _____

PERSONAL INFORMATION

OTHER BUSINESS VENTURES WITHIN LAST 10 YEARS

1. HAVE YOU EVER OWNED A FRANCHISE? YES NO NAME OF FRANCHISE? _____
2. ARE YOU EXPLORING OTHER FRANCHISE OPPORTUNITIES? YES NO WHICH ONES? _____
3. WOULD YOU EXPECT TO DEVOTE FULL TIME TO THE BUSINESS? YES NO IF NOT, WHAT % OF TIME? _____
4. DO YOU HAVE OR CAN YOU OBTAIN THE NECESSARY CASH FUNDS TO INVEST IN THIS BUSINESS? EXPLAIN IN DETAIL. _____
5. DO YOU REGARD A PRECISION TUNE AUTO CARE® FRANCHISE AS AN INVESTMENT CAREER SPECULATION
6. WOULD YOU EMPLOY A FULL TIME MANAGER? YES NO
7. IF YOU ARE SELECTED WHEN WOULD YOU BE ABLE TO START THIS VENTURE? _____
8. TERRITORY IN WHICH YOU ARE INTERESTED: _____
9. HAVE BANKRUPTCY PROCEEDINGS EVER BEEN INSTITUTED BY OR AGAINST YOU? YES NO
10. ARE YOU NOW OR HAVE YOU EVER BEEN A PARTY TO ANY SUITS OR CIVIL ACTIONS? YES NO
11. IF YES, PLEASE EXPLAIN. _____
12. HAVE YOU BEEN CONVICTED OF A CRIME OTHER THAN MINOR TRAFFIC OFFENSES? YES NO
IF YES, PLEASE EXPLAIN. _____

Precision Franchising LLC
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CONFIDENTIAL QUALIFICATION REPORT (CONTINUED)



PERSONAL CREDIT REFERENCES

YOUR PERSONAL BANK	CONTACT	PHONE
ADDRESS	ACCOUNT NO.	FAX
YOUR PERSONAL BANK	CONTACT	PHONE
ADDRESS	ACCOUNT NO.	FAX

MAJOR CREDIT REFERENCES

(Attach additional schedules when needed)

CREDITOR'S NAME AND ADDRESS	DATE OPENED	HIGH BALANCE	MONTHLY PAYMENT	CURRENT BALANCE
CREDITOR'S NAME AND ADDRESS	DATE OPENED	HIGH BALANCE	MONTHLY PAYMENT	CURRENT BALANCE

PERSONAL/FINANCIAL STATEMENT

(Attach Business Financial)

PLEASE DO NOT LEAVE ANY QUESTIONS UNANSWERED. USE "NO" OR "YES" WHERE NECESSARY.

ASSETS	IN EVEN DOLLARS	LIABILITIES	CONFIDENTIAL UPAD BALANCES IN EVEN DOLLARS
CASH ON HAND IN BANKS	\$	NOTE PAYABLE TO BANKS - SECURED	\$
MARKETABLE SECURITIES	\$	NOTE PAYABLE TO BANKS - UNSECURED	\$
ACCOUNTS AND NOTES RECEIVABLE	\$	NOTE PAYABLE TO OTHERS - SECURED	\$
NON-MARKETABLE SECURITIES	\$	ACCOUNTS AND BILLS DUE	\$
REAL ESTATE OWNED (MARKET VALUE)	\$	REAL ESTATE MORTGAGES PAYABLE	\$
AUTOMOBILES	\$	UNPAID INCOME TAX	\$
YR MAKE VALUE \$		OTHER LIABILITIES	\$
YR MAKE VALUE \$		TOTAL LIABILITIES	\$
OTHER ASSETS	\$	NET WORTH (ASSETS MINUS LIABILITIES)	\$
TOTAL ASSETS*	\$	TOTAL LIABILITIES AND NET WORTH*	\$

*These two numbers should be equal.

ANNUAL SOURCES OF INCOME	CONTINGENT LIABILITIES
SALARY \$	DO YOU HAVE ANY CONTINGENT LIABILITIES? <input type="checkbox"/> YES <input type="checkbox"/> NO
BONUS AND COMMISSIONS \$	IF YES, GIVE DETAILS.
OTHER \$	
TOTAL \$	

APPLICANT: STATEMENT OF CERTIFICATION

I certify that the information contained in this application is true and complete. You are authorized to make an investigative report including obtaining a credit report or any inquiries that you deem necessary to verify the accuracy of this information and to determine my credit worthiness and general reputation, whether in connection with this application or at any time in the future in connection with any ongoing business relationship. All information will be kept confidential, provided, however, that I understand and agree that any information which I provide or which you obtain independently through your investigation will be shared with the Precision Tune Auto Care Area Developer(s) you believe need access to this information.

Submitted this _____ day of _____ 20 _____

Printed Name: _____

Signature of Applicant: _____

RETURN TO:
Precision Franchising LLC
Attn: Franchise Development
PO Box 5000
Leesburg, VA 20177
PH: 800-438-8863
FX: 703-771-7108



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Rev. 7/19/06

www.PrecisionTune.com



The Right Brand. The Total Package.