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Department of Business Oversight
Los Angeles Office

FRANCHISE DISCLOSURE DOCUMENT

One Stop® Parts Source

One Stop Undercar, LLC
2610 S. Birch, Suite A
Santa Ana, California 92707
(949) 955-2600
www.onesps.com

The Franchises described in this franchise disclosure document are for the operation of a retail automotive Outlet using the name ONE STOP PARTS SOURCE®, which features the sale of automobile parts, accessories and equipment to automobile repair and maintenance shops. The initial franchise fee is between $40,000 to $80,000. The estimated initial investment required ranges from $600,000 to $1,010,000. If You are Developer, You will pay a Development Fee equal to $10,000 for each Outlet to be developed under the Franchise Development Agreement. Your total investment necessary as a Developer will vary based on the number of Outlets to be developed.

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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 payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

The terms of Your contract will govern Your franchise relationship. Do not rely on the disclosure document alone to understand Your contract. Read all of Your contract carefully. Show Your contract and this disclosure document to an advisor, like a lawyer or 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. The next page is the State Cover Page.

Issuance Date: April 18, 2017

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 D** 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 REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION IN THE COUNTY WHERE THE FRANCHISOR'S CORPORATE HEADQUARTERS ARE LOCATED ("HOME COUNTY"), CURRENTLY ORANGE COUNTY, CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.

ARBITRATION WILL NOT BE USED FOR ANY ACTION FILED BY THE FRANCHISOR WHICH INVOLVES A FRANCHISEE'S CONTINUED USAGE OF ANY OF THE MARKS OR THE SYSTEM OR ANY ISSUE INVOLVING INJUNCTIVE RELIEF. ALL OF THESE ISSUES WILL BE SUBMITTED TO A STATE OR FEDERAL COURT HAVING JURISDICTION OVER THE ISSUE INVOLVED. THE PARTIES CONSENT TO PERSONAL JURISDICTION AND VENUE SOLELY IN THE HOME COUNTY OVER ANY SUCH ISSUES NOT SUBJECT TO ARBITRATION.

THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE WHERE MOST OF THE TERRITORY IS LOCATED GOVERNS THE AGREEMENT. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

THE FRANCHSIE AGREEMENT STATES THAT IF THE FRANCHISEE DOES NOT SUCCESSFULLY COMPLETE TRAINING THE FRANCHISE AGREEMENT MAY BE TERMINATED.

Effective date: ________________ (California)

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ITEM 1. THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this disclosure document the letters "**OSU**" mean the franchisor, One Stop Undercar, LLC. "**You**" means the person, corporation or partnership buying a franchise or Franchise from OSU. Words set out in bold face are done so for ease of reference only.

OSU is a California limited liability company formed July 12, 2013 to franchise ONE STOP UNDERCAR Outlets ("**Outlets**"), which distribute automobile parts, accessories and equipment to automotive repair and maintenance shops. The franchise program was started in 1993 by Our predecessor, One Stop Undercar, Inc. The name was changed to ONE STOP PARTS SOURCE® in 2009, which better describes the Outlets and their broad range of product lines. OSU's principal business address and telephone number is 2601 S. Birch Street, Suite A, Santa Ana, California 92707; telephone (949) 955-2600; FAX (949) 833-1817. OSU's agent for service of process is Myung Kee Song, CFO, at the same address.

Our parent company, Uriman, Inc. purchased the franchise on August 1, 2013 ("Uriman"). OSU's owners also own the majority of stock in One Stop Parts Source, LLC ("Parts Source") which operate a total of 10 Outlets, and which sells products and supplies to OSU Franchisees. This corporation is an "**Affiliate**" of OSU.

The principal business address and telephone number for Uriman and OSU's Affiliates is 650 North Puente Street, Brea, CA 92821; telephone (714) 257-2080. OSU and its Affiliates do not conduct any business activities other than in connection with the Outlets. OSU, Uriman and its Affiliates have not sold franchises for any other lines of business. OSU and Parts Source are wholly owned by Uriman.

The Business

The first ONE STOP UNDERCAR Outlet was opened during 1989 in Southern California. At December 31, 2016, sixteen (16) Outlets were open and operating.

Each Outlet distributes automobile parts, accessories and equipment to automobile repair and maintenance shops. Each Outlet offers a limited range of products and services and uses prescribed sales techniques and presentations, discount arrangements with suppliers, well developed advertising materials, an Outlet Manual (the "**Manual**") and other established business techniques (the "**System**").

The System eliminates a link in the typical automobile parts distribution chain so that each Outlet provides "hot shot", quick delivery service to its retail customers. OSU helps provide more competitive pricing to go with the quick delivery service by specializing in a limited range of high volume products. These automotive products are subject to constant wear and tear and can be installed by most repair shops.

The Franchises Being Offered - Summary

Each Franchise being offered by OSU is for an Outlet similar to the existing Outlets. Each Franchise covers an exclusive territory (the "**Territory**") for the Franchisee to operate an Outlet. OSU and You must agree upon the location and size of the Territory based on population and other demographics. Each Territory generally includes a present or anticipated customer base of 200 shops.

Unless You are converting an existing similar business ("**Existing Business**"), You must pay OSU an initial franchise fee of between $40,000 to $80,000, depending upon the size and population of the Territory. You will pay OSU one half of the initial fee when You sign a Franchise Agreement and the balance when You establish Your supply outlet. OSU does not charge an initial franchise fee for an Existing Business because in that case less training and other assistance are required.

The Territory and initial franchise fee will be described in Your Franchise Agreement. **Exhibit A** to this disclosure document is a copy of the OSU Franchise Agreement form, with the Addendum for Existing Businesses attached. You must pay a monthly franchise fee of 5% of Your monthly Gross Sales. You must also spend each month at least 2% of Gross Sales for approved local advertising programs ("**Local Advertising**"). The initial term of a Franchise Agreement is 10 years, and You may renew Your Franchise for an additional 10 year term, subject to certain conditions. See "Renewal" discussed below in ITEM 17.

Competition; Regulation

The automotive supply industry is very competitive. OSU competes, and each Franchisee will compete, with other businesses which may have greater financial and other resources than OSU as well as with independent businesses. You will need to obtain all necessary permits, Franchises and approvals to establish and operate Your franchised business within Your Territory.

Franchise Development Agreement

If You qualify for operating more than one Outlet, You may purchase a Franchise Development Agreement (the "**LDA**"), which will grant You the exclusive right to develop a specified number of Franchised Outlets within a larger geographic territory during a minimum five-year period. **Exhibit B** is a copy of the OSU Franchise Development Agreement form.

When You sign an LDA, You must pay OSU a nonrefundable Development Fee of $10,000 for each Outlet to be opened in Your development territory. As You develop each Outlet, You must obtain OSU's approval for the location of the Outlet, sign a Franchise Agreement for that Outlet and pay OSU its then current initial franchise fee (less $10,000 credit from the Development Fee) for that Franchise.

ITEM 2. BUSINESS EXPERIENCE

OSU's directors, principal officers and other executives are:

Manager: Byung Chul Song

Byung Chul Song has been One Stop Undercar, LLC's Managing Member since Jan 1, 2016. He has been President of Uriman, Inc. since Jan 2016. From December 1992 to December 2015, Mr. Song had been principally employed at Mando Corporation in Seoul, Korea and held a position of Chief Manager prior to his transfer to Uriman Inc.

Chief Executive Officer: Michael Thompson

Michael Thompson has been One Stop Undercar, LLC's Chief Executive Officer since July 25, 2016. He has been One Stop Parts Source, LLC's Chief Executive Officer since July 25, 2016. Previously, Mr. Thompson was employed by Metro Auto Parts located in San Bernardino, California as Vice President of Merchandise and Marketing from March 2014 to July 2016. From August 2009 to February 2014, he was Vice President of Supply Chain Management at XL Parts located in Houston, Texas. Mr. Thompson has over 33 years of experience in the automotive aftermarket business.

Chief Financial Officer: Myung Kee Song

Myung Kee Song has been One Stop Undercar, LLC's Chief Financial Officer since OSU was formed in August 2013. He has been One Stop Parts Source, LLC's Chief Financial Officer since its formation in August 2013. Mr. Song was employed by Mando Corporation in Seoul, Korea since 2001 and held a position of Deputy General Manager until his transfer to One Stop Parts Source, LLC in August 2013.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this disclosure document.

ITEM 4. BANKRUPTCY

No person previously identified in ITEMS 1 or 2 of this disclosure document has been a debtor in proceedings under the U.S. Bankruptcy Code or foreign bankruptcy law required to be disclosed in this ITEM.

ITEM 5. INITIAL FRANCHISE FEE

Initial Franchise Fee

You must pay an initial fee for a Franchise. The amount of the initial fee will depend on the location and size of Your Territory and the number of potential customers (automobile repair and maintenance shops) in that Territory.

Based on the demographics of the particular Territory and factors such as its size, number of shops, assessment of competitor activity, location and growth potential of the Territory indicate to You and OSU that the Territory has a certain number of potential customers, the initial fee for Your Territory will be calculated as follows:

Up to 100 shops	$40,000
100 to 200 shops	$60,000
Over 200 shops	$80,000

You and OSU will review the proposed Territory and agree upon its boundaries and the number of potential shop customers within the Territory to finalize the size of the Territory and the amount of the initial fee. You must pay OSU one half of the initial franchise fee upon signing of the Franchise Agreement and the balance before the opening of Your Outlet.

OSU does not charge an initial Franchise fee for an Existing Business because in that case less training and other assistance are required.

Franchise Development Fee

As a Developer under an LDA, You must pay OSU a Development fee of $10,000 for each Outlet You agree to open and operate. As each Outlet is developed, You must pay OSU its then current initial franchise fee (less a $10,000 credit from the Development fee) for that Franchise.

There are no refunds of these fees except for errors. All fees payable to OSU are intended to be "net" amounts and You will pay or reimburse OSU for any sales, services, use or similar taxes which may be imposed upon any such fees.

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ITEM 6. OTHER FEES

Name of Fee (1)	Amount	Due Date
Monthly License Fee	5% of each month's Gross Sales (2)	5 business days after each month sales were made (3)
Local Advertising Fees and Marketing Fund Fee (when established) (4)	Up to 3% of monthly Gross Sales (2)(5)	5 business days after each month sales were made (3)
Required Materials	Reasonable Cost	As required by the approved supplier or OSU
Additional Training	Tuition-free (6)	Not applicable
Late Fees	$25.00 plus interest on late amounts at 18% or highest legal rate (7)	Upon invoice
Attorney Fees	Reasonable amount to prevailing party in any legal proceeding	Upon conclusion of proceeding
Transfer Fee	Estimated Actual up to 10% of the License Fee at that time	Before actual transfer
Renewal Fee	20% of the Initial License Fee at that time	Upon invoice
Audit (8)	Reasonable Accounting and Legal Fees	Upon invoice

PLEASE SEE THE IMPORTANT FOOTNOTES ON THE NEXT PAGE.

Footnotes:

1. You must pay all of these payments to OSU except for (a) local advertising fees which are paid directly to the advertising council, (b) any required purchases of proprietary items payable either to Parts Source or another OSU-approved supplier, and (c) rent payable either to the master lessor or owner of the premises. None of these fees are refundable for any reason except for errors. All fees payable to OSU are intended to be "net" amounts and You will pay or reimburse OSU for any sales, services, use or similar taxes which may be imposed upon any such fees (specifically not to include income taxes).

2. The Franchise Agreement defines "**Gross Sales**" as all amounts accrued for sales by Franchisee in connection with the Outlet, as computed in accordance with generally accepted accounting principles, but with no adjustment for bad debts and adjusted for returns and credits to customers given by Franchisee for "cores" and similar items which may be reconditioned for resale. "Gross Sales" does not include sales taxes. OSU may reduce the monthly franchise fee applicable to certain products or services which would otherwise be fully included in "Gross Sales". The definition of "Gross Sales" for an Existing Business includes only the types of products which are sold as part of the ONE STOP PARTS SOURCE list of available products during each month.

3. You must include with these fees a monthly sales report containing certain information.

4. You must conduct and support advertising and promotion up to a total of 3% of Gross Sales for Local Advertising and Marketing Fund Fees. OSU may designate up to 2% of this 3% as support for Local Advertising. OSU currently designates 1.5% for Local Advertising support and does not require any Marketing Fund Fees because it has not yet established a Marketing Fund.

5. You will pay Your local advertising fees to an Advertising Council ("Council") which is responsible for administering the funds. The Council is made up of representatives of the Franchisees and OSU and is chaired by an elected member of the Council.

6. Continuing training courses are tuition-free unless OSU is charged by third parties for use of facilities or personnel. If so, You must pay for Your share of these charges. In 2015 there were no charges passed on to franchisees.

7. The current maximum legal interest rate in California is 10%.

8. In addition to any additional fees found due as a result of an audit of Your financial records, You must pay OSU its Audit Fees if You have understated Gross Sales by more than 2% of the actual Gross Sales found by the audit. OSU estimates the cost of the audit to be between $2,000 and $5,000.

ITEM 7. INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
INITIAL FRANCHISE FEE (2)	$40,000	$80,000	Lump Sum	Signing of Franchise Agreement	OSU
TRAVEL & LIVING EXPENSES WHILE TRAINING (3)	None	$5,000	As Incurred	During Training	Airlines, Hotels and Restaurants
LEASE DEPOSIT (4)	$3,000	$5,000	Lump Sum	Signing of Lease	Lessor
COMPUTER & SOFTWARE (5)	$10,000	$20,000	As Incurred	Before Opening	Contractors
DELIVERY VEHICLE (6)	$10,000	$15,000			
EQUIPMENT AND FURNITURE (7)	$15,000	$30,000	Lump Sum	Before Opening	Suppliers
SIGNS	$5,000	$10,000	Lump Sum	Before Opening	Suppliers
MISCELLANEOUS OPENING COSTS (8)	$5,000	$10,000	As Incurred	As Incurred	Suppliers, Utilities, Etc.
OPENING INVENTORY (9)	$450,000	$700,000	Lump Sum	Before Opening	Approved Suppliers
RENT FOR FIRST THREE MONTHS	$9,000	$15,000	As Incurred	Monthly	Lessor
FRANCHISE AND ADVERTISING FEES- THREE MONTHS	$8,000	$20,000	As Incurred	Monthly	OSU
ADDITIONAL FUNDS - THREE MONTHS (10)	$45,000	$80,000	As Incurred	As Incurred	Employees, Suppliers and Utilities
TOTAL (11)	$600,000	$1,010,000			

PLEASE SEE THE IMPORTANT FOOTNOTES ON THE NEXT PAGE.

FOOTNOTES:

1. If You have an Existing Business, Your initial investment may be substantially less. For example, OSU does not charge an initial Franchise fee for an Existing Business because in that case less training and other assistance is required. Also, Your training costs may be much less, and You may already own many of the items You will need after You convert Your Existing Business to an Outlet, such as a computer, delivery vehicle, equipment and furniture.

2. You must pay half (1/2) of the Initial Franchise Fee when You sign the Franchise Agreement and the balance immediately after You establish Your Outlet.

3. Training is tuition-free, but You must pay for the expenses of attendance, such as lodging, meals transportation and wages of trainees. This estimate is based upon training 1 person for 4 weeks.

4. Unless You own the Outlet premises and warehouse, You must lease or sublease the property from the owner. A typical Outlet contains approximately 5,000 square feet of space, including space for an office. A lease normally requires payment of the first month's rent and a deposit equal to a second month's rent.

5. You must purchase a computer system which is IBM-compatible. It must be able to operate the System's customized software and include at least four workstations with video display units and two printers.

6. OSU recommends that You own at least one truck for customer deliveries.

7. You must obtain a telefax machine and a telephone answering machine that uses recorded messages.

8. This includes a grand opening promotion and one year's estimated insurance premium for property and liability insurance. The cost of insurance varies depending on many factors such as driving records and where You or Your driver lives. You should contact Your insurance agent and obtain an estimate of Your actual insurance costs. You must obtain all necessary business permits, Franchise and approvals to operate the Outlet.

9. The initial inventory consists primarily of various automobile parts, accessories and equipment. The amount will vary depending on the anticipated sales volume as well as current market prices. You may purchase some of these items from Parts Source, as discussed in ITEMS 8 and 9 below.

10. This category includes estimated payroll, utilities, vendor, advertising, promotion and similar costs during the initial phase of a new Outlet. OSU cannot guarantee that You will not have additional expenses starting Your business. Your costs will depend on factors such as how much You follow the System and its procedures, the local market for Outlet products, the prevailing wage rate, competition, and the sales level reached during the initial period.

11. Except for security deposits, none of the above payments are expected to be refundable. OSU will not finance any of these payments, but OSU will assist You in obtaining financing sources for any of the above payments.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are not required to purchase any products from OSU or OSU's Affiliate, Parts Source, except for specified invoices and related forms.

OSU may in the future designate certain brands and products that You must offer from Your Outlet. These proprietary products will bear a brand owned by OSU, and Brake Supply may be the only source for these products.

Except for the above, all items, including equipment, furnishings and supplies, may be purchased from any approved supplier provided that these products meet the specifications provided for in the Operations Manual. The cost of automotive parts, accessories, and equipment purchased in accordance with OSU's specifications will represent 100% of Your total purchases in connection with establishing Your Outlet.

OSU formulates and modifies its specifications and standards based on offering high quality products and excellent service. These specifications and standards are set forth in the Operations Manual.

OSU's affiliate Parts Source is an approved supplier. In the year ended December 31, 2016, Parts Source's revenues from the sale of automotive parts, accessories, and equipment to Franchisees was approximately $666,935 or 2.54% of its total revenues of $26,217,277.

OSU will approve other suppliers for equipment, furniture and supplies. If You want to purchase these items from another supplier, You may request OSU's "Supplier Approval Form". Based on the information and samples You supply OSU and Your payment of a $500 fee, OSU will test the items supplied and review the proposed supplier's financial records, business reputation, delivery performance, credit rating and other information. OSU will complete its review in 90 days.

OSU negotiates purchase arrangements (such as purchase prices) with suppliers for the benefit of Franchisees.

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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.

(The Franchise Development Agreement is abbreviated in this table as "DA", and the Franchise Agreement as "FA".)

Obligation	Section in Agreement	Item in Disclosure Document
a. Site Selection and acquisition/lease	DA: §1.1, 4.2, 4.3, 4.5 FA: §5.1	Items 1, 11
b. Pre-opening purchases/leases	DA: None FA: §5.0, 8.1	Items 7, 8, 11, 16
c. Site development and other pre-opening requirements	DA: §1.1, 4.3 FA: §11, 5.1	Items 1, 5, 7, 11, 12, 15
d. Initial and ongoing training	DA: None FA: §4	Items 1, 11, 17
e. Opening	DA: None FA: §3.1, 6.5	Items 5, 7, 11
f. Fees	DA: §3, 4.4 FA: §2.2(d), 7, 14.1(iii)	Items 1, 5, 6, 7, 17, 19
g. Compliance with standards and policies/Manuals	DA: §4.1 FA: §1.2, 3.3, 3.4, 3.6, 3.7	Items 1, 11
h. Trademarks and proprietary information	DA: §10.2 FA: §3.6, 3.7, 1	Items 13, 14
i. Restrictions on products & services offered	DA: None FA: §3.5, 3.12	Items 8, 16
j. Warranty and customer service requirements	DA: None FA: None	Item 1
k. Territorial development and sales quotas	DA: §1.3, 2, 4.1, 5.1, 8.2 FA: §1.3, 3.13	Items 1, 12

l. Ongoing product/service purchases	DA: None FA: §3.11, 3.12	Items 8, 16
m. Maintenance, appearance & remodeling requirements	DA: None FA: §5	Item 17
n. Insurance	DA: None FA: §11	Item 7
o. Advertising	DA: None FA: §3.2(iii), 6	Items 6, 7, 11
p. Indemnification	DA: None FA: §10	Item 13
q. Owner's participation/ management/ staffing	DA: §10.5 FA: §3.2, 3.10	Item 15
r. Records/Reports	DA: §10.11 FA: §8	Items 6, 11
s. Inspections/audits	DA: None FA: §8.3, 9	Item 17
t. Transfer	DA: §7, 10.3(c)(d), 10.7, 10.10 FA: §13.3, 13.4, 13.6, 14	Items 6, 17
u. Renewal	DA: None FA: §2.2	Items 6, 17
v. Post Termination obligations	DA: None FA: §16.2	Item 17
w. Non-competition covenants	DA: §10.1 FA: §3.8, 3.9	Items 5, 17
x. Dispute resolution	DA: §11.8, 11.9 FA: §17.6, 17.7	Item 17

ITEM 10. FINANCING

OSU does not offer direct or indirect financing. OSU does not guarantee Your note, lease or other obligation.

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, OSU need not provide any assistance to You.

A. Pre-opening. Before You open Your business, OSU will:

1. Conduct an operations training course for You, Your Designated Operator and any other designated employees (Franchise Agreement, Section 4.1). (See Important Footnote below.)

2. Loan You a copy of the Operations Manual. (Franchise Agreement, Section 3.3).

3. Develop an advertising program designed for Your Outlet's initial opening (Franchise Agreement, Section 3.1).

4. Assist You in opening Your business by coordinating its pre-opening activities and being available to assist with its operations for the first month of business, as reasonably needed in OSU's opinion (Franchise Agreement, Section 3.1).

B. Post-opening. During the operation of Your Franchised business, OSU will:

1. Assist You with operating and managing Your Outlet, including periodic visits by OSU representatives (Franchise Agreement, Section 3.1).

2. Assist You in opening Your Outlet by coordinating its pre-opening activities and being available to assist with its operations for the first month of business, as reasonably needed in OSU's opinion (Franchise Agreement, Section 3.1).

3. Assist You in planning Your grand opening and in preparing a mailing list for announcements (Franchise Agreement, Section 6.5).

4. Make available additional training programs as OSU deems appropriate (Franchise Agreement, Section 4.3).

IMPORTANT FOOTNOTE: If You are converting an Existing Business to an Outlet, Your training will be much shorter than the typical training course, which is designed for a newly opened business.

5. Develop and administer promotion and advertising programs designed to promote the collective success of all Outlets (Franchise Agreement, Section 6.1).

6. Maintain, when established, the Marketing Fund and use these funds to pay for promotion and advertising programs for Outlets (Franchise Agreement, Section 6.2).

7. Publish and modify a Marketing Fund Policy containing procedures and guidelines for disbursements from the Marketing Fund. (Franchise Agreement, Section 6.2).
8. Deposit Marketing Fund Fees received into a separate account (Franchise Agreement, Section 6.2).

9. Designate a record keeping system, forms and procedures which You must use in Your business (Franchise Agreement, Section 8.1).

10. Conduct inspections of Your Outlet as it deems advisable (Franchise Agreement, Section 9.1).

11. Give You written notice of Your first refusal rights if OSU acquires a chain of automotive supply outlets for conversion to Outlets and one or more of these conversion Outlets are within Your Territory (Franchise Development Agreement, Section 5.1).

C. Site Selection.

OSU does not select a site for the Outlet. OSU will approve an area within which You may select a site, and You must obtain OSU's prior approval of each site. Site approval may take between 90 and 180 days.

OSU will consider as part of site approval a number of factors such as potential customers density of at least 200 auto repair shops, assessment of a demographic study of the customer mix compared to existing profiles already established by OSU, assessment of competitor activity, traffic patterns of the area as well as specific size, parking and other physical characteristics of the proposed site itself. OSU may consider other factors relevant to a site, depending upon its specific characteristics.

D. Time Before Opening.

Franchisees typically open an Outlet 60 days after execution of the Franchise Agreement and payment of the first initial fee installment. This length of time may be affected by factors such as difficulties in obtaining a lease for an acceptable warehousing premises, building or sign permits or delays caused by zoning or local ordinances, weather conditions, labor strikes, shortages of products and installation of equipment, fixtures and signs.

E. Training.

As of December 31, 2016 OSU's training program consisted of 4 weeks of training pursuant to the following general outline:

SUBJECT	TIME BEGUN	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING
Product Knowledge	Immediate	Product Catalogs	0	40 hrs.
Sales Training	After 40 Hours	Sales Training Guide	5 hrs.	40 hrs.
Computer Operation	Immediate	Practical	0	80 hrs.
Administration	After 80 Hours	Administration Handbook	3 hrs.	16 hrs.

NOTES:

1. OSU expects to conduct these training courses several times each year. All of the above training must be successfully completed before opening of Franchised Outlet.

2. OSU may terminate the Franchise Agreement if You fail to successfully complete this training course.

3. OSU will provide its operations training course to You, Your Designated Operator and the person carrying out the administrative duties as soon as possible, after You sign the Franchise Agreement, depending primarily on when You and Your representatives are available. OSU's instructors have had several years of experience and have been with OSU and its Affiliates since its formation. However, at times certain instructors may be unavailable and others will substitute for them as necessary. Jess Garrison is the National Sales Director of Parts Source and has over 25 years of experience in the Auto Care Industry including Operations and Sales Management. Cherine Morris is the Operations and Human Resources Manager at Parts Source and has been with the company over 10 years. She holds a BA Degree in Business Administration with a concentration in Management. She also holds a PHR-CA Professional Certification.

4. OSU requires that all administrative and sales personnel and Your Designated Operator personally attend refresher training courses covering operations and new product or procedure introductions. These courses may be from 1 to 3 days on an annual basis, costing You no more than our cost and Your travel and lodging costs. See Footnote 6 in ITEM 6.

5. Training will be conducted in various locations in Orange County, California. The training courses may be located at OSU's headquarters or Affiliate outlets. OSU does not charge for this training, unless OSU is required to pay for facilities or personnel of a third party. You must pay for the travel and living expenses for You and Your representatives.

6. OSU may develop audio-visual and other training materials which You will be able to purchase from OSU at reasonable charges.

F. Advertising.

OSU provides advertising materials and services to You through an Advertising Council. OSU conducts its advertising at a trade level to encourage the customer base to use its services in preference to the competition.

OSU primarily uses the format of premium incentives and product awareness campaigns in its advertising and promotion. Whenever possible, the material is produced in-house or provided by vendors. Advertising media may include print, radio or television, primarily local in scope.

The Council administers the local advertising funds and meets regularly to develop and monitor advertising and promotional strategies. Before each fiscal year, the Council establishes next year's program and then presents the program to major vendors to encourage cooperative participation and funding. The final plan is then presented to the Franchisees.

The Council is responsible for establishing the exact percentage that each Franchisee must contribute in terms of the Franchise Agreement. The contribution is expressed as a percentage of Gross Sales and takes into account any co-op contributions from vendors. You will receive a monthly statement showing Your contributions and expenditures from the fund.

The Council will refund any surplus funds from Your contributions not spent in each 12 month period. You will receive at the end of each 12 month period a financial statement showing the source and expenditures of all funds administered by the Council.

You may develop advertising materials for Your own use at Your own cost. OSU must approve the advertising materials in advance and in writing. Approval takes between 60 and 120 days.

G. Electronic Cash Registers; Computer Programs.

You must purchase a computer system that is IBM-compatible or other OSU-approved computer which will operate OSU's customized software. You must also obtain a telefax machine and a telephone answering machine. OSU may require You to upgrade or update the computers and programs, telefax machine, and telephone answering machine, with no limitation on the frequency or cost of this requirement.

The current proprietor of the software is Autologue Computer Systems, 8452 Commonwealth, Buena Park, CA 90621; 800-722-1113. Proprietary customized software must be purchased through an approved supplier at a current one time cost estimated at $5,000 to $8,000. There is currently a $125 charge for maintenance and support. There may be additional charges for upgrades and updates of the software. OSU has utilized this software for many years. You will have independent access to the software provider.

None of the above are proprietary properties of OSU or Parts Source. OSU is not obligated to provide or assist You in obtaining the above items or services.

H. Operations and Other Manuals.

You may review the Operations Manual before purchasing a Franchise. However, You may not copy any of the information contained in the Operations Manual as it contains proprietary information. OSU may require that You sign a confidentiality agreement regarding the Manual. (**Exhibit F**)

ITEM 12. TERRITORY

Franchise Agreement

You will have a designated geographic area as Your Territory. OSU and You must agree upon the location and size of the Territory based on population and other demographics. Each Territory generally includes a present or anticipated customer base of 200 auto repair shops, as determined by You and OSU.

You will operate from an Outlet within that Territory and must receive OSU's approval before relocating. You may not solicit customers outside of Your Territory. OSU will not solicit or authorize anyone else to solicit customers as an Outlet within Your Territory except as may be required by law, or if You chose not to service a Chain Account (as define below).

OSU may develop procedures for referrals of potential ONE STOP PARTS SOURCE customers. If so, You must cooperate and participate in these procedures. OSU's good faith decisions over disputes regarding solicitations of customers is final and binding on all parties.

You must include in all advertising and promotion Your Outlet's name and a description of the geographical area You serve. There is no minimum sales quota. You maintain rights to Your Territory even though the population increases. Your territorial rights are not dependent upon achievement of a certain sales volume, market penetration or any other contingency, and it will not be altered except by mutual consent.

OSU may designate as a "Chain Account" any potential or actual customer of ONE STOP PARTS SOURCE products or services which has more than one outlet and may make arrangements with the customer to establish the terms of sale of products or services by either OSU or You if the Chain Account has one or more outlets within Your Territory. You must service these outlet(s) under the same arrangements; otherwise OSU or another Franchisee will service the Chain Account's outlet(s) in Your Territory. If You choose not to service the Chain Account, Your Territory will be protected, but not exclusive. You will face competition from OSU or the Franchisee who is serving the Chain Account.

Franchise Development Agreement

If You qualify for operating more than one Outlet, You may purchase a Franchise Development Agreement (the "LDA"). The LDA will grant You the exclusive right to develop a specified number of Franchised Outlets within a larger geographic territory during a minimum five-year period unless the right is terminated or extended by mutual written agreement.

During the five (5) year term of the LDA, OSU will not Franchise or allow any other party to operate an Outlet within Your Territory (except for the first refusal rights contained in Your Franchise Agreement).

There is no minimum sales quota. You maintain rights to Your Territory even though the population increases if You develop the Required Outlets under the development schedule.

If You materially breach the LDA and it is terminated, OSU will have the full right to Franchise other parties to operate Outlets within what was Your Territory and OSU may operate Outlets within that Territory.

If before the end of the term You have opened all of the Outlets required by the Franchise Development Agreement and OSU decides that one or more additional Outlets should be developed within Your Territory, You will have the right of first refusal for the additional Outlet(s).

You may develop more than the required number of Outlets so long as You receive OSU prior written approval for each Outlet and otherwise follow OSU's Franchise Development Program. OSU will grant approval for an additional Outlet if it approves Your financial and operational status and the proposed Outlet(s).

If OSU acquires a chain of automotive supply outlets with the intention of converting some or all of them to Outlets, You will have a right of first refusal to purchase and convert any of those Outlets within Your Territory.

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ITEM 13. TRADEMARKS

You will receive the right to operate an Outlet under the name ONE STOP PARTS SOURCE® and the name of Your Territory. You may also use other current or future trademarks as We designate to operate Your Outlet. By trademark, OSU means trade names, trademarks, service marks and logos used to identify Your business. The following trademarks are registered with the United States Patent and Trademark Office ("**USPTO**") Principal Register:

Mark	Reg. Number	Date
ONE STOP PARTS SOURCE	3207445	2/13/07
ONE STOP	2390854	10/3/00
WE DELIVER A PART OF YOUR SUCCESS	4419312	10/15/13

The above marks are owned by One Stop Parts Source, LLC, which has licensed OSU the sole use of the Marks in a written license agreement. All required affidavits have been filed for the above registered trademarks. You must follow OSU's rules when using these marks.

You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those that OSU Franchises to You. You may not use OSU's registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by OSU. No agreements limit OSU's right to use or Franchise the use of OSU's trademarks. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks.

You must notify OSU immediately after learning about an infringement of or challenge to Your use of OSU's trademarks. OSU will take the action it thinks appropriate to protect the integrity and validity of its trademarks. OSU is not required to take any specific action in regard to infringements involving its trademarks. OSU has the sole right to control administrative proceedings or litigation regarding any trademark infringements. OSU is not obligated to participate in Your defense or to indemnify You for damages if You are a party to a legal proceeding involving a trademark Franchised by OSU or if the proceeding is resolved unfavorably to You.

You must modify or discontinue the use of a trademark if OSU modifies or discontinues it. You must not contest OSU's right to OSU's trademarks, trade secrets or business techniques.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, but You can use the proprietary information in the Operations Manual. The Operations Manual is referred to in ITEM 11. Although OSU has not filed an application for a copyright registration for the Operations Manual, it claims a copyright and the information is proprietary. ITEM 11 describes limitations on the use of this Manual by You and Your employees. You must also promptly tell OSU when You learn about unauthorized use of this proprietary information. OSU is not required to take any action, but it will respond to this information as it thinks appropriate.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

OSU does not require that You personally supervise the Franchised Outlet. A full-time Operator who has successfully completed OSU's training program and been approved by OSU can directly supervise the Outlet. The Operator cannot have an interest in or business relationship with any of OSU's business competitors.

The Operator must have substantial operating experience, demonstrate strong management abilities and promote the System's positive image. Each Operator must sign a written agreement to maintain confidentiality of the trade secrets described in ITEM 14 and to conform with the covenants not to compete described in ITEM 17.

Unless OSU has given its written consent to the contrary, all of the owner(s) of the Franchisee must personally guarantee the Franchise Agreement and Franchise Development Agreement. (See Exhibit to Franchise Agreement.)

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those products and services that OSU has approved (see ITEM 8).

You must offer all products and services that OSU designates as required for all Franchisees. These required products and services are described in the Operations Manuals. You must obtain OSU's prior written approval for any other products and services to be sold by Your Outlet. Approval generally takes 90 to 120 days.

OSU may change the types of authorized products and services that You must offer from Your Outlet. There are no limits to OSU's rights to make these changes.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section	Summary
a. Initial Term	FA: §2.1	Initial term of Franchise is 10 years.
b. Renewal or extension of the term.	FA: §2.2	You may renew the Franchise for an additional 10-year term if certain conditions are met. "**Renewal**" may require You to sign a contract with materially different terms and conditions than Your original contract.
c. Requirements for renewal or extension.	FA: §2.2	6-12 months notice, no defaults during last 12 months, material and timely compliance with franchise during initial term, satisfied all monetary obligations owed to OSU and suppliers, completed all required additional training, made all requested changes in operating personnel, modernized the Franchised outlet and vehicles and other equipment, payment of renewal fee and signing of new Franchise agreement and general release.
d. Termination by You without cause.	None	For Existing Business, either party may terminate at the end of the first year. Addendum Section 3.
e. Termination by OSU without cause	None	For Existing Business, either party may terminate at the end of the first year. Addendum Section 3.
f. Termination by OSU with cause.	FA: §16.1	OSU can terminate only if You default.
g. "Cause" defined as defaults which can be cured.	FA: §16.1	You have 30 days after notice to cure defaults. Includes defaults in other OSU Franchise agreements. No cure period for default repeated twice within any twelve-month period.

h. "Cause" defined as defaults which cannot be cured.	FA: §16.1	Non-curable defaults: Failure to complete training or allow inspection, bankruptcy or similar action, material misrepresentation in obtaining the Franchise, conviction of crime involving moral turpitude or failure to obtain consent to transfer rights or offer first right of refusal.
i. Obligations on termination.	FA: §16.2	Immediate obligations include no more use of trademarks or proprietary information, remove all marks from all vehicles and other equipment, transfer all telephone numbers used in business to OSU its designee or at OSU request discontinue use of these telephone numbers, transfer all customer lists, contact lists or similar information to OSU, return of all OSU's manuals, and de-identification of the outlet.
j. Assignment of contract by OSU.	None	No restriction on OSU's right to assign.
k. "Transfer" by You-definition	FA: §14.1	Includes transfer of rights under Franchise Agreement and ownership change.
l. OSU's approval of transfer by Franchisee.	FA: §14.1	OSU has the right to approve all third party transfers but will not unreasonably withhold approval.
m. Conditions for OSU's approval of transfer.	FA: §14.1	No default, assets of the outlet in standard condition, payment of all amounts owed to OSU and affiliates, payment of transfer fee, transferee qualifies and passes training, current Franchise Agreement signed by transferee and release and non-competition agreement signed by You.
n. OSU's right of first refusal to acquire Your business.	FA: §14.3	OSU can match any offer for the Franchised business.
o. OSU's option to purchase Your business	None	
p. Your death or disability.	FA: §13.7	Approval by OSU of heir or sale within six months to an approved buyer.

q. Non-competition covenants during the term of the franchise.	FA: §3.8, 3.9	No Competitive Interest (sale of automotive parts and supplies and related products) unless follows first refusal procedures as stated.
r. Non-competition covenants after the franchise is terminated, transferred or expires.	FA: §3.9	No competing business for 2 years within 30 miles of any ONE STOP PARTS SOURCE Outlet in U.S. or Canada.
s. Modification of the agreement.	FA: §17.10	Only written and signed modifications but Manual subject to change.
t. Integration/ merger clause.	FA: §17.11	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim the representations made in Our Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation.	FA: §17.7	Except for certain claims, all disputes must be arbitrated in the county where OSU's corporate headquarters are located ("Home County"), currently Orange County, California.
v. Choice of forum	FA: §17.7	Litigation must be in the Home County.
w. Choice of law.	FA: §17.6	Law of state where all or most of the Territory is located applies.

Please see the California Appendix at **Exhibit A.**

ITEM 18. PUBLIC FIGURES

OSU does not use any public figure to promote its franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of Company-owned or franchised outlets. We also do not authorize Our employees or representatives to make any such representation either orally or in writing. If You are purchasing an existing Outlet, however, We may provide You with the actual records of that outlet. If You receive any other financial performance information or projections of Your future income, You should report it to the franchisor's management by contacting our President, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEM WIDE OUTLETS SUMMARY
For Fiscal Years 2014 to 2016

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets of the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2014	8	6	-2
	2015	6	6	0
	2016	6	6	0
Company-Owned	2014	10	8	-2
	2015	8	10	+2
	2016	10	10	0
Total Outlets	2014	18	14	-4
	2015	14	16	+2
	2016	16	16	0

Note: Our Fiscal Year ends December 31. The Company-owned Outlet is owned and operated by an Affiliate.

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)

For Fiscal Years 2014 to 2016

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2014	0
	2015	0
	2016	0
Totals	2014	0
	2015	0
	2016	0

Table No. 3
STATUS OF FRANCHISED OUTLETS
For Fiscal Years 2014 to 2016

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations/ Other Reasons	Column 9 Outlets at the End of the Year
California	2014	8	0	0	0	0	2	6
	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	0	6
Totals	2014	8	0	0	0	0	2	6
	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	0	6

Table No. 4
STATUS OF COMPANY OUTLETS
For Fiscal Years 2014 to 2016

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	2014	6	0	0	1	0	5
	2015	5	1	0	0	0	6
	2016	6	0	0	0	0	6
Colorado	2014	4	0	0	1	0	3
	2015	3	1	0	0	0	4
	2016	4	0	0	0	0	4
Totals	2014	10	0	0	2	0	8
	2015	8	2	0	0	0	10
	2016	10	0	0	0	0	10

You should be aware that OSU is required by law to disclose Your contact information to other franchise purchasers if You become a franchisee or leave its franchise system. The names, addresses and telephone numbers of OSU's franchisees as of December 31, 2016 are set forth in **Exhibit E**. The name, last known address and telephone number of every franchisee within the most recently competed fiscal year who has had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or who has not communicated with OSU within 10 weeks of the date of this Disclosure document, are set forth in **Exhibit E**.

During the last three fiscal years, OSU has signed no confidentiality clauses with current or former franchisees. Each confidentiality agreement was entered into as part of a settlement of a dispute between OSU and the current or former franchisee.

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Table No. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2016

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED FRANCHISED NEW OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OUTLETS OPENINGS IN NEXT FISCAL YEAR
Calif.	0	1	0
Colorado	0	0	1
Totals	0	1	1

ITEM 21. FINANCIAL STATEMENTS

OSU's audited financial statements dated December 31, 2016, December 31, 2015 and December 31, 2014 are attached hereto as **Exhibit C.**

ITEM 22. CONTRACTS

Attached are the following contracts:

Exhibit A:	Franchise Agreement Personal Guaranty Addendum for Existing Business California Appendix
Exhibit B:	Franchise Development Agreement
Exhibit D:	Confidentiality Agreement

ITEM 23. RECEIPTS

You will find copies of a detachable receipt in **Exhibit G** at the very of this disclosure document. It is important that You sign, date and return a Receipt to OSU. Thank You.

Michael Thompson acts as OSU's franchise seller. His address and telephone number are: 2601 S. Birch Street, Suite A, Santa Ana, California 92707; (949) 955-2600

Exhibit
A

ONE STOP UNDERCAR, LLC

FRANCHISE AGREEMENT

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ONE STOP PARTS SOURCE®
FRANCHISE AGREEMENT

THIS AGREEMENT is made as of ____________, 201__, by and between One Stop Undercar, LLC, a California corporation, with its principal place of business in Santa Ana, California (the "Company"), and ______________________________ ("Franchisee") and the Principal(s) identified on the signature page of this Franchise Agreement (the "Principals").

RECITALS:

A. The Company has originated a distinctive concept and type of business which involves the distribution of automotive parts and supplies and related products and services under the name "One Stop Parts Source®" (the "One Stop Parts Source Business").

B. The Company has developed and adopted for use as part of the One Stop Parts Source Business a system ("System") which consists in part of advertising signs and other materials, employee clothing, specially designed equipment layout plans, product sales techniques and presentation and other business techniques, systems and procedures and a One Stop Parts Source Manual as described in Section 3.3 below (the "Manual").

C. The Company is the owner of various trademarks and service marks employed in a One Stop Parts Source Business (the "Marks"), including the mark "One Stop Parts Source" for which a federal service mark application has been applied and is willing to license others to use the Marks as part of a franchised One Stop Parts Source Business.

D. Franchisee wishes to purchase a One Stop Parts Source franchise and desires, upon the terms, conditions and provisions herein after set forth, to establish and operate a Franchised One Stop Parts Source Business pursuant to the System and under the terms of this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1: GRANT OF FRANCHISE

1.1 Grant. The Company hereby grants to Franchisee a limited license and franchise to use the Marks and the System solely in direct connection with the sale of services and products as authorized herein from a One Stop Parts Source Franchised Business (the "Franchised Business") to be operated by Franchisee within the geographical area described on Exhibit A attached hereto and incorporated herein by reference (the "Territory"). The Franchised Business will be operated under the following name:

"One Stop Parts Source - __________________".

The grant of this limited license and franchise is subject to the terms, conditions and limitations hereinafter set forth, including without limitation those contained in Section 14 entitled "TRADEMARKS".

1.2 Strict Conformity. Franchisee agrees that throughout the term of this Agreement Franchisee will operate the Franchised Business in strict accordance with the terms of this Agreement and shall perform all other obligations of the Franchisee provided for by this Agreement.

1.3 Exclusive Territory. The Company agrees that during the term of this Agreement so long as Franchisee is not in material default hereof, the Company will not itself solicit or authorize any other person to solicit customers as a One Stop Parts Source Business within the Territory except as may be required by law and as otherwise provided herein. Franchisee agrees that the Company may from time to time develop procedures for referrals of potential One Stop Parts Source customers through advertising, centralized telephone numbers and dispatching or other means, in which case Franchisee will cooperate and participate in such procedures. In the event of any dispute regarding solicitations of customers, the Company's decision made in good faith shall be final and binding on all parties.

1.4 Solicitation. Franchisee agrees that Franchisee will not solicit customers for the Franchised Business anywhere except within the Territory. Franchisee further agrees that in all advertising and promotion by Franchisee of the Franchised Business, Franchisee will, in addition to use of the name set forth above in Subsection 1.1, include statements which describe the area served by Franchisee, which statements shall be in such form as may be approved by the Company from to time. A failure by Franchisee to observe the requirements of this Subsection shall constitute a material default of this Agreement.

SECTION 2: TERM

2.1 Initial Term. This Agreement shall commence on the date first set forth on page 1 and will continue for a term of ten (10) years, unless earlier terminated in accordance with the conditions and provisions hereof.

2.2 Renewal. Franchisee may renew this Agreement for one additional term of ten (10) years, provided that all of the following conditions have been satisfied:

(a) Franchisee has given the Company written notice of renewal not less than six (6) months or more than twelve (12) months prior to the end of the initial term;

(b) Franchisee has not been in default of any provision of this Agreement at any time during the last twelve months of the initial term and has complied with all material terms and conditions of this Agreement during its initial term;

(c) Franchisee must have satisfied all monetary obligations owed by it to the Company and Franchisee's suppliers and timely met such obligations throughout the initial term of this Agreement;

(d) Franchisee must by the end of the initial term (i) complete any additional training required by the Company and (ii) make any requested changes in operating personnel, (iii) modernize the Franchised Business and its vehicles and other equipment as the Company may reasonably require, including without limitation, replacement of vehicles, signs, paint and decorations to reflect the then current standards and image of the System as may be designated in the Manual and (iv) pay a renewal fee equal to twenty percent (20%) of the initial license fee being charged by the Company generally at that time;

(e) Franchisee must execute the Company's then current form of license agreement, which agreement will supersede this Agreement in all respects and the terms of which may differ from the terms of this Agreement, including without limitation, a higher percentage royalty fee and advertising contribution; and

(f) Franchisee must execute the Company's form of a general release of any and all claims against the Company and its affiliates, officers, directors, agents and employees.

SECTION 3: BUSINESS SYSTEM AND PROCEDURES

3.1 Assistance by Company. The Company will furnish Franchisee with advice and assistance in managing and operating a One Stop Parts Source Franchised Business, including periodic visits by the Company's representatives. A Company representative will assist the Franchisee in coordinating the Franchised Business pre-opening activities and will be available to assist with the Franchised Business during the first month of business, as reasonably needed. In addition, the Company will develop and present to the Franchisee, and the Franchisee and the Company shall carry out, an advertising program designed for the initial opening of the Franchised Business.

3.2 Operation of the Franchised Business. (a) The individual(s) named in this Subsection shall devote his or her full time, best efforts and constant personal attention to the day to day operation of the Franchised Business: ____ (the "Operator").

(b) Unless the Company shall give its prior advance written approval, the Franchisee shall keep the Franchised Business open for business during such hours as are specified by the Company in the Manual. In addition, and without limiting the generality of the foregoing responsibilities, the Franchisee expressly agrees to:

(i) Operate the Franchised Business and its vehicles in a clean, safe and orderly manner, providing courteous, first class service to its customers;
(ii) Diligently promote and make every reasonable effort to increase the business of the Franchised Business;

(iii) Advertise the Franchised Business by the use of the Marks and such other insignia, slogan, emblems, symbols, designs and other identifying characteristics as may be developed or established from time to time by the Company and included in the Manual; and
(iv) Prevent the use of the Franchised Business for any immoral or illegal purpose, or for any other purpose, business activity, use or function which is not expressly authorized hereunder or in the Manual.

3.3 The Manual. Franchisee hereby acknowledges receipt and loan of a copy of the Manual. Franchisee agrees to faithfully, completely and continuously perform, fulfill, observe and follow all instructions, requirements, standards, specifications, systems and procedures contained in the Manual, including those dealing with the purchasing, storage, delivery and related services in connection with automotive parts and supplies and the maintenance and repair of the vehicles used in the Franchised Business as well as other equipment and including those provisions of the Manual relating to employee dress and appearance, accounting, record retention and other business systems, forms and procedures. By reference, the Manual, as presently constituted and as it may hereafter be amended and supplemented by the Company from time to time is incorporated in and made part of this Agreement. Franchisee acknowledges and agrees that the Manual is an integral, necessary and material element of the System and that the Company may modify the Manual from time to time during the term hereof to maintain and/or upgrade the System for the benefit of the Company and Franchisees. Franchisee expressly agrees to comply with all modifications of the Manual and to keep its copy of the Manual current with all modifications sent by the Company.

3.4 Uniformity and Conformity. Franchisee understands, acknowledges and agrees that strict conformity with the System, including the standards, specifications, systems, procedures, requirements and instructions contained in this Agreement and in the Manual, is vitally important to the success not only of the Company, but to the collective success of all One Stop Parts Source Franchisees, including Franchisee, by reason of the benefits all Franchisees and the Company will derive from chain uniformity in identity, quality, appearance, facilities and service among all One Stop Parts Source Businesses. Any failure to adhere to the standards, specifications, requirements or instructions contained in this Agreement or in the Manual shall constitute a material breach of this Agreement.

3.5 Products and Services. Franchisee shall offer for sale from the Franchised Business all and only the services and products expressly described in the Manual, unless the Franchisee shall have received the Company's prior written consent to any exception. Except for Company-authorized brand name products, no services or other products shall be offered or sold by the Franchised Business under or in connection with any trademark or service mark other than the Marks without the prior written authorization of the Company in each case.

3.6 Confidentiality. Franchisee agrees that (a) the Company is the owner of all rights in and to the System, including the confidential information and materials described or contained in the Manual and any computer software programs furnished or sold to Franchisee, and that (b) the System, including such information, materials and software, constitutes trade secrets of the Company which are revealed to the Franchisee in confidence. Franchisee agrees not to disclose, duplicate, copy, license, sell or reveal any portion thereof to any person, other than an employee of the Franchisee required by his or her work to be familiar with relevant portions thereof. Franchisee hereby agrees to respect and keep such confidences extended by the Company to the Franchisee, to obtain from each of Franchisee's management members an agreement to respect and keep such confidence and to be responsible for compliance by such employees with such agreements.

3.7 Company Property. The Manual and all such other materials furnished to the Franchisee hereunder, including without limitation any telephone pre-recorded messages, are and shall remain the property of the Company and are required to be returned to the Company immediately upon the expiration or earlier termination of this Agreement for any reason. In addition, Franchisee acknowledges that all material bearing one or more of the Marks are proprietary to the Company, and the Company may purchase any such material from Franchisee at any time at Franchisee's cost.

3.8 Competitive Interest. (a) During the term of this Agreement neither Franchisee, the Principals nor the Operator (the "Restrained Parties") will, directly or indirectly, engage in or have any interest whatsoever in or consult, advise, finance or perform any other services for any wholesale distributor of automotive components ("Competitive Interest") without the prior express written consent of the Company; provided, however, that if a Restrained Party wants to engage in or have a Competitive Interest in an area in which neither the Company, an Affiliate nor any One Stop Parts Source Franchisee is conducting a One Stop Parts Source business at that time, the Restrained Party shall send written notice to the Company setting forth all of the material details of such Competitive Interest and as an alternative to such Competitive Interest, containing an offer to purchase a License Agreement to cover such area on the terms and conditions then being offered by the Company to Franchisees generally.

(b) If the Company accepts such offer, the Restrained Party and the Company will sign and deliver as soon as possible thereafter a One Stop Parts Source License Agreement for such area, and the Restrained Party will pay the Company the then prevailing initial license fee for such License.

(c) If the Company does not accept such offer within 21 days after its receipt of the notice, the Restrained Party shall be entitled to engage in or have the Competitive Interest set forth in the written notice to the Company. In such event, however, the Restrained Party may not under any circumstances use any trademark, trade name, service mark, logo, insignia, slogan, emblem, symbol, design or other identifying characteristic that is in any way associated with the Company or is similar to those associated with the Company or carry on business under any name or in any manner that might tend to give the public the impression that the Restrained Party is a

Franchisee of, or otherwise associated with, the Company in respect to such Competitive Interest.

3.9 Franchisee Covenants. Franchisee agrees that One Stop Parts Source Businesses, including the Franchised Business, must compete (by among other things introducing new services and products and conducting advertising programs) against Similar Businesses (as defined below) which may have far greater financial resources and may be more established within the automotive parts and supplies industry. Franchisee agrees that for purposes hereof, a "Similar Business" is any business which provides services involving the sale of automotive parts and supplies and related products similar to the services and products sold by One Stop Parts Source Businesses. Franchisee therefore specifically agrees to the following undertakings as an integral part of the sale of this license to Franchisee:

(a) During the term of this Agreement, Franchisee, the Operator and each Principal will use his or her personal best efforts to assure compliance at all times with Subsections 3.2, 3.5, 3.6, 3.7, 3.8 and 3.9 of this Agreement.

(b) During the term of this Agreement, neither the Franchisee, the Operator nor any Principal shall divert or attempt to divert any business or customer of the Franchised Business or of any other One Stop Parts Source Business to any Similar Business by direct or indirect inducement, advertising or otherwise or do or perform, directly or indirectly, any other act which is injurious or prejudicial to the goodwill associated with the System or to the Marks.

(c) For a period of two (2) years following the expiration or termination of this Agreement, neither the Franchisee, the Operator nor any Principal will, directly or indirectly, engage in or have any interest whatsoever in any Similar Business which is located within thirty (30) miles of any One Stop Parts Source Business in the United States or Canada without the prior express written consent of the Company.

(d) Franchisee acknowledges and agrees that any violation of the covenants of this Subsection 3.9 would result in irreparable injury to the Company and the System and that the Company would be without an adequate remedy at law. Franchisee therefore agrees that in the event of a breach or threatened breach of any such covenant, the Company shall be entitled, in addition to any other remedies which it may have hereunder or at law or in equity, to a temporary and/or permanent injunction and a decree for specific performance of the terms of Section 3.8 or this Section 3.9 without the necessity of showing actual or threatened damage.

(e) The parties agree that each of the foregoing covenants shall be construed as independent of each other and of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 3.9 is held unenforceable by a court having valid jurisdiction in a final decision between the parties hereto and from which no appeal has or may be taken, the Franchisee expressly agrees to be bound by the remaining portion of such covenant.

(f) Franchisee agrees to obtain and deliver to the Company a written commitment from the Operator (if different from Franchisee) and each Principal that such person agrees to each of the undertakings set forth in Section 3.8 and this Section 3.9.

3.10 Employees. The parties hereby agree that such party will not hire or make arrangements to hire any person employed by the other party or by any other One Stop Parts Source Franchisee without first obtaining such other party or Franchisee's written consent. The parties agree that in the event of a breach by of this covenant, actual damages would be extremely difficult to compute, and accordingly, in the event of such a breach, the breaching party agrees to pay the prior employer of such person liquidated damages equal to the greater of such person's prior annual salary or one-half of the annual salary and of any bonus paid or to be paid by the breaching party to such person during the first year of employment.

3.11 Approved Suppliers. In order to assure uniformity and conformity among Businesses in the System, Franchisee agrees to purchase all products for sale at the Franchised Business from suppliers who are then approved in writing by the Company as an approved One Stop Parts Source supplier. In the event that Franchisee desires to purchase any products from a supplier who is not so approved, Franchisee will notify the Company of such supplier and instruct the proposed supplier to contact the Company and follow the Company's procedures for becoming an approved One Stop Parts Source supplier. Franchisee shall at all times have full discretion in establishing the price of any product or service sold by the Franchisee.

3.12 Approved Products and Brands. Unless the Company has given Franchisee its prior written consent, Franchisee will sell from the Franchised Business only the approved One Stop Parts Source products and brands referred to in Section 3.5 above and specified in the Manual.

3.13 Chain Accounts. Franchisee agrees that the Company may designate as a "Chain Account" any potential or actual customer of One Stop Parts Source products or services which has more than one outlet and may make arrangements with such customer to establish the terms of sale of such products or services by either the Company or its Franchisees, including Franchisee. If any such Chain Account has one or more outlets within the Territory, Franchisee agrees to service such outlet(s) pursuant to the same arrangements or if Franchisee chooses not to do so and so advises the Company in writing, to allow the Company or another Franchisee to service such Chain Account's outlet(s).

SECTION 4: TRAINING

4.1 Initial Training. The Company will make available to Franchisee and other employees designated by Franchisee, the Company's One Stop Parts Source Operations Training Course without payment of any tuition or initial training fees.

4.2 Training Required. Franchisee must attend (for such period of time as the Company shall deem reasonably necessary) and complete the Company's Operations Training Course to the reasonable satisfaction of the Company. If Franchisee fails to complete the Company's training course to the Company's satisfaction, then, at the option of the Company, this Agreement may be terminated upon written notice to the Franchisee. Attendance at and completion of such course may be waived in writing by the Company.

4.3 Continuing Training. Franchisee and other persons employed by Franchisee shall, from time to time as reasonably required by the Company, personally attend and complete Company-provided refresher courses in One Stop Parts Source operations and any training sessions held for the purpose of introducing new services, products or procedures.

4.4 Training Employees. Franchisee shall be responsible for the compliance by the Franchised Business with the standards, methods, techniques and material taught at the Company's One Stop Parts Source Operations Training Course and other courses, and shall cause Franchisee's employees to be trained in such standards, methods and techniques as are relevant to the performance of their respective duties.

4.5 Expenses. Attendance by the Franchisee and persons employed by Franchisee at all continuing training courses shall be tuition-free unless the Company uses the facilities and personnel of a third party. All other training costs shall be at the Franchisee's sole cost and expense, including, without limitation, the cost of travel, lodging, meals and other related and incidental expenses.

SECTION 5: EQUIPMENT AND VEHICLES

5.1 Purchase, Repairs and Maintenance. Franchisee will, at Franchisee's sole cost and expense, purchase or lease and maintain and equip a warehouse and such vehicles and other equipment for use in the Franchised Business as are specified from time to time by the Company in the Manual. Franchisee specifically agrees to acquire additional warehouse space and to replace vehicles and other equipment as necessary or desirable at Franchisee's cost and expense and to obtain at his cost and expense any new or additional equipment as may be reasonably required by the Company for new services, products or procedures. Franchisee agrees to take all such action as requested by the Company promptly within a reasonable time period after receipt of such request. Franchisee agrees to follow the requirements of the Manual in regard to the design, color or decor of the vehicles and warehouse unless Franchisee has received the prior written approval of the Company.

5.2 Other Equipment. Franchisee agrees to purchase and maintain for the Franchised Business (a) a telephone answering machine and to use the recorded messages designated or furnished by the Company from time to time, (b) a telefax machine and (c) a computer and modem as designated by the Company for use in the Franchised Business. Franchisee acknowledges and agrees that the Company may in the future designate additional equipment necessary for efficient operation of the Franchised Business.

SECTION 6: ADVERTISING

6.1 Advertising and Promotion Programs. The Company may at its discretion develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all One Stop Parts Source Businesses. Franchisee expressly agrees that in all phases of such advertising and promotion, including, without limitation, type, quantity, timing, placement and choice of media, market areas and advertising agencies, the decisions of the Company shall be final and binding. Franchisee will have the right to participate actively in all such advertising and sales promotion programs, but only in complete accordance with such terms and conditions as may be established by the Company for each such program.

6.2 Funding of Advertising/Promotion Programs.

(a) Franchisee agrees to support One Stop Parts Source advertising and promotion up to a total of three (3%) of Gross Sales (as defined below) for Local Advertising and Marketing Fund Fees.

(b) As Local Advertising, Franchisee agrees to spend each month a percentage of Gross Sales (as defined below) in conducting approved local advertising and sales promotion programs. The Company will from time to time designate the percentage of Gross Sales up to a maximum of two percent (2%). Upon request by the Company, Franchisee agrees to provide it with proof of all such Local Advertising expenditures.

(c) The Company may in the future establish and maintain a Fund (the "Marketing Fund") which will be kept separate from any Company accounts for the purpose of holding and disbursing Marketing Fund Fees. The Company will then send written notice to Franchisee regarding the Marketing Fund and designating a percentage of monthly Gross Sales to be sent by Franchisee as Marketing Fund Fees.

(d) The Company will then develop, publish and modify from time to time as necessary a Marketing Fund Policy which will set forth procedures and guidelines for disbursements and expenditures from the Marketing Fund and become part of the Manual. All monies in the Marketing Fund, including any interest or other income earned from the investment of such monies must be spent and disbursed only in accordance with this Agreement and the Marketing Fund Policy. Such Policy may be modified from time to time at the discretion of the Company, but such monies must all be used to pay for the advertising, marketing and promotion of One Stop Parts Source Businesses, including without limitation, the employment of advertising agencies, and to pay the costs of creating advertising materials, talent and residual costs, promotions costs, public relations expenses, market research costs and clearance costs of marketing programs.

6.3 Temporary Investment. The Company may temporarily invest any or all of the monies held in the Marketing Fund from time to time at the sole discretion of the Company in accordance with the Marketing Fund Policy. All interest or other income received from such investments may be used by the Company to pay for the expenses of administering the Marketing Fund.

6.4 Approval of Advertising. All advertising copy and other materials shall be in strict accordance and conformity with the standards, formats and specimens contained in the Manual. In the event Franchisee wishes to depart from the materials contained in the Manual, Franchisee shall submit, in each instance and at least thirty (30) days prior to first use, the proposed advertising copy and materials to the Company for approval in advance of publication, and shall use only such advertising materials as have been approved in writing by the Company. In no event shall Franchisee's advertising contain any statement or material which may be considered (a) in bad taste or offensive to the public or to any group of persons; (b) defamatory of any person or an attack on any competitor; or (c) violate any law.

6.5 Grand Opening. Franchisee agrees during the first month after opening of the Franchised Business to conduct a grand opening of the Franchised Business pursuant to the Company's suggested grand opening procedures. The Company will assist Franchisee in planning such grand opening and in preparing a mailing list for announcements.

SECTION 7: FEES

7.1 Fees. As partial consideration for the rights granted hereunder, Franchisee shall pay the Company:

(a) An initial franchise fee of $____________, of which one half shall be paid by Franchisee upon execution of this Agreement and one half shall be paid by Franchisee on or prior to opening of the Franchised Business;

(b) A monthly franchise fee equal to five percent (5%) of each month's Gross Sales as payment for the Franchisee's continuing right to use the One Stop Parts Source System and the Marks; and

(c) Upon notice from the Company, the Monthly Marketing Fee as set forth in Section 6 hereof.

7.2 No Fees Refundable; Net Fees. Franchisee agrees that the fees referred to above in Subsection 7.1 are not refundable in whole or part under any circumstances, and that the initial fee has been fully earned by the Company by the grant of this franchise. Franchisee understands and agrees that all fees payable to the Company are intended to be "net" amounts and that Franchisee will pay or reimburse the Company for any sales, services, use or similar taxes which may be imposed upon such fees (specifically not to include income taxes).

7.3 Payment of Monthly Fees. Franchisee must pay the monthly fees referred to in Subsections 7.1 (b) and (c) above (the "Monthly Fees") to the Company within five (5) business days following the month in which such sales were made, and Franchisee agrees that TIME IS OF THE ESSENCE regarding payment of the Monthly Fees. Franchisee agrees to pay the Monthly Fees to the Company by timely mailing a check no more than five (5) business days after the end of each month together with a copy of such documents and/or forms as shall be designated by the Company in the Manual. Monthly Fees which are not paid when due shall bear interest from and after their respective due dates at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less. Any late payment of Monthly Fees shall be accompanied by a late payment administrative charge of Twenty-five Dollars ($25.00).

7.4 Gross Sales. The term "Gross Sales" as used in this Agreement shall mean and include the total of all amounts accrued during each month or other period for the sale of products and services by Franchisee from or in connection with the Franchised Business, as computed in accordance with generally accepted accounting principles but with no adjustment for bad debts and adjusted for returns and credits to customers given by Franchisee for "cores" and similar items which may be reconditioned for resale. All sales taxes paid in connection therewith shall be excluded from "Gross Sales." The Company may from time to time at its discretion reduce the monthly franchise fee applicable to certain products or services which would otherwise be fully included in "Gross Sales".

SECTION 8: RECORD KEEPING

8.1 Business Records. The Company will designate for Franchisee a record keeping system and forms for the Franchised Business, and Franchisee must employ such system, without change, in connection with the Franchised Business. Franchisee will use such bookkeeping and record-keeping forms as may be prescribed from time to time in the Manual. The Franchisee agrees to purchase a computer, modem and computer software program for such purpose as designated by the Company from time to time in the Manual.

8.2 Reports. Franchisee agrees to complete and submit to the Company on a regular continuous basis:

(a) Monthly Sales Reports, a copy of which shall be sent to Company within five (5) days after the end of each month; and

(b) Annual Financial Statements, on or before ninety (90) days following the end of Franchisee's fiscal or calendar year.

8.3 Financial Statements. The Annual Financial Statements referred to above shall include a balance sheet dated as of the end of the Franchisee's fiscal year or calendar year and a profit and loss statement for such year, together with such additional financial information as the Company may reasonably request, all prepared in accordance with generally accepted accounting principles. Such balance sheet and profit and loss statement must be reviewed by an independent certified public accountant in accordance with Statements on Standards for Accounting and Review Services and must contain a signed opinion by such accountant to that effect. If Franchisee fails to provide the Company with such financial statement, the Company shall have the right to have an independent audit made of the Franchisee's books and records, and Franchisee shall promptly reimburse the Company for the cost thereof.

8.4 Procedures. Each of the Reports referred to in this Section shall be completed by Franchisee or Franchisee's accountant pursuant to the instructions and specimen forms contained in the Manual. TIME IS OF THE ESSENCE with respect to completion and submission of each such Report.

SECTION 9: INSPECTION

9.1 Inspection. The Company has the right at any time and from time to time without notice to have its representatives contact the employees of the Franchisee and inspect the vehicles, other equipment and inventory of the Franchised Business for the purpose of inspecting the condition thereof and the operation of the Franchised Business for compliance with the standards, specifications, requirements and instructions contained in this Agreement and in the Manual, and for any other reasonable purpose connected with the operation of the Franchised Business, including the obligation to use only approved products and suppliers.

9.2 Books and Records. Without limiting the generality of Subsection 9.1, Company representatives shall have the right at all times during normal business hours to confer with employees and customers, and to inspect Franchisee's books, records and income and sales tax returns, or such portions thereof as pertain to the operation of the Franchised Business. All such books, records and tax returns shall be kept and maintained at Franchisee's office or such other place as may be agreed to from time to time in writing by the parties. If any such inspection reveals that the Gross Sales reported in any report or statement are less than the Gross Sales ascertained by such inspection, Franchisee shall immediately pay the Company the additional amount of fees owing by reason of the understatement of Gross Sales previously reported, together with interest as provided in Subsection 7.3. In the event of an understatement by Franchisee of Gross Sales in any report or statement of more than two percent (2%)

of the Gross Sales reported in such report or statement, Franchisee shall in addition to the additional fees and interest, pay and reimburse the Company for any and all expenses incurred in connection with its inspection, including, but not limited to, reasonable accounting and legal fees. Such payments shall be without prejudice to any other rights or remedies the Company may have under this Agreement or otherwise.

9.3 Stock Register. If Franchisee is a corporation, it shall maintain an accurate stock register, which shall include a list of names, addresses and interests of all beneficial owners of its stock who are not owners of record (such as beneficiaries of any trust). Franchisee shall produce its stock register and the list of beneficial owners, certified by the corporation's secretary to be correct, at the offices of Franchisee at any reasonable time and from time to time after ten days' prior written request by the Company. Company representative shall have the right to examine the stock register and any list of beneficial owners and to reproduce all or any part thereof.

SECTION 10: RELATIONSHIP OF PARTIES AND INDEMNIFICATION

10.1 Relationship. Franchisee is not, and will not ever represent or hold itself out as, an agent, legal representative, joint venture, partner, employee or servant of the Company for any purpose whatsoever and, where permitted by the law to do so, shall file a business certificate to such effect with the proper recording authorities. Franchisee is an independent contractor and is not authorized to make any contract, agreement, warranty or representation on behalf of the Company, or to create any obligation express or implied on behalf of the Company. Franchisee agrees that the Company is not in any way a "fiduciary" as regards Franchisee. During the term of this Agreement only, Franchisee may use the name One Stop Parts Source together with a description of the Territory as approved in advance by the Company, but shall always disclose to third parties that Franchisee is a One Stop Parts Source Franchisee.

10.2 Indemnification. Franchisee agrees to exonerate and indemnify the Company, its subsidiaries and its or their officers, directors, employees, agents, affiliates, successors and assigns from and against (a) any and all claims based upon, arising out of, or in any way related to the operation or condition of any part of the Franchised Business or the operation of vehicles and other equipment in connection therewith, the ownership or possession of real or personal property, any negligent act, misfeasance or nonfeasance by Franchisee or any of its agents, contractors, servants, employees or Franchisees, and including, without limitation, all obligations of Franchisee incurred pursuant to any provisions of this Agreement, and (b) any and all fees (including reasonable attorneys' fees), costs and other expenses incurred by or on behalf of the Company in the investigation of or defense against any and all such claims.

SECTION 11: INSURANCE

11.1 Insurance. Franchisee agrees to obtain before the commencement of operation of the Franchised Business and maintain in full force and effect during the entire term hereof, at its sole cost and expenses, an insurance policy or policies protecting Franchisee and the Company against any and all loss, liability or occurrence, arising out of or in connection with the operation of the Franchised Business and operation of all vehicles in the Franchised Business. The Company shall be named as an additional insured in any such policy. Such policy or policies shall be written by a responsible insurance Company or companies satisfactory to the Company, and shall be in such form and contain such minimum coverage, as the Company shall designate from time to time in the Manual. In any event, such policy or policies shall initially include at least $1,000,000.00 minimum coverage for each occurrence combined single limit. The insurance afforded by the policy or policies shall not be affected in any way by reason of any insurance which may be maintained by the Company. Franchisee shall also maintain workers compensation insurance for employees to the extent required by applicable law.

11.2 Certificates. Franchisee agrees to furnish the Company, no later than the day before the Franchised Business commences operations, Certificates of Insurance showing compliance with the requirements of Subsection 11.1 and stating that the policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to the Company. Maintenance of such insurance and the performance by the Franchisee of its obligations under this Section 11 shall not relieve the Franchisee of or limit Franchisee's liability under Section 10.2 of this Agreement.

11.3 Property Insurance. Franchisee shall insure Franchisee's warehouse, inventory, offices, vehicle(s) or other personal property used in the Franchised Business to the extent reasonably necessary to assure uninterrupted operation of the Franchised Business. Franchisee shall, upon request, exhibit evidence of such insurance to the Company.

11.4 Failure to Insure. Should Franchisee, for any reason, not procure and maintain the insurance coverage required by this Section 11, then the Company shall have the right and authority to procure immediately such insurance coverage and to change the cost thereof plus a ten percent (10%) processing fee to Franchisee, which charges shall be paid immediately upon notice and shall be subject to charges for late payments in the manner set forth in Section 7 above.

SECTION 12: DEBTS AND TAXES

12.1 Debts and Taxes. Franchisee shall pay promptly when due all obligations incurred directly or indirectly in connection with the operation of the Franchised Business, including, without limitation, all taxes and assessments that may be assessed against the vehicles and other equipment used in the Franchised Business, sales taxes and all liens and encumbrances of every kind and character incurred by or on behalf of the Franchisee in the conduct of the Franchised Business, . The Company shall have no responsibility whatsoever in regard to such obligations. Franchisee may contest any such debt or obligation in good faith so long as such contest will not result in the loss of the Outlet or interruption of Franchisee's business.

SECTION 13: PRINCIPALS; LEGAL ENTITY; COVENANTS

13.1 Definition of Principals. For purposes of this Section 13, "Principals" will include the persons identified on the signature page of this Agreement as a "Principal" and the spouses, minor children or any trust for the benefit of any such Principal.

13.2 Authorized Agent. Franchisee and the Principals appoint the following person with full authority (the "Authorized Agent") to act on behalf of Franchisee and the Principals in regard to performing, administering or amending this Agreement: ____. The Company may deal completely with the Authorized Agent in such regard unless and until its actual receipt of written notice from Franchisee and the Principals of the appointment of a successor to the Authorized Agent.

13.3 Personal Contract. Franchisee agrees that a material part of the consideration for the Company's entering into this Agreement is the personal confidence reposed in Franchisee and the Principals. No person will succeed to any of the rights of Franchisee under this Agreement by virtue of any voluntary or involuntary proceeding in bankruptcy, receivership, attachment, execution, assignment for the benefit of creditors, other legal process or transfer not expressly authorized by the Company.

13.4 Consent Mandatory. Except as expressly provided for herein, any attempt by Franchisee to transfer any of its rights or interest under this Agreement will constitute a material breach of this Agreement, and in such event the Company will have the right to terminate this Agreement upon written notice to Franchisee. The Company will not be bound by any attempted transfer in any manner whatsoever, by law or otherwise, of any of the Franchisee's rights or interests under this Agreement except as permitted by this Section 13.

13.5 Personal Guarantees. Unless the Company has given its written consent to the contrary, each of the Principals signing this Agreement will execute and deliver to the Company forthwith a Personal Guaranty in the form attached to this Agreement.

13.6 Form of Legal Entity. (a) If Franchisee has been organized under applicable law as a legal entity such as a corporation, partnership or limited liability company (herein-after referred to as a "Legal Entity") or if Franchisee's interests in this Agreement are to be transferred to a Legal Entity, such Legal Entity must be expressly approved in advance and in writing by the Company and Franchisee must comply with this Section 13.6 and any other condition which Company may require, including a limitation on the number of owners of the Legal Entity. The Company will not charge a transfer fee for forming such a Legal

(b) Unless the Company provides its prior written consent to the contrary, the Legal Entity must satisfy the following conditions and such other conditions as the Company may require under the circumstances:

(i) The Legal Entity must be closely held with the single purpose of developing and operating One Stop Parts Source Outlets.

(ii) The Principal(s) (as defined above) collectively will own and control not less than fifty-one percent (51%) of the voting rights of the Legal Entity or otherwise satisfy the Company that the Principals have operational control of the Legal Entity.

(iii) There will not be more than a total of 12 owners (the "Owners") with ownership interests in the Legal Entity and all other ONE STOP PARTS SOURCE Franchisees affiliated with the Legal Entity (with married couples and family trusts being considered together as one for this purpose).

(iv) None of the Owners will, without the prior express written consent of the Company, directly or indirectly, engage in, or acquire any financial or beneficial interest in, any wholesale distributor of automotive components ("Similar Business"); provided, however, that each Owner may own up to 5% of the stock of a publicly-traded Similar Business.

(v) Each Owner will deliver to the Company a confidentiality agreement signed by such Owner in form satisfactory to the Company.

(c) Franchisee will notify the Company of any proposed issuance or transfer of an ownership interest in the Legal Entity, and the Company will have thirty (30) days after its receipt of such to disapprove such intended issuance or transfer. Such disapproval must be reasonable and based on the transferee's being involved with other parties in competition with One Stop Parts Source Outlets or having a known history, reputation or character which is adverse to the interests of One Stop Parts Source Outlets. A failure by the Company to respond timely to such notice will be deemed an approval of the proposed transfer. Each such notice from Franchisee must identify the proposed transferor and transferee and provide a complete and accurate description of the proposed transferee sufficiently detailed to allow the Company to make a reasoned decision of approval or disapproval.

(d) Notwithstanding anything to the contrary contained in this Section 13.6, a transfer of ownership interest in the Legal Entity which involves only a transfer between or among the Owners, entities wholly owned and controlled by the Owners or any of them or entities controlled by any Owner for the benefit of members of his or her immediate family shall not require the Company's prior written approval so long as the other requirements of this Section 13.6 are satisfied and the Company receives prior written notice of such transfer together with complete details regarding the ownership and legal structure of the transferee(s). The Company will not charge a transfer fee or unreasonably withhold its approval of any transfer so long as the Principals maintain operational control of Franchisee.

(e) The organization documents of the Legal Entity will contain the restrictions set forth in Subsections 13.6(b) and (d) above and this Subsection 13.6(e). Franchisee will cause to be printed on each certificate or other document of ownership of the Legal Entity a legend referencing the restrictions contained herein, which will read substantially as follows:

"The transfer of ownership in this company is subject to the terms and conditions of a License Agreement with One Stop Parts Source, LLC. Reference is made to such License Agreement and to the restrictive provisions contained in the organization documents of this company."

13.7 Death and Disability. (a) The death or disability of an Owner of a Franchisee Legal Entity shall not affect this Agreement except as expressly provided for herein to the contrary. In the event of the death or legal incapacity of an individual Franchisee or a Principal, Franchisee or the individual's legal representative shall immediately notify the Company of such event and within thirty (30) days after such notice further notify the Company of a proposed successor to the individual's interests in Franchisee (the "Successor"). If the Company approves the Successor, he or she will replace the decedent as Franchisee or a Principal hereunder.

(b) In the event the Company does not approve the Successor, it will so notify Franchisee, and Franchisee or the individual's legal representative will use its best efforts within the six (6) months from the date of such written notice from the Company to sell the individual's interests in this Agreement and the Legal Entity to a bona fide purchaser in accordance with and subject to all of the provisions of Section 14. If by the end of such six-month period, a transfer of such interest or stock has not been made in a transaction which meets the requirements of Section 14, the Company will have the option to purchase all of the individual's interest in this Agreement or in the ownership of the Legal Entity at the fair market value thereof as determined in good faith by an independent appraiser selected as set forth in subsection (c) below.

(c) The procedure for determining the fair market value or other terms of purchase shall be that the Company and the other interested party shall each select one appraiser and such two appraisers shall select a third appraiser, and the third appraiser shall make the necessary determination, with the costs of appraisal to be borne equally by the Company and the other interested party.

(d) If the Company in its discretion decides that the death or disability of an individual Franchisee or a Principal or of a Successor will result in unsatisfactory operation of the Outlet, the Company may take over operation of the Outlet temporarily, in which event it will be reimbursed for all of its costs and reasonably compensated for its efforts.

SECTION 14: SALE AND ASSIGNMENT

14.1 Written Consent. (a) The rights and interests of Franchisee under this Agreement and, if Franchisee is not an individual, the ownership interests in Franchisee, shall not be subject to sale, assignment, transfer or encumbrance (all of which are hereinafter included within the term "transfer") in whole or in part in any manner whatsoever without the prior express written consent of the Company. The Company will not unreasonably withhold its consent. In considering a request for transfer, the Company will consider, among other things, the qualifications, apparent ability and credit standing of the proposed transferee as if he or she were a prospective direct purchaser of a One Stop Parts Source license from the Company. In addition, but without limitation, the Company shall require as a condition precedent to the granting of its consent that:

(i) there shall be no existing default in the performance or observance of any of Franchisee's obligations under this Agreement or any other agreement with the Company and the assets of the Franchised Business shall be in condition and appearance satisfactory to the Company and in accordance with its standards at that time;

(ii) Franchisee shall have settled all outstanding monetary obligations owed to the Company, its affiliates or Franchisee's suppliers;

(iii) Franchisee shall have paid the Company its then current transfer fee, the amount of which fee will be set by the Company from time to time and will be limited to the Company's good faith estimate of actual reasonable expenses to be incurred by it in connection with investigating the qualifications of the proposed transferee, training the proposed transferee and the direct administrative costs of effectuating the transfer; provided, however, that in no event shall the amount of such transfer fee exceed ten percent (10%) of the then current initial license fee which would be applicable to the Franchised Business;

(iv the proposed transferee shall have personally attended and satisfactorily completed the Company's tuition free training program;

(v) the proposed transferee shall have executed the Company's then current form of One Stop Parts Source License Agreement for a term equal to the remaining term of this Agreement but requiring no initial license fee and requiring no greater monthly license fee than the fee set forth in Subsection 7.1 (b) above; and

(vi) such other requirements as the Company may in its discretion deem necessary, including continuing guarantees and a reasonable non-competition agreement by the transferor of not less than two years duration.

(b) Neither this Agreement, any of the rights conferred on Franchisee hereunder nor any ownership interests in the transferee shall be retained by the transferring Franchisee as security for the payment of any obligation that may arise by reason of any such transfer.

14.2 Consent Mandatory. Except as expressly provided for herein, any attempt by Franchisee to transfer any of its rights or interests under this Agreement shall constitute a material breach of this Agreement and the Company shall have the right to terminate this Agreement upon written notice to Franchisee. The Company shall not be bound by an attempted sale, assignment, transfer, conveyance or encumbrance in any manner whatsoever, by law or otherwise, of any of the Franchisee's rights or interests under this Agreement.

14.3 First Right of Refusal. (a) If Franchisee decides to transfer or to accept an offer to transfer, in any manner whatsoever, any interest in this Agreement or any entity holding an interest in this Agreement, Franchisee shall immediately give written notice thereof to the Company offering it the right to purchase such interest on the same or equal terms and conditions. The Company shall have the first right of refusal regarding any such transfer, and until the Company has accepted or rejected such offer, no other offer shall be made or accepted. Any such offer to the Company shall be in writing and shall include full and complete details of the terms, conditions and provisions of the proposed transfer.

(b) The Company shall have thirty (30) days after actual receipt of such offer within which to accept or reject it. Failure of the Company to accept within said thirty (30) days shall constitute a rejection. If rejected, Franchisee shall have six (6) months from the date of rejection to make the proposed transfer subject to the other provisions this Section 14, but only upon the same terms, conditions and provisions previously offered to the Company. Prior to consummation of a transfer to a third party, Franchisee shall submit a fully signed copy of all such transfer documentation to the Company at least thirty (30) days in advance of any proposed consummation or closing date for the Company's review and comparison with the offer previously submitted to it.

(c) The Company's right of first refusal shall be unrestricted and absolute, and the Company shall in all cases have thirty (30) days to consider and act on each offer or any change in the terms and conditions of offer. Nothing contained in this Sub-section 14.3 shall in any way be deemed to impair the Company's discretion in considering, approving or disapproving any request to transfer any interest under this Agreement.

14.4 Assumption. This Agreement and the Company's rights, interest and obligations hereunder shall inure to the benefit of any entity which succeeds to the business of the Company and assumes the obligations of the Company hereunder.

SECTION 15: TRADEMARKS

15.1 Ownership. Franchisee acknowledges the sole and exclusive right of the Company (except for rights granted under existing and future franchise agreements) to use the Marks in connection with the services and products to which they are or may be applied by the Company, and represents, warrants and agrees that neither during the term of this Agreement nor after the expiration or other termination hereof shall the Franchisee directly or indirectly contest or aid in contesting the validity, owner-ship or use of the Marks by the Company or take any action whatsoever in derogation of the rights claimed therein by the Company.

15.2 Nonexclusive License. The license granted hereunder to the Franchisee to use the Marks is nonexclusive except as set forth herein, and the Company, in its sole and absolute discretion, has the right to grant other licenses in, to and under the Marks in addition to those Franchisees already granted and to develop and license other names and trademarks on any such terms and conditions as the Company deems appropriate.

15.3 Goodwill. Nothing contained in this Agreement shall be construed to vest in Franchisee any right, title or interest in or to the Marks, the goodwill now or hereafter associated therewith other than the rights and license expressly granted herein for the term hereof. Any and all goodwill associated with or identified by the Marks shall inure directly and exclusively to the benefit of the Company, including without limitation any goodwill resulting from operation and promotion of the Franchised Business.

15.4 Use of Marks. Franchisee shall not use the Marks in connection with any statement or material which may, in the judgment of the Company, be in bad taste or inconsistent with the Company's public image, or tend to bring disparagement, ridicule or scorn upon the Company, the Marks or the goodwill associated therewith.

15.5 Changes in Marks; Protection. The Company shall have the right at any time and from time to time upon notice to Franchisee to make additions to, deletions from, and changes in the Marks, or any of them, all of which additions, deletions and changes shall be as effective as if they were incorporated in this Agreement. All such additions, deletions and changes shall be made in good faith, on a reasonable basis and with a view toward the overall best interests of One Stop Parts Source Businesses generally. The Company will protect and preserve the integrity and validity of the Marks by taking the actions deemed by the Company in its discretion to be appropriate in the event of any apparent infringement of the Marks.

15.6 Infringements. Franchisee must notify the Company promptly of any claims or charges of trademark infringement against the Company or Franchisee, as well as any information Franchisee may have of any suspected infringement of the Marks. Franchisee will not take any action with regard to such matters without the prior written approval of the Company and shall cooperate in a manner expressly approved by the Company.

SECTION 16: EXPIRATION AND TERMINATION

16.1 Events of Default. (a) The Company shall have the right to terminate this Agreement immediately upon written notice to Franchisee:

(i) in the event of any breach or default under Subsections 4.2, 9.1, 14.2 or 14.3;

(ii) if a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization is filed by or against Franchisee, or if Franchisee shall make any assignment for the benefit of creditors, or if a receiver or trustee is appointed for Franchisee's Business, unless remedied to the satisfaction of the Company within twenty (20) days;

(iii) if Franchisee for any reason loses its right to conduct business within the Territory;

(iv) if the Company discovers that Franchisee has made any material misrepresentation or omitted any material fact in the information furnished by Franchisee in connection with the grant of this franchise; or

(v) if Franchisee (or any stockholder if Franchisee is a corporation) is convicted of any felony or any crime involving moral turpitude.

(b) If Franchisee defaults in the performance or observance of any of its other obligations hereunder or under any other One Stop Parts Source license agreement in which the Franchisee or anyone holding an interest in Franchisee also has an interest, and such default continues for a period of thirty (30) days after written notice to Franchisee, the Company may at any time thereafter terminate this Agreement as well as any other such license agreement upon written notice to the Franchisee. A repetition on more than two occasions within a one-year period of any default shall justify the Company in terminating this Agreement upon written notice to the Franchisee without allowance for any curative period. The provisions of this Subsection 16.1 are subject to the provisions of any local statutes or regulations which may prohibit the Company from terminating this Agreement without good cause for termination and opportunity to cure any default.

(c) In the event of termination for failure of Franchisee to successfully complete the Company's One Stop Parts Source Training Course pursuant to Section 4, Franchisee agrees that the Company shall have no obligation to refund to Franchisee the initial license fee payment referred to in Subsection 7.1(a) and may keep the same as liquidated damages to cover the training and other costs and loss of revenue to the Company from such failure, it being agreed that actual damages are difficult to ascertain.

16.2 Requirements Upon Termination. (a) Upon the expiration or earlier termination of this Agreement for any reason, Franchisee must: (i) immediately discontinue the use of the System and Marks, including without limitation use of the word One Stop Parts Source in any business name;

(ii) remove all of the Marks from all vehicles, signs and other equipment used in the Franchised Business;

(iii) not thereafter use any trademark, trade name, service mark, logo, insignia, slogan, emblem, symbol, design or other identifying characteristic that is in any way associated with the Company or similar to those associated with the Company, or operate or do business under any name or in any manner that might tend to give the public the impression that the Franchisee is or was a Franchisee or Franchisee of or otherwise associated with, the Company;

(iv) immediately transfer the telephone numbers used in the Franchised Business to the Company or its designee or if requested by the Company discontinue all usage of such telephone numbers; and

(v) immediately transfer and deliver to the Company all customer lists, contact lists or similar information regarding the Franchised Business and return to the Company all copies of the Manual and all other confidential or proprietary materials owned by the Company.

(b) Franchisee hereby appoints the Company as its attorney-in-fact for the purpose of causing the transfer of the above-mentioned telephone numbers, and the telephone company is specifically authorized by Franchisee to rely on this appointment in making such transfer. Without limiting any other remedies at law or equity the Company may have, Franchisee agrees that because damages caused by a failure to allow such transfer or any interference with such transfer would be very difficult to ascertain, Franchisee agrees that it will pay the Company as liquidated damages the amount of $10,000.00 as liquidated damages for any such failure or interference.

(c) If Franchisee fails to make or cause to be made any removal or alteration required above within ten (10) days after written notice, then the Company shall have the right to enter upon Franchisee's premises, without being deemed guilty of trespass or any other tort, and make or cause to be made such removal and alterations at the reasonable expense of Franchisee, which expense Franchisee agrees to pay the Company upon demand.

(d) If Franchisee refuses to comply with a written notice of termination sent by the Company and a court later upholds such termination of this Agreement, operation of the Franchised Business by Franchisee from and after the date of termination stated in such notice shall constitute trademark infringement by Franchisee, and Franchisee shall be liable to the Company for damages resulting from such infringement in addition to any royalties paid or payable hereunder, including, without limitation, any profits of Franchisee.

SECTION 17: MISCELLANEOUS

17.1 Notices. All notices and other communications required or permitted to be given hereunder shall be deemed given when delivered in person or telefax or mailed by registered or certified mail addressed to the recipient at the address set forth below, unless that party shall have given such written notice of change of address to the sending party, in which event the new address so specified shall be used.

The Company:	One Stop Undercar, LLC 2938 South Daimler Street Santa Ana, CA 92705 Attn: CEO
Franchisee:	____________________________ ____________________________ ____________________________

17.2 Terms and Headings. All terms used in this Agreement regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement may require, the same as if such words had been written in this Agreement themselves. The headings inserted in this Agreement are for reference purposes only and shall not affect the construction of this Agreement or limit the generality of any of its provisions.

17.3 Rights and Remedies. All rights and remedies of the Company shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or a condition of this Agreement. The rights and remedies of the Company shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or earlier termination of this Agreement or obligation then accrued or any liability or obligation continuing beyond or arising out of the expiration or earlier termination of this Agreement.

17.4 No Effect. The waiver by the Company of any breach or default, or series of breaches or defaults, of any term, covenant or condition herein or of any same or similar term, covenant or condition in any other agreement between the Company and any franchisee shall not be deemed a waiver of any subsequent or continuing breach or default of the same or any other terms, covenants or conditions contained in this Agreement, or in any other agreement between the Company and any franchisee.

17.5 Partial Invalidity. If any part of this Agreement shall for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions shall not be affected thereby and such remaining portions shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including therein any such portions which might be declared invalid; provided, however, that in the event any part hereof relating to the payment of fees to the Company, or the preservation of the Marks, trade secrets or secret procedures Franchised or disclosed hereunder is for any reason declared invalid or unenforceable, then the Company shall have the option of terminating this Agreement upon written notice to Franchisee.

17.6 Governing Law. The parties agree that the law of the state where all or most of the Territory is located (without giving effect to any conflict of laws principles) shall apply to the construction and enforcement of this Agreement and govern all questions which arise with reference hereto.

17.7 Arbitration; Jurisdiction. (a) Except as set forth in Subsection 17.7(b), any unresolved dispute between the parties arising out of this Agreement shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association applicable to commercial arbitrations and the Federal Arbitration Act. Such arbitration shall be held within the county in which the Company's corporate headquarters are located (the "Home County"). At the conclusion of the arbitration, the arbitrator must deliver to the parties a written statement of conclusions of fact and conclusions of law supporting the final award of the arbitrator. Any party may move for judicial confirmation, modification or correction of the final award of the arbitrator within 60 days after receipt thereof. Alternatively, judgment upon such decision may be entered in any court having jurisdiction over the matter.

(b) Notwithstanding the foregoing, any action filed by the Company which involves Franchisee's continued usage of any of the Marks or the System or an issue involving injunctive relief, shall be submitted to a state or federal court having jurisdiction over the issue involved. The parties expressly consent to personal jurisdiction and venue solely in the Home County, and agree that such court(s) shall have exclusive jurisdiction over any such issues not subject to arbitration.

17.8 Attorneys Fees. In the event that either party initiates any arbitration or other legal proceeding which involves a dispute or claim arising out of or relating to this Agreement, the prevailing party in such action shall be paid its reasonable attorneys' fees and costs by the other party.

17.9 Compliance with Laws. Franchisee shall at its own cost and expense, promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governments and appropriate department, commissions, boards, and offices thereof.

17.10 Amendment or Modification. Except as expressly authorized herein, no amendment or modification of this Agreement shall be binding unless executed in writing by both the Company and the Franchisee.

17.11 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement between the parties and supersede and cancels any and all prior and contemporaneous agreements, understandings, representations, inducements and statements, oral or written, of the parties in connection with the subject matter hereof. Nothing in this Agreement or any related agreement is intended to disclaim the representations the Company has made in the Franchise Disclosure Document.

17.12 Acknowledgment. BY INITIALING WHERE INDICATED, FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT:

(a) FRANCHISEE HAS ENTERED INTO THIS AGREEMENT AS A RESULT OF FRANCHISEE'S OWN INDEPENDENT INVESTIGATION, AND AFTER CONSULTATION WITH AN ATTORNEY OR OTHER ADVISORS CHOSEN BY FRANCHISEE, AND NOT AS A RESULT OF ANY REPRESENTATIONS OF THE COMPANY, ITS AGENTS, OFFICERS OR EMPLOYERS EXCEPT AS CONTAINED HEREIN AND IN THE COMPANY'S FRANCHISE DISCLOSURE DOCUMENT HERETOFORE DELIVERED TO THE FRANCHISEE.

FRANCHISEE INITIALS:______

(b) THE SUCCESS OF THE FRANCHISED BUSINESS WILL BE LARGELY DEPENDENT UPON THE ABILITIES AND EFFORTS OF THE FRANCHISEE AND THAT THE COMPANY HAS MADE NO WARRANTY OR GUARANTEE TO FRANCHISEE THAT THE FRANCHISED BUSINESS WILL BE SUCCESSFUL OR PROFITABLE.

FRANCHISEE INITIALS:______

(c) FRANCHISEE HAS NOT RECEIVED AND IS NOT RELYING UPON ANY FINANCIAL PROJECTIONS OR SIMILAR INFORMATION OR EARNINGS CLAIMS MADE BY THE COMPANY OR ANYONE ON ITS BEHALF.

FRANCHISEE INITIALS:______

(d) A COMPLETE COPY OF THIS AGREEMENT AS SIGNED BY FRANCHISEE WAS RECEIVED BY FRANCHISEE AT LEAST FIVE BUSINESS DAYS PRIOR TO ITS EXECUTION BY FRANCHISEE AND A COMPLETE COPY OF THE

COMPANY'S FRANCHISE DISCLOSURE DOCUMENT WAS RECEIVED AT LEAST TEN BUSINESS DAYS PRIOR TO FRANCHISEE'S EXECUTION OF THIS AGREEMENT.

FRANCHISEE INITIALS:______

* * * * * * * * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

FRANCHISEE: ____

____

PRINCIPAL(S):____

____

Company: ONE STOP UNDERCAR, LLC

By________________________________

Title________________________________

EXHIBIT A

THE TERRITORY

The Territory shall be the geographical area described below and if the parties so agree, as set forth on the map attached hereto and signed by all of the parties signatory to this Agreement:

EXHIBIT B

PERSONAL GUARANTY

For good and valuable consideration, the receipt of which is hereby acknowledged, each of the undersigned (the "Guarantors") hereby personally guarantees, jointly and severally, the due, punctual and full payment and performance of each and all of the obligations of the franchisee ("Franchisee") under the foregoing ONE STOP PARTS SOURCE® Franchise Agreement dated ______________________, 201__ by and between the Franchisee and One Stop Undercar, LLC as franchisor ("Franchisor") and hereby individually undertakes to be bound by all of the terms of such Franchise Agreement.

It is the intention of the undersigned that this Personal Guaranty shall be full and absolute. Accordingly, each of the Guarantors hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any presentment, demand (including demands for performance), notice and protest of each and every kind and of any right to require Franchisor or its assignee to proceed against Franchisee or any other person or to pursue any other remedy before proceeding against a Guarantor.

This Personal Guaranty applies to, binds and inures to the benefit of the Guarantors and their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns. Franchisor may assign its rights hereunder without reducing or modifying the liability of any Guarantor hereunder.

IN WITNESS WHEREOF, each of the Guarantors has executed this Personal Guaranty as of the date set forth below.

____

____

____

____

("Guarantors")

Dated:___________________________

Addendum to Franchise Agreement

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT is dated as of ________ ________, 201__ and is by and between One Stop Undercar, LLC ("Company") and ________________________________ ("Franchisee").

A. The purpose of this Addendum is to set forth certain changes in the terms and conditions of the Franchise Agreement of this date between the parties, which changes are necessary and appropriate because Franchisee is already in a business similar to the ONE STOP PARTS SOURCE Business.

B. This Addendum amends and supplements such Franchise Agreement ("Agreement") and will be effective upon the execution and delivery of such Agreement.

C. A copy of this Addendum is intended to be attached to the Agreement.

NOW THEREFORE, in consideration of the mutual promises set forth in the Agreement and herein, the parties agree that the Agreement shall be and hereby is amended as follows:

1. Company agrees to waive the initial Franchise fee otherwise required by Section 7.1(a) of the Agreement.
2. Franchisee agrees to pay the monthly Franchise fee contained in the Agreement as set forth in Section 7.1(b) and make the other payments required by the Agreement; provided, however, that the parties agree that for purposes of computing each monthly Franchise fee, "Gross Sales" shall include only the types of products which are sold as part of the ONE STOP PARTS SOURCE list of available products during such month.
3. The parties agree that either party may without cause terminate the Franchise Agreement effective on the first yearly anniversary date of this Agreement by giving written notice of such termination to the other party at least thirty (30) days prior to such anniversary date.
4. In all other respects, the parties agree that the Agreement shall remain and be in full force and effect, with the provisions of such agreements being subject to the terms of this Addendum.

* * * * * * * * * * * * * *

IN WITNESS WHEREOF, the parties have each executed this Addendum as of the day, month and year first above written.

COMPANY: ONE STOP UNDERCAR, LLC

By____________________

FRANCHISEE: ________________________

California Appendix

APPENDIX TO
ONE STOP UNDERCAR, LLC
CALIFORNIA FRANCHISE DISCLOSURE DOCUMENT

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

None of the persons identified in Item 2 of the franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

"Principals" as defined in the Franchise Agreement includes your spouse. Unless we have given our written consent to the contrary, each of the Principals signing this Agreement hereby personally guarantees, jointly and severally, the full payment and performance of your obligations under this Agreement. (Section 13.5)

In connection with Item 17 of the franchise Disclosure Document, the following paragraphs are included pursuant to California law:

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

4. The franchise agreement contains a liquidated damage clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5 The franchise requires a franchisee to execute a general release of claims upon renewal or transfer of the agreement. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

6. The franchise agreement requires binding arbitration. The arbitration will occur at the franchisor's home county, currently Orange County, California. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of civil Procedure Section 1281 and the Federal Arbitration Act) to ay provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. California Corporations Code Section 31125 requires the franchisor to give the franchisee a disclosure document approved by the Department of Business Oversight prior to a solicitation of a proposed material modification of an existing franchise.

8. Re: Website: onesps.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ONE STOP UNDERCAR, LLC

Exhibit
B

ONE STOP UNDERCAR, LLC

FRANCHISE DEVELOPMENT AGREEMENT

FRANCHISE DEVELOPMENT AGREEMENT
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ONE STOP PARTS SOURCE
FRANCHISE DEVELOPMENT AGREEMENT

THIS AGREEMENT (hereinafter the "Agreement") is made as of this _____ day of _______________, 201__, by and between One Stop Undercar, LLC, a California limited liability company (hereinafter the "Company"), on the one hand, and _________________ ____________________, a ___________ organized under the laws of the State of _______________ (hereinafter the "Developer"), and the persons executing this Agreement as the "PRINCIPALS" (hereinafter the "Principals"), on the other hand.

RECITALS:

WHEREAS, Developer on behalf of itself and the Principals desires to obtain the exclusive right for Developer to develop a minimum number of ONE STOP PARTS SOURCE supply outlets to be franchised by the Company within the geographic area described herein for a specified period, pursuant to the terms, conditions and provisions which are set forth in this Agreement; and

WHEREAS, the Company desires to have the Developer perform the development work provided for herein and to operate the developed ONE STOP PARTS SOURCE supply outlets in accordance with its Franchise Agreements;

NOW, THEREFORE, in consideration of the mutual promises which are set forth herein, the parties agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

1.1 Development of Territory. Except as otherwise provided to the contrary herein, the Company hereby grants to Developer the exclusive right to develop ONE STOP PARTS SOURCE supply outlets in the geographic area which is specified in Appendix A attached hereto and incorporated herein by reference (the "Territory"). Such development will include locating and securing locations for, constructing, equipping, furnishing, opening and operating ONE STOP PARTS SOURCE supply outlets in the Territory in strict accordance with the Company's Franchise Development Program as designated by the Company from time to time in its discretion.

1.2 Term. The exclusive development rights granted herein will expire five (5) years from the date set forth above, unless sooner terminated as hereinafter provided, or extended by mutual written agreement of each of the parties hereto. The Developer's exclusive development rights will remain in effect during the term hereof provided Developer complies fully with all the terms and conditions set forth herein as well as in each ONE STOP PARTS SOURCE Franchise Agreement and any other agreement between the parties.

1.3 Exclusivity. During the term of this Agreement, the Company will not franchise or allow any other corporation or person to operate a ONE STOP PARTS SOURCE supply outlet within the Territory, or open or operate any Company-operated ONE STOP PARTS SOURCE supply outlets within the Territory (except pursuant to any first refusal rights contained in any Franchise Agreement between the parties, or as otherwise provided herein). Notwithstanding the foregoing, at any time after Developer has opened the minimum number of supply outlets referred to in Section 2.1 below, the Company may at its discretion determine that one or more additional ONE STOP PARTS SOURCE supply outlets should be developed within the Territory, in which event it will notify Developer in writing of such determination and offer Developer the right of first refusal to develop such supply outlets itself. If after 30 days following mailing of such notice the Company has not received Developer's written acceptance of such right of first refusal, the Company may develop such supply outlets within the Territory or Franchise one or more other parties to do so.

1.4 Termination. If this Agreement is terminated as a result of a material breach by Developer, the Company will have the full and absolute right to Franchise other parties to operate ONE STOP PARTS SOURCE supply outlets within the Territory and/or to operate ONE STOP PARTS SOURCE supply outlets itself within the Territory.

2. DEVELOPMENT OF TERRITORY

2.1 Development Schedule. Developer hereby covenants and agrees to develop at least a total of ____________ (___) ONE STOP PARTS SOURCE supply outlets within the Territory during the term of this Agreement in strict accordance with the development schedule set forth in Appendix B attached hereto and incorporated herein by reference (the "Development Schedule"). The Development Schedule contains a specific minimum number of ONE STOP PARTS SOURCE supply outlets to be open and operating by Developer within the Territory during certain time periods, and if any such businesses are temporarily or permanently closed for business (except for authorized holidays or temporarily for major repairs), such closed supply outlets will not be included, while closed, as open and operation in computing such minimum numbers of open and operating ONE STOP PARTS SOURCE supply outlets and in satisfying the deadlines set forth in the Development Schedule.

2.2 Deadlines. The parties acknowledge and agree that the deadlines set forth in the Development Schedule are of the essence of this Agreement. No modification or amendment to the Development Schedule or any consent to or waiver of any deadline or other obligation on this Agreement will be effective unless made by written mutual agreement of the parties or create any obligation to grant additional modifications, amendments, consents or waivers.

2.3 Minimum Development Obligation. The parties agree that the Development Schedule set forth in Appendix B hereof represents a minimum development obligation on the part of the Developer for the Territory, and that during the term hereof Developer is free to develop within the Territory more than the total minimum number of ONE STOP PARTS SOURCE supply outlets required by the Developer pursuant to this Agreement so long as Developer receives the Company's prior written approval for each such supply outlet and otherwise follows the Company's Franchise Development Program.

3. PAYMENT

In consideration of the Company's grant to Developer of the right to develop ONE STOP PARTS SOURCE supply outlets in the Territory as provided for herein, Developer agrees to pay to the Company upon execution by the parties of this Agreement a nonrefundable Development Fee equal to $10,000.00 multiplied by the total minimum number of supply outlets required by the Development Schedule (the "Development Fee"). The Development Fee is fully earned by the Company through and upon its execution hereof as a result of its forbearance from developing the Territory itself or through other parties and is not refundable in any manner whatsoever.

4. DEVELOPMENT PROCEDURES

4.1 Continuing Approval Mandatory. Developer specifically understands and agrees that it must at all times remain operationally and financially approved for each supply outlet developed hereunder to be approved by the Company. Developer's failure to do so will constitute good cause for the Company to disapprove any pending Franchise application or approval request by Developer.

4.2 Location Approval. Developer will utilize its own financial, real estate, construction and any other resources required to develop ONE STOP PARTS SOURCE supply outlets. Each location proposed for a ONE STOP PARTS SOURCE supply outlet will be submitted by Developer to the Company in strict accordance with the Company's procedures for approving new locations as such procedures exist at the time of submission. Developer will secure each location, conditioned upon the Company's approval, by directly leasing or purchasing the premises upon terms which will satisfy the requirements of the Company's then-current form of Franchise Agreement, including without limitation a minimum term for possession of the property (if such is then a requirement of the Company's then-current form of Franchise Agreement), unless Developer has otherwise specifically obtained the Company's consent in writing signed by an officer of the Company.

4.3 Franchise Application. Developer will submit with each proposed location package an Application for a ONE STOP PARTS SOURCE Franchise. Developer must at all times continue to meet all of the company's then current financial, operational and other requirements for new Franchise approvals. Within one hundred twenty (120) days after each fiscal year end of Developer each year during the term of this Agreement, Developer will deliver to the Company financial statements, a list of all persons or other entities holding any ownership interest in Developer and such other information as the Company may reasonably request. Except as specifically provided herein, Developer must follow all of the Company's Franchise procedures and must meet specifically all of the terms and requirements set forth in the then current Franchise Agreement and other Franchise documents.

4.4 Franchise Agreements and Fees. Developer and the Company will execute the Company's then current form of ONE STOP PARTS SOURCE Franchise Agreement approximately thirty days prior to opening of each supply outlet developed hereunder. Developer specifically agrees to pay for each Franchise the fees and royalties set forth in such then current form of Franchise Agreement and the Company's then current initial Franchise fee; provided, however, that Developer will receive for each supply outlet opened under the Development Schedule a credit of $10,000.00 against such initial Franchise fee. The balance of the initial fee after deducting such credit will be paid by Developer upon execution of the Franchise Agreement for each such outlet.

4.5 Lease Requirements. Developer's lease or sublease for any particular lease location will provide that if the applicable ONE STOP PARTS SOURCE Franchise Agreement is terminated prior to the expiration of the initial term thereof, for whatever reason, Developer will have the right to assign the lease or sublease to the Company without the lessor or sublessor having any right to impose conditions on such assignment or to obtain any payment in connection therewith.

5. CHAIN ACQUISITIONS

5.1 Acquisitions; First Right of Refusal.

(a) The Company may during the term hereof acquire a chain of automotive supply outlets from a third party with the intention of converting some or all of such supply outlets to ONE STOP PARTS SOURCE supply outlets, in which event Developer agrees that the Company may so convert any of such supply outlets located within the Territory so long as the Company satisfies the following conditions:

(i) The Company will first send a written offer to Developer to purchase any such supply outlets within the Territory at the Company's total acquisition cost (including without limitation its "soft" costs as defined below) for such supply outlets.

(ii) Developer will have thirty days from the date such offer is sent to accept such offer, and until Developer has either rejected such offer or such thirty day period has elapsed, no conversion or other offer to third parties will be made by the Company.

(iii) Failure of Developer to accept such offer within said thirty day period will constitute a rejection.

(b) If Developer has accepted the above offer and converted such supply outlet to a ONE STOP PARTS SOURCE supply outlet to the Company's satisfaction, such supply outlet will apply toward meeting Developer's development obligations under the Development Schedule. If the Company converts or Franchises another party to convert any such supply outlet to ONE STOP PARTS SOURCE supply outlets, such supply outlet will not have any effect on Developer's obligations under the Development Schedule.

(c) For purposes herein, "soft costs" will mean all internal and external costs incurred by the Company in connection with the acquisition. These will include without limitation cost of funds, personnel time (e.g., in analyzing, negotiating, approving and permitting the acquisition, etc.), and out-of-pocket expenses (e.g., travel, lodging, meals, professional fees to attorneys, architects, engineers, etc.) in connection with the acquisition as applied pro rata to each business being offered to Developer.

6. EXPENSES

Except as otherwise set forth herein, all legal and other costs and expenses incurred by each party hereto in connection with this Agreement and the transactions contemplated herein will be paid by the party which incurs such expense.

7. TRANSFER OR ASSIGNMENT OF AGREEMENT

Subject to Section 10.3 below, the parties hereto agree that this Agreement is a personal, non-transferable commitment by Developer to the Company based in part on the personal confidence reposed by the Company in the Developer and the Principals. Accordingly, both parties agree that any attempt without the prior express written consent of the Company to transfer, encumber or assign this Agreement by Developer or by any of the Principals in any manner whatsoever will cause the immediate and automatic termination of the Agreement and the Company will have no further liability or obligation to Developer pursuant to this Agreement.

8. DEFAULT

8.1 Default by Developer. Company will have the right to terminate this Agreement upon thirty (30) days written notice to Developer if the Developer fails to perform any obligation of Developer contained in this Agreement and fails to cure said failure within thirty (30) days of its receipt of such notice.

8.2 Deadlines Missed by Developer. The parties hereto agree that TIME IS OF THE ESSENCE of this Agreement. The failure of the Developer to meet any deadline set forth in the Development Schedule.will constitute a material default under this Agreement without any opportunity to cure such default or notice under Section 8.1 hereof. If the Developer fails to meet such a deadline, the Company at any time thereafter immediately terminates this Agreement effective upon written notice from the Company. The termination of this Agreement will have no effect on any Franchises previously issued to Developer or Franchises to be issued for sites where the Company has already approved the site and the Franchise.

8.3 Other Defaults. Default under any Franchise Agreement between Developer and the Company will constitute a material default under the Agreement and the Company may terminate this Agreement in such event unless such default is timely cured by the Developer in accordance with the terms of the pertinent Franchise Agreement.

9. EARNINGS CLAIMS

The Developer and each of the Principals expressly acknowledge that neither it nor they have relied upon any earnings claims such as oral or written statements or suggestions made by any representative of or any other person purporting to be acting on behalf of the Company regarding the potential future sales, revenues or profits which may be derived from operation of ONE STOP PARTS SOURCE supply outlets or development of the Territory.

10. RESTRICTIONS

10.1 Conflicts of Interest. During the term of this Agreement, neither Developer nor either of the Principals will, without the prior express written consent of the Company, directly or indirectly, engage in or acquire any financial or beneficial interest in any business which is similar to or competitive with the ONE STOP PARTS SOURCE supply outlets. Notwithstanding the foregoing, Developer and the Principals, collectively, may own up to five percent (5%) of the stock of a publicly traded company engaged in such a business.

10.2 Proprietary Matters. Developer will not appropriate, use or duplicate the ONE STOP PARTS SOURCE business system or any portion thereof, for use in any other business or disclose or reveal any portion of the ONE STOP PARTS SOURCE Franchised system to persons other than Developer's employees as an incident to their training, or acquire any right to use or to franchise or Franchise the use of, any name, mark or other intellectual property right which may be granted pursuant to any agreement between the Company and Developer, except in connection with the operation of a ONE STOP PARTS SOURCE supply outlet.

10.3 Form of Legal Entity. (a) Developer has been organized under applicable law as a legal entity such as a corporation, partnership or limited liability company (hereinafter referred to as a "Legal Entity"), and Developer must at all times comply with this Section 10.3 and any other condition which Company may require, including a limitation on the number of owners of the Legal Entity.

(b) Unless the Company provides its prior written consent to the contrary, the Legal Entity must satisfy the following conditions and such other conditions as the Company may require under the circumstances:

(i) The Legal Entity must be closely held with the single purpose of developing and operating One Stop PARTS SOURCE Outlets.

(ii) The Principal(s) (as defined below) collectively will own and control not less than fifty-one percent (51%) of the voting rights of the Legal Entity or otherwise satisfy the Company that the Principals have operational control of the Legal Entity.

(iii) There will not be more than a total of 12 owners ("the Owners") with ownership interests in the Legal Entity, the Developer and all other approved One Stop PARTS SOURCE Franchisees affiliated with Developer (with married couples and family trusts being considered together as one for this purpose).

(iv) None of the Owners will, without the prior express written consent of the Company, directly or indirectly, engage in, or acquire any financial or beneficial interest in, any wholesale distributor of automotive components ("Similar Business"); provided, however, that each Owner may own up to 5% of the stock of a publicly-traded Similar Business.

(v) Each Owner will deliver to the Company a confidentiality agreement signed by such Owner in form satisfactory to the Company.

(c) Developer will notify the Company of any proposed issuance or transfer of an ownership interest in the Legal Entity, and the Company will have thirty (30) days after its receipt of such to disapprove such intended issuance or transfer. Such disapproval must be reasonable and based on the transferee's being involved with other parties in competition with One Stop PARTS SOURCE Outlets or having a known history, reputation or character which is adverse to the interests of One Stop PARTS SOURCE Outlets. A failure by the Company to respond timely to such notice will be deemed an approval of the proposed transfer. Each such notice from Developer must identify the proposed transferor and transferee and provide a complete and accurate description of the proposed transferee sufficiently detailed to allow the Company to make a reasoned decision of approval or disapproval.

(d) Notwithstanding anything to the contrary contained in this Section 10.3, a transfer of ownership interest in the Legal Entity which involves only a transfer between or among the Owners, entities wholly owned and controlled by the Owners or any of them or entities controlled by any Owner for the benefit of members of his or her immediate family shall not require the Company's prior written approval so long as the other requirements of this Section 10.3 are satisfied and the Company receives prior written notice of such transfer together with complete details regarding the ownership and legal structure of the transferee(s). The Company will not charge a transfer fee or unreasonably withhold its approval of any transfer so long as the Principals maintain operational control of Developer.

(e) The organization documents of the Legal Entity will contain the restrictions set forth in Subsections 10.3(b) and (c) above and this Subsection 10.3(e). Developer will cause to be printed on each certificate or other document of ownership of the Legal Entity a legend referencing the restrictions contained herein, which will read substantially as follows:

"The transfer of ownership in this company is
subject to the terms and conditions of a Franchise
Development Agreement with One Stop Undercar, LLC
Reference is made to such Franchise Development Agreement
and to the restrictive provisions contained in the
organization documents of this company."

10.4 Definition of Principals. For purposes of this Section 10, the term "Principals" will include the persons executing this Agreement and any other persons designated in writing by Developer, the Company and such persons as "Principals", and the spouses, minor children or any trust for the benefit of any such Principal.

10.5 Authorized Agent. Developer and the Principals appoint the following person with full authority (the "Authorized Agent") to act on behalf of Developer and the Principals in regard to performing, administering or amending this Agreement: ____. The Company may deal completely with the Authorized Agent in such regard unless and until its actual receipt of written notice from Developer and the Principals of the appointment of a successor to the Authorized Agent.

10.6 Personal Contract. Developer agrees that a material part of the consideration for the Company's entering into this Agreement is the personal confidence reposed in Developer and the Principals. No person will succeed to any of the rights of Developer under this Agreement by virtue of any voluntary or involuntary proceeding in bankruptcy, receivership, attachment, execution, assignment for the benefit of creditors, other legal process or transfer not expressly authorized by the Company.

10.7 Consent Mandatory. Except as expressly provided for herein, any attempt by Dev eloper to transfer any of its rights or interest under this Agreement will constitute a material breach of this Agreement, and in such event the Company will have the right to terminate this Agreement upon written notice to Developer. the Company will not be bound by any attempted transfer in any manner whatsoever, by law or otherwise, of any of Developer's rights or interests under this Agreement except as permitted by this Section 10.

10.8 Personal Guaranties. Each of the Principals hereby personally guarantees, jointly and severally, the full payment and performance of the Developer's obligations under this Agreement and under each and every Franchise Agreement to be entered into pursuant hereto.

10.9 Ownership of Developer. The Principals will invest in Developer at least ____________________ Dollars ($__________) cash paid on or before ________ ____________, which will be the minimum start up capitalization of the Developer.

10.10 Restrictions on Transfer of Value. Throughout the term of this Agreement and any Franchise Agreement entered into pursuant hereto, there will be no transfer of value to any Owner (or any Owner's affiliate) which would cause the net worth of the Developer to be below ____________________ Dollars ($________). Similarly, there will at no time be any transfer of value to any Owner (or any Owner's affiliate) unless Developer is fully current in all payments to the Company and its affiliates. For purposes herein, "transfer of value" will include but not be limited to gifts, bonuses, salaries, benefits or other compensation, dividends of any nature, loans, cancellation of debt, purchases or sales, etc.

10.11 Financial Statements. Notwithstanding anything to the contrary herein or in the Franchise Agreements provided for herein, commencing with the first fiscal year in which Developer has opened five or more ONE STOP PARTS SOURCE supply outlets, Developer (a) will provide the Company with its annual financial statements prepared in accordance with generally accepted accounting principals and audited by an independent certified public accountant not later than one hundred twenty (120) days after the last day of each fiscal year and (b) will submit quarterly footnoted year-to-date compilations from an independent certified public accountant not later than ninety (30) days after the last day of each such fiscal quarter.

11. MISCELLANEOUS

11.1 Waiver. The waiver by either party of any breach or default or series of breaches of defaults or of any term, covenant or condition contained herein will not be deemed a the same or any other term, covenant or condition contained in this Agreement.

11.2 Rights and Remedies. All rights and remedies of each party will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure of default or threatened breach, failure or default of any term, provision or condition of this Agreement.

11.3 Severability. If any portion of this Agreement will for any reason be declared invalid, unenforceable or impaired in any way by any court of competent jurisdiction, the validity of the remaining portions will not be affected thereby, and such remaining portions will remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated.

11.4 Notices. All notices and other communications required or permitted to be given hereunder will be deemed given when delivered in person, sent by telefax or mailed by certified mail addressed to the recipient at the address set forth below, unless that party has given written notice of change of address to the sending party, in which event the new address specified will be used.

To the Company:	One Stop Undercar, LLC 2938 South Daimler Street Santa Ana, CA 92705 Attn: CEO
To the Developer and the Principals:	____________________ ____________________ ____________________

11.5 Interpretation. All terms used in this Agreement, regardless of the number and gender in which they are used, will be deemed to include any other number singular or plural, any other gender, masculine, feminine or neuter, as the context or sense of this Agreement may require, the same as if such words have been written in this Agreement themselves. The captions or headings shall not affect the construction of this Agreement or limit the generality of any of its provisions.

11.6 Sole Agreement. This Agreement and the documents referred to herein constitute the entire Agreement between the parties, superseding and canceling any and all prior and contemporaneous agreements, understandings, representations, inducements and statements, oral or written, of the parties in connection with the development of the Territory. In the event of any conflict between this Agreement and any Franchise Agreement entered into pursuant hereto, the terms of this Agreement will control. Nothing in this Agreement or any related agreement is intended to disclaim the representations the Company has made in the Franchise Disclosure Document.

11.7 Amendments. The parties agree that this Agreement may be amended or modified by a written document executed in writing by the Company and Developer. No such other amendment or modification shall be effective.

11.8 Applicable Law. The parties agree that this Agreement shall be governed by the laws of the state in which the Territory is located.

11.9 Arbitration; Jurisdiction. (a) Except as set forth in Subsection 11.9(b), any unresolved dispute between the parties arising out of this Agreement shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association applicable to commercial arbitrations and the Federal Arbitration Act. Such arbitration shall be held within the county in which the Company's corporate headquarters are located (the "Home County"). At the conclusion of the arbitration, the arbitrator must deliver to the parties a written statement of conclusions of fact and conclusions of law supporting the final award of the arbitrator. Any party may move for judicial confirmation, modification or correction of the final award of the arbitrator within 60 days after receipt thereof. Alternatively, judgment upon such decision may be entered in any court having jurisdiction over the matter.

(b) Notwithstanding the foregoing, any action filed by the Company which involves Franchisee's continued usage of any of the Marks or the System or an issue involving injunctive relief, shall be submitted to a state or federal court having jurisdiction over the issue involved. The parties expressly consent to personal jurisdiction and venue solely in the Home County, and agree that such court(s) shall have exclusive jurisdiction over any such issues not subject to arbitration.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month and year first above written

COMPANY:

ONE STOP UNDERCAR, LLC

By: ______________________

Title: ______________________

DEVELOPER:

____

(a________________________)

By: ______________________

Title: ______________________

PRINCIPALS:

____

____

____

Appendix A

TERRITORY

Your Name:

Description of Territory:

Existing Chain Accounts (if any):

APPROVED:

YOU ____________________________

ONE STOP UNDERCAR, LLC.: ________________________

DEVELOPMENT SCHEDULE

1. ONE STOP PARTS SOURCE Development. We have granted to you the right to develop and operate and you agree to develop and operate a total of ________ (__) ONE STOP PARTS SOURCE supply outlets in accordance with the terms of the Agreement.

2. Development Obligations. You agree to have the minimum number of ONE STOP PARTS SOURCE supply outlets **("Outlets")** open in the Territory during the Development Periods and in operation at the end of each of the Development Periods listed below:

DEVELOPMENT PERIOD	**OUTLETS OPEN AND IN OPERATION DURING AND AT THE END OF THE DEVELOPMENT PERIOD**	
ENDING ON:	DURING DEVELOPMENT PERIOD	CUMULATIVE

APPROVED:

YOU ____________________________

ONE STOP UNDERCAR, LLC.: ________________________

CONFIDENTIALITY AGREEMENT

In consideration of receiving information regarding the operation of ONE STOP PARTS SOURCE supply outlets (the "**Outlets**") the undersigned ("**Recipient**") agrees that:

1. Recipient will not (a) make unauthorized copies of, (b) disclose to any unauthorized person or (c) use for Recipient's benefit or any ONE STOP PARTS SOURCE competitor's benefit any trade secrets or confidential information, knowledge or know-how about the methods of operating the Outlets ("**Confidential Information**") except only for information which Recipient can show was known by him or her before receiving such information from One Stop Undercar, LLC. or information which has become a part of the public domain through publication or communication by others.

2. Recipient agrees that any breach of this Confidentiality Agreement will cause ONE STOP PARTS SOURCE operators irreparable injury, and agrees that in addition to any other right or remedy provided for by law or equity, One Stop Undercar, LLC. shall be entitled to specific performance of, or an injunction against violation of, this Confidentiality Agreement.

3. Recipient agrees that upon request he or she will return immediately all copies of ONE STOP PARTS SOURCE Manuals and other documents containing Confidential Information to One Stop Undercar, LLC.

IN WITNESS WHEREOF, the undersigned has executed this document as of the date set forth below.

DATED: ____________________

Print Name:______________________________

Signature: ______________________________

Exhibit
D

EXHIBIT D

NAMES AND ADDRESSES OF AGENTS FOR SERVICE OF PROCESS AND STATE REGULATORY AUTHORITIES

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
CALIFORNIA	Myung Kee Song One Stop Undercar, LLC 2938 Daimier Street Santa Ana, CA 92705	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 or (866) 275-2677
HAWAII	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Securities Compliance Branch Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706	Chief, Franchise Bureau Illinois Attorney General 100 W. Randolph Street Chicago, IL 60601 (312) 814-3892
INDIANA	Secretary of State Administrative Offices 201 State House Indianapolis, IN 46204	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
MARYLAND	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202-2020	Maryland Attorney General Office of the Attorney General 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
NEBRASKA	Department of Banking and Finance Financial Institutions Division Commerce Court, Suite 400 1230 "O" Street Lincoln, NE 68508-1402	Department of Banking and Finance Financial Institutions Division Commerce Court, Suite 400 1230 "O" Street Lincoln, NE 68508-1402
NEW YORK	Secretary of State State of New York 41 State Street Albany, NY 11231	Assistant Attorney General Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211
NORTH DAKOTA	Securities Commissioner 600 East Boulevard Avenue State Capitol – 5th Floor Bismarck, ND 58505-0510	North Dakota Securities Dept. 600 East Boulevard Avenue, State Capitol 5th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities Suite 232 Providence, RI 02903	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Division of Securities South Dakota Department of Revenue and Regulation 445 E. Capitol Avenue Pierre, SD 57501	Franchise Administrator Division of Securities 445 E. Capitol Avenue Pierre, SD 57501 (605) 773-4013
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051

EXHIBIT D

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501	Administrator Dept. of Financial Institutions Securities Division P.O. Box 4102 Tumwater WA 98504--1200 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555

Exhibit
E

ONE STOP UNDERCAR, LLC

List of Current & Former Franchisees
December 31, 2016

ONE STOP UNDERCAR ORANGE, INC.
2990 La Jolla St.
Anaheim, CA 92806
(714) 630-9666
Martin Drobis

HBV ENTERPRISES, INC.
dba ONE STOP UNDERCAR
BUENA PARK
6880 Oran Circle, Unit C
Buena Park, CA 90621
(714) 522-2339
Thinh Dang

ONE STOP UNDERCAR RIVERSIDE, INC.
3333 Harrison Ave.
Riverside, CA 92503
(909) 785-1905
Markham Becker

SHAFFER ENTERPRISES, INC.
dba SKIPP'S AUTO PARTS
ONE STOP UNDERCAR
MONTEREY PENINSULA
1490 Del Monte Boulevard
Seaside, CA 93955
(831) 899-2331
Mark Shaffer

HBV ENTERPRISES, INC.
dba ONE STOP PARTS SOURCE SIGNAL HILL
2743 Signal Hill Parkway
Signal Hill, CA 90755
(714) 522-2339
Thinh Dang

ADRIAN BECKER ENTERPRISES, INC.
dba ONE STOP UNDERCAR TEMECULA
28700 Las Haciendas, Suite 104
Temecula, CA 92590
(961) 699-7624
Adrian Becker

ONE STOP UNDERCAR, LLC

List of Former Franchisees
December 31, 2016

None

Exhibit F

EXHIBIT F

CONFIDENTIALITY AGREEMENT
(OPERATIONS MANUAL)

This Confidentiality Agreement dated as of ______________________, 201____ by and between the undersigned ("You" and "Your") and One Stop Undercar, LLC ("Franchisor"), with respect to Your request to review its Operations Manual ("Manual") prior to purchasing a franchise.

1. Franchisor agrees to allow You to review the Manual in consideration of Your execution of this Agreement.

2. You agree that the Franchisor considers the Manual to be confidential and proprietary information which may not be disclosed to other parties. Accordingly, You agree that You will not disclose its contents in whole or part to any other person without the prior written consent of the Franchisor. You will not make retain any copies or reproductions of any nature of the Manual.

3. You acknowledge that the restrictions contained in this Agreement are reasonable and necessary to protect Franchisor's legitimate interests in the Manual and that any breach by You of this Agreement will result in irreparable injury to Franchisor for which a remedy at law would be inadequate. Accordingly, You agree that Franchisor shall be entitled to temporary, preliminary and permanent injunctive relief against You, without the necessity of posting bond, in the event of any breach or threatened breach by You of this Agreement, in addition to any other remedy that may be available to Franchisor whether at law or in equity.

AGREED:

____________________________ Printed Name:__________________________

One Stop Undercar, LLC.

By: ______________________________

Title: ____________________________

Exhibit
G

ITEM 23. RECEIPT (RETURN TO US)

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 One Stop Undercar, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, Washington and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If One Stop Undercar, LLC does not deliver this disclosure document on time or if it contains a false or misleading misstatement, 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, DC 20580 and the state agency listed on **Exhibit D.**

The franchisor is One Stop Undercar, LLC located at 2938 Daimler Street, Santa Ana, CA 92705. Its telephone number is (949) 955-2600. The franchise seller(s) for this offering is Michael Thompson at 2938 Daimler Street, Santa Ana, CA 92705. One Stop Undercar, LLC authorizes the respective state agencies identified on **Exhibit D** to receive service of process for it in the particular state.

Issuance Date: April 18, 2017

Any additional individuals franchise sellers involved in offering the franchise are:

____

____

I received a disclosure document dated April 18, 2017 that included the following Exhibits:

A. Franchise Agreement with
   Personal Guaranty, Addendum & State Appendix
B Franchise Development Agreement
C. Financial Statements
D. List of State Administrators
E. List of Current & Former Franchisees
F. Confidentiality Agreement
G. Receipt

__________ ______________________________

Date Franchisee

Printed Name:________________________

You may return the signed receipt either by signing, dating, and mailing it to One Stop Undercar, LLC at 2938 Daimler Street, Santa Ana, CA 92705, or by faxing a copy of the signed and dated receipt to One Stop Undercar, LLC at (949) 833-1817.

ITEM 23. RECEIPT

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If One Stop Undercar, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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C. Financial Statements
D. List of State Administrators
E. List of Current & Former Franchisees
F. Confidentiality Agreement
G. Receipt

__________ ____________________________

Date Franchisee

Printed Name:____________________

Please sign this copy of the receipt, date your signature and retain it for your records.