FRANCHISE DISCLOSURE DOCUMENT

For Prospective Franchisees

MR. TRANSMISSION®
MILEX® COMPLETE AUTO CARE

Moran Industries, Inc. d/b/a Moran Family of Brands®
11524 West 183rd Place, Suite 100
Orland Park, Illinois 60467
(800) 377-9247
www.moranfamilyofbrands.com

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d/b/a Moran Family of Brands®
An Illinois Corporation
11524 West 183rd Place, Suite 100
Orland Park, Illinois 60467
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The franchise offered is for the right to establish and operate: (a) a business specializing in the repair, service, and installation of automobile transmissions and related components operated under the service mark "Mr. Transmission®"; (b) a business specializing in automotive maintenance and a full line of repair services operated under the service mark "Milex® Complete Auto Care"; and (c) a Co-Branded Mr. Transmission business and Milex Complete Auto Care business that offers the services provided by each franchised business. Franchises can be established as a start-up business or by conversion of an existing independent business to a franchised business.

The total investment necessary to begin operation of a Mr. Transmission or Milex Complete Auto Care franchised business ranges from $207,425 to $264,685. This includes $50,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Mr. Transmission and Milex Complete Auto Care Co-Branded franchised business ranges from $232,176 to $300,579. This includes $60,000 that must be paid to the franchisor or its affiliate.

We also offer certain qualified prospects the right to enter into our form of area development agreement for the right to operate multiple Co-Branded franchised businesses, with a minimum of three Co-Branded franchised businesses in a designated development area. The total investment necessary to become an area developer of three Co-Branded Mr. Transmission / Milex Complete Auto Care franchised businesses ranges from $263176 to $331,579. This includes $90,000 that must be paid to the franchisor or its affiliate. The estimated investment for each additional business you purchase over the minimum three is from $210,676 to $278,079, including $40,000 which must be paid to the franchisor or its affiliate.

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

You may have elected to receive an electronic version of this disclosure document. If so, you may want to download the disclosure document for future reference. You may wish to receive the disclosure document in another format that is more convenient for you. To discuss other

disclosure formats, please contact Ben Reist at Moran Family of Brands, 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467, (800) 377-9247.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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 ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your local 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. State agencies are listed in Exhibit A.

Issuance Date: March 20, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and the area development agreement require you to resolve disputes with the franchisor by litigation only in Illinois. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Illinois than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

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

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

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number (517)373-7117

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FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES
MORAN INDUSTRIES, INC. D/B/A MORAN FAMILY OF BRANDS®

ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document, "Moran Family of Brands," "Moran," "us", "we" and "our" refer to Moran Industries, Inc., the franchisor. "You" or "your" refer to the person to whom we grant the right to operate a Mr. Transmission franchised business, a Milex Complete Auto Care franchised business, or a Mr. Transmission / Milex Complete Auto Care co-branded franchised business. If you are a corporation, partnership, limited liability company or other business entity, your owners and owners' spouses will have to guarantee your obligations and be bound by the provisions of the Franchise Agreement (Exhibit D) and other agreements described in this disclosure document.

The Franchisor, Its Predecessors and Affiliates:

Moran is an Illinois corporation incorporated on July 27, 1990. We maintain our principal business address at 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467. We do business under the names "Moran Industries, Inc." and "Moran Family of Brands®." We acquired certain intellectual property rights associated with Milex Tune-Up and Brakes in November 1997, along with 14 franchised "Milex Tune Up and Brakes" centers. We continue to offer franchises for retail automotive repair businesses under the service mark "Milex® Complete Auto Care". In this disclosure document, we offer franchises for retail transmission service and repair under the service marks "Mr. Transmission®" and "Milex® Complete Auto Care", as well as Co-branded franchises that operate under both marks.

Mor Property Development, LLC ("Mor Property Development") is a commercial property development and leasing company that was originally established as an Illinois general partnership in 1994. In 2004 the general partners reconstituted their business into an Illinois limited liability company. Mor Property Development's principal place of business is 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467 and it leases commercial property to certain of our franchisees and other commercial tenants. Mor Property Development does not offer and has never offered franchises in any line of business.

We have no predecessors or affiliates other than disclosed above.

Our agents for service of process are listed in Exhibit B of this Disclosure Document.

The Business of the Franchisor:

Under this disclosure document, we grant franchises to qualified candidates for the operation of (a) Mr. Transmission service centers (each, a "Mr. Transmission Center") offering retail repair and servicing of automotive transmissions to the general public, (b) Milex Complete Auto Care Centers (each, a "Milex Center") offering automotive maintenance and a full line of repair services to the general public, or (c) Co-Branded Mr. Transmission and Milex Complete Auto Care centers (each, a "Co-Branded Center") offering retail repair and servicing of automotive transmissions and automotive maintenance and repair services to the general public. Under this Disclosure Document, the Mr. Transmission Centers, Milex Centers and Co-Branded Centers shall collectively be referred to as "Centers".

Under a separate disclosure document, we also grant franchises for the operation of automotive window film, automotive paint protection film, and architectural window tint installation, services and accessories' stores under the trade name "Turbo Tint®." Previously, from 2007 until 2020, we offered similar services and products under our trade name Alta Mere® but we no longer offer new franchises under this mark. However, we have some existing franchisees that have elected to continue operating under the "Alta Mere" trade name, as noted in Item 20. These franchisees operate business that are substantially similar to the "Turbo Tint" franchised business, aside from the different marks.

Moran examines each franchisee application on a case by case basis and Moran reserves the right to determine in its sole discretion whether or not to approve or disapprove an applicant for a single franchise or multiple unit franchise.

Finally, we previously offered franchises under the trade names "Dr. Nick's Transmissions" and "Multistate Transmissions" but we no longer offer new franchises under these marks. However, we have some existing franchisees that have the right to continually operate under these marks. Upon written request we may allow a new franchisee the right to operate under these marks in the event of a transfer of the existing franchise. These franchisees operate businesses under identical business systems to the "Mr. Transmission" franchised business, aside from the different marks.

The Franchised Business:

You will establish and operate a Center under our registered service marks "Mr. Transmission" and/or "Milex Complete Auto Care" and logos (as applicable), as well as related trademarks, service marks, logos, and slogans (the "Proprietary Marks") and the proprietary operating system (the "System") we developed for the operation of a Center. .You will be granted the right to use the "Mr. Transmission" and/or "Milex Complete Auto Care" marks and trade names. You also will be licensed to utilize our Mr. Transmission / Milex Complete Auto Care confidential operating manual (the "Manual") which sets forth the standards and specifications for the management and operation of a Mr. Transmission and /or Milex Complete Auto Care Center. The Center will be operated pursuant to our then-current form of franchise agreement ("Franchise Agreement"), which is attached to this Disclosure Document as Exhibit D.

Area Developer Rights:

We offer franchises for area developers granting rights to operate multiple (a minimum of 3) Co-Branded Centers within a development territory and adhering to a schedule that are defined in the Area Developer Agreement (Exhibit J). For each additional franchise Co-Branded Center, as scheduled, you must sign our then-current form of franchise agreement which may include materially different terms and conditions from your original franchise agreement. There is no maximum number of centers to be developed.

Conversion Franchise:

You will convert an existing independent transmission service center that you currently operate to a Mr. Transmission Center, Milex Center or Co-Branded Center.

Market Competition:

If you are operating a Mr. Transmission Center or Co-Branded Center, your competition includes various national, regional and local automobile repair businesses, including the service

departments of national and regional department stores, specialty repair shops, service stations, motor vehicle dealerships and independent vehicle repair centers. Your competition may also include transmission service centers and tune-up and brakes service centers franchised by us under the Proprietary Marks or one of our other trademarks.

If you are operating a Milex Center or Co-Branded Center, your competition includes automotive repair and service businesses, transmission repair and service businesses, and automotive window tinting and accessories businesses including service departments of national and regional department stores, specialty repair and service shops, service stations, motor vehicle dealerships and independent vehicle repair and service shops and centers. Your competition may also include automotive repair and service centers, transmission service centers and automotive window film, paint protection film, residential and commercial window film, tinting and installation, and accessories businesses franchised by us under the Proprietary Marks or one of our other trademarks.

Applicable Regulations:

There are a number of state and local automotive repair statutes as well as consumer oriented legislation to which your operation of a Center may be subject. You must investigate the laws and regulations, determine which laws and regulations apply to the operation of the Center and comply with all applicable laws. You should review these matters with your local attorney. In addition, disposal of used transmission fluid and used motor oil is subject to a variety of state and federal regulations including the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response and Clean-up Liability Act (CERCLA). You should familiarize yourself with these requirements.

Prior Business Experience:

We or our predecessors have operated Centers since 1962 under the trade name “Mr. Transmission” or other trade names, and have franchised these Centers since 1970. We previously offered “Multistate Transmissions” franchises from September 1991 until December 2015. Prior to our merger with Multistate Transmissions, Inc. (“Multistate”), “Multistate Transmissions” franchises were offered by Multistate since 1971. We previously offered “Dr. Nick’s Transmissions” franchises from April 1993 until December 2015. Prior to our acquisition of the “Dr. Nick’s Transmissions” franchise system, “Dr. Nick’s Transmissions” franchises were offered by Nick’s Systems, Inc. since 1978. We acquired Atlas Transmission of Southeast Texas, Inc. (“Atlas”) in 1993 and offered “Atlas Transmission” franchises from October 1993 until 2001. Prior to our acquisition of the “Atlas Transmission” franchise system, Atlas had offered “Atlas Transmission” franchises since 1988. Alta Mere offered “Alta Mere Window Tinting & Auto Alarm” franchises specializing in providing window tinting, security and electronic convenience items, audio systems, and other accessories for vehicles on a retail and wholesale level from its inception in June 1996 to June 2007. We previously offered “Alta Mere” franchises from June 2007 to March 2020.

We have offered “Milex Complete Auto Care” franchises providing general automotive repair and maintenance on a retail and wholesale level, since our acquisition of the “Milex Tune Up & Brakes” franchise system in November 1997.

ITEM 2 BUSINESS EXPERIENCE

Co-Founder, Chairwoman and CEO: Barbara Moran-Goodrich

Barbara Moran-Goodrich is one of Moran's co-founders and she has served as a member of Moran's Board of Directors since its inception in 1990. Ms. Moran-Goodrich has served as Chief Executive Officer and President of Moran from 1999 to 2014. Ms. Moran-Goodrich currently serves as our Chief Executive Officer. In 2010, Ms. Moran-Goodrich was appointed as Chairwoman of Moran's Board of Directors. Barbara Moran-Goodrich has also served as Chief Executive Officer of Transmission City from 1999 until it was dissolved 2018. Barbara Moran-Goodrich began working for Transmission City in 1985 and served in many capacities including finance, marketing, customer relations, production and operations. Ms. Moran-Goodrich has served as a General Partner of Mor Property Development form 1994 to 2004. She currently serves as Managing Member of Mor Property Development. She has served in that capacity since 2004. Ms. Moran-Goodrich also currently serves as Managing Member of Goodmor Property and Davco Management LLC since 2020,

President: Peter Baldine

Peter Baldine is currently the President of Moran Family of Brands, an automotive franchisor with multiple brands. Mr. Baldine has been associated with Moran Family of Brands in various capacities since 1999 and has served as President since 2014. Mr. Baldine has many years of experience in the automotive aftermarket, service industry and franchising with companies such as Jiffy Lube Int., Safelite AutoGlass and VVP America.

Director, COO: Ron Frydrychowski

Ron Frydrychowski began working for Moran in 1992 as a Transmission Rebuilder/Assistant Technical Director and became our Technical Director in 1995. In 2007, Mr. Frydrychowski became the Chief Operations Officer of Moran and continues to oversee our Technical Department. In 2009, Mr. Frydrychowski was appointed as a Director to Moran's Board of Directors. Mr. Frydrychowski is also one of our franchisees. He has co-owned B & R Transmission, Inc. d/b/a Multistate Transmissions in Oak Forest, Illinois since 2001.

Director, Vice President of Corporate Services: Jack E. Yost, Jr.

Jack E. Yost, Jr. has been employed in the Mr. Transmission franchise system in various capacities, including Center Manager, since 1974, and served as its Vice President of Franchise Development for the Southeastern United States from 1994 to 1999. In 1999, Mr. Yost became our Vice President of Corporate Services. In 2008, oversight of the Fleet Development Department was added to Mr. Yost's responsibilities. In 2009, Mr. Yost was appointed as a member of the Board of Directors.

Secretary, Compliance Director: Roni Bava

In 2011, Ms. Bava joined Moran as Compliance Director. Prior to that, from 2006 to 2011, Ms. Bava held the position of Compliance Director/Paralegal for Francorp, Inc., a franchise consulting firm in Olympia Fields, Illinois. In 2014 Ms. Bava was appointed as Secretary to our Board of Directors.

Controller: Sharon Krygowski

In 2022 Ms. Krygowski joined Moran as Controller. Prior to that, from 2015 to 2022, Ms. Krygowski held the position of Controller for Chicago Gaelic Park, a hospitality venue company in Oak Forest, Illinois.

Marketing Director/Project Manager: Amanda Maquet

Ms. Maquet joined the Moran Family of Brands team in May of 2017 as the Project Manager and later added the title Marketing Director. Ms. Maquet was promoted to our leadership team in 2021. Prior to that, from 2016 to 2017, Ms. Maquet held the position of Project Manager/Designer for Ashley Mason, LLC a clothing design company located in Huntington Beach, California.

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ITEM 3 LITIGATION

Litigation Against Franchisees Commenced in the Past Fiscal Year:

Litigation for Breach of Franchise Agreement and Trademark Infringement

None

Pending Actions:

None

Concluded Actions:

Moran Industries, Inc. v Alan C. Polson et al. United States District Court for the Northern District of Georgia (Case No. 1:21-cv-02141-SCJ, filed May 21, 2021). On August 25, 2022, the Court entered an Order for Default Judgment in favor of Moran. Moran was awarded monetary damages and a permanent injunction against the Defendants. We are currently seeking collection on judgment.

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

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ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Franchise Agreement

The initial franchise fee for the right to operate a Mr. Transmission Center or Milex Center is $40,000. The initial franchise fee for the right to operate a Co-Branded Center is $50,000. The initial franchise fee is nonrefundable and is due in one lump sum at the time of signing the Franchise Agreement.

We are a member of the International Franchise Association (the "IFA") and we participate in the IFA's VetFran Program that provides special financial incentives to qualified veterans. Currently, we offer qualified veterans a one-time discount in the amount of $6,750 towards the initial franchise fee for the purchase of any combination of trademark licenses for new franchised businesses. Please ask us for more information about the VetFran program.

You must pay a deposit in the sum of $5,000 as a Warranty Fund Security Deposit (the "Security Deposit") when you sign the Franchise Agreement. The Security Deposit used at Franchisor's sole discretion may be used to pay for future warranty repairs that you have issued in your market. The Security Deposit is retained by us if the Franchise Agreement expires and is not renewed or is terminated for any reason other than a transfer. When we retain the Security Deposit, any monies may be applied to any unpaid amounts or fees which you may have failed to pay to us upon termination of the Franchise Agreement. The Security Deposit may be refundable 90 days after completion of resale or transfer if the purchaser is paying a Warranty Fund Security Deposit. The Security Deposit is not to be used during the operation of your Center, however, if the Security Deposit is used to reimburse another franchisee for honoring any warranty for which you are responsible you must replenish the Security Deposit within 10 days of our request.

You must pay us a training fee of $5,000 (the "Training Fee") when you sign the Franchise Agreement. The Training Fee is required for the first franchised location only. No additional training fee will be required for additional locations unless we feel it is necessary based upon our evaluation of the performance in the flagship location. The Training Fee is nonrefundable.

Area Developer Agreement

If qualified, you may become an Area Developer and purchase rights to open multiple Co-Branded locations. There are 2 components to be addressed; the fees associated with your flagship location and the fees associated with the Area Developer Agreement. The breakdown is as follows: You must sign one Franchise Agreement and pay the franchise fee for the first Co-Branded Center at the same time you sign the Area Developer Agreement. You must sign one Franchise Agreement and pay the franchise fee for each additional Co-Branded Center you agree to develop. Under the terms of the Area Developer Agreement, the franchise fee is $50,000 for the first Co-Branded Center you agree to develop. The franchise fee for the second and each subsequent Co-Branded Center you develop is reduced to $30,000.

There is an area developer fee of $10,000 for each Center to be developed under the mandatory development schedule contained within the Area Developer Agreement. The minimum number of units for development under the Area Developer Agreement is 3 units. This requires an upfront area developer fee of $30,000 for 3 units or an additional $10,000 for each additional unit you

develop. This area developer fee is due upon execution of the Area Developer Agreement. The area developer fee is payable in addition to the initial franchise fee paid as a current franchisee. The area developer fee is considered to be fully earned upon payment and is nonrefundable.

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ITEM 6 OTHER FEES

Center Franchise

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Weekly Royalty Fee (Note 1)	7% of Weekly Gross Sales, or a minimum of $250 (whichever is greater) (Note 2)	Weekly; Due no later than Wednesday of each week for sales made during the prior week (Note 3)	Payable via ACH debit. See definition of Gross Sales (Note 2)
Late Royalty Fee (Note 3)	1% to 3% of weekly Gross Sales	When billed	Payable any week a royalty payment is late
Creative Fund Contribution (Note 4)	Currently 1% of Gross Sales or a minimum of $200 per month (whichever is greater) for Centers or 1% of Gross Sales, or a minimum of $250 per month (whichever is greater) for Co-Branded Centers (see Note 4); We may increase required monthly contributions up to 3% of Gross Sales	Monthly; Due with the first payment of royalties for the month	Payable via ACH debit
Local Advertising (Note 5)	For new locations the first 6 months $5,000 per month. Beginning month 7 and for the first 3 years, 7% of Gross Sales, or a minimum of $2,100 per month (whichever is greater) For mature locations 3.5% of Gross Sales, or a minimum of $1,500 per month (whichever is greater)	As incurred	Payable to Approved Supplier
Software Subscription Fee (Note 6)	Currently $350 per month	Monthly	Payable to Approved Supplier

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Fleet Services – Processing Fee (Note 7)	5% of amount payable to you	Not Applicable	Deducted from monies collected from fleet customers on your behalf
Audit Costs (Note 8)	Cost of audit plus interest on amounts at the default rate	When billed	Payable should we conduct an audit and it reveals you have underreported any amount you owe us by 2% or more
Costs of Enforcement and Investigation (Note 9)	Varies	As incurred	Payable should you fail to comply with your Franchise Agreement. Payable in connection with an investigation of your operations if such investigation reveals any fraudulent or illegal conduct
Transfer Fee (Note 10)	The then current transfer fee (currently $7,500)	At time of transfer	Payable if you sell your Center
Renewal Fee (Note 11)	The then current renewal fee (currently $2,500)	At the signing of the then current form of Franchise Agreement	Payable when you renew your Franchise Agreement

Unless otherwise noted, all of the fees above are imposed by us, payable to us and are nonrefundable.

NOTES:

1. Royalty Fee. In addition to the initial franchise fees discussed above in Item 5, we will collect a continuing nonrefundable weekly royalty fee in an amount equal to 7% of your weekly Gross Sales (defined in Note 2 below) or a minimum of $250 (whichever is greater). A new Service Center will be required to pay the weekly royalty of seven percent (7%) but will not be required to meet the minimum of $250 for the first 6 months of operation. This temporary waiver of the minimum does not apply to the transfer of an existing Service Center. The royalty fee may be adjusted over the term of your agreement, but will not exceed 10%. If a franchisee continues to operate their Service Center after expiration of their franchise agreement the royalty fee will automatically increase to 10% until a new then-current form of franchise agreement is signed.

2. Gross Sales. "Gross Sales" is defined as all sales generated of any kind whatsoever, regardless of whether cash payment is actually received by you at the time of the transaction, including credit card sales, redemption of System gift cards and accounts receivable sales, in connection with the operation of your Center including, but not limited to, sales of automotive supplies, accessories, gas, oil, repair parts and/or any service or product sold within or without the Center premises, but excluding intra-company warranty repairs. Gross Sales will

not include sales tax, excise tax or other tax with respect to such sales, or revenue you derive from selling or issuing System gift cards, but will include "business interruption" insurance payments.

3. Royalty Late Payment Charge. If you fail to pay your royalties when due, you will be required to pay the following late payment charges to us: (1) an additional 1% Gross Sales royalty fee must be paid by you in any week where the royalty fee payment is late; (2) for each additional week the royalty fee payment is not paid, an additional 1% Gross Sales royalty fee will accrue against the current week's royalty and the past due royalty, i.e., if late 1 week, the royalty will be 8%; if late 2 weeks, the royalty will be 9%; and if late 3 weeks, the royalty will be 10%. After 3 weeks, the royalties will remain at 10% until your royalty account is brought current. For any ACH debit that is declined or check (if we authorize payment by check) returned by your bank, you must pay us a $50 declined ACH debit (or returned check) charge.

4. Creative Funds Contribution. You agree to make monthly contributions to the Moran Creative Fund for the creation and production of creative marketing concepts. If you are establishing a Mr. Transmission Center or Milex Center, you must contribute 1% of your Gross Sales or make a minimum contribution of $200 (whichever is greater) each month to the Moran Creative Fund. If you are establishing a Co-Branded Center, you must contribute 1% of your Gross Sales or a minimum contribution of $250 (whichever is greater) each month to the Moran Creative Fund. If you operate more than one single-brand Center, Co-Branded Center or any combination of both, you must make the required contribution to the Moran Creative Fund for each single-brand Center or Co-Branded Center, as applicable. You must make your monthly contribution(s) to the Creative Fund with the first weekly royalty payment of the month. Your contributions must be made via ACH debit payable to the Moran Creative Fund (if applicable). We allocate your contributions and direct the use of the Creative Fund for the System's benefit and in our sole discretion.

5. Local Advertising. For new locations: In addition to the above, for the first 6 months you will spend the budgeted ramp up plan amount of $5,000 per month. Beginning month 7 and for the first 3 years after opening, each month you must spend 7% of your Gross Sales or a minimum of $2,100 (whichever is greater) on advertising, promotions and public relations in the local area surrounding your franchised business. For mature locations open 3 years and beyond: Each month you must spend 3.5% of your Gross Sales or a minimum of $1,500 (whichever is greater).

6. Software Support and Maintenance Fee. We require you to use approved software to manage your Center. The software performs various functions such as the preparation and production of customer repair orders, calculation of your cost of goods, and record keeping functions. Minor updates may be made available from time to time via remote online access to your computer(s). You will be required to update your software when new updates are made available.

7. Fleet Services – Processing Fee. If you provide services to a fleet customer that are arranged through our fleet services division, we collect payments on behalf of all the franchisees servicing the customer and then remit payments to you and the other franchisees. We deduct a 5% processing fee for our administration of a centralized billing and payment system. The fee is deducted from payments collected from the fleet customer and the remainder is remitted to you and other franchisees for services rendered.

8. Audit Costs. We, our designated certified public accountants, or our other duly authorized agents have the right during business hours to audit or examine, at our expense, your

books, business machines, records, tax returns and any other documentation. You will be required to immediately remit to us any charges that an audit reveals are due plus interest at the lesser of 18% or the highest rate allowed by law from the date any such charge became due. If an audit discloses an error in the computation of the total Gross Sales made from or on the premises in excess of 2%, you must pay or reimburse us for any and all expenses incurred by us in connection with the audit, including, but not limited to, legal and accounting fees. This right of our accountants or authorized agents continues for a period of 180 days after expiration or termination of the Franchise Agreement. If an audit of your business discloses missing repair orders or sales invoices which have previously been assigned to you, you agree that for each missing repair order or sales invoice not presented to us, you will pay the then current royalty fee/percentage on each missing repair order or sales invoice based on an amount equal to $2,000 for each repair order or sales invoice or the average repair order or invoiced sale (as applicable) for your Center (whichever is greater).

9. Costs of Enforcement and Investigation. You must reimburse us our reasonable costs and expenses to enforce the Franchise Agreement if you fail to comply. These costs may include collection costs, investigatory costs, attorney's fees, court costs and other similar costs. We or our designated agent have the right at all times to conduct investigations of your operations, work ethic and customer service. In conducting these investigations, you must permit us or our designated representative complete access to your books, business machines, records, premises and operations, and allow us to interview your employees. If any investigation reveals that you have committed any fraudulent or illegal act with respect to the operation of your Center, in addition to any other rights and remedies we may have under the Franchise Agreement, you must reimburse us for the expense of the investigation, any additional costs we incur and our attorneys' fees. These fees are also payable to us if we prevail in a suit, action or proceeding.

10. Transfer Fee. If you transfer pursuant to Section 23 of the Franchise Agreement (see Item 17 of this franchise disclosure document for the conditions and terms under which you may assign), you must pay our then current transfer fee (currently $7,500). If we incur any extraordinary costs, you will be responsible for all reasonable costs and expenses incurred by us as a consequence of your assignment.

11. Renewal Fee. At the end of the term of the Franchise Agreement, we require that you pay us a renewal fee to continue your license for the use of our Proprietary Marks and System.

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Area Developer Franchise

TYPE OF FEE	AMOUNT	DUE DATE
Transfer Fee (Note 1)	10% of then-current area developer fee	On closing of transfer
Costs and Reasonable Attorneys' Fees (Note 2)	Varies	As incurred in a suit, action or proceeding

All fees and payments are non-refundable unless otherwise stated.

NOTES:

1. All fees are imposed by and payable to us.

2. Payable to us if we prevail in a suit, action or proceeding.

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ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Mr. Transmission Center, Milex Center and Co-Branded Center

TYPE OF EXPENDITURE	AMOUNT Mr. Transmission or Milex Single Unit	AMOUNT CO-BRAND CENTER FRANCHISE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Franchise Fee (Note 1)	$40,000	$50,000	Lump sum	At signing of Franchise Agreement	Us
Computer Software and Hardware System(s) (Note 2)	$3,059 to $4,259	$3,959 to $5,159	As incurred	Prior to opening	Us or approved independent third parties
VOIP Telephone Equipment Package (Note 3)	$510 to $900	$510 to $900	Lump sum	Prior to opening	Approved Supplier
Initial Parts, Inventory, Office Supplies, Shop Supplies, Tools and Promotional Items	$8,688 to $10,188	$10,795	Lump sum or as incurred	Prior to opening	Us or approved independent third parties
Equipment, Furniture and Fixtures (Note 4)	$52,168 to $55,338	$63,912 to $79,725	Lump sum or as incurred	Prior to opening	Us or approved independent third parties
Signs (Note 5)	$8,000 to $16,000	$8,000 to $16,000	Lump sum or as incurred	Prior to opening	Us or approved independent third parties
Initial Marketing Campaigns (First 6 months)	$30,000	$30,000	As incurred	Prior to opening	Approved independent third parties

TYPE OF EXPENDITURE	AMOUNT Mr. Transmission or Milex Single Unit	AMOUNT CO-BRAND CENTER FRANCHISE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Warranty Fund Security Deposit (Note 6)	$5,000	$5,000	Lump sum	At time of signing Franchise Agreement	Us
Leasehold Improvements/ Miscellaneous (Note 7)	$5,000 to $20,000	$5,000 to $20,000	As arranged	Prior to opening	Approved independent third parties
Rental/Utility Deposits (Note 8)	$12,000 to $18,000	$12,000 to $18,000	As arranged	Prior to opening	Independent third parties
Training Fee (Note 9)	$5,000	$5,000	Lump sum	At time of signing Franchise Agreement	Us
Training Expenses (Note 9)	$1,500 to $2,500	$1,500 to $2,500	As incurred for your out-of-pocket expenses	Prior to opening	Independent third parties
Additional Funds (6 months) (Notes 10 and 11)	$36,500 to $57,500	$36,500 to $57,500	As incurred	Prior to and after opening	Independent third parties
TOTAL	$207,425 to $264,685	$232,176 to $300,579	See above	See above	See above

Unless otherwise noted, all of the fees above are nonrefundable.

NOTES:

1. Franchise Fee. The initial franchise fee is due in full on signing the Franchise Agreement. The initial franchise fee for a single Mr. Transmission Center or Milex Complete Auto Care Service Center is $40,000. The initial franchise fee for a Co-Branded Center is $50,000. Additional franchises for Co-Brands may be awarded if our qualifying criteria are met and you are in good standing under your existing agreement(s). When you sign a lease for additional Co-Branded Centers, you will incur the costs listed in this Item 7 (except for the Initial Franchise Fee) for each of the additional Co-Branded Centers.

2. Computer Software and Hardware System(s). This category includes estimated costs for the computer system(s) consisting of the hardware and software that you will need to operate the Mr. Transmission Center, Milex Center or Co-Branded Center. To operate a Mr. Transmission Center you will need one computer system for Center operations. To operate a Milex Center or Co-Branded Center, you will need 2 computer systems for the Center operations, and you will also need to establish a network connection between the 2 computer systems. (If you will be operating a Milex Center you will pay the slightly higher computer fees listed under the Co-Brand heading). Estimated costs are based on the purchase of one computer system for the Mr. Transmission Center or 2 computer systems for the Milex Center or Co-Branded Center, an internet connection, and a network connection between 2 computer systems (if applicable).

3. VOIP Telephone Equipment Package. You must purchase a VOIP (voice over internet protocol) telephone package supplied by our approved supplier. The cost represents initial activation fees, and the required equipment consisting of 3 telephones and accompanying hardware. The high estimate includes optional hardware items.

4. Equipment, Furniture and Fixtures. This is an estimated range of costs, expenses, funds and/or deposits for a fully equipped 6-bay deluxe Mr. Transmission Center or a 6-bay, 6-lift Co-Branded Center. Your costs may be lower depending on your number of bays and lifts.

5. Signs. You are required to purchase a road sign and a building sign advertising your Mr. Transmission Center, Milex Center or Co-Branded Center in accordance with current specifications and in compliance with any local codes or ordinances. Costs may vary depending on a variety of circumstances, including local ordinances, restrictions, and installation costs. This estimate does not include any costs for electricity to the sign or any fees, freight or taxes. You must also pay the costs for complying with applicable law and obtaining all permits and licenses, insurance coverage and connection, maintenance and cost of supply of electricity, relative to the signs.

6. Warranty Fund Security Deposit. See Item 5, “Security Deposit” for a description of this payment.

7. Leasehold Improvements/Miscellaneous. To adapt a newly acquired facility for operation of your Mr. Transmission Center, Milex Center or Co-Branded Center, it must be renovated. The cost of leasehold improvements will vary depending on factors including, the size, condition and location of the facility, local wage rates and the cost of materials. This range is estimated to be your out of pocket costs based on additional estimated landlord-tenant improvement (TI) contributions.

8. Rental/Utility Deposits. You must lease or otherwise provide a suitable facility for the operation of the Mr. Transmission Center, Milex Center or Co-Branded Center. Lease

acquisition costs will vary based on square footage, cost per square foot and required maintenance costs. It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations. The low estimate in this category is based on an assumption that you will have to pay a security deposit equal to 2 months' rent to lease the facility. The high estimate is based on an assumption that you will have to pay a security deposit equal to 3 months' rent at a higher cost per square foot. Estimated costs of utility deposits to establish service for electric and gas are included in this category of costs. If you are a new customer of your local utilities, you will generally have to pay deposits to obtain services. The amount of the deposit will vary depending on the local utilities. The estimated range of costs for rental/utility deposits in this category only includes your costs to enter into a lease agreement for the facility and establish utility services. Estimated rent payments and utility bills for 6 months are included with the category, "Additional Funds," (see Notes 10 and 11 below).

9. Training Fee/Expenses. You are required to pay a fee for the classroom and field training course. The training fee is required for the first Center or Co-Branded Center. If you will be opening additional Co-Branded Centers you will not be required to pay an additional training fee, unless we feel it is necessary based upon our evaluation of the performance of the flagship location. You are also responsible for transportation to and from Orland Park, Illinois (or any other location we may designate), lodging, vehicle rental, meals or any other out-of-pocket expenses you incur while you attend the training course. Based upon your test scores and our evaluation, if additional "field" training is necessary the out-of-pocket expenses will increase.

10. Additional Funds. This category estimates your initial start-up expenses for the opening and initial period of operating your Mr. Transmission Center, Milex Center or Co-Branded Center. The estimated range of expenses is based on an initial period of approximately 6 months. These expenses include initial expenses for deposits, installation costs, insurance premiums, business licenses, minimum creative fund payments during the initial period, and other expenses not included in the above categories and payroll costs, rent, loan payments, commissions, additional improvements, utilities and other typical operating expenses. We estimate that the above-referenced amount will be sufficient to cover on going expenses for the start-up phase of your Mr. Transmission Center, Milex Center or Co-Branded Center. This is only an estimate; we do not represent or guarantee, and there is no assurance that additional working capital will not be necessary during the start-up phase or after. We have relied on our decades of experience in awarding franchises for transmission repair and general automotive centers to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase this franchise.

11. Additional Funds Cont'd. If you are seeking financing in connection with establishing a Mr. Transmission Center or Co-Branded Center, you are responsible in all cases for obtaining such financing. The availability of such financing will depend on factors such as the availability of financing generally, your creditworthiness, security which you may have, and various other factors considered by the lender.

The typical franchisee leases, rather than purchases, the land and building to be used for the Mr. Transmission Center, Milex Center or Co-Branded Center. The approximate size of the building will generally range from 3,500 to 4,500 square feet with the standard size considered to be 4,000 square feet. The size of the real property on which the building is located will vary widely, depending on many factors such as availability and need. The minimum acceptable size for the real property is 20,000 square feet. You may incur a broker's fee if you decide to hire a broker to assist you with your lease, but it is not necessary that you do so. In certain instances we may purchase or lease the building or land on which the franchise is to be located and will lease or sublease said building and land to you. In such instances lease payments will be made directly

from you to us. Such rental payments may be greater than the payments made by us to the original lessor. We have no present plans to purchase or lease any property or lease or sublease to any franchisee, but we reserve the right to do so.

All of the above previously discussed costs are estimates only. Actual costs may vary depending upon a variety of factors including the area where the Mr. Transmission Center, Milex Center or Co-Branded Center is located. We make no representation or guarantee that your initial expenditures or investment will not exceed the estimates. A schedule of equipment is available for your review.

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YOUR ESTIMATED INITIAL INVESTMENT

B. Area Development Business

TYPE OF EXPENDITURE	AMOUNT CO-BRANDED CENTER FRANCHISE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Area Developer Fee (Note 1)	$10,000 per unit as outlined in the mandatory development schedule; 3 unit minimum = $30,000	Lump Sum	At signing of Area Developer Agreement	Us
Franchise Fee for 1st Center (Note 2)	$50,000	Lump sum	At signing of Franchise Agreement	Us
Start Up, Travel, Meals and Lodging Expenses (Note 3)	$1,000	As incurred	As incurred	Independent third parties
Other Expenditures for 1st Center (Note 4)	$182,176 to $250,579	As disclosed in preceding table	As disclosed in preceding table	As disclosed in preceding table
TOTAL	$263,176 to $331,579	See above	See above	See above

Unless otherwise noted, all of the fees above are non-refundable.

NOTES:

1. Development Fee. There is an area developer fee in the amount of $10,000 for each Co-Branded Center to be developed under the Area Developer Agreement (three Co-Branded Center minimum). This area developer fee is due at the signing of the Area Developer

Agreement. The area developer fee is payable in addition to any initial franchise fee. The area developer fee is not refundable.

2. Franchise Fee. If you are entering into an Area Developer Agreement to open additional franchises, the franchise fee due in full on signing the Franchise Agreement for the first Co-Branded Center you develop is $50,000. The franchise fee for the second and each subsequent Co- Branded Center you develop is $30,000.

3. Start Up, Travel, Meals and Lodging Expenses. You will be responsible for all of your expenses for travel, meals, lodging and other related expenses that you incur to attend and complete our initial training program and any additional training sessions we may conduct with you.

4. Other Expenditures. The balance of your initial investment for the first franchised Center is categorized by costs in the table at the beginning of this ITEM 7. The categories are computer hardware, telephone, initial parts and inventory, equipment, furniture and fixtures, signs, marketing campaign, warranty fund deposit, leasehold improvements, rent/utility deposits, training fee and additional funds. Your costs to develop the second and each additional franchised center may be affected by factors, including inflation, local labor costs, materials cost and other factors not within our control.

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ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must purchase or lease (as applicable) equipment, signs, furniture, fixtures, supplies, computer software and hardware, tools, internet marketing and advertising services and items displaying our Proprietary Marks under our specifications in the Manual. These specifications include standards and specifications for appearance, quality, price, performance and functionality. These standards and specifications are based on our experience in operating businesses of the type we are franchising and through industry research and testing in our franchisees' businesses. We may communicate our standards and specifications directly to suppliers who wish to become a designated or approved supplier for our franchisees. We communicate our standards and specifications to you when we evaluate your proposed Center location, during training, during on-site visits and through the Manual (including periodic bulletins). We will periodically issue new standards and specifications (if any) through written notices.

Required and Approved Suppliers and Revenue from Franchisee Purchases

You are required to use the approved sales management software program or other approved software program if requirement changes. You must obtain our prior written approval of any additional paperwork generated outside the system that you choose to provide to your customers. As part of your computer software and hardware system you are required to purchase QuickBooks. The online version is preferred, but the desktop version is acceptable. You will use the designated Chart of Accounts as provided by us.

During the first year you must use our approved marketing vendors and follow the one-year marketing strategy developed with you during the Marketing Training Class.

We have established a VOIP (voice over internet protocol) telephone system. You must purchase all telephone equipment from and pay an activation and monthly telephone service fee to our approved supplier. The monthly service fee includes one local number, one fax number and call recording features. Additional lines may be added for an additional charge. We will own the number(s) you are permitted to use, and we reserve the right to eliminate service or redirect calls at any time upon your failure to cure any default we advise you of in writing. You may not have or use any other numbers associated with your Center without our express written permission, which we have the right to grant or deny for any reason.

We are currently an approved supplier, but not the only approved supplier, of initial parts, inventory, shop supplies, tools, equipment and signs. None of our officers own any interest in any approved supplier.

In the year ending December 31, 2022, our revenue from the sale of TPM PRO® software licenses and software installation was $7,875.00[1], or less than 1% of our total revenue of $4,898,513.22. We no longer offer the TPM PRO system.

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[1] Includes our revenue from sales of TPM PRO to any franchisee of our franchise systems including Dr. Nick's Transmissions, Milex Complete Auto Care, Mr. Transmission, and Multistate Transmissions.

In the year ending December 31, 2022, the Moran Creative Funds' revenue from the sale of repair orders to franchisees was $0, or .0% of the Moran Creative Funds' total revenues (cash basis) of $152,018.93. If applicable, the cost of repair orders purchased from the Moran Creative Funds will represent less than 1% of your total purchases in establishing a Mr. Transmission Center, Milex Center or Co-Branded Center and less than 1% of your annual operating costs.

In the year ending December 31, 2022, our revenue from the sale of initial furniture, fixtures, inventory, office supplies, shop supplies, or other items to franchisees was $23,984.75 or 0.9% of our total revenues of $4,898,513.22. The cost of initial equipment, signs, furniture, fixtures and other items purchased from us or another approved supplier will represent approximately 35% to 45% of your overall purchases in establishing a Mr. Transmission Center, 39% to 43% of your overall purchases in establishing a Milex Center, or approximately 42% to 54% of your overall purchases in establishing a Co-Branded Center.

An approved supplier of automotive parts pays us a rebate of 1% of qualified franchisee purchases. The supplier also pays you directly a rebate of 2% of your qualified purchases.

We do not currently receive any other rebates or have any other rebate programs in place for our franchisees, but we reserve the right to derive revenue from franchisee purchases from other approved suppliers in the future.

We negotiate purchase arrangements and preferred vendor pricing with suppliers for the benefit of franchisees. We do not have any purchasing or distribution cooperatives.

We also require you to use approved suppliers for certain categories of products and services such as lifts, battery chargers, air compressors, welding equipment, cleaning/special machine/shop equipment, internet marketing and advertising services and materials, and business website development services. If you would like to purchase these products or services from other suppliers, the supplier must meet our approval and our supplier standards will be provided to you as outlined in your pre-opening manual. You must submit your written proposal to us and we will review the supplier for quality, reputation and performance. We will reply to your proposal within 30 days.

These suppliers have been selected for the quality and durability of their products, their longevity in business and their business reputation. We do not provide material benefits to a franchisee based on the franchisee's purchase of particular products or services or use of particular suppliers.

Insurance:

The following insurance is required (minimum requirements):

- Broad Form Commercial General Liability coverage, which must include Product Liability Insurance, with a minimum limit of One Million Dollars ($1,000,000) per occurrence/Two Million Dollars ($2,000,000) aggregate covering Bodily Injury and Property Damage; Moran Industries, Inc., its subsidiaries, affiliates, shareholders, officers, directors, employees, agents and assignees must be named as "Additional Insured/Franchisor";

- Automobile Liability coverage with One Million Dollars ($1,000,000) combined Single Limit for All Owned Autos, Non Owned Autos and Hired Autos; Moran Industries, Inc., its subsidiaries, affiliates, shareholders, officers, directors, employees, agents and assignees must be named as "Additional Insured/Franchisor";

- Excess Liability/Umbrella Policy with a minimum limit of One Million Dollars ($1,000,000); This coverage extends to cover General Liability, Auto Liability and Employer's Liability;

- Worker's Compensation and Employer's Liability coverage with minimum liability limits of One Hundred Thousand Dollars ($100,000), or statutory amounts, whichever is greater, (required even if your Center is located in a state that does not mandate Worker's Compensation Insurance);

- Garagekeeper coverage with minimum amount of Twenty Thousand Dollars ($20,000) per service bay at your Center;

- Employment Practices Liability Insurance to include first and third parties, with a minimum limit of Fifty Thousand Dollars ($50,000); Moran Industries, Inc., its subsidiaries, affiliates, shareholders, officers, directors, employees, agents and assignees must be named as "Additional Insured/Franchisor";

- Data Breach and Cyber Liability Insurance to include third party coverage for lawsuits, as well as first party coverage for business interruption losses, cyber extortion and regulatory fines and expenses;

- Special Cause of Loss coverage on your Center including improvements, equipment, furnishings, fixtures and inventory for the full values and Business Interruption; and

- Moran Industries, Inc., its subsidiaries, affiliates, shareholders, officers, directors, employees, agents and assignees must be named as "Additional Insured/Franchisor" on some of the insurance policies listed above including, Commercial General Liability, Automobile Liability and Employment Practices Liability Insurance (third parties).

The insurance requirements listed are minimum standards and required under your franchise agreement. These minimum requirements do not serve as legal advice. You should consult your insurance agent or independent legal counsel in order to determine what additional coverage, if any, is most suitable for your individual business needs.

The standards, specifications and designation of approved suppliers disclosed above are required for the purpose of protecting the proprietary marks and maintaining uniformity and consistency. You are obligated to investigate and comply with federal, state and local laws and regulations and we will vary our standards, specifications and designation of approved suppliers at your request if necessary to comply with any law or regulation.

Area Developer Agreement:

You are not required to purchase any additional goods or services as a party to an Area Developer Agreement.

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ITEM 9 FRANCHISEE'S OBLIGATIONS

For Franchisees:

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

Obligation	Section in Agreement	Item In Disclosure Document
a. Site selection and acquisition/lease	Sections 1, 2, 4, 6(j), and 33 of Franchise Agreement Section 2 of Conversion Franchise Addendum	Item 11
b. Pre-opening purchases/leases	Sections 5, 14, 16, 20, and 33 of Franchise Agreement Section 2 of Conversion Franchise Addendum	Items 5, 7, and 8
c. Site development and other pre-opening requirements	Sections 4, 5, and 6 of Franchise Agreement	Items 5, 7, and 11
d. Initial and ongoing training	Section 6 of Franchise Agreement	Item 11
e. Opening	Sections 1, 2, 4, 5, and 6 of Franchise Agreement Section 2 of Conversion Franchise Addendum	Item 11
f. Fees	Sections 6, 11, and 12 of Franchise Agreement Section 2 of Conversion Franchise Addendum	Items 5, 6, and 7
g. Compliance with standards and policies/operating manuals	Sections 7 and 8 of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Sections 7, 13, and 22 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 6, 8, 15, 16, and 18 of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Sections 8, 17, and 18 of Franchise Agreement	Item 11

Obligation	Section in Agreement	Item In Disclosure Document
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Section 15 of Franchise Agreement	Items 6 and 8
m. Maintenance appearance and remodeling requirements	Section 8 of Franchise Agreement	Item 11
n. Insurance	Section 20 of Franchise Agreement	Items 6 and 8
o. Advertising	Section 19 of Franchise Agreement	Items 6 and 11
p. Indemnification	Sections 20 and 21 of Franchise Agreement	Item 6
q. Owner's participation/management/ staffing	Sections 6, 8, and 21 of Franchise Agreement	Item 6
r. Records and reports	Sections 12, 13, and 14 of Franchise Agreement	Item 6
s. Inspections and audits	Sections 12 and 13 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 23 of Franchise Agreement	Items 6 and 17
u. Renewal	Section 3 of Franchise Agreement	Item 17
v. Post-Termination obligations	Sections 27, 28, and 29 of Franchise Agreement Section 2 of Conversion Franchise Addendum	Item 17
w. Non-competition covenants	Sections 25 and 27 of Franchise Agreement Section 2 of Conversion Franchise Addendum	Item 17
x. Dispute Resolution	Section 38 of Franchise Agreement	Item 17

For Area Developers:

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

Obligation	Section In Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Sections 1, 2, 4, 6(j), and 33 of Franchise Agreement	Item 11
b. Pre-opening purchases/leases	Sections 5, 14, 16, 20, and 33 of Franchise Agreement	Items 6, 7, and 8
c. Site development and other pre-opening requirements	Sections 4, 5, and 6 of Franchise Agreement Section 3 of Area Developer Agreement	Items 5, 7, and 11
d. Initial and ongoing training	Section 6 of Franchise Agreement	Item 11
e. Opening	Sections 1, 2, 4, 5, and 6 of Franchise Agreement Section 3 of Area Developer Agreement	Item 11
f. Fees	Sections 6, 11, and 12 of Franchise Agreement Section 2 of Area Developer Agreement	Items 5, 6, and 7
g. Compliance with standards and policies/operating manuals	Sections 7 and 8 of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Sections 7, 13, and 22 of Franchise Agreement	Item 16
i. Restrictions on products/services offered	Sections 6, 8, 15, 16, and 18 of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Sections 8, 17, and 18 of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Section 3 of Area Developer Agreement	Item 12
l. Ongoing product/service purchases	Section 15 of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Section 8 of Franchise Agreement	Item 11
n. Insurance	Section 20 of Franchise Agreement	Items 6 and 8
o. Advertising	Section 19 of Franchise Agreement	Items 6 and 11
p. Indemnification	Sections 20 and 21 of Franchise Agreement	Item 6

Obligation	Section In Agreement	Item in Disclosure Document
q. Owner's participation/management/ staffing	Sections 6, 8, and 21 of Franchise Agreement	Item 6
r. Records/reports	Sections 12, 13, and 14 of Franchise Agreement	Item 6
s. Inspections/audits	Sections 12 and 13 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 23 of Franchise Agreement Section 5 of Area Developer Agreement	Items 6 and 17
u. Renewal	Section 3 of Franchise Agreement Section 1 of Area Developer Agreement	Item 17
v. Post-termination obligations	Sections 27, 28, and 29 of Franchise Agreement Section 6 of Area Developer Agreement	Item 17
w. Non-competition covenants	Sections 25 and 27 of Franchise Agreement	Item 17
x. Dispute Resolution	Section 38 of Franchise Agreement Section 9 of Area Developer Agreement	Item 17

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ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or other obligations. We do not represent, warrant, or guarantee that you will be successful in obtaining financing from any lender and cannot predict the terms of such financing. Your lender may require you to grant a security interest in favor of lender in all personal property, equipment, inventory and fixtures used in connection with the operation of your Center.

If you request, we will provide you with a list of lending organizations that can provide financing options relative to your investment needs and requirements for the purchase of equipment necessary to establish your Center through third-party lenders. You will be solely responsible for obtaining any necessary financing through third-party lenders and for any additional fees or expenses imposed by a broker or lender. Your ability to obtain financing is based on your credit worthiness as decided by the lending organizations. We do not receive payments from any third party who offers financing assistance.

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

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

Pre-Opening Assistance

Before you begin operation of your Center, we will:

(1) Designate your Territory or Territories.

(2) Furnish you with our standard site plans and specifications for a Center upon your request if the building for the Center is to be constructed after the Franchise Agreement is signed. (see Section 4 of the Franchise Agreement)

(3) Evaluate the site where you propose to establish your Center for the purpose of approving the site. The responsibility and costs incurred for selecting a site are your sole responsibility.

Upon receiving the initial franchise fee, we or our approved vendor will provide you with assistance in assessing the market, coordinating with brokers and finding a suitable site for your Center. We will also provide you with a site selection manual outlining the specifications of a build-to-suit location or of a retrofit of an existing building. Included will be a step-by-step selection process you will follow under our monitoring and direction. Those steps include locating competition and other automotive related centers, making telephone inquiries of possible sites and submitting the necessary information to us for approval. You must submit to us a copy of your lease, or sublease, with any amendments, leasehold improvement plans, or if you are purchasing real estate, the letter of intent, for our review and approval prior to your signing. While we will not unreasonably withhold our approval of a site, if we cannot agree with you on a site, you may forfeit your initial franchise fee.

(4) Loan you a copy of our Manual or Manuals (as applicable) and other operational materials. (see Section 8 of the Franchise Agreement)

(5) Furnish you with detailed specifications for all outdoor and indoor signs to be used on the premises of the Center. (see Section 5 of the Franchise Agreement)

(6) Furnish you with written specifications for equipment, fixtures opening inventory and supplies. You may purchase these items from another approved supplier.

(7) Provide you with mandatory training, including 2 weeks of online pre-training, an intensive 1-week classroom training program consisting of Center franchise owner/operator training and customer service management training, as well as a 1-week in-center "field" training program. Our initial training program is described in greater detail under the heading, "Training" below. We may also make available to you additional training courses during the term of the Franchise Agreement. Based upon your test scores and our evaluation, we may, at our discretion, require additional "field" training up to 3 weeks at a currently operating Center. (see Section 6 of the Franchise Agreement)

(8) Assist you in developing an initial advertising plan. Provide you with specifications and designs for the development of marketing materials, including business cards, flyers, brochures, point-of-sale materials and other promotional materials.

You must obtain our written approval of any site selected by you in the designated marketing area for operation of the Center. Our time frame for approval of your selected site is within 10 days of a Landlord's acceptance of your Letter of Intent.

Approval must be obtained and operations must commence within 1 year from the date of the Franchise Agreement. We may, at our sole option, extend the time period for such approval. Factors that may affect the time period include ability to obtain a lease, financing, or building permits, zoning and local ordinances, weather conditions or delayed installation of equipment, fixtures and signs. We may terminate the Franchise Agreement at our option if you have not obtained an exact location approved in writing by us and operations have not commenced within this 1-year period unless the period is extended by us.

We do not need to approve the area in which you select a site as long as it does not infringe on another franchisee's area. We will not unreasonably withhold approval of your selected site. Factors we consider include, without limitation, number of registered vehicles, population, proximity to other Centers, and the physical characteristics of the proposed premises.

If an exact location for your Center is designated in the Franchise Agreement, you must commence operations within 120 days of the date you sign the Franchise Agreement. Our approval or disapproval of a site does not affect your obligations to timely commence operations.

If you are a conversion franchisee, you are already approved to convert your current business location to a Center when you sign the Franchise Agreement. Your current business location will be designated in the Franchise Agreement. We will provide you with our specifications for your conversion of your location to a Center. You must begin operations of the Center within 60 days of the date you sign the Franchise Agreement.

Post-Opening Assistance

After the opening of your Center, we will:

(1) Provide additional assistance, supervision, advice or services to you at our sole discretion. (see Sections 6(k) and 10 of the Franchise Agreement)

(2) At our option, schedule mandatory conferences from time to time to which all franchisees or their representatives will be invited, which may cover such topics as sales and marketing, financial management, automotive technical updates, performance standards, advertising programs and procedures. These training sessions will be at our expense, but you will be responsible for your own expenses for transportation, food, lodging and any other costs incurred in attending. (see Section 6(l) of the Franchise Agreement)

(3) Furnish from time to time, at our sole discretion, counseling and advisory services and suggestions in the planning and development of your business. (see Section 10 of the Franchise Agreement)

(4) At our sole discretion, apprise you from time to time of our plans, policies, research, and new developments by means of bulletins, brochures, reports, and at our option, by periodic visits of our field representatives. (see Section 10 of the Franchise Agreement)

(5) Permit you to attend, at your cost and expense, any national or regional meetings sponsored by us for franchisees. (see Section 10 of the Franchise Agreement)

(6) Conduct from time to time, at our sole discretion and expense, research and development into the areas of production and methods of operation, and make the results of this research and development available to you. (see Section 10 of the Franchise Agreement)

(7) Provide creative advertising and promotional tools which may be developed from time to time by us through the Creative Fund to you or to the chairman of the local advertising group if one exists in your area. (see Section 10 of the Franchise Agreement)

(8) Provide protection against trademark or service mark infringement as regards any of the Proprietary Marks, including the institution of a suit or complaint when we think it advisable. (see Section 10, of the Franchise Agreement)

(9) Indemnify you against any claims which may be asserted against you for service mark or trademark infringement in connection with any of the Proprietary Marks authorized by us for your use. (see Section 10 of the Franchise Agreement)

Advertising:

Our in-house marketing department provides marketing assistance with ideas and concepts. We do not engage in a national advertising program, but we work with national and local agencies in negotiating preferred vendor pricing for the benefit of our franchisees. For new Stores; for the first 6 months you will spend the budgeted ramp up plan amount of $5,000 per month. Beginning month 7 and for the first 3 years of operation of your new Center you must spend 7% of your Monthly Gross Sales or a minimum of $2,100 (whichever is greater) on advertising your franchise Center in your local marketing area. This will help to establish your Center in the marketplace in order for you to grow your business. After the first 3 years, as your franchise Center matures,

you are only required to spend 3.5% of your Monthly Gross Sales or a minimum of $1,500 (whichever is greater) on advertising your Center in your local marketing area.

If operating in a multi-owner market you must get our written approval in advance of using any geo-targeted key words for the internet advertising of your location. We do not spend any funds on advertising your franchised business in your area or territory.

We allow our franchisees to use their own advertising materials, but any and all advertising materials must be approved in writing by us prior to use. If using an outside vendor for print you must obtain our written approval first. You must use our approved print vendors for anything with the Mr. Transmission and or Milex Complete Auto Care trademarks or slogans including business cards, brochures, direct mailers or flyers. Approved materials may be disseminated in the form of radio, television, print, or through the Internet. We do not provide any media coverage at either the local, regional or national level.

You must use our brand website to advertise your Center. We have the right to monitor and regulate the establishment and use of our franchisees' linked home pages or other electronic communications using the Proprietary Marks. We register and maintain all domain names for your Center.

We will create a business Facebook account and Google listing for you. You may post additional posts to your page, but must do so using our guidelines as outlined in the Manual.

You will use Google and other internet search engines with pay-per-click (PPC)/search engine marketing (SEM) advertising using our specified keywords for Mr. Transmission and/or Milex Complete Auto Care as designated by your Franchise Agreement.

Franchisee Advisory Alliance:

We have established a franchisee advisory council, named the Franchisee Advisory Alliance ("FAA"). We established the FAA in 2000. The FAA is not organized under the laws of any state. It is comprised of qualified franchisees and serves in an advisory capacity. The FAA has no specific operational or decision-making power, but we do give significant weight to input from the FAA in the formation of new system policies, procedures and advertising programs. The current FAA members were selected in a combination of elections by the franchisees.

Allocation of Production and Administrative Expenses

We have developed and maintain the Moran Creative Fund for the creative design of marketing and advertising materials and concepts to be used by franchisees on a local level. The Moran Creative Fund is funded through contributions from our franchisees. If you are establishing a Center, you will make monthly contributions equal to 1% of your Gross Sales or $200, whichever is greater to the Moran Creative Fund. If you are establishing a Co-Branded Center you will make monthly contributions of 1% of your Gross Sales or $250, whichever is greater.

We often consult an advisory alliance comprised of franchisees before any funds are spent. To date, monies spent from the Creative Fund have been spent on social/review/listing management, public relations brand SEO and awareness, creative design, website, branded center email, artwork development, production and media development for local use. No monies are spent from the Creative Fund on placement of advertising. We use a portion of these monies to offset expenses in the administration of the Creative Fund or in the in-house preparation of marketing and advertising materials. An accounting of the Creative Fund is made available to the

Franchisee Advisory Alliance (the "FAA"). Upon written request, we will provide you with an accounting of the Creative Fund.

In the fiscal year ended December 31, 2022, 8% of the Moran Creative Fund's contributions were spent on creative design and development of websites, content, marketing materials, programs and other advertising and promotional tools and 9% were spent on general and administrative expenses. None of the funds (0%) were used for advertising to solicit sales of our franchises.

The Creative Fund is audited annually on a consolidated basis. The consolidated financial statements of the fund are not made available for review, but you may obtain an accounting of expenditures of the Creative Fund by contacting our Accounting Department and requesting an accounting. The balance of Creative Funds not spent in the fiscal year in which they accrue will roll over into the next fiscal year. Joint approval by us and the FAA is required if the Creative Fund or any other advertising cooperatives are changed, dissolved or merged. The FAA does not have authority or shared approval on how Creative Fund is disbursed or the content of the material developed.

Our direction, monitoring and regulation with regard to any advertising program or website and any approval of advertising materials is not a guarantee or warranty in any way that the advertising program, website or materials comply with law. Our direction, monitoring, regulation and approval are for the purpose of protecting the Proprietary Marks and maintaining brand uniformity and consistency. You are solely responsible for determining if any advertising program, website and advertising material comply with consumer advertising laws and regulations which are applicable to the Center. You receive an automatic variance from our advertising standards, requirements or specifications whenever the variance is necessary to comply with any consumer advertising law or regulation.

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Computer and Cash Register Systems:

You must purchase and use any hardware and software programs we designate in accordance with our specifications for the operation of applicable brands. Presently, you must purchase (a) one computer system to operate a Mr. Transmission Center, or (b) two computer systems to operate a Milex Center or Co-Branded Center, which consists of the following hardware and software:

Computer System #1

Hardware
Desktop Computer Tower (HP or Lenovo recommended) -Operating System: Windows® 10 Professional; Speed 3.5 GHz or higher -Standard Memory: RAM 8GB or higher -Internal Drive: HDD 500 GB or higher/SSD recommended -Optical Drive: Standard -Ports: Minimum 4 USB
20-inch LCD Monitor with 1920 x 1080 Resolution
Wireless USB Mouse/Keyboard/Mouse Pad Kit
Fax/Copy/Scan Color Printer
APC Backup
Wireless N- Router with Speedboost for Networking
Software
Windows® 10 Professional (preinstalled on PC)
Microsoft Office Home and Business 2016 or newer (Includes Word, Excel, PowerPoint, One Note and Outlook installation for up to 2 PC's)
QuickBooks (online version preferred, desktop version acceptable)
Complete Antivirus Software (recommended Webroot for annual subscription)
Approved vendor software
Subscriptions/Accounts
Automotive Manufacturers Information Database (AllData is recommended)
Additional Recommended Hardware and Software
Wireless-N Router with Speedboost
PDF Creator/ Reader (Adobe or comparable)

Computer System #2 (for Milex Centers and Co-Branded Centers)

Hardware
Desktop Computer Tower (HP or Lenovo recommended) -Operating System: Windows® 10 Speed 3.5 GHz or higher) -Standard Memory: RAM 8GB or higher -Internal Drive: HDD 500 GB or higher/SSD recommended -Optical Drive: Standard -Ports: Minimum 4 USB
20-inch LCD Monitor with 1920 x 1080 Resolution
Wireless or USB Mouse/Keyboard/Mouse Pad Kit
Router for Networking (if applicable)
Software
Windows® 10 Professional (preinstalled on PC)
Complete Antivirus Software (recommended Webroot for annual subscription)
Approved vendor software

You will use your computer system(s) with the above components as a sales and business management system, and for the storage of customer, sales and other financial data. Your computer system(s) will enable you to generate electronic sales and other required reports and repair orders that may be transmitted electronically to us. The approximate cost of the computer hardware and software is $4,247 to $5,447 for Mr. Transmission Centers, and $5,147 to $6,347 for Milex Centers and Co-Branded Centers. This cost is included in the categories of "Computer Software and Hardware System(s)" in Your Estimated Initial Investment chart in Item 7.

You must maintain a subscription to an Automotive Information System Database. There are several available via the Internet. We recommend that you subscribe to AllData. The annual cost to subscribe to AllData is currently $1,620. AllData subscription fees are currently paid in monthly payments of $135 per month. AllData's fees include database maintenance, updates and technical support for database usage.

We have the right to independently access the information stored on your computer system for business purposes. You must provide us with access to your QuickBooks or other accounting program online. We may require you to purchase, lease and/or license new or modified computer hardware and/or software at your cost. There are no limits on our right to require you to conform to new specifications.

Operating Manual

We will provide to you, on loan, one copy of the Mr. Transmission / Milex Manual and other supplementary materials. The Manual currently contains approximately 153 pages. The following table identifies the subjects contained in the Manual and number of pages devoted to each subject:

MR. TRANSMISSION / MILEX MANUAL TABLE OF CONTENTS

Manual Section	Pages
About This Manual	4
Glossary	8
Pipeline Service Process	9
Lead Generation	6
Lead Conversion	11
Free Performance Check	18
Initial Recommendation Following Check Performance	10
Internal Inspection and Recommendation	16
Products, Services and Recommendations	12
Car Delivery	12
Time Management	9
Comebacks	7
Customer Service and Complaints	18
Intra Center Warranty Program Procedures	8
Forms	4
Inserts	1

The Manual is available for inspection at our offices prior to signing the Franchise Agreement.

Moran University Training:

We provide Moran University online pre-training and classroom instruction consisting of leadership and management, marketing, business procedures, forms, labor guidelines, bookkeeping, telephone procedures, time management other administrative functions and operational matters.

The classroom training program is conducted quarterly. The online pre-training program is always available to you so that you may view any of the online classes at any time.

Online pre-training is to be completed at your chosen location with secure internet access and must be completed to our satisfaction prior to the opening of your Center. Classroom training is to be completed at our support center in Orland Park, Illinois or at a location designated by us and must be completed to our satisfaction prior to the opening of your Center. There is no set time after signing the Franchise Agreement or before opening by which you must complete franchise training, as long as it is completed to our satisfaction prior to opening.

Our initial training program consists of the following components:

(1) A 2-week online pre-training program that you attend at your own location (prior to classroom training) with related on-the-job field training at a regional location we designate; and

(2) A 1-week classroom training program we conduct at our support center in Orland Park, Illinois or another location we designate; and

(3) A 1-week in-center “field” training program we or our designated representative conducts at a currently operating Center. Based upon our evaluation of your test scores and at our discretion we may require additional “field” training up to 3 weeks at a currently operating Center. In addition, you may be required to complete specific training courses and testing on Moran University from time to time.

It is mandatory that the sole owner or one of the owners that will be in charge of operations attend training. If the designated Customer Service Manager is not the owner or one of the owners, then the Customer Service Manager will complete the online pre-training component.

If your Center is not operational within 180 days after completion of the initial training program, the appropriate individual may be required to re-attend and complete portions of the training to our satisfaction.

You pay a training fee of $5,000 to attend all components of our initial training program.

From time to time, we may require additional training programs that we think necessary. There are no limits on our right to require you to attend additional training programs during the term of the Franchise Agreement.

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MORAN TRAINING PROGRAM Subject	Hours Of Training Courses	Hours Of On-The-Job/Field Training	Location
Online Courses (Pre-Training)			
Safety	2		Your chosen location with secure internet access and a regional location we designate
Personnel	2		Your chosen location with secure internet access and a regional location we designate
Technical	2		Your chosen location with secure internet access and a regional location we designate
Marketing and Outside Sales	2		Your chosen location with secure internet access and a regional location we designate
Accounting	1		Your chosen location with secure internet access and a regional location we designate
Leadership and Management	7		Your chosen location with secure internet access and a regional location we designate
Time Management	2		Your chosen location with secure internet access and a regional location we designate
Customer Relations	2		Your chosen location with secure internet access and a regional location we designate
Financial	2		Your chosen location with secure internet access and a regional location we designate
Compliance	2		Your chosen location with secure internet access and a regional location we designate
Car Delivery	2		Your chosen location with secure internet access and a regional location we designate
Stress Management	1		Your chosen location with secure internet access and a regional location we designate

Sales Concepts	1		Your chosen location with secure internet access and a regional location we designate
Problem Solving	2		Your chosen location with secure internet access and a regional location we designate
Pipeline Service Process	3		Your chosen location with secure internet access and a regional location we designate
Lead Conversion 1 & 2	2		Your chosen location with secure internet access and a regional location we designate
Lead Control Management	2		Your chosen location with secure internet access and a regional location we designate
Future of the Automotive Industry	1		Your chosen location with secure internet access and a regional location we designate
Introduction to Business Planning	2		Your chosen location with secure internet access and a regional location we designate
Core Concepts	6		Your chosen location with secure internet access and a regional location we designate
Telephone Strategy	9		Your chosen location with secure internet access and a regional location we designate
General Maintenance and Service Recommendation	4		Your chosen location with secure internet access and a regional location we designate
Business Systems	12		Your chosen location with secure internet access and a regional location we designate
Speed of Service	3		Your chosen location with secure internet access and a regional location we designate
Financial Management	6		Your chosen location with secure internet access and a regional location we designate
Total Hours	**80**		

Classroom Courses			
Understanding Management and Leadership Skills	6		Orland Park, Illinois and a regional location we designate
Business Systems and Planning	8		Orland Park, Illinois and a regional location we designate
Personnel	2		Orland Park, Illinois and a regional location we designate
Marketing	4		Orland Park, Illinois
Accounting/Financial Management	9		Orland Park, Illinois and a regional location we designate
Customer Relations	2		Orland Park, Illinois and a regional location we designate
Time Management/Production	9		Orland Park, Illinois
Total Hours	**40**		
On the Job Training			
Telephone Strategy and Conversion		8	Orland Park, Illinois and a regional location we designate
Production –Bay and Time Management		6	Orland Park, Illinois and a regional location we designate
Performance Checks and Speed of Service		5	Orland Park, Illinois and a regional location we designate
Selling Techniques and Procedures		6	Orland Park, Illinois and a regional location we designate
Customer Interaction and Service		4	Orland Park, Illinois and a regional location we designate
Sales System		8	Orland Park, Illinois and a regional location we designate
Total Hours		**37**	

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Training is conducted by:

(1) Barbara Moran-Goodrich - Ms. Moran-Goodrich has over 35 years of experience in the automotive industry, and 31 years of management experience with Moran.

(2) Ron Frydrychowski - Mr. Frydrychowski has over 35 years of experience in the automotive industry, and 27 years of management experience with Moran.

(3) Peter Baldine – Mr. Baldine has over 35 years of experience in the franchise industry, and 24 years of sales and management experience with Moran.

(4) Sharon Krygowksi - Ms. Krygowski has 20 years of accounting experience and joined Moran as our Controller in 2022. Ms. Krygowski provides franchisees with an overview of franchise business accounting matters including analysis of profit and loss statements, weekly sales reports, financial reports, accounts receivables, and the monitoring of central fleet jobs.

(5) Roni Bava - Ms. Bava has 16 years of experience in the franchise industry and franchise compliance, joining Moran in 2011 as our Compliance Director. She is also a certified paralegal. Ms. Bava provides franchisees with an overview of franchisee compliance topics, including compliance with the franchise agreement, minimum insurance specifications, insurance certificates, business formation and assumed name filings.

(6) Jack Yost has 48 years of service experience with Moran. Mr. Yost provides franchisees with an overview of Moran's customer relations services, procedures for inter-shop repairs, handling complaints and maintaining good customer service.

(7) Amanda Maquet – Ms. Maquet has 13 years of marketing experience and joined Moran as our Project Manager/Marketing Director in 2017. Ms. Maquet provides franchisees with an overview of local marketing strategies and advertising campaigns.

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ITEM 12 TERRITORY

For Franchisees:

You will receive the right to operate a Center at the specified location granted in the Franchise Agreement. If you are operating a Mr. Transmission Center, Milex Center or Co-Branded Center, we will not allow another Mr. Transmission Center, Milex Center or Co-Branded Center to be opened within a 3-mile radius of your Center. The continuation of your territorial right does not depend upon achieving a certain sales volume, market penetration or other contingency. There are no minimum sales quotas that you must meet. As long as the Franchise Agreement is in effect, there are no circumstances under which your territory or rights to your territory will be altered. You do not receive an exclusive option, right of first refusal or similar rights to acquire additional franchises, but you may apply for the right to acquire additional franchises. You must meet our qualifications for new franchisees and pay a franchise fee to qualify for an additional franchise location. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We reserve the right to convert any existing automotive repair facility to a Center regardless of whether or not the facility is located in the same city as your Center if demographics support it.

We will usually approve the relocation of an established Center as long as the franchisee has a legitimate business reason for the relocation (such as loss of lease by sale or condemnation, or change in area demographics), the relocated Center will not compete directly with another franchisee, and demographic studies indicate that the Center, in its new location, is likely to be economically viable for the relocating franchisee.

We reserve the right to use other channels of distribution, such as the Internet, catalog sales, or other direct marketing, to make sales within your territory using our Proprietary Marks or using a different trade name or trademark. We are not obligated to pay you any compensation for soliciting or accepting orders inside your territory.

You are not restricted from soliciting or selling products and services to customers residing outside your territory, except that you may not directly market to or solicit customers, under any channel of distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing) if the customers reside within another franchisee's territory. Unless you are advertising cooperatively with another franchisee, you may not advertise in any media primarily circulated within another franchisee's territory.

For Area Developers:

We will grant you a territory based on market penetration and demographic analysis of the market, and the number of Co-Branded Centers which the market you commit to develop can support. You will be granted exclusive rights to your territory. We will not open franchisor-owned Mr. Transmission / Milex Complete Auto Care Co-Branded Centers in your territory unless you are in default of your Area Developer Agreement. By signing the Area Developer Agreement you will receive the right to develop Co-Branded Centers within the development area. You have no option, right of first refusal, or other similar contractual right to acquire additional Co-Branded Centers. In order to maintain your territory, you must adhere to the development schedule described in Section 3 of the Area Developer Agreement. Your territory can be altered if you do not adhere to the development schedule described in Section 3 of the Area Developer Agreement

or if you are in default of the Area Developer Agreement or any Franchise Agreement. Based on the circumstances and nature of any failure to meet the development schedule or default, consequences may include the loss of territory exclusivity, a reduction in territory size and/or your agreement may be terminated, or you may be granted an extension of your agreement. You must open each Co-Branded Center within the timeframe provided by the applicable Franchise Agreement.

ITEM 13 TRADEMARKS

We grant you the right to operate your Center under our Proprietary Marks. You may use only those brand-specific Proprietary Marks which pertain to the Center we have granted you the rights to operate. You may also be required to use certain future trademarks that we will authorize. By trademarks, we mean trade names, trademarks, service marks and logotypes used to identify your Center. If you are operating a Mr. Transmission Center, Milex Center or Co-Branded Center, you will be granted the right to use the following trademarks that have been registered on the Principal Register of the United States Patent and Trademark Office as noted:

Registration Number	Date Issued	Mark
USPTO #0905688	January 5, 1971	"Blockhead" design
USPTO #0917866	August 3, 1971	"Mr. Transmission"
USPTO #1857236	October 4, 1994	"Mr. T"
USPTO #2726414	June 17, 2003	"Mr. Transmission The Professionals" and design
USPTO #2829274	April 6, 2004	"Mr. Transmission The Professionals" and design

If you are operating a Milex Center or Co-Branded Center, you will be granted the right to use the following trademarks that have been registered on the Principal Register of the United States Patent and Trademark Office as noted:

Registration Number	Date Issued	Mark
USPTO #1602864	June 19, 1990	"Milex"
USPTO #3342125	November 20, 2007	"Milex Complete Auto Care" and design
USPTO #3470909	July 22, 2008	"Milex Complete Auto Care Powered By Mr. Transmission The Professionals" and design
USPTO #4663306	December 30, 2014	"Milex Complete Auto Care"
USPTO #4270809	January 8, 2013	"We Keep Your Car Road Ready" and design
USPTO #6229731	December 22, 2020	"We Keep You Road Ready" and design

In addition, we have registered the following Marks Internationally:

Canada:

Registration Number	Registration Date	Mark
TMA1,066,529	December 17, 2019	""Milex Complete Auto Care" and design

West Africa -Nigeria:

Registration Number	Date Issued	Mark
RTM 9740	August 7, 2018	""Milex Complete Auto Care Powered By Mr. Transmission The Professionals" and design

We are the exclusive owner of the Proprietary Marks. In addition, we have established certain common law rights to the Proprietary Marks acquired by virtue of their continuous, exclusive and extensive use and advertising. We have filed all required affidavits. The Proprietary Marks have been renewed and are valid, incontestable and extant. We previously offered franchises under the marks "Dr. Nick's Transmission" (Reg. No. 1677045) and "Multistate Transmission" (Reg. No. 1571296 and Texas #TX49604) and we still have a certain number of franchisees operating under those names (as outlined in Item 20). As such, will file all required affidavits in connection with these marks as well those listed in the chart above. These additional marks have been renewed and are valid, incontestable and extant.

You must use the Proprietary Marks in full compliance with provisions of the Franchise Agreement and in accordance with the rules we prescribe from time to time. All of the rights and privileges granted to you in the Franchise Agreement are for your use only at the location described in Section 1 of the Franchise Agreement and nowhere else, and you are not permitted (either during the term of the Franchise Agreement or after its expiration or termination) to use or attempt to use the Proprietary Marks or any variation thereof or any other trade name, trademark or service mark of ours in any manner whatsoever except in connection with the operation of your Center under the Franchise Agreement. You are prohibited from using any of the Proprietary Marks as a part of any corporate name with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you by us). You may not use the Proprietary Marks in connection with the sale of any unauthorized product or service or in any manner not explicitly authorized in writing by us.

There is presently no effective determination of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court regarding the Proprietary Marks; nor is there any pending interference, opposition or cancellation proceeding or any pending material litigation involving the Proprietary Marks or any of our trade names, logotypes, or our other commercial symbols. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to you.

In the event of any infringement of, or challenge to, your use of any of the Proprietary Marks, you must immediately notify us and we will have sole discretion to take any action we think appropriate in order to preserve and protect the ownership, identity and validity of the Proprietary Marks; provided, however, that we will defend and hold you harmless against all claims which may be asserted for service mark or trademark infringements of any of the Proprietary Marks. If it becomes advisable at any time in our sole discretion to modify or discontinue the use of any of the Proprietary Marks, you will be responsible for the tangible associated costs (such as replacing signs and materials).

You may not contest, directly or indirectly, our ownership, title, right or interest in the Proprietary Marks, trade secrets, methods, procedures and advertising techniques which are part of the System or contest our right to register, use or license others to use any Proprietary Marks, trade secrets, methods, procedures or techniques.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or any state in which a Center is to be located.

All materials using the Proprietary Marks must be purchased from us or approved by us. You may not register a domain name. We will register and maintain all domain names used for your Center. You may not establish a website using the Proprietary Marks without our prior approval.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not claim rights in any patents that are material to our business. We claim copyrights in our Manual, our technical bulletins, "Winners Circle" newsletter, books and booklets, business and financial forms, and the marketing materials you will be licensed to use. We also claim proprietary rights to the confidential information contained in our Manual and other operational materials, and on any other proprietary materials specifically created by us in connection with the System, including proprietary advertisements, printed materials and forms used in connection with the operation of your Center. The Manual and other proprietary materials have been registered with the Library of Congress. You must promptly inform us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information, as we think appropriate. We will not indemnify you for claims brought by a third party concerning your use of this information.

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

You must operate, supervise and manage the day-to-day operations of your Center on a full-time basis. If you co-own your Center with other owners, then you must designate an owner who owns at least a 1/3 share of the Center and the designated owner must be primarily responsible for the supervision and management of the day-to-day operations on a full time basis. You may appoint other individuals to manage sales or production or otherwise function as managers for your Center. Any managers you appoint must attend the center management portion of our training program. Your appointment of a manager does not satisfy the requirement that you personally provide on-site supervision and management of your Center on a full-time basis. If you are an entity, each owner must sign our form guarantying the obligations of the entity. We also require the spouse of each franchise owner to sign the guarantee.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement provides that you must offer, and may only offer, the services that we authorize in the Manual or otherwise in writing. You are prohibited from offering or selling services not authorized by us. We reserve the unlimited right to change the types of authorized products and services within the scope of the transmission and/or general automotive repair and related services business.

You are prohibited from soliciting other franchisees either directly or indirectly for any other business or investment activity. There are no limitations imposed by us on the persons or businesses to whom you may provide services, except those imposed by the nature of the System itself or by law.

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ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

For Franchisees:

This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution, you should read these provisions in the agreements attached to this franchise disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Agreement	Summary
a. Length of the franchise term	Section 3 of Franchise Agreement	Term is equal to 15 years
b. Renewal or extension of term	Section 3 of Franchise Agreement	If you are in good standing you can renew for an additional 15-year term
c. Requirements for franchisee to renew or extend	Section 3 of Franchise Agreement	Compliance with Franchise Agreement; sign then current form of the Franchise Agreement, which may include materially different terms and conditions from the original contract; pay current renewal fee to us; remain in compliance; and retrain at our option
d. Termination by franchisee	Not applicable	Not applicable (subject to state law)
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 26 of Franchise Agreement	We can terminate only if you fail to cure defaults
g. "Cause" defined - curable defaults	Section 26 of Franchise Agreement	You have 10 days to cure for nonpayment; 30 days to cure for non-submission of reports and other non-monetary defaults not listed in Section 26
h. "Cause" defined - non-curable defaults	Section 26 of Franchise Agreement	Non-curable defaults: repeated defaults even if cured; abandonment; trademark misuse; and unapproved transfers
i. Franchisee's obligations on termination/non-renewal	Section 27 of Franchise Agreement Section 2 of Conversion Franchise Addendum	Obligations include complete de-identification; payment of amounts due; and compliance with post-termination provisions (also see r below)

Provision	Section in Agreement	Summary
j. Assignment of contract by franchisor	Section 24 of Franchise Agreement	No restriction on our right to assign
k. "Transfer" by franchisee – defined	Section 23 of Franchise Agreement	Includes transfer of agreement or assets or ownership change
l. Franchisor's approval of transfer by franchisee	Section 23 of Franchise Agreement	We have the right to approve all transfers but will not unreasonably withhold approval
m. Conditions for franchisor approval of transfer	Section 23 of Franchise Agreement	New franchisee approved by us; selling franchisee current on all monies owed under the Franchise Agreement; transfer fee paid; purchase agreement approved; training arranged; release signed by you; and purchaser signs the then current form of the Franchise Agreement (also see r below)
n. Franchisor's right of first refusal to acquire franchisee's business	Section 23 of Franchise Agreement	We can match any offer for the purchase of franchisee's business
o. Franchisor's option to purchase franchisee's business	Section 28	Except as described in (n) above, we do not have the right to purchase franchisee's business; however, during the 30-day period after termination or expiration of the Franchise Agreement, we have the right to purchase inventory at franchisee's cost, and any other assets of franchisee's business for fair market value
p. Death or disability of franchisee	Section 23 of Franchise Agreement	Estate may operate or franchise may be assigned by estate to approved buyer
q. Non-competition covenants during the term of the franchise	Section 25 of Franchise Agreement Section 2 of Conversion Franchise Addendum	No competing business

Provision	Section in Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 25 of Franchise Agreement Section 2 Conversion Franchise Addendum	Except for conversion franchisees, no competing business for 2 years within 25 miles of the Mr. Transmission Center, Milex Center or Co-Branded Center or of another Mr. Transmission Center, Milex Center or Co-Branded Center if you are operating a Mr. Transmission Center, Milex Center or Co-Branded Center (also applies after transfer or assignment). Conversion franchisees may offer and sell any products and services that were sold in their independent transmission service center prior to conversion to a Center.
s. Modification of the agreement	Section 46 of Franchise Agreement	No modifications but Manual subject to change
t. Integration/merger clause	Section 46 of Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law); Any representations or promises outside the disclosure document and Franchise Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Not applicable.	All disputes must be litigated
v. Choice of forum	Section 38 of Franchise Agreement	Litigation must be in Cook County, Illinois
w. Choice of law	Section 38 of Franchise Agreement	Illinois law applies

For Area Developers:

This table lists certain important provisions of the Area Developer Agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution, you should read these provisions in the agreements attached to this franchise disclosure document.

THE AREA DEVELOPMENT RELATIONSHIP

Provision	Section in Area Developer Agreement	Summary
a. Length of the area developer term	Section 1	Term is equal to 5 years
b. Renewal or extension of the term	Section 1	If you are in good standing renewal for 2 consecutive additional 5-year terms
c. Requirements for area developer to renew or extend	Section 1	Give notice; sign current form of Area Developer Agreement; execute general release
d. Termination by area developer	Not applicable	Not applicable (subject to state law)
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 4	We can terminate only if area developer defaults
g. "Cause" defined – curable defaults	Section 4	You have 9 months to cure a failure to comply with development schedule and those events of default set forth in any Franchise Agreement
h. "Cause" defined - non-curable defaults	Section 4	Non-curable defaults include your bankruptcy or insolvency; failure to comply with transfer provisions; and those events of default set forth in any Franchise Agreement
i. Area developer's obligations on termination/nonrenewal	Section 6	Obligations include complete de-identification and transfer of telephone numbers (also see r below)
j. Assignment of contract by franchisor	Section 5	No restriction on our right to assign
k. "Transfer" by area developer	Section 5	Includes transfer of Area Developer Agreement, rights or assets or ownership change

Provision	Section in Area Developer Agreement	Summary
l. Franchisor's approval of transfer by area developer	Section 5	We have the right to approve all transfers but will not unreasonably withhold approval
m. Conditions for franchisor approval of transfer	Section 5	New area developer qualifies; completion of training; transfer fee paid; your execution of a general release; new area developer executes then current form of Area Developer Agreement
n. Franchisor's right of first refusal to acquire area developer's business	Section 5	We can match any offer for your business
o. Franchisor's option to purchase area developer's business	Not applicable	Not applicable
p. Death or disability of area developer	Section 5	Estate may operate or Area Developer Agreement may be assigned by estate to approved buyer
q. Non-competition covenants during the term of the franchise	Section 6	No competing business
r. Non-competition covenants after the franchise is terminated or expires	Section 6	No competing business for 2 years within the territory or within 25 miles of the territory (also applies after transfer or assignment)
s. Modification of the agreement	Section 7	Modifications must be in writing and signed by both you and us; we reserve the right to change our specifications, procedures, standards. policies or Manual
t. Integration/merger clause	Section 16	Only the terms of the Area Developer Agreement are binding (subject to state law); Any representations or promises outside the disclosure document and Area Developer Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Not Applicable	All disputes must be litigated
v. Choice of forum	Section 9	Litigation must be in Cook County, Illinois
w. Choice of law	Section 9	Illinois law applies

ITEM 18 PUBLIC FIGURES

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

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ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about 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 franchise 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 of a particular unit or within a particular territory, or under particular circumstances.

BACKGROUND

The financial performance representation information in this Item 19 includes certain financial performance information relating to our Mr. Transmission Centers and Milex Centers "Repair Brand Centers" relating to information for the period of operation from January 1, 2022 to December 31, 2022 ("Measurement Period"). Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

In this Item 19, we disclose the Average Gross Sales, Average Costs of Goods, and Average Gross Profit Margin for the single-brand Mr. Transmission or Milex Centers that were open for more than one year as of December 31, 2022, and were open for the entire Measurement Period. We have excluded from Table 2-A all those Mr. Transmission or Milex Centers that did not provide us with their profit and loss statements. We refer to the Centers presented as the "Representative Repair Brand Centers". These also include Centers operating under the Multistate Transmission and the Dr. Nick's marks – as described in Item 1 of this disclosure document, we no longer offer new franchises under these marks, but our existing franchises operating under these marks are otherwise substantially similar to the Mr. Transmission Centers offered in this disclosure document.

SOURCE OF DATA

For Table 1 of Item 19, we have obtained the Gross Sales data from our franchisees, either through weekly sales reports, or other sales reports or profit and loss statements.

For Table 2 of Item 19, we obtained the sales and expense information from profit and loss statements for the Measurement Period submitted to us by the Representative Mr. Transmission and Milex Service Centers "Repair Brand Centers". Not all franchisees submitted profit and loss statements. There are 111 operational repair brand service center franchisees. There are 78 operational repair brand service center franchisees that did not submit a profit and loss statement and are excluded from these tables. The profit and loss statements have not been audited by certified public accountants nor have we sought to independently verify their accuracy for purposes of this financial performance representation.

DEFINED TERMS

"Gross Sales" is defined as all sales generated of any kind whatsoever, regardless of whether cash payment is actually received at the time of the transaction, including credit card sales, redemption of System gift cards and accounts receivable sales, in connection with the operation of the applicable Center including, but not limited to, sales of automotive supplies, accessories,

gas, oil, repair parts and/or any service or product sold within or without the applicable Center premises, but excluding intra-company warranty repairs. Gross Sales will not include sales tax, excise tax or other tax with respect to such sales, or revenue you derive from selling or issuing System gift cards, but will include "business interruption" insurance payments.

The "Cost of Goods" for our franchisees is comprised of (1) parts, (2) fluids, and (3) technician labor. Please note that "Average Gross Profit Margin" for each subset presented below is equal to the Average Gross Sales for that subset minus the Average Cost of Goods for that subset. All other expenses, including, but not limited to, rent, royalty fees, advertising, taxes, start-up costs and insurance will impact your operating profit and are not included in the Average Cost of Goods figures.

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REPRESENTATIVE REPAIR BRAND CENTERS

We disclose the: (i) the Average Gross Sales earned by the Representative Mr. Transmission and Milex Service Centers during the Measurement Period, segmented into ranges based on Gross Sales; and (ii) the Average Costs of Goods and Average Gross Profit Margin for Representative Mr. Transmission and Milex Service Centers during the Measurement Period, also segmented into ranges.

Representative Mr. Transmission and Milex Service Centers
Calendar Year 2022
Sales Table 1-A

Sales Range	Number of Centers	Average Gross Sales	High Gross Sales	Low Gross Sales	# of Centers Above Average	% of Centers Above Average	Median Gross Sales
Range 1 - $1,000,000 and above	22	$1,465,409.41	$2,344,696.68	$1,008,045.06	8	36.36%	$1,341,594.10
Range 2 - $500,000-999,999	25	$737,605.66	$971,972.87	$547,264.15	11	44.00%	$706,044.88
Range 3 - $499,999 and below	29	$361,915.63	$492,276.76	$173,468.38	17	58.62%	$387,369.92
TOTAL	76	$854,976.90	$1,269,648.77	$576,259.20	36	47.37%	$811,669.63

For purposes of the financial performance representation in Table 1-A above, we have divided the Representative Mr. Transmission and Milex Service Centers into three ranges based on their Gross Sales for the Measurement Period.

In GPM Table 2-A below, you will find disclosures of Average Gross Sales, Average Cost of Goods and Average Gross Profit Margin for the Representative Mr. Transmission and Milex Service Centers during the Measurement Period, segmented into the same three ranges based on Gross Sales during the Measurement Period.

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Representative Mr. Transmission and Milex Service Centers
Calendar Year 2022
GPM Table 2-A

Sales Range	Number of Centers	Average # Years Opened	Average Gross Sales	Average COGS	COGS %	Average Gross Profit Margin	Average Gross Profit Margin %
Range 1 - $1,000,000 and above	17	19	$1,390,990.07	$692,193.07	49.8%	$698,797.00	50.2%
Range 2 - $500,000-999,999	12	15	$729,208.16	$364,673.20	50.0%	$364,534.97	50.0%
Range 3 - $499,999 and below	4	7	$441,216.88	$202,164.99	45.8%	$239,051.89	54.2%
TOTAL	33	14	$853,805.04	$419,677.08	49.2%	$434,127.95	50.8%

Of the 33 Representative Mr. Transmission and Milex Service Centers profiled in Table 2-A, 21 Centers, or 64% exceeded the Average Gross Sales, and 18 Centers, or 55%, exceeded the Average Gross Profit Margin of 50.8%.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much

Other than the preceding financial performance representation, Moran Industries, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 Peter Baldine, Moran Industries, Inc., 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467, (800) 377-9247, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	123	119	-4
	2021	119	116	-3
	2022	116	111	-5
Company Owned*	2020	2	2	0
	2021	2	2	0
	2022	2	2	0
Total Outlets (United States)	2020	125	121	-4
	2021	121	118	-3
	2022	118	113	-5
Outside United States (Franchised Only)	2020	2	2	0
	2021	2	2	0
	2022	2	2	0
Total Outlets	2020	127	123	-4
	2021	123	120	-3
	2022	120	115	-5

Our Fiscal Year End is December 31.

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Table 2
Transfers of Outlets from Franchisees to New Owners (Other than Franchisor)
For Years 2020 to 2022

State	Year	Number of Transfers
Alabama	2020	0
	2021	1
	2022	0
Connecticut	2020	0
	2021	0
	2022	0
Florida	2020	0
	2021	0
	2022	2
Georgia	2020	0
	2021	1
	2022	0
Illinois	2020	1
	2021	0
	2022	0
Indiana	2020	0
	2021	1
	2022	0
Kentucky	2020	0
	2021	1
	2022	0
Mississippi	2020	0
	2021	0
	2022	1
Pennsylvania	2020	1
	2021	0
	2022	0
Tennessee	2020	1
	2021	0
	2022	0
TOTAL	2020	3
	2021	4
	2022	3

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Table 3
Status of Franchised Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons*	Outlets at End of Year
Alabama	2020	9	0	0	0	0	0	9
	2021	9	1	0	0	0	0	10
	2022	10	0	0	0	0	0	10
California	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Colorado	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	1	0	0	1
Connecticut	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Florida	2020	13	0	1	1	0	0	11
	2021	11	2	0	0	0	4	9
	2022	9	0	0	0	0	0	9
Georgia	2020	14	1	0	0	0	2	13
	2021	13	0	2	0	0	0	11
	2022	11	0	0	0	0	0	11
Illinois	2020	18	0	0	0	0	0	18
	2021	18	0	0	0	0	2	16
	2022	16	0	0	0	0	2	14
Indiana	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Iowa	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020	9	0	0	0	0	0	9
	2021	9	1	0	0	0	0	10
	2022	10	0	0	0	0	0	10
Maryland	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Michigan	2020	8	0	0	0	0	0	8
	2021	8	0	0	1	0	0	7
	2022	7	0	0	0	0	0	7
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons*	Outlets at End of Year
Nevada	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
New York	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
North Carolina	2020	7	0	0	0	0	2	5
	2021	5	4	0	0	0	0	9
	2022	9	0	0	0	0	2	7
Ohio	2020	1	2	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Oklahoma	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Oregon	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Pennsylvania	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	2	0
South Carolina	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Tennessee	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Texas	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
Virginia	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
TOTAL (United States)	2020	123	3	1	1	0	5	119
	2021	119	8	2	1	0	8	116
	2022	116	2	0	1		6	111
Nigeria	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
TOTAL	2020	125	3	1	1	0	5	121
	2021	121	8	2	1	0	8	118
	2022	118	2	0	1	0	6	113

Table 4
Status of Company-Owned Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Indiana	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
TOTAL	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2

Table 5
Projected Openings As Of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	0	0
Georgia	2	2	0
Nevada	2	2	0
Ohio	4	2	0
Virginia	2	2	0
Total	10	8	0

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As of December 31, 2022, we have 10 Franchise Agreements signed with an outlet not yet open:

Tarun Arora	Mr. Transmission	Atlanta, Georgia
Tarun Arora	Milex	Atlanta, Georgia
Vanya Angelova and Ray Malchev	Mr. Transmission	Las Vegas, Nevada
Vanya Angelova and Ray Malchev	Milex	Las Vegas, Nevada
Matthew and Debra Boily	Mr. Transmission	Columbus, Ohio
Matthew and Debra Boily	Mr. Transmission	Columbus, Ohio
Matthew and Debra Boily	Milex	Columbus, Ohio
Matthew and Debra Boily	Milex	Columbus, Ohio
Travis and Tonya Klein	Mr. Transmission	Richmond, Virginia
Travis and Tonya Klein	Milex	Richmond, Virginia

A list identifying all current franchisees and their Center addresses and telephone numbers is attached as Exhibit M.

The following is a list of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the year 2022 or who has not communicated with us within 10 weeks of the issuance date of this disclosure document:

Al Pridemore	Mr. Transmission	Parker, CO	(720) 674-3505
Chris Robinson	Mr. Transmission/Milex	Sycamore, IL	(847) 894-4073
Armando Tavani **Transfer**	Mr. Transmission/Milex	Margate, FL	(305) 326-2213
Jay Pond **Transfer**	Mr. Transmission	Jackson, MS	(601) 954-3812
Troy and Bevin Fink	Mr. Transmission/Milex	Concord, NC	(704) 278-3626
Mark Lillard	Mr. Transmission/Milex	Glen Olden, PA	(302) 242-7333

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

During the last 3 years, current and former franchisees have signed confidentiality agreements. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Mr. Transmission and/or Milex franchise systems. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the Mr. Transmission or Milex franchise systems being offered.

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ITEM 21 FINANCIAL STATEMENTS

Our audited financial statements for the past 3 fiscal years ending December 31, 2022, December 31, 2021 and December 31, 2020 are included in this franchise disclosure document as Exhibit C.

Our fiscal year end is December 31.

ITEM 22 CONTRACTS

The following contracts are included in this franchise disclosure document: Franchise Agreement (Exhibit D); Conversion Franchise Addendum (Exhibit G); Area Developer Agreement (Exhibit J); General Release (Exhibit K); State Specific Addenda (Exhibit L).

ITEM 23 RECEIPTS

Exhibit O of this franchise disclosure document contains a detachable document, in duplicate, acknowledging receipt of this franchise disclosure document by a prospective franchisee. You should sign both copies of the Receipt and include the date in which you received the franchise disclosure document. You should retain one copy for your records and return the other signed copy to: Moran Industries, Inc., 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467.

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EXHIBIT A

LIST OF STATE ADMINISTRATORS

California Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105
(213) 576-7500; OR
TOLL FREE : 1-866-275-2677

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(850) 922-2770

Hawaii Department of Commerce
and Consumer Affairs
Business Registration Division
1010 Richards Street
Honolulu, Hawaii 96813
(808) 586-2722

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

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

Kentucky Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankford, Kentucky 40602
(502) 573-2200

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

Michigan Attorney General's Office
Consumer Protection Division
670 Law Building
Lansing, Michigan 48913
(517) 373-7117

State of Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509-5006
(402) 471-3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

North Dakota Office of Securities Commissioner
600 East Boulevard, 5th Floor
Bismark, North Dakota 58505
(701) 328-2910

Oregon Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

Chief Securities Examiner Rhode Island Department of
Business Regulation Banking Division, Franchise Section
233 Richard Street, Suite 232
Providence, Rhode Island 02903-4232
(401) 222-3048

South Dakota Department of Commerce and Regulation
Division of Securities 118 West Capitol Avenue
Pierre, South Dakota 57501-2017
(605) 773-4013

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, Texas 78711
(512) 475-1769

State of Utah Division of Consumer Protection'
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

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

State of Washington Department of Financial Institutions
Securities Division P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8769

State of Wisconsin Department of Financial Institutions
Division of Securities
P.O. Box 1768
Madison, Wisconsin 53701-1768
(608) 266-1064

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

Barbara Moran-Goodrich 11524 West 183rd Place, Suite 100 Orland Park, Illinois 60467
California Department of Business Oversight 320 West 4th Street Los Angeles, California 900101105
Illinois Attorney General Franchise Division 500 South Second Street Springfield, Illinois 62706
Indiana Secretary of State 302 West Washington Street Room E-111 Indianapolis, Indiana 46204
Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101
New York Secretary of State 99 Washington Avenue Albany, New York 12231
Clerk of the State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219
State of Washington Department of Financial Institutions 150 Israel Road SW Tumwater, Washington 98501

EXHIBIT C

FINANCIAL STATEMENTS OF MORAN INDUSTRIES, INC.

FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2022

FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2020

Moran Industries, Inc.
(d/b/a Moran Family of Brands)

Financial Statements and
Independent Auditor's Report

December 31, 2022, 2021 and 2020

FGMK

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

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FGMK

Identifying opportunities.
Delivering solutions.

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Moran Industries, Inc., d/b/a Moran Family Brands

Opinion

We have audited the accompanying financial statements of Moran Industries, Inc., d/b/a Moran Family Brands ("the Company"), which comprise the balance sheets as of December 31, 2022, 2021 and 2020, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Moran Industries, Inc. as of December 31, 2022, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

FGMK, LLC

Bannockburn, Illinois
February 14, 2023

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

BALANCE SHEETS

DECEMBER 31, 2022, 2021 AND 2020

ASSETS

	2022	2021	2020
CURRENT ASSETS			
Cash	$ 1,660,785	$ 845,167	$ 735,640
Accounts receivable, net	590,076	602,529	707,747
Prepaid expenses	206,576	105,281	86,156
	2,457,437	1,552,977	1,529,543
FIXED ASSETS			
Office equipment and technology	98,897	98,897	272,433
Automobiles	-	-	80,172
Leasehold improvements	370,065	363,645	180,576
	468,962	462,542	533,181
Less: Accumulated depreciation and amortization	122,264	56,811	455,442
	346,698	405,731	77,739
OTHER ASSETS			
Right-of-use assets	1,875,176	-	-
Notes receivable and long-term accounts receivable, net	530,787	486,715	464,393
	2,405,963	486,715	464,393
	$ 5,210,098	$ 2,445,423	$ 2,071,675

The accompanying notes are an integral part of these statements.

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

BALANCE SHEETS

DECEMBER 31, 2022, 2021 AND 2020

LIABILITIES AND STOCKHOLDERS' EQUITY

	2022	2021	2020
CURRENT LIABILITIES			
Current portion of long-term debt	$ -	$ 69,672	$ 136,468
Accounts payable	115,341	221,398	151,588
National Creative Marketing Fund	218,180	189,097	148,638
Warranty Fund liability	234,000	236,000	210,000
Deferred revenue	210,000	-	-
Current portion of operating lease liabilities	76,514	-	-
	854,035	716,167	646,694
LONG-TERM LIABILITIES			
Operating lease liabilities	1,818,759	-	-
Long-term debt	-	-	69,674
	1,818,759	-	69,674
	2,672,794	716,167	716,368
STOCKHOLDERS' EQUITY			
Common stock - Class A, no par value;			
15,000 shares authorized; 10,000 issued and outstanding	10,000	10,000	10,000
Retained earnings	2,527,304	1,719,256	1,345,307
	2,537,304	1,729,256	1,355,307
	$ 5,210,098	$ 2,445,423	$ 2,071,675

The accompanying notes are an integral part of these statements.

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	2022	2021	2020
INCOME			
Royalty income	$ 3,402,463	$ 2,857,653	$ 2,317,349
Centralized fleet revenue	28,161	59,964	49,605
Franchise fees	544,000	388,668	240,715
Sales income	629,264	870,982	531,283
Other	262,348	260,019	333,408
	4,866,236	4,437,286	3,472,360
COST OF CENTRALIZED FLEET REVENUE AND SALES	423,063	632,758	475,900
OPERATING EXPENSES	3,272,073	3,001,537	2,386,039
OPERATING INCOME	1,171,100	802,991	610,421
OTHER EXPENSE, NET	169,721	288,134	43,839
NET INCOME	$ 1,001,379	$ 514,857	$ 566,582

The accompanying notes are an integral part of these statements.

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Common Stock Class A		Common Stock		Retained	Total Stockholders'
	Shares	Amount	Shares	Amount	Earnings	Equity
BALANCE - JANUARY 1, 2020	10,000	$ 10,000	-	$ -	$ 919,633	$ 929,633
Distributions	-	-	-	-	(140,908)	(140,908)
Net income	-	-	-	-	566,582	566,582
BALANCE - DECEMBER 31, 2020	10,000	10,000	-	-	1,345,307	1,355,307
Distributions	-	-	-	-	(140,908)	(140,908)
Net income	-	-	-	-	514,857	514,857
BALANCE - DECEMBER 31, 2021	10,000	10,000	-	-	1,719,256	1,729,256
Distributions	-	-	-	-	(193,331)	(193,331)
Net income	-	-	-	-	1,001,379	1,001,379
BALANCE - DECEMBER 31, 2022	10,000	$ 10,000	-	$ -	$ 2,527,304	$ 2,537,304

The accompanying notes are an integral part of these statements.

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 1,001,379	$ 514,857	$ 566,582
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	65,273	44,947	12,462
Loss on disposal of fixed assets	11,626	47,684	-
Allowance for doubtful accounts	-	63,163	(134,816)
PPP loan forgiveness	-	-	(239,077)
Non-cash lease expense	120,897	-	-
Payments for operating lease liabilities	(100,800)	-	-
Changes in operating assets and liabilities:			
Accounts and notes receivable	(31,619)	19,733	268,951
Prepaid expenses	(112,921)	(19,125)	(9,458)
Accounts payable	(106,057)	69,810	(22,337)
National Creative Marketing Fund	29,083	40,459	12,613
Deferred revenue	210,000	-	-
Warranty fund liability	(2,000)	26,000	(6,000)
Net Cash Provided By Operating Activities	1,084,861	807,528	448,920
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	(6,240)	(420,623)	(12,600)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on long-term debt	(69,672)	(136,470)	(136,469)
Proceeds from PPP loan	-	-	239,077
Distributions	(193,331)	(140,908)	(140,908)
Net Cash Used In Financing Activities	(263,003)	(277,378)	(38,300)
NET CHANGE IN CASH	815,618	109,527	398,020
CASH - BEGINNING OF YEAR	845,167	735,640	337,620
CASH - END OF YEAR	$ 1,660,785	$ 845,167	$ 735,640
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Interest paid	$ 990	$ 3,386	$ 2,722

The accompanying notes are an integral part of these statements.

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business. Moran Industries, Inc., d/b/a Moran Family of Brands ("Moran" or the "Company") is a franchisor for after-market auto repair shops, high-tech automotive accessories, and window tinting specialists. Across all brands, Moran had 105, 98 and 91 franchisees with 126, 124 and 123 franchise brands as of December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022, 2021 and 2020, respectively, Moran had signed agreements with franchisees to open 51, 36 and 17 new locations over a 3 year period commencing on the date of each signed franchise agreement. These locations are at various stages of site selection and development. The franchisees are located nationwide and in certain international markets.

System-wide revenues include income at all Moran franchisee locations. While income by franchisees is not recorded as income by Moran, management believes the information is important in understanding Moran's financial performance as it is the basis on which Moran calculates and records royalty income. It is indicative of the financial health of their franchisee base. The financial statements include supplementary information which provides the statements of income as if system-wide revenues, as unaudited, were recorded by Moran.

Management Estimates and Assumptions. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Moran's significant estimates include (1) the allowances for doubtful accounts, and (2) warranty fund liability. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. Accounting estimates used in the preparation of these financial statements change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes.

Concentrations of Credit Risk. Moran regularly maintains cash balances that exceed Federal Deposit Insurance Corporation limits.

Revenue Recognition. Revenue is recognized when performance obligations under the terms of the contracts with customers are satisfied.

Nature of Promises to Transfer and Timing of Satisfaction - Distinct performance obligations are as follows:

- Royalty income is recorded and recognized weekly based upon a percentage of the franchisees gross sales. The franchisees are provided training, technical support, advisory services, and advertising and promotional tools, as well as protection against trademark, service mark, and patent infringement. Royalty income is recognized over time based on the week royalty report.
- Centralized fleet revenue represents franchisee service for corporate customers. The Company earns a percentage of the franchisee services and revenue is recognized over time when the services are performed.
- Initial franchise fees represent new location up-front fees. The Company provides on-boarding and pre-opening support to prospective franchisees. The up-front performance obligations are not highly interrelated with the franchise brand and the prospective franchisee can benefit from the services if the franchisee location is not opened. Such fees are recognized over time as the up-front performance obligations are performed.
- Sales income represents one of the brands service centers which is under control of the Company. Revenue is recognized over time as services are performed.
- Other revenue represents various services provided to franchisees that are not included in royalty income. Revenue is recognized over time as services are provided.

Allocating the Transaction Price - The transaction price of a contract is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods and services to a customer. Transaction prices do not include amounts collected on behalf of third parties (e.g., sales taxes).

(Continued)

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition. *Allocating the Transaction Price* - (Concluded) To determine the transaction price of a contract, the Company considers its customary business practices as well as the terms of the contract. For the purpose of determining transaction prices, the Company assumes that the goods and services will be transferred to the customer as promised in accordance with existing contracts and that the contracts will not be cancelled, renewed, or modified.

The Company's contracts with customers have fixed transaction prices that are denominated in U.S. dollars and payable in cash. Consideration paid for services that customers purchase from the Company is nonrefundable. Therefore, at the time revenue is recognized, the Company does not estimate expected refunds for services nor does the Company adjust revenue downward.

Significant Payment Terms - Payments are typically due within 30 days after an invoice is sent to the customer. Invoices for goods are typically sent to the customer at the time of shipment. Invoices for services are typically sent in advance.

The Company's revenues do not include constrained variable consideration components. The total revenue recorded cannot exceed the amount for which it is probable that a significant reversal will not occur when uncertainties related to variability are resolved. As a result, the Company recognizes revenue based on the faithful depiction of the consideration that is expected to be received. The result of making these estimates will impact the line item trade accounts receivable in the balance sheet. The actual amounts ultimately paid and/or received may be different from those estimates. The Company expects royalty income, centralized fleet revenue, sales income and other revenue to be collected within required payment terms, however, the Company records a note receivable for significant past due accounts receivable which includes a financing arrangement at the prevailing interest rates.

Disaggregation of Revenue - The following economic factors affect the nature, amount, timing, and uncertainty of the Company's revenue and cash flows as indicated:

- Type of customer: Services provided by the Company are rendered to business entities, lack seasonality, and do not necessarily correlate with economic cycles.

Accounts Receivable, Notes Receivable, and the Allowances for Doubtful Accounts. Accounts receivable are uncollateralized royalties due to Moran based on the franchisees revenue. Notes receivable represent long-term notes entered into with various franchisees to assist in facility set-up costs, or other assistance. The notes are due under various terms as specified, generally include the equipment, inventory and parts as collateral, and charge interest at the market prevailing rates. The carrying amount of accounts receivable and notes receivable are reduced by valuation allowances that reflects management's best estimate of amounts that will not be collected. Management individually reviews past due balances and, based on an assessment of franchisees current creditworthiness, and underlying collateral, estimates the portion, if any, that will not be collected. Additionally, management assesses the remaining balances of accounts receivable and notes receivable based on past experience and an assessment of future economic conditions to determine its best future estimate of the portion that will not be collected.

Fixed Assets. Fixed assets are recorded at acquisition cost. Depreciation is recorded on the straight-line method over the estimated useful lives of the respective assets, typically 5-7 years. Leasehold improvements are amortized over the expected lease term. Fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no impairment charges for the years ended December 31, 2022, 2021 and 2020.

Leases. The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 842, *Leases*, on January 1, 2022, and elected the optional transition method to apply the transition provisions from the effective date of adoption, which requires the Company to report the cumulative effect of the standard on the date of adoption with no changes to the prior period balances.

(Continued)

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Leases (Concluded). There was no cumulative effect to beginning equity as of January 1, 2022, from the adoption of ASC 842. Pursuant to the practical expedients, the Company elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct costs for any existing leases. Operating lease right-of-use assets and operating lease liabilities are recognized at the present value of the future lease payments, generally for the base non-cancelable lease term, at the lease commencement date for each lease. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate because the interest rate implicit in most of the Company's leases is not readily determinable. The Company's lease agreements may contain lease and non-lease components. Variable lease payments are not included in the calculation of the right-of-use asset and lease liability, and they are recognized as lease expense is incurred.

Leases may contain options to renew or terminate lease terms. The exercise of these lease options is generally at the Company's sole discretion and included in the right-of-use asset and lease liability. The Company elected to apply the short-term lease measurement and recognition exemption to its leases where applicable.

Variable lease payments predominantly relate to variable operating expenses. The Company records the amortization of the right-of-use asset and the accretion of lease liability for operating leases as a component of selling, general, and administrative expenses in the statements of income.

When lease agreements provide allowances for leasehold improvements, the Company assesses whether it is the owner of the leasehold improvements for accounting purposes. When the Company concludes that it is the owner, it capitalizes the leasehold improvement assets and recognizes the related amortization expense on a straight-line basis over the lesser of the related lease term, including renewals that are reasonably assured of being exercised, or the estimated useful life of the asset. Additionally, the Company recognizes the amounts of allowances to be received from the lessor as a reduction of the lease liability and the associated right-of-use asset. When the Company concludes that it is not the owner, the payments that the Company makes towards the leasehold improvements are accounted for as a component of the lease payments.

National Creative Marketing Fund. The Company developed the National Creative Marketing Fund (the "Fund") to pay for creative marketing, in accordance with the agreements entered into. Certain franchisees and suppliers remit a payment to the Fund, which are held by Moran but controlled by a board of franchisees, and included in cash (see Note 2).

Warranty Fund Liability. Certain franchisees remit a payment to a warranty fund held by Moran to pay any estimated future claims for warranty repairs which franchisees may fail to honor; on service center warranties or reimbursements that are unpaid; and for warranties which are the responsibility of any center which has closed for any reason and not reopened.

Income Taxes. Moran has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, Moran's stockholders are personally responsible for income taxes on Moran's taxable income. As such, no provision is made for income taxes in the accompanying financial statements. Moran is responsible for certain other state taxes.

Moran may make a distribution to its stockholders in 2023 in connection with such stockholders' respective income tax liabilities incurred for 2022 as a result of Moran's Subchapter S income tax status.

Paycheck Protection Program. In 2020, the Company applied for and received funding of $239,077 from a Paycheck Protection Program ("PPP") loan through the Small Business Administration ("SBA") that was made available under the CARES Act passed by Congress in response to the COVID-19 pandemic. Because the Company met all of the SBA conditions for forgiveness of the PPP loan proceeds as of December 31, 2020, the PPP loan proceeds were recorded as other income. The Company's PPP loan forgiveness application was approved in December 2020.

(Continued)

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Recent Accounting Pronouncements. In June 2016, FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to revise the criteria for the measurement, recognition, and reporting of credit losses on financial instruments to be recognized when expected. This update is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. Management is currently evaluating this standard.

NOTE 2 – CASH

The portion of funds restricted for the benefit of the National Creative Marketing Fund was $164,037, $134,954 and $94,495 as of December 31, 2022, 2021 and 2020, respectively.

NOTE 3 – CONTRACT BALANCES

Contract balances consisted of the following components as of:

	December 31, 2022	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable:				
Outstanding balances	$ 696,282	$ 708,735	$ 803,747	$ 1,022,106
Less: Allowance for doubtful accounts	106,206	106,206	96,000	127,411
	$ 590,076	$ 602,529	$ 707,747	$ 894,695
Notes receivable and long-term accounts receivable:				
Outstanding balances	$ 685,787	$ 641,715	$ 566,436	$ 617,028
Less: Allowance for doubtful accounts	155,000	155,000	102,043	205,448
	$ 530,787	$ 486,715	$ 464,393	$ 411,580

NOTE 4 – LINE OF CREDIT

The Company has a line of credit with maximum borrowings of $250,000 and interest payable at the prime rate (7.50% at December 31, 2022). The line of credit expires December 9, 2023, is collateralized by substantially all assets of the Company, and is guaranteed by a stockholder of the Company. There were no outstanding borrowings as of December 31, 2022, 2021 and 2020.

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT

Long-term debt consisted of the following as of December 31:

	2022	2021	2020
Stock redemption note payable bearing interest at 6% payable. Monthly principal and interest payments of approximately $11,400. The note was personally guaranteed by the majority stockholder and repaid in full in 2021.	$ -	$ 69,672	$ 206,142
Less: Current portion	-	69,672	136,468
	$ -	$ -	$ 69,674

NOTE 6 – RELATED-PARTY OPERATING LEASES

During 2021, the Company entered into a non-cancelable operating lease agreement with a related party under common control for corporate headquarters office space in Orland Park, Illinois. The lease expires in August 2026 and requires monthly base rental payments of approximately $8,500, subject to annual escalations. The initial term of the lease is 60 months after the commencement date, and the Company has three options to extend the lease by an additional five-year term per option.

The Company operates a service center that leases its facility from a related party under common control pursuant to a month-to-month lease agreement with monthly payments of approximately $4,500, plus real estate taxes. All amounts recognized under this lease are included in short-term lease costs in the table below.

The components of lease expense were approximately as follows for the year ended December 31, 2022:

	Amount
Operating lease cost	$ 120,000
Short-term lease costs	55,000
Total lease expense	$ 175,000

Other information related to the lease was as follows for the year ended December 31, 2022:

Weighted-average remaining lease term (in years)	19
Weighted-average discount rate	1.37%

Cash flows related to leases were as follows for the year ended December 31, 2022:

Cash flows from operating activities:	Amount
Cash paid for amounts included in the measurement of operating lease liabilities	$ 100,800
Supplemental disclosure of cash flow information:	
Right-of-use assets obtained in exchange for operating lease liabilities	$ 1,963,337

(Continued)

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – OPERATING LEASES (Concluded)

Approximate future maturities of lease liabilities under non-cancelable operating leases were as follows as of December 31, 2022:

Year Ending December 31	Amount
2023	$ 102,000
2024	103,200
2025	103,200
2026	105,696
2027	110,688
Thereafter	1,635,976
	2,160,760
Less: imputed interest	265,487
	1,895,273
Current portion	76,514
Long-term portion	$ 1,818,759

During the years ended December 31, 2021 and 2020, the Company accounted for its operating leases under FASB ASC 840, *Leases*. Rent expense was approximately $236,000 and $215,000 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Litigation. In the ordinary course of business, there may be various claims or lawsuits brought by or against Moran. Management is not aware of any claims or lawsuits that could materially affect the financial position, results of operations, or liquidity of Moran.

Warranty Liability. Moran accrues an estimate of its exposure to warranty claims based on franchisees payments to the warranty fund. Changes in Moran's warranty liability were as follows for the years ended December 31:

	2022	2021	2020
Warranty accrual, beginning of period	$ 236,000	$ 210,000	$ 216,000
Warranty funds collected	37,000	32,000	21,000
Warranty funds reimbursed	(39,000)	(6,000)	(27,000)
Warranty accrual, end of period	$ 234,000	$ 236,000	$ 210,000

Employee Benefit Plan. The Company has adopted an employee benefit plan which qualified under section 401(k) of the Internal Revenue Code of 1986, as amended (the "Plan"). The Plan is a defined-contribution plan established to provide retirement benefits for employees who have completed three months of service with the Company. The Plan is employee funded up to an elective annual deferral, not to exceed the maximum legal deferral. Employer discretionary matching contributions were approximately $18,000, $16,000, and $16,000 for the years ended December 31, 2022, 2021 and 2020, respectively.

MORAN INDUSTRIES, INC.
(d/b/a MORAN FAMILY OF BRANDS)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated all known subsequent events from December 31, 2022 through February 14, 2023, the date the accompanying financial statements were available to be issued, and is not aware of any material subsequent events occurring during this period.

EXHIBIT D

FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made and entered into this _____ day of _____, 20____, by and between MORAN INDUSTRIES, INC., an Illinois corporation d/b/a Moran Family of Brands®, with its principal office located at 11524 W. 183rd Place, Suite 100, Orland Park, Illinois 60467, hereinafter called ("FRANCHISOR"), and _____, whose address is _____, hereinafter called ("FRANCHISEE");

WITNESSETH:

WHEREAS, FRANCHISOR has expended time, effort, and substantial sums of money for the benefit of itself and its franchisees to acquire experience, knowledge and a reputation with the public with respect to the operation of (a) specialized transmission service centers for automobiles, which centers sell automotive products and provide specialized automotive services in a unique and distinctive manner (each, a "MR. TRANSMISSION SERVICE CENTER"), and (b) specialized automotive maintenance and repair service centers, which centers sell automotive products and provide specialized automotive services in a unique and distinctive manner (each, a "MILEX COMPLETE AUTO CARE SERVICE CENTER"); and

WHEREAS, FRANCHISOR has built up valuable goodwill throughout portions of the United States in the names of "MR. TRANSMISSION®" and/or "MILEX® COMPLETE AUTO CARE" and in various products which are sold under the names of "MR. TRANSMISSION®" and/or "MILEX® COMPLETE AUTO CARE"; and

WHEREAS, the success of MR. TRANSMISSION and MILEX COMPLETE AUTO CARE and all authorized MR. TRANSMISSION and MILEX COMPLETE AUTO CARE franchisees depends upon the continuation of this goodwill and upon the continued operation of specialized centers adhering to the highest standards of business practices on the part of MR. TRANSMISSION and MILEX COMPLETE AUTO CARE franchisees, and the maintenance by franchisees of efficient, prompt and courteous service to the public (collectively, the "SYSTEM"); and

WHEREAS, FRANCHISOR is the owner of the entire right, title and interest, together with all goodwill connected therewith, in and to its widely recognized trade names, trademarks, and service marks, know-how and information, including trade secrets, relating to the operation of specialized MR. TRANSMISSION SERVICE CENTERS and MILEX COMPLETE AUTO CARE SERVICE CENTERS; and

WHEREAS, FRANCHISOR is engaged in the business of granting franchises/licenses for the operation of MR. TRANSMISSION SERVICE CENTERS, MILEX COMPLETE AUTO CARE SERVICE CENTERS, or a co-branded center offering services under the MR. TRANSMISSION and MILEX COMPLETE AUTO CARE marks and System ("CO-BRANDED SERVICE CENTER") together with the right to use the know-how, decor and color scheme, trademarks, service marks, and trade names owned and developed by FRANCHISOR (for purposes of this Agreement, MR. TRANSMISSION SERVICE CENTERS, MILEX COMPLETE AUTO CARE SERVICE CENTERS and CO-BRANDED SERVICE CENTERS shall collectively be referred to as "Centers" or "Service Centers"); and

WHEREAS, FRANCHISEE desires to obtain a license from FRANCHISOR for the use of said know-how, trade names, trademarks, service marks, and other rights in connection with the business of operating a MR. TRANSMISSION SERVICE CENTERS, MILEX COMPLETE AUTO CARE SERVICE CENTERS or CO-BRANDED SERVICE CENTERS in accordance with the highest business and ethical standards; and

WHEREAS, FRANCHISEE recognizes and acknowledges the unique relationship of each franchisee to the other, and to prospective franchisees and to the FRANCHISOR and further recognizes and acknowledges the mutual benefits to be derived through the maintenance of certain uniform standards and policies set by the FRANCHISOR and derived through open communication and disclosures with the other franchisees and with the FRANCHISOR, and in reliance of each upon the other for the faithful performance of the terms and conditions of this agreement; and

WHEREAS, FRANCHISEE represents that its execution of this Agreement will not violate any other agreement or commitment to which FRANCHISEE is a party; and

WHEREAS, FRANCHISEE has made a full and complete independent investigation of this opportunity and consulted with any professionals deemed necessary by FRANCHISEE in FRANCHISEE's discretion; and

WHEREAS, FRANCHISOR has made no promises or inducements to FRANCHISEE not reflected in this Franchise Agreement or in the Franchise Disclosure Document, including but not limited to, projections or promises of any actual or prospective profits of this opportunity.

NOW, THEREFORE, in consideration of the promises and mutual agreements herein contained, FRANCHISOR and FRANCHISEE agree as follows:

1. GRANT. FRANCHISOR grants to FRANCHISEE, and FRANCHISEE hereby accepts a franchise, together with the right to use FRANCHISOR's know-how, trade names, trademarks and service marks for: **(select one)**

___ a MR. TRANSMISSION SERVICE CENTER
___ a MILEX COMPLETE AUTO CARE SERVICE CENTER
___ a CO-BRANDED SERVICE CENTER

The SERVICE CENTER shall be operated from the following location:

If the above-described location is a market area rather than a street address for the exact premises on which the Service Center shall actually be constructed or operated, then FRANCHISEE must acquire an exact location approved in writing by FRANCHISOR within the said market area and must commence operations of the Service Center all within a reasonable time, not to exceed one (1) year from the date hereof. FRANCHISOR may, however, in FRANCHISOR's sole discretion extend such one (1)-year period. Such extension, if granted, shall be in writing. FRANCHISOR and FRANCHISEE shall establish a reasonable time to commence operations for each location if FRANCHISEE will be opening multiple Co-Branded locations. Opening schedule will be agreed to, based upon factors such as demographics of the market, management plan and FRANCHISEE's financial capabilities. FRANCHISOR's approval of an exact location selected by FRANCHISEE shall not be unreasonably withheld. This Agreement shall, at FRANCHISOR's option, terminate if FRANCHISEE has not acquired an exact location approved in writing by FRANCHISOR and operations at an exact location within the market area described above have not been commenced by FRANCHISEE, all within said one (1)-year period, unless extended as described above.

Upon approval by FRANCHISOR of the exact location, it is agreed that the market area designated above in this Section shall then read as if the exact location and address were inserted herein at the time of the execution of this Agreement.

If the above-described location is an exact location which is to be leased by FRANCHISEE, FRANCHISEE further acknowledges that this Agreement is contingent upon the execution by all parties named therein of the attached Lease and Addendum to Lease Agreement, identified as Exhibit "1" and incorporated herein by reference.

The Service Center shall be operated under the terms and conditions of this Franchise Agreement solely at the location described herein or such other exact location as is approved by FRANCHISOR and at no other location during the term of this Agreement and any renewals. Relocation of the Center shall be selected and approved, including but not limited to completion of a market analysis and demographics study, in writing by FRANCHISEE and FRANCHISOR. FRANCHISOR reserves the right to grant additional franchises in the same city where said Center is situated, subject to the rights granted to FRANCHISEE in Section 2 below.

If the above-described location is not a market area, but an exact location containing a street address or other precise description of the location of the Service Center, then FRANCHISEE must commence operations of the Center within one hundred twenty (120) days from the date hereof. If FRANCHISEE fails to commence operations within said one hundred twenty (120)-day period, this Agreement may, at FRANCHISOR's option, be terminated.

FRANCHISEE acknowledges that the Franchise Fee paid to FRANCHISOR has been earned by FRANCHISOR and FRANCHISOR shall not be obligated under any circumstances to refund said Franchise Fee.

FRANCHISEE further understands and agrees that FRANCHISEE is solely responsible for the acquisition of a location for the operation of the Service Center licensed hereunder. FRANCHISOR or FRANCHISOR's approved national real estate vendor will provide FRANCHISEE with site selection assistance. FRANCHISEE understands and agrees that FRANCHISEE must work effectively with FRANCHISOR's approved national real estate vendor who is familiar with the franchise system's real estate needs and requirements. FRANCHISOR's site selection process shall include assisting the FRANCHISEE with assessing the market, coordinating with brokers and finding suitable prospective sites for the Service Center. In order to be approved by FRANCHISOR the selected site must meet FRANCHISOR's standard criteria as provided in the Manual. Although FRANCHISOR must approve FRANCHISEE's selected site, FRANCHISEE acknowledges and agrees that final site selection belongs solely to FRANCHISEE. FRANCHISEE acknowledges hereby that it has not been guaranteed or promised that FRANCHISOR will seek or obtain any such location; that FRANCHISOR has not guaranteed or promised FRANCHISEE that any such location submitted to FRANCHISOR will be approved; and that FRANCHISEE has been fully informed by FRANCHISOR, and understands and agrees hereby, that obtaining such approved location is FRANCHISEE's sole responsibility, and not the responsibility of FRANCHISOR. FRANCHISEE must submit to FRANCHISOR for review and approval prior to signing; any lease or sublease including any amendments, and any leasehold improvement plans or if FRANCHISEE is purchasing real estate, the letter of intent.

If FRANCHISEE has purchased the right to open multiple Co-Branded Centers, each reference to the "Service Center" herein shall refer to each individual Co-Branded Center that FRANCHISEE operates, unless otherwise specified, under this Agreement. All obligations under this Agreement shall apply individually to each Co-Branded Center that FRANCHISEE operates.

2. LIMITED-EXCLUSIVITY. FRANCHISOR shall not open another company-owned or other franchised Service Center within a three (3)-mile radius of FRANCHISEE's location. No exclusive area or territory is granted otherwise hereunder. Except for within the three (3)-mile radius of FRANCHISEE's location, FRANCHISOR shall have the right, at any time, to convert any existing automotive repair facility to a Service Center, or to franchise additional Service Centers in any location FRANCHISOR deems desirable, subject to the procedures described below.

If FRANCHISOR elects to increase the number of Service Centers in the city in which FRANCHISEE's Service Center is located, FRANCHISOR shall notify FRANCHISEE in writing. This written notice shall state the amount of franchise fee to be charged by FRANCHISOR in connection with the development of the additional Service Centers within said city. FRANCHISEE may apply for the franchise to be established within said city, but will not have the exclusive right to the franchise. FRANCHISOR shall evaluate FRANCHISEE's application and, in its sole discretion, either approve or disapprove purchase of

the new franchise or franchises by the FRANCHISEE. If FRANCHISEE is approved for the purchase of such additional franchise or franchises, FRANCHISEE shall, within fourteen (14) calendar days after FRANCHISEE receives notice of such approval, execute FRANCHISOR's then current Franchise Agreement and pay to FRANCHISOR the then current franchise fee for the additional Service Centers (or such other fee as the parties may have agreed to in writing). If FRANCHISEE is operating a MR. TRANSMISSION SERVICE CENTER, then FRANCHISEE shall be able to exercise this right for additional MR. TRANSMISSION SERVICE CENTERS. If FRANCHISEE is operating a MILEX COMPLETE AUTO CARE SERVICE CENTER, then FRANCHISEE shall be able to exercise this right for additional MILEX COMPLETE AUTO CARE SERVICE CENTERS. If FRANCHISEE is operating a CO-BRANDED CENTER, then FRANCHISEE shall be able to exercise this right for additional MR. TRANSMISSION CENTERS and additional MILEX COMPLETE AUTO CARE SERVICE CENTERS.

In the event FRANCHISOR acquires a chain of established businesses similar to or competitive with any type of Service Center, and a location already exists in FRANCHISEE's area, FRANCHISOR reserves the right to keep that location open, either by operating it or selling it to another franchisee.

3. TERM.

(a) Unless terminated earlier in accordance with the terms described herein, this Agreement and the franchise granted hereunder shall have a term of fifteen (15) years from the date hereof. At the expiration of such fifteen (15)-year period the franchise shall be automatically renewed on the same terms and conditions set forth herein for one (1) additional fifteen (15)-year term, unless:

(i) FRANCHISEE notifies FRANCHISOR in writing not less than six (6) months prior to the expiration of the initial term that FRANCHISEE does not wish to renew the franchise; or

(ii) FRANCHISOR notifies FRANCHISEE at least six (6) months prior to the expiration date of the initial term that the franchise shall be renewed on the terms and conditions described in FRANCHISOR's then current Franchise Agreement and provides FRANCHISEE with a copy of same for FRANCHISEE's execution.

(b) Should FRANCHISEE continue to operate the Service Center past the initial term and any subsequent renewal period, it shall be considered to be operating on a month-to-month basis under the terms of this Agreement, with the exception of the current royalty rate, until a new then-current form of franchise agreement is signed. Until the new franchise agreement is signed the royalty rate shall automatically increase to ten percent (10%). Upon FRANCHISOR's receipt of the newly signed franchise agreement the royalty rate shall revert back to the original rate.

(c) Notwithstanding the above, however, FRANCHISOR shall have the option to refuse to renew FRANCHISEE's franchise, unless all of the following conditions are met:

(i) FRANCHISEE shall not be in default of any provision of this Agreement or any amendment or successor hereto or any other agreement between FRANCHISEE and FRANCHISOR or its subsidiaries and affiliates, and FRANCHISEE shall have fully and faithfully performed all of its obligations throughout the term hereof; and

(ii) If FRANCHISOR requires, FRANCHISEE shall execute FRANCHISOR's then current franchise agreement, which agreement shall supersede in all respects this Agreement, and pay any and all renewal fees which may be imposed by FRANCHISOR; provided, however, that FRANCHISEE shall not have any additional renewal rights; and provided further that any royalty fees shall be in accordance with the rate then in effect for new franchisees; and

(iii) FRANCHISEE will complete to FRANCHISOR's satisfaction all maintenance, refurnishing, renovation, modernizing and remodeling of the Service Center as FRANCHISOR shall reasonably require so as to reflect the then current image of

a MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER (as applicable); and

(iv) FRANCHISEE shall be current in the payment of all obligations to FRANCHISOR and any of its affiliates or subsidiaries; and

(v) Prior to renewal, FRANCHISEE, and/or FRANCHISEE's manager(s) shall at FRANCHISEE's expense, attend and successfully complete to FRANCHISOR's reasonable satisfaction any retraining program FRANCHISOR may require; and

(vi) FRANCHISOR shall be satisfied as to the operational and financial good standing both of FRANCHISEE and any other Service Center(s) operated by FRANCHISEE pursuant to a license from FRANCHISOR.

4. CONSTRUCTION. If the building in which the Service Center is to be located is to be constructed subsequent to the execution hereof, FRANCHISOR shall furnish FRANCHISEE with its standard plans and specifications for the MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER (as applicable) upon written request of FRANCHISEE. Before commencing construction FRANCHISEE shall, at its expense, furnish to FRANCHISOR a copy of FRANCHISEE's plans and specifications for construction of the Service Center in proposed final form, which plans and specifications shall have been adopted from FRANCHISOR's standard plans and specifications and which, if approved, shall not thereafter be changed without FRANCHISOR's prior written consent.

5. SIGNS. FRANCHISEE recognizes that uniformity in the image projected to the public through signs is essential in creating goodwill among the public for all Service Centers on a national basis. FRANCHISEE agrees to comply strictly with the specifications provided by FRANCHISOR from time to time for all signs used on the premises. FRANCHISOR will make available to FRANCHISEE for purchase signs meeting FRANCHISOR's specifications, but FRANCHISEE shall not be obligated to purchase signs from FRANCHISOR. FRANCHISOR reserves the right to modify any specifications in accordance with any applicable local, city, county, state and/or federal codes, laws, rules, regulations, ordinances and/or requirements. Such modifications may include size, construction, material, lighting, etc.

6. TRAINING AND SITE LOCATION ASSISTANCE.

(a) At the time of signing the Franchise Agreement, FRANCHISEE shall pay to FRANCHISOR a nonrefundable training fee in the amount of Five Thousand Dollars ($5,000.00) and FRANCHISEE shall attend and satisfactorily complete a mandatory training program conducted by FRANCHISOR as outlined in the Manual. This training fee is required for the first franchised location only. No additional training fee shall be required for additional locations unless FRANCHISOR deems it necessary based on the performance of the flagship location. FRANCHISOR's mandatory training program consists of the following components:

(i) Two (2) weeks of Moran University online pre-training; and

(ii) One (1) week of classroom training; and

(iii) One (1) week of in-center "field" training.

(b) Moran University franchise pre-training is conducted online at your chosen location with secure internet access. Franchise classroom training shall be conducted by FRANCHISOR at FRANCHISOR's support center in Orland Park, Illinois or at another location designated by FRANCHISOR. In-center "field" training shall be conducted by FRANCHISOR or a designated representative of FRANCHISOR at a currently operating MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER (as applicable) designated by FRANCHISOR. Based upon FRANCHISOR's overall evaluation and FRANCHISEE's test scores, additional "field" training may be

extended for a period of up to three (3) weeks. This will increase your costs to attend. In addition, FRANCHISEE may be required to complete specific training courses and testing on Moran University from time to time.

(c) FRANCHISEE shall attend and complete all components of FRANCHISOR's training program to FRANCHISOR's reasonable satisfaction prior to the opening of the Service Center.

(d) In the event that the franchise granted hereunder to FRANCHISEE is granted to two (2) or more individuals as co-owners or in partnership, or who have formed a limited liability company or corporation for the ownership and operation of the Service Center, then such owners must designate an owner who will be primarily responsible for the supervision and management of the day-to-day operations of the Service Center on a full-time basis. The designated full-time owner must have an equity interest in the franchise license and ownership of the Service Center that is equal to at least thirty-three and one third percent (33⅓%) and furthermore he or she must attend and complete FRANCHISOR's training program to FRANCHISOR's reasonable satisfaction prior to the opening of the Service Center.

(e) FRANCHISEE further agrees that if FRANCHISEE designates another individual who will manage the sales and/or production of the Service Center, or otherwise function as a manager, then FRANCHISEE shall promptly notify FRANCHISOR. Further, FRANCHISEE shall be required to have such manager complete the necessary components of FRANCHISOR's online training program which are dedicated to customer service management training. Such customer service management training is offered at no additional charge to FRANCHISEE. If FRANCHISEE appoints a manager after the opening of the Service Center, or if FRANCHISEE replaces a manager, the new manager must complete the one (1)-week customer service management training to FRANCHISOR's reasonable satisfaction. FRANCHISOR reserves the right to charge a fee to provide such training to a replacement manager. Notwithstanding the requirements of this Section 6(e), if a designated manager has substantial prior experience within the system, FRANCHISOR may, in its sole discretion, grant FRANCHISEE a waiver of the requirement that FRANCHISEE have the manager attend the customer service management training component of FRANCHISOR's training program.

(f) In the event the franchise is not operational within one hundred eighty (180) days after the completion of FRANCHISOR's training program by the appropriate individual(s), in addition to any other rights FRANCHISOR may have under this Agreement for such failure to open, said individual(s) must re-attend and complete to FRANCHISOR's reasonable satisfaction such portions of the training program as FRANCHISOR deems necessary.

(g) FRANCHISEE shall also attend such further training and instructional courses, together with any meetings, as FRANCHISOR may from time to time determine to be necessary in order to ensure that the FRANCHISEE continues to provide high standards of expertise and service to the public.

(h) FRANCHISOR's training courses shall take place at such location as FRANCHISOR shall designate. FRANCHISEE shall be responsible for its own expenses in attending such courses (and the expenses of its additional attendees, if applicable), including, without limitation, travel, meals, lodging and transportation expenses.

(i) FRANCHISEE acknowledges that attendance at FRANCHISOR's training programs is important to the success of both FRANCHISOR and FRANCHISEE, and FRANCHISEE agrees to attend these programs. The failure of FRANCHISEE to attend any required training course or meeting may result in the termination of this Agreement.

(j) FRANCHISOR or FRANCHISOR's approved vendor will provide FRANCHISEE with site selection assistance. FRANCHISOR's site selection process shall include assisting the FRANCHISEE with assessing the market, coordinating with brokers and finding a suitable site for the Service Center. FRANCHISOR may, upon request, and according to FRANCHISOR's established procedure, and based solely on its scheduling requirements, visit any site upon which FRANCHISEE proposes to establish its Service Center for the sole purpose of approving said site for said purpose; provided, however, that the

responsibility for selecting a location acceptable to FRANCHISOR is the sole responsibility of FRANCHISEE and by providing such site approval, FRANCHISOR does not guarantee, promise or warrant in any way that FRANCHISEE will be successful at a site which has been approved by FRANCHISOR. It is expressly agreed that such site approval does not affect FRANCHISEE's obligations for commencement of operations in accordance with Section 1 hereof and shall not be construed as, in any way, giving rise to a claim by FRANCHISEE for refund of any monies paid by FRANCHISEE to FRANCHISOR, or any other such claim, including, but not limited to, failure of consideration, estoppel or that FRANCHISEE should not be required to open its Service Center as required in this Franchise Agreement.

(k) FRANCHISOR may, at FRANCHISOR's sole discretion as to time after the opening of FRANCHISEE's Service Center, provide a qualified representative of FRANCHISOR who shall, at FRANCHISOR's expense, assist FRANCHISEE in the operation of FRANCHISEE's Service Center for such period of time as deemed necessary by FRANCHISOR. After the initial opening, FRANCHISOR shall continue to provide supervisory assistance to FRANCHISEE, at FRANCHISOR's expense, at such times and in such manner as the FRANCHISOR shall consider advisable or appropriate. In order to facilitate this assistance and increase its effectiveness, the FRANCHISEE shall allow a representative or representatives of the FRANCHISOR on FRANCHISEE's premises at any time during normal working hours or at any time FRANCHISEE or an employee of FRANCHISEE is on the premises. Further, FRANCHISEE shall make available to such representative(s) any information requested and permit said representative(s) to inspect the premises, equipment, inventory, supplies, and merchandising methods, as well as to make such tests or surveys as the representative(s) considers necessary. FRANCHISEE understands and agrees that FRANCHISOR does not promise, warrant or guarantee any such visits or the number thereof, and acknowledges hereby that any such visits will be at the sole and absolute discretion of FRANCHISOR as to timing and number, and that no minimum number of visits is required hereby.

(l) FRANCHISOR may, at its option, schedule conferences from time to time to which all franchisees or their representatives shall be invited. FRANCHISEE understands the importance of such meetings scheduled by the FRANCHISOR. These conferences will normally cover such topics as sales and marketing, financial management, automotive technical updates, performance standards, advertising programs, and procedures. During the term of this Agreement FRANCHISEE shall be required to attend and agrees it shall attend any and all such conferences scheduled by FRANCHISOR. All such conferences shall be conducted or hosted at the expense of FRANCHISOR, but FRANCHISEE shall be responsible for its own expenses for transportation, food, lodging and other costs in attending said conferences.

7. AGREEMENT OF FRANCHISEE WITH REGARD TO FRANCHISOR'S PROPRIETARY MARKS. Throughout this Franchise Agreement, "Proprietary Marks" refers to the trademarks "MR. TRANSMISSION" and "MILEX", the trade name "MILEX COMPLETE AUTO CARE", and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, slogans, fascia, drawings and other commercial symbols as FRANCHISOR designates or may designate in the future to be used in connection with MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER (as applicable). If FRANCHISEE is granted the right to operate a MR. TRANSMISSION SERVICE CENTER, FRANCHISEE shall have the right to use only the Proprietary Marks associated with the name "MR. TRANSMISSION". If FRANCHISEE is granted the right to operate a MILEX COMPLETE AUTO SERVICE CENTER, FRANCHISEE shall have the right to use only the Proprietary Marks associated with the name "MILEX COMPLETE AUTO CARE". If FRANCHISEE is granted the right to operate a CO-BRANDED SERVICE CENTER, FRANCHISEE shall have the right to use the Proprietary Marks associated with the names of both "MR. TRANSMISSION" and "MILEX COMPLETE AUTO CARE". FRANCHISEE hereby acknowledges the validity of the Proprietary Marks and also acknowledges that the proprietary marks are the property of FRANCHISOR. FRANCHISEE shall commit no acts which in any respect infringe upon, harm or contest the right of FRANCHISOR in the Proprietary Marks or in any other mark or name which incorporates the name "MR. TRANSMISSION" and/or "MILEX COMPLETE AUTO CARE" (as applicable). FRANCHISEE agrees to purchase all materials with FRANCHISOR's Proprietary Marks from FRANCHISOR or have all materials with FRANCHISOR's Proprietary Marks approved by FRANCHISOR. FRANCHISEE shall give such notices of trademark and service mark registrations as FRANCHISOR specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a MR. TRANSMISSION SERVICE

CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER (as applicable).

All the rights and privileges granted to FRANCHISEE herein are for FRANCHISEE's enjoyment at the location described in Section 1 and nowhere else, and FRANCHISEE shall never (either during the term of this Franchise Agreement or after its expiration and nonrenewal, or termination) use or attempt to use the names "MR. TRANSMISSION", "MILEX COMPLETE AUTO CARE", "MR. TRANSMISSION SERVICE CENTER" or "MILEX COMPLETE AUTO CARE SERVICE CENTER", as applicable, or any variation of such names or any other trade name, trademark or service mark of FRANCHISOR in any manner whatsoever, except as authorized by FRANCHISOR in connection with the operation of the Service Center herein licensed, including, but not limited to, the use of any telephone numbers listed in any directory under FRANCHISOR's trade names, trademarks or service marks, use of advertising in any form which states, in any way, that any operation was formerly connected with or known as MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER (as applicable), or the representation to any person or entity that the business being conducted therein is the same or similar to that which operated previously.

The Service Center operated by FRANCHISEE under the terms of this Franchise Agreement and at the location specified herein (or if no location is specified herein, at the location where FRANCHISEE opens or operates any Service Center for any period of time whatsoever) shall be conducted under the name "MR. TRANSMISSION" and/or "MILEX COMPLETE AUTO CARE" (as applicable) and under no other name. However, FRANCHISEE shall not use the trademark "MR. TRANSMISSION" or "MILEX COMPLETE AUTO CARE" in its firm name or corporate name, notwithstanding the fact that FRANCHISOR grants to the FRANCHISEE the right to incorporate in Section 23(f) of this Agreement. Further, FRANCHISEE agrees not to register any domain names and also agrees not to establish any websites using any of the FRANCHISOR's Proprietary Marks, except as permitted in Section 19(b) of this Agreement. FRANCHISEE agrees to create a business social media account working through FRANCHISOR's marketing department and to post on social media networking sites using FRANCHISOR's guidelines as outlined in the Manual.

FRANCHISEE recognizes that its use of the Proprietary Marks, or any other mark or name that incorporates the words "MR. TRANSMISSION" and/or "MILEX COMPLETE AUTO CARE," inures to the benefit of FRANCHISOR, and that any goodwill arising from such use by FRANCHISEE belongs to FRANCHISOR and shall revert to FRANCHISOR in the event that this Agreement expires and is not renewed or is terminated for any reason. If it becomes advisable at any time in FRANCHISOR's sole discretion, FRANCHISOR may require FRANCHISEE to modify or discontinue the use of any previously authorized proprietary mark and/or authorize and require FRANCHISEE to use one or more additional or substitute Proprietary Marks. In such cases, upon notice of the modification, discontinuance, substitution or addition of a proprietary mark, FRANCHISEE will be responsible for the tangible costs (such as replacing signs and materials) associated therewith. FRANCHISEE's use of any additional, substitute or modified Proprietary Marks shall be subject to all of the same terms and conditions within this Franchise Agreement which govern FRANCHISEE's use of FRANCHISOR's Proprietary Marks.

8. UNIFORM STANDARDS. In order to protect the goodwill associated with the FRANCHISOR's name and to prevent any deception to the public, the FRANCHISEE shall operate its business in accordance with the standards and requirements of quality, appearance, cleanliness, and service as are from time to time prescribed by the FRANCHISOR. The FRANCHISEE shall maintain the interior and exterior of the premises in a neat, sanitary, orderly and clean condition satisfactory to FRANCHISOR, and shall make such repairs and renovations as FRANCHISOR may reasonably request including, without limitation, repair and painting of the exterior and interior of the Service Center. In the event that the FRANCHISEE fails to comply with FRANCHISOR's standards within ten (10) days after written notice thereof from FRANCHISOR, FRANCHISOR may, notwithstanding any other rights FRANCHISOR may have pursuant to this Agreement, have such repair, painting or other renovation done at FRANCHISEE's expense. FRANCHISEE will install and maintain all lighting, including that for the interior and exterior of the building, in strict accordance with FRANCHISOR's specifications; FRANCHISEE shall also perform in all respects its obligations in any Lease of the premises to which FRANCHISEE is a party.

In order to ensure the continued uniformity of operation, FRANCHISEE shall use, at FRANCHISEE's expense, only such repair order forms and sales invoice forms as are furnished by the FRANCHISOR.

FRANCHISEE recognizes that the continuous and daily availability of products and services to the public is essential to the adequate promotion of the Service Center and that any failure to provide such products and services affects the goodwill of FRANCHISOR both locally and nationally. Therefore, FRANCHISEE agrees (a) to maintain adequate inventory (as more fully described herein) and trained personnel to serve the public; and (b) except to the extent that any law may require otherwise, to keep open and in normal operation the Service Center for and during the hours of 8:00 a.m. to 5:30 p.m. Monday through Friday and 9:00 a.m. to 1:00 p.m. on Saturday, or for such other hours as may be specified by FRANCHISOR, which hours shall not be unreasonable in accordance with the standards of the transmission and/or automotive maintenance and repair industry. FRANCHISEE shall not be required to operate its business on New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving or Christmas. In a market area with multiple Service Centers, additional hours and holidays shall be determined by the majority of the Service Centers in the market area, subject to FRANCHISOR's approval.

FRANCHISEE further agrees that it will sell or distribute from the MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER, as applicable, only such types of products or services as are approved by FRANCHISOR; provided, however, that FRANCHISEE shall have the sole right to determine the prices for resale to its patrons for such products or services. FRANCHISEE shall purchase its parts and inventory from FRANCHISOR or such approved vendors as are identified in Section 15.

Without limiting any of the language elsewhere in this Agreement, FRANCHISEE agrees at all times to adhere to a high moral and ethical standard of conduct and to maintain the premises and all equipment, fixtures and facilities in such a manner as required by municipal, state and county regulations. FRANCHISEE further agrees to provide all customers of the Service Center efficient, courteous and high quality service to the end that the Service Center shall help create goodwill among the public for Service Centers as a whole, and that FRANCHISOR, FRANCHISEE, and each franchise holder shall be benefited and the public assured of uniform, efficient, courteous and easily recognizable high quality service on a standardized national basis.

FRANCHISEE agrees at all times during the term of this Agreement to diligently promote the business of the Service Center and to make every reasonable effort to maximize the sales of its products and services. To this end, as described in Section 6 of this Agreement, FRANCHISEE understands and agrees that FRANCHISEE's actual participation in the operation of the Service Center shall be on a full-time basis. During the entire term of this Agreement, FRANCHISEE agrees that FRANCHISEE (or the partnership, corporation or limited liability company, if applicable) shall not engage in, participate in, or (except for passive investments) be interested in, any other business, employment, or occupation, and FRANCHISEE shall operate, supervise the day-to-day operations of, and manage the business licensed hereunder on a full-time basis. The FRANCHISEE acknowledges that strict conformity with the standards described in this Section will assist in accomplishing this goal.

FRANCHISEE agrees at all times to follow all rules, policies, procedures, and manuals under Uniform Standards and Operations for the operation of the Service Center according to FRANCHISOR, including but not limited to the following: operating manuals, memoranda, procedural protocols and any periodic updates to the same as may be issued and/or required by FRANCHISOR during the term of this Franchise Agreement.

FRANCHISOR shall have no responsibility or liability whatsoever, in connection with, or for the day-to-day operation of FRANCHISEE's Service Center, and FRANCHISEE agrees at all times to be solely responsible for the day-to-day operation of the Service Center. Further, FRANCHISEE agrees that FRANCHISEE (or an owner if FRANCHISEE is a business entity) shall be responsible for the on-site

supervision of FRANCHISEE's Service Center during all business hours, and whenever there is any after-hours activity within the Service Center, during non-business hours.

9. VARIANCE. FRANCHISOR has the right to vary standards and specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of a particular site or circumstances, the demographics of a trade area, business potential, existing business practices or any other condition which FRANCHISOR deems to be of importance to the successful operation of any particular MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER, as applicable. FRANCHISOR shall not be required to disclose or grant to FRANCHISEE a like or similar variance hereunder. As set forth in Section 21(f), FRANCHISEE shall be entitled to an automatic variance if FRANCHISEE's compliance with any law or regulation to which FRANCHISEE or the Service Center are subject requires said variance. FRANCHISEE is solely responsible for investigating and complying with all laws and regulations to which FRANCHISEE and/or the Service Center are subject.

10. ADDITIONAL OBLIGATIONS OF FRANCHISOR. FRANCHISOR agrees that it may, in its discretion, in addition to all the obligations hereinabove recited, make available the following services to FRANCHISEE:

(a) Furnish from time to time, at FRANCHISOR's sole discretion, counseling and advisory services and suggestions in the planning and development of FRANCHISEE's business;

(b) At FRANCHISOR's sole discretion, apprise FRANCHISEE from time to time of FRANCHISOR's plans, policies, research, and new developments by means of bulletins, brochures, reports, and at FRANCHISOR's option, by periodic visits of FRANCHISOR's field representatives;

(c) Permit FRANCHISEE to attend, at FRANCHISEE's cost and expense, any national or regional meetings sponsored by FRANCHISOR for other franchise holders;

(d) Conduct from time to time, at FRANCHISOR's sole discretion and expense, research and development into the areas of production and methods of operation, and make the results of this research and development available to FRANCHISEE;

(e) Provide advertising and promotional tools which may be developed from time to time by FRANCHISOR through the MORAN CREATIVE FUND to FRANCHISEE or to the chairman of the local advertising group if one exists in FRANCHISEE's area;

(f) Provide protection of the FRANCHISEE against trademark or service mark infringement as regards any trade name, service mark or trademark of FRANCHISOR, including the institution of suit or complaint when the same is deemed advisable by FRANCHISOR; and

(g) Defend and save harmless FRANCHISEE against all claims which may hereinafter be asserted for service mark or trademark infringement of any of the trademarks or service marks authorized by FRANCHISOR for use by FRANCHISEE.

11. FRANCHISE FEE. The Franchise Fee is payable upon the execution of this Agreement by FRANCHISEE in full. FRANCHISEE understands, acknowledges and agrees that the Franchise Fee payable hereunder is fully earned by FRANCHISOR upon receipt, is in payment of the franchise granted hereunder, and is not refundable at any time for any reason whatsoever. FRANCHISEE hereby expressly waives any and all rights which it now has or may in the future acquire, in law or equity, to demand the return of all or any part of the Franchise Fee paid hereunder, for any reason whatsoever. The Franchise Fee under this Agreement shall be Forty Thousand Dollars ($40,000.00) for the right to operate a MR. TRANSMISSION SERVICE CENTER or MILEX COMPLETE AUTO SERVICE CENTER or Fifty Thousand Dollars ($50,000.00) for the right to operate a CO-BRANDED SERVICE CENTER. FRANCHISOR acknowledges the receipt of such payment of the Franchise Fee due hereunder. FRANCHISEE acknowledges and agrees that additional franchise fees, the amount of which shall be established by

FRANCHISOR, shall be required if and when franchises for additional locations are granted to FRANCHISEE, and renewal fees may be required in order to renew this Franchise Agreement for the additional term provided for herein.

12. ROYALTY FEE. Following the commencement of operations by FRANCHISEE, FRANCHISEE shall make weekly payments to FRANCHISOR (on or before Wednesday of each week via ACH debit), of a royalty fee in a sum equal to seven percent (7%) of the gross sales, as hereinafter defined, or a minimum of Two Hundred Fifty Dollars ($250.00) whichever is greater made by FRANCHISEE during the preceding calendar week. A new Service Center will be required to pay the weekly royalty of seven percent (7%) but will not be required to meet the minimum of Two Hundred Fifty Dollars ($250.00) for the first six (6) months of operation. This temporary waiver of the minimum does not apply to the transfer of an existing Service Center. If a franchisee continues to operate their Service Center after expiration of their franchise agreement the royalty fee will automatically increase to 10% until a new then-current form of franchise agreement is signed.

The expression "gross sales" as used in this Agreement shall consist of all sales of any kind whatsoever made regardless of whether cash payment is actually received by FRANCHISEE at the time of the transaction, including credit card sales, redemption of System gift cards, and accounts receivable sales, in connection with the exercise of the franchise granted hereunder including, but not limited to, sales of automotive supplies, accessories, gas, oil, repair parts and/or any service or product sold within or without the Service Center premises being operated by the FRANCHISEE under this franchise, excluding intra-company warranty repairs. The term "gross sales" shall not include sales tax, excise tax or other tax with respect to such sales, or revenue you derive from selling or issuing System gift cards, but shall include "business interruption" insurance payments.

FRANCHISEE shall submit weekly to FRANCHISOR (i) an accurate business report showing the gross sales received by it during the preceding calendar week on such forms as are provided or required by FRANCHISOR at FRANCHISEE's expense, (ii) full payment of all royalty fees due via ACH debit, and (iii) such other forms and/or reports as are specified in Section 13. The preceding items shall be received by FRANCHISOR in the offices of FRANCHISOR no later than Wednesday of each week. Royalties shall be paid without penalty if received by FRANCHISOR on or before Wednesday of each week. FRANCHISEE shall pay any and all fees and other charges in connection with this Franchise Agreement (including, without limitation, the continuing franchise fees, royalty fees, creative fund contributions, continuing advertising fees, equipment, supplies and advertising charges, and any applicable late fees and interest charges) by ACH debit, and FRANCHISEE shall undertake all action necessary to accomplish such transfers. If FRANCHISEE fails to pay its royalties as required above, FRANCHISEE shall pay the following late payment charges to FRANCHISOR: (1) a one percent (1%) additional gross sales royalty shall be paid by the FRANCHISEE in any week where the royalty payment is not paid, an additional one percent (1%) gross sales royalty shall accrue against the current week's royalty and the past due royalty, i.e., if late one (1) week, the royalty shall be eight percent (8%); if late two (2) weeks, the royalty shall be nine percent (9%); if late three (3) weeks, the royalty shall be ten percent (10%). At the expiration of the first five (5)-year period and at the expiration of each five (5)-year period thereafter during the term of this Agreement, FRANCHISOR, may adjust said royalty fee, provided, that said royalty fee will not exceed ten percent (10%) of gross sales at any time during the term of this Agreement.

FRANCHISOR, FRANCHISOR's accounting firm, other representatives who may be designated by FRANCHISOR, or other duly authorized agents of FRANCHISOR, shall have the right during business hours to audit or examine, without limitation, at FRANCHISOR's expense, the repair orders, receipts, bank records, accountant's or bookkeeper's records, credit bureau records, books, business machines, records, tax returns and other returns of FRANCHISEE; and FRANCHISEE agrees to keep complete and accurate books and records of its operation of the Service Center. FRANCHISEE shall immediately remit to FRANCHISOR any royalty fees or other amounts which such audit reveals are owed to FRANCHISOR plus interest on any past due amounts owed to FRANCHISOR at the highest rate allowed by law from the date any such royalties or other amounts became due. In the event that any such audit discloses an error in the computation of the total gross sales made from or on the premises in excess of two percent (2%), the FRANCHISEE shall also pay or reimburse FRANCHISOR for any and all expenses incurred by

FRANCHISOR in connection with the audit, including, but not limited to, legal and accounting fees. This right of inspection by FRANCHISOR, its accountants or authorized agents shall continue for a period of one hundred eighty (180) days after expiration and nonrenewal, or termination of this Agreement by either party.

In the event any audit discloses that FRANCHISEE has any repair orders which are missing or unaccounted for, FRANCHISEE agrees to pay the then current royalty fee/percentage on each such repair order based upon an amount equal to Two Thousand Dollars ($2,000.00) for each repair order sale or the amount equal to the average repair order for the MR. TRANSMISSION SERVICE CENTER, MILEX COMPLETE AUTO SERVICE CENTER, or CO-BRANDED SERVICE CENTER, as applicable, whichever is greater, the same as if such repair order or orders had been submitted to FRANCHISOR with such amount thereon.

In the event that FRANCHISEE is more than ten (10) days late in paying any amount owed to FRANCHISOR, other than royalty fees, interest shall accrue on said past due amount at the highest rate allowed by law from the date payment was due. All reports required to be furnished pursuant to this Section and Section 13 must be signed by the FRANCHISEE.

FRANCHISOR or its designated agent shall have the right at all times to conduct investigations of the operations of FRANCHISEE, at FRANCHISOR's expense. In conducting such investigations FRANCHISEE shall permit FRANCHISOR or FRANCHISOR's designated representative complete access to its books, business machines, records, premises and operations, and shall allow FRANCHISOR to interview FRANCHISEE's employees. In the event that such investigation reveals that the FRANCHISEE has committed any fraudulent or illegal act with respect to the operation of the Service Center, the FRANCHISOR, in addition to all other rights and remedies it may have pursuant to this Agreement, shall be reimbursed by FRANCHISEE for the expense of the investigation.

Should any of the FRANCHISEE's payments to FRANCHISOR via ACH debit be declined (or checks be returned in the event that FRANCHISOR authorizes a payment by check) by FRANCHISEE's bank for any reason whatsoever (or in the event FRANCHISOR authorizes FRANCHISEE to make a payment by check, should the check be returned by FRANCHISEE's bank), FRANCHISEE shall pay FRANCHISOR, in addition to any other charges or expenses incurred by FRANCHISOR, a Fifty Dollar ($50.00) declined ACH debit (or returned check) charge. Should FRANCHISOR receive two (2) or more ACH debits (or checks) from FRANCHISEE that are declined (or returned) by FRANCHISEE's bank based on insufficient funds or a stop payment within any twelve (12)-month period during the term of this Agreement, then in addition to any other rights FRANCHISOR has, FRANCHISOR may require FRANCHISEE to make all further payments to FRANCHISOR by cashier's check or money order.

13. REPORTS. In addition to the reports required pursuant to the preceding Section, FRANCHISEE agrees to furnish FRANCHISOR with the following reports: (i) a weekly report, signed by FRANCHISEE, setting forth the amount of all deposits, repair orders and sales invoices for every type and nature of repair and sale (FRANCHISEE shall attach to this report copies of all deposit slips, repair orders and sales invoices); (ii) a monthly report, in a form specified by FRANCHISOR, signed by FRANCHISEE, containing a monthly balance sheet and profit and loss statement as well as a monthly numerical accounting, of all repair orders; such report shall be furnished to FRANCHISOR within thirty (30) days of the end of each calendar month; and (iii) an annual financial statement covering the operation of FRANCHISEE's Service Center, such financial statement to be prepared by an independent public accountant and to be certified as to its correctness by the FRANCHISEE, or in the event the FRANCHISEE is a corporation or limited liability company, by an officer of the FRANCHISEE. Said financial statement shall be furnished within one hundred twenty (120) days after the end of FRANCHISEE's fiscal year. The profit and loss statement and balance sheet shall contain such information as FRANCHISOR shall reasonably request, including, for example, the information necessary to verify payments due FRANCHISOR under any provision of this Agreement. Upon request of FRANCHISOR, FRANCHISEE shall furnish more frequent reports of gross sales and/or sales by telephone or other means of communication specified by FRANCHISOR. In order to ensure the uniformity of operation and to make maximum effectiveness of the available information concerning Service Center operation, marketing and

financial data, FRANCHISEE shall also submit to FRANCHISOR such additional financial and operating information as FRANCHISOR shall request from time to time.

All reports shall be made only on forms approved by FRANCHISOR or supplied by FRANCHISOR to FRANCHISEE, at FRANCHISEE's expense. All reports or other information furnished by FRANCHISEE shall be received and treated confidentially by FRANCHISOR; provided, however, that FRANCHISOR may use any such information for the compilation of: (i) operating statistics on all of FRANCHISOR's franchises, or groups thereof, for intra-company and public distribution; (ii) sales rankings for publication to franchisees via FRANCHISOR's Intranet; (iii) financial performance representations for publication in FRANCHISOR's franchise disclosure documents for prospective franchisees; (iv) comparative sales charts and tables for publication to franchisees via FRANCHISOR's Intranet; and (v) other similar data compilations.

FRANCHISEE must provide FRANCHISOR with these reports within the applicable time periods. To accommodate efficient tracking and timely submission of such reports, FRANCHISEE must submit reports and documentation to FRANCHISOR electronically in the manner and by the means specified by FRANCHISOR. FRANCHISOR shall also utilize electronic submission of documents to FRANCHISEE for efficiency and tracking.

FRANCHISEE may keep its books and records on either a calendar year or fiscal year basis. All references in this Section to the "year" of FRANCHISEE shall mean either the calendar or fiscal year adopted by FRANCHISEE.

14. COMPUTER AND TELEPHONE SYSTEMS. FRANCHISEE agrees to purchase, install, and use all computer and telephone systems which FRANCHISOR may require and consisting of hardware and software in accordance with FRANCHISOR's specifications. FRANCHISEE shall use the computer systems to maintain FRANCHISEE's business records, customer information, and sales and other financial information in a format specified by FRANCHISOR in operating manuals or by other communication. FRANCHISOR's specifications may include the requirement to purchase and use hardware, software, and installation, maintenance and/or technical support services supplied by one or more approved suppliers, which may include FRANCHISOR or an affiliate. If FRANCHISOR or an affiliate is an approved supplier, FRANCHISEE may be required to execute software licenses, technical support services agreements or other agreements, as applicable. FRANCHISEE shall be required to submit reports to FRANCHISOR electronically. FRANCHISEE further agrees to access and use FRANCHISOR's Intranet in accordance with FRANCHISOR's policies and procedures. FRANCHISOR may modify specifications for and components of required computer and telephone systems from time to time. FRANCHISOR's modification may require FRANCHISEE to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the systems. FRANCHISOR has established a VOIP (voice over internet protocol) telephone system. FRANCHISEE shall purchase all telephone equipment from and pay an activation and monthly service fee to FRANCHISOR's approved supplier. FRANCHISOR will own the number(s) FRANCHISEE is permitted to use.

FRANCHISEE agrees to attend any training program required by FRANCHISOR from time to time in connection with the operation of the computer system, at FRANCHISEE's sole cost and expense.

In addition to the reports required in the preceding Sections FRANCHISEE agrees to furnish FRANCHISOR on a weekly basis, the following reports, including but not limited to (i) Daily/Weekly Business Report, (ii) Weekly Business Report, (iii) Cash Received Report, (iv) Center Summary Report, (v) Completed/Not Delivered Report, and (vi) Center Activity Report via the Intranet.

FRANCHISOR shall have full access to FRANCHISEE's computer systems, all sales data and all related information by means of direct access, either in person or by telephone, modem or internet to permit FRANCHISOR to verify FRANCHISEE's compliance with its obligations under this Agreement. FRANCHISEE further agrees hereby that FRANCHISOR may, without any further approval being required, poll FRANCHISEE's computer systems and obtain any and all information contained therein, by any necessary method, including but not limited to, direct telephone connection, at any time deemed necessary by FRANCHISOR, whether on a routine basis or under special circumstances.

15. INVENTORY AND QUALITY CONTROL. In order to insure consumer acceptance both on a local and national level, FRANCHISEE recognizes the necessity of quality control and standardization as essential conditions of the Franchise Agreement. FRANCHISEE agrees to purchase all items used in the operation of a Service Center, including equipment, inventory, parts and supplies from FRANCHISOR, or any subsidiary, division or affiliate of FRANCHISOR, the original equipment manufacturer ("OEM"), or such other vendors as are approved by FRANCHISOR, which approval shall not be unreasonably withheld when such other vendors can meet FRANCHISOR's standards and specifications, including inspection standards. Should FRANCHISEE desire to purchase any item from a source not previously approved by FRANCHISOR, FRANCHISEE shall notify FRANCHISOR in writing and submit such details and specifications regarding the item as FRANCHISOR may require. FRANCHISOR will advise FRANCHISEE within a reasonable time whether the item FRANCHISEE proposes to buy meets FRANCHISOR's approval. The terms of all purchases from FRANCHISOR, its divisions or affiliates (hereinafter sometimes collectively referred to as the "Company Suppliers") shall be COD or "net ten (10) days" or such other terms as the Company Suppliers shall establish. The Company Suppliers shall have the right to require prepayment, if, in their opinion, FRANCHISEE's financial condition or other circumstances do not warrant shipment in advance of payment.

FRANCHISEE shall submit its orders for inventory to the Company Suppliers in sufficient time to enable them to fill the orders in the usual course of business. The Company Suppliers shall not be liable for any delay in the delivery of any orders, including the delivery of said parts, if such delay is occasioned by any cause whatsoever beyond the Company Suppliers' reasonable control.

16. ORIGINAL EQUIPMENT AND SUPPLIES. Prior to the opening of FRANCHISEE's Service Center, FRANCHISEE shall acquire equipment, supplies and inventory authorized by the FRANCHISOR. FRANCHISEE may purchase the equipment from any authorized OEM, the Company Suppliers or other vendors approved by FRANCHISOR (which approval shall not be unreasonably withheld when it can be demonstrated that said vendor meets FRANCHISOR's standards and specifications, including inspection standards).

17. DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, MADE BY FRANCHISOR COVERING ITEMS SOLD BY FRANCHISOR TO FRANCHISEE PURSUANT TO THIS AGREEMENT AND HEREAFTER. FRANCHISEE's remedy for defective items is limited to replacement of the defective items and FRANCHISOR shall not be liable for any incidental or consequential damages, whether brought in warranty, negligence, misrepresentation, strict liability, or any other theory, as a result of selling or supplying any items pursuant to this Agreement. Any warranty which is furnished to a customer by the Service Center is extended by FRANCHISEE to the customer and not by FRANCHISOR to either the FRANCHISEE or the customer, and is an obligation of FRANCHISEE.

18. SERVICE CENTER WARRANTIES. FRANCHISEE shall honor each warranty agreement presented by a customer at FRANCHISEE's Center in accordance with the terms thereof, irrespective of whether the car part was originally repaired at FRANCHISEE's Service Center or any other authorized Service Center. In addition, FRANCHISEE shall comply at all times with FRANCHISOR's policies in force and effect from time to time concerning the System warranty program ("Warranty Program"). Without limiting the foregoing, FRANCHISEE shall also satisfy legitimate customer complaints concerning any service performed or parts sold pursuant to the Warranty Program.

FRANCHISEE, upon complying with provisions in this Section with respect to the customer of another authorized System Service Center, shall be reimbursed by the other Service Center upon making written demand upon such Service Center in accordance with FRANCHISOR's intershop warranty policies and procedures.

FRANCHISEE agrees to pay any other System franchisee the amount due to such franchisee for the honoring of a warranty to a customer of FRANCHISEE via credit card within twenty-four (24) hours after

such demand by the repairing franchisee. If FRANCHISEE fails to timely pay such amount, FRANCHISEE shall be in default of this Franchise Agreement, and in addition to any remedies it may have for breach of this agreement, FRANCHISOR shall be entitled to recover such amount from FRANCHISEE for the benefit of the franchisee which honored the warranty, however, FRANCHISOR shall not be obligated to pursue the recovery of such amount for the benefit of such franchisee.

At the time of signing the Franchise Agreement, FRANCHISEE shall pay to FRANCHISOR the amount of Five Thousand Dollars ($5,000.00) to be held by FRANCHISOR in a warranty fund to pay any claims for warranty repairs which FRANCHISEE may fail to honor, on Service Center warranties or reimbursements that are unpaid and for warranties which are the responsibility of any Center which has closed for any reason and not reopened. FRANCHISEE shall retain responsibility for any and all warranties issued by its Service Center, and should FRANCHISEE cease or abandon operations of the business, FRANCHISEE shall be responsible for payment of all warranties issued by its Service Center to its customers above and beyond the warranty fund.

If this franchise has been transferred, FRANCHISEE agrees to honor all warranties issued by its predecessor as if the warranty had been issued by FRANCHISEE under the guidelines of the FRANCHISOR's current policies and procedures in effect concerning the Warranty Program. In the event of a transfer of the franchise, the FRANCHISEE's existing warranty fund deposit may be assigned to the purchaser, or the purchaser must pay the warranty fund deposit directly to FRANCHISOR. If the purchaser pays the warranty fund deposit, FRANCHISEE's deposit may be refundable ninety (90) days after completion of resale or transfer if terms and conditions are met.

FRANCHISEE's obligation to comply with the terms and conditions in this Section 18 and obligation to comply with FRANCHISOR's policies concerning the Warranty Program shall not in any way make FRANCHISOR liable for any warranty issued by FRANCHISEE. Further, nothing in this Section shall impose any obligation on FRANCHISOR to take any act or refrain from taking any act with regard to the Warranty Program. FRANCHISOR does not, nor shall it issue, any warranty to any customer of any Center. FRANCHISOR is not a party to any warranty agreement entered into between FRANCHISEE and its customers.

FRANCHISEE acknowledges that the Warranty Program is essential to the continuation of the goodwill among the public for System Service Centers on a national basis. In order to continue the goodwill associated with the FRANCHISOR's name FRANCHISOR requires FRANCHISEE's payment to the warranty fund and reserves the right to issue such Warranty Program policies and procedures which FRANCHISOR, in its sole discretion deems appropriate from time to time, and upon written notice, FRANCHISEE shall comply with the same. Notwithstanding FRANCHISOR's reservation of rights herein, FRANCHISOR has no duties, obligations or liability with respect to the warranty fund, intershop policies and procedures, or Warranty Program policy or procedures. FRANCHISOR has no duty to satisfy complaints made by any customer of any Center.

19. ADVERTISING. FRANCHISOR's regulations, requirements and required approvals with respect to FRANCHISEE's advertising set forth in this Agreement and any exhibit or addendum hereto or as may be communicated to FRANCHISEE from time to time, are for the purpose of protecting FRANCHISOR's Proprietary Marks, good will and brand consistency. FRANCHISOR does not warrant or guarantee that any advertising program, agency, supplier, website, concept or material, whether developed by FRANCHISOR or approved by FRANCHISOR, or developed by FRANCHISEE or FRANCHISEE's local advertising group, complies with advertising laws or regulations which apply to FRANCHISEE or its Service Center advertising. FRANCHISEE is solely responsible for investigating applicable laws and regulations and conducting its advertising in compliance with same. FRANCHISOR will grant FRANCHISEE an automatic variance from FRANCHISOR's advertising regulations or requirements if FRANCHISEE advises FRANCHISOR that such is necessary to comply with any law or regulation.

(a) Creative Fund. Recognizing the value of creating advertising concepts and the importance of the standardization of advertising, FRANCHISOR has established and maintains a separate creative fund, which is used for the creation and production of marketing concepts and distribution of creative advertising

for MR. TRANSMISSION AND MILEX SERVICE CENTERS ("MORAN CREATIVE FUND"). FRANCHISEE agrees to make monthly contributions to the MORAN CREATIVE FUND. Each month during the term of this Agreement, if FRANCHISEE is operating a: (i) MR. TRANSMISSION OR MILEX SERVICE CENTER, FRANCHISEE shall contribute one percent (1%) of its gross sales or make a minimum contribution of Two Hundred Dollars ($200.00), (whichever is greater), to the MORAN CREATIVE FUND; (ii) CO-BRANDED CENTER, FRANCHISEE shall contribute one percent (1%) of its gross sales or make a minimum contribution of Two Hundred Fifty Dollars ($250.00), (whichever is greater). FRANCHISEE agrees that the amount required to be paid to the CREATIVE FUND by FRANCHISEE may be adjusted by FRANCHISOR from time to time but in no event shall the amount exceed three percent (3%) of FRANCHISEE's monthly gross sales during the term of this Agreement. FRANCHISEE shall remit the appropriate amount of its contribution with its first payment of royalties for the month via ACH debit payable to the MORAN CREATIVE FUND. Such contributions to the CREATIVE FUND shall be held in a separate CREATIVE FUND account which has been opened for the exclusive use of FRANCHISOR, FRANCHISEE, and other System franchisees or to such other entity as FRANCHISOR shall designate. FRANCHISEE further agrees to have all franchises owned or controlled by FRANCHISEE contribute to the CREATIVE FUND.

The CREATIVE FUND will be used for the production of advertising materials, and other promotional or related materials which FRANCHISOR, in its sole discretion, deems desirable to advertise and promote Service Center nationally or regionally. FRANCHISOR shall be entitled to direct the utilization of the CREATIVE FUND for the benefit of FRANCHISOR in the sole discretion of FRANCHISOR.

FRANCHISOR reserves the right to consult an advisory alliance of franchisees on the use and expenditures of the CREATIVE FUND.

FRANCHISEE agrees that FRANCHISOR, in its own name, shall be entitled to recover the sum of monies due from the FRANCHISEE for the benefit of the CREATIVE FUND and/or FRANCHISOR's advertising agency.

FRANCHISEE further understands and agrees that the CREATIVE FUND exists solely for the production and distribution of advertising materials or other such uses as may be approved by the FRANCHISOR, and that FRANCHISEE is solely responsible for printing and placement of said materials in the media and the costs related thereto.

(b) Local Advertising. FRANCHISEE acknowledges that its participation in advertising programs and promotional activities is essential. The FRANCHISEE shall make the expenditures required by and otherwise fully comply with a local advertising budget to be developed for it with the assistance of FRANCHISOR. For new Stores; for the first six (6) months you will spend Five Thousand Dollars ($5,000.00) per month. Beginning month seven (7) and for the first three (3) years of operation of the Service Center FRANCHISEE agrees to budget Two Thousand One Hundred Dollars ($2,100.00) per month, or seven percent (7%) of gross sales (whichever is greater), to locally advertise and market its Service Center. After the first three (3) years, FRANCHISEE agrees to budget One Thousand Five Hundred Dollars ($1,500.00) per month, or three and one half percent (3.5%) of gross sales (whichever is greater), to locally advertise and market its Service Center.

FRANCHISEE agrees, at its expense, to advertise on Google and other internet search engines with pay-per-click (PPC)/search engine marketing (SEM) advertising using the FRANCHISOR specified keywords for the designated brand. FRANCHISEE agrees, at its expense to advertise on these local listing pages under the category "Auto Repair and Service" as well as "Transmissions" and/or "Brake Repair" (as applicable to FRANCHISEE'S Service Center) and such additional categories as may be designated by FRANCHISOR. In such advertising, FRANCHISEE agrees to use only advertising and vendors approved by FRANCHISOR. If operating in a multi-owner market FRANCHISEE agrees to obtain FRANCHISOR's written approval prior to using any geo-targeted keywords or advertising in the market.

FRANCHISEE agrees in its advertising to use FRANCHISOR's trademarks, service marks, trade names, logos and other symbols exactly and accurately and in a manner which will best protect these rights. FRANCHISEE further agrees in its advertising to refrain from the use of FRANCHISEE's own name, or any

name other than “MR. TRANSMISSION” and/or “MILEX COMPLETE AUTO CARE” in connection with any of FRANCHISOR’s trademarks, service marks or other symbols, unless FRANCHISEE’s own name is used as part of a notice that the Service Center is independently owned and operated pursuant to Section 21 of this Agreement.

FRANCHISEE shall place advertising only with advertising agencies approved in writing by FRANCHISOR or shall be in default hereunder, and FRANCHISOR, in addition to any other remedies which it may have for violation of this Franchise Agreement, may, in its own name, recover any such sums from FRANCHISEE, including, but not limited to, attorney’s fees and costs.

FRANCHISEE agrees to use FRANCHISOR’s approved marketing vendors and to follow the one (1) year marketing strategy developed with FRANCHISEE during the marketing training class.

Without limiting any of the language found elsewhere in this Agreement, FRANCHISEE agrees to adhere to such advertising regulations as FRANCHISOR may impose from time to time, to obtain FRANCHISOR’s approval of FRANCHISEE’s local advertising, and to use only advertising materials provided or approved by FRANCHISOR. The license granted hereunder does not include the right to use FRANCHISOR’s Proprietary Marks to sell products or services via the Internet or any electronic medium or to establish a business social media account without FRANCHISOR’s prior approval. FRANCHISEE is permitted to establish an internet website to advertise its Service Center as long as: (a) FRANCHISEE uses FRANCHISOR’s approved suppliers to develop the website according to brand standards; (b) FRANCHISEE has obtained FRANCHISOR’s prior approval of any uniform resource locators, website address(es), and any content to be posted thereon; and (c) FRANCHISEE’s site is linked to FRANCHISOR’s home page. FRANCHISEE is permitted to create a business social media account working only through our marketing department. FRANCHISEE is permitted to post on social media networking sites using our guidelines as outlined in the Manual. FRANCHISEE is not permitted to register domain names for its service center or co-branded service center. FRANCHISEE must use approved print vendors for anything with FRANCHISOR’s trademark or slogan including business printing such as business cards and brochures and print marketing such as direct mailers or flyers. If FRANCHISEE uses any outside vendor for print they must obtain written approval from FRANCHISOR.

20. HOLD HARMLESS AND INSURANCE. FRANCHISEE agrees that it will indemnify, defend, and save harmless FRANCHISOR, its officers, directors, agents, employees, servants, divisions and its subsidiaries (collectively “FRANCHISOR Indemnitees”) from all liabilities, taxes, losses, fines, costs, damages, expenses (including reasonable attorney’s fees and court costs), as well as all claims, demands, actions, suits or proceedings, of any kind or nature, asserted by any entity or anyone whomsoever, arising or growing out of or otherwise connected with FRANCHISEE’s (a) ownership or operation of the Service Center; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between FRANCHISOR and FRANCHISEE including, but not limited to, those representations, warranties, covenants, or provisions of this Agreement related to transfer or assignment of the assets and/or franchise or any of FRANCHISEE’s interest therein; (d) defamation or disparagement of FRANCHISOR or the system; (e) acts, errors or omissions committed or incurred in connection with the business licensed hereunder, including any negligent or intentional acts; (f) infringement, violation or alleged infringement or violation of any proprietary mark or copyright or misuse of any trade secret or other confidential information; or (g) disclosure of any information relating to the financial condition or financial performance of the Service Center to FRANCHISOR or any third party including, but not limited to, financial statements, profit and loss statements, balance sheets, financial reports, customer lists, costs of goods sold information, proforma, sales reports, or any other financial performance information of the Service Center. Immediately upon receiving notice of a claim, action, suit, demand, investigation or proceeding that may give rise to a claim for indemnification by a FRANCHISOR Indemnitee, FRANCHISEE shall notify FRANCHISOR of the same. Immediately upon receipt of a demand, notice, complaint, subpoena, or other legal document alleging or relating to a civil or criminal suit or administrative action brought against FRANCHISEE, FRANCHISOR or their affiliates or principals, FRANCHISEE shall furnish copies of the same to FRANCHISOR.

In connection with the FRANCHISEE's obligation to indemnify and defend FRANCHISOR, FRANCHISOR shall have the right to retain or require FRANCHISEE to retain counsel of FRANCHISOR's choosing. Notwithstanding FRANCHISEE's retainer of counsel to represent and defend FRANCHISOR, FRANCHISOR shall at all times have the right to actively participate in its own defense and to supervise and control such defense and defense counsel.

FRANCHISEE shall procure prior to the opening of the Service Center, and maintain and keep in full force at all times during the term of this Agreement (and any renewals thereof), at its own expense, the types of insurance listed below. In addition to any other insurance that may be required by applicable law, or by lender or lessor, FRANCHISEE shall procure:

(a) Commercial General Liability ("CGL") Insurance, including the Broad Form CGL coverage endorsement, which endorsement must include premises and operations liability, products and completed operations liability and contractual liability insurance, against the claims of all persons including, but not limited to, employees and/or customers, for bodily and personal injury and property damage caused by, or occurring in conjunction with the operation of the Service Center, or FRANCHISEE's conduct of business pursuant to this Agreement, with a minimum limit of One Million Dollars ($1,000,000.00) per occurrence/Two Million Dollars ($2,000,000.00) aggregate covering bodily injury and property damage. FRANCHISEE's CGL policy and coverage must name FRANCHISEE as the insured. Moran Industries, Inc., its subsidiaries, affiliates, stockholders, officers, directors, employees, agents and assignees must be named as "Additional Insured/Franchisor" on FRANCHISEE's CGL insurance policy using endorsement "Form CG2029 – Grantor of Franchise." The CGL policy must be primary and noncontributory, must contain a waiver of subrogation in favor of Moran Industries, Inc. and its successors and assigns and must not restrict coverage for completed operations for either the named insured or the Additional Insured/Franchisor;

(b) Excess Liability/Umbrella policy with minimum limit of One Million Dollars ($1,000,000.00); such coverage shall extend to cover FRANCHISEE's CGL, Automobile Liability and Employer's Liability;

(c) Garagekeeper's Insurance coverage with a minimum liability limit of Twenty Thousand Dollars ($20,000.00) per service bay at FRANCHISEE's Service Center;

(d) Automobile Liability Insurance on owned, hired and non-owned vehicles, with a minimum liability limit of One Million Dollars ($1,000,000.00) combined single limit coverage for bodily and personal injury and property damage. FRANCHISEE's automobile liability policy and coverage must name FRANCHISEE as the insured. Moran Industries, Inc., its subsidiaries, affiliates, stockholders, officers, directors, employees, agents and assignees must be named as "Additional Insured/Franchisor" on FRANCHISEE's automobile liability insurance policy;

(e) Worker's Compensation Insurance and Employer's Liability Insurance with a minimum liability limit of One Hundred Thousand Dollars ($100,000.00) or statutory limits, whichever is greater. If such insurance is not required by statute, FRANCHISEE shall be obligated to procure and maintain worker's compensation insurance and employer's liability insurance with the minimum liability limit stated herein;

(f) Employment Practices Liability Insurance with a minimum limit of Fifty Thousand Dollars ($50,000.00) including first and third party coverage. FRANCHISEE's employment practices liability policy and coverage must name FRANCHISEE as the insured. Moran Industries, Inc., its subsidiaries, affiliates, stockholders, officers, directors, employees, agents and assignees must be named as "Additional Insured/Franchisor" on FRANCHISEE's employment practices liability insurance policy;

(g) Data Breach and Cyber Liability Insurance coverage to include third party coverage for lawsuits, as well as first party coverage for business interruption losses, cyber extortion and regulatory fines and expenses; and

(h) Special Cause of Loss Property Insurance coverage on inventory, improvements, furniture, fixtures, equipment, supplies and other property used in the operation of the Service Center for the full

replacement value thereof, and including business interruption insurance and extra expense insurance on an actual loss sustained basis which provides coverage for FRANCHISEE's loss of business income and FRANCHISOR's loss of continuing fees for a minimum of twelve (12) months.

FRANCHISEE is solely responsible for investigating and complying with any applicable statutory insurance coverage requirements which may be in effect during the term of this Agreement in the state in which its Service Center is located.

All of said insurance coverage required by this Agreement shall be at the expense of FRANCHISEE; shall be for the benefit of FRANCHISEE and FRANCHISOR; shall be placed only with an insurance carrier or carriers maintaining an A.M. Best financial rating of "A-" or better; shall not be subject to cancellation or any material change except after thirty (30) days written notice to FRANCHISOR; and shall provide that no failure of the FRANCHISEE to comply with any term, condition or covenant of this Agreement or other conduct of the FRANCHISEE, or those for whose conduct it is responsible, shall terminate or otherwise affect the protection afforded under said policy to FRANCHISOR. The insurance requirements set forth above are minimum requirements and are not intended as and should not be construed as legal advice. FRANCHISEE acknowledges the same and shall consult with its business advisors, such as an attorney and insurance agent to determine whether additional insurance may be necessary.

Prior to the opening of the Service Center and upon any material change or renewal of coverage, FRANCHISEE shall furnish FRANCHISOR with a copy of the then-current effective certificate of insurance. FRANCHISEE shall furnish FRANCHISOR with such certificates of insurance as are necessary to ensure that a certificate of insurance, reflecting full compliance with the requirements of this Section shall at all times be kept on deposit at the general offices of FRANCHISOR. Further, FRANCHISEE agrees to ensure that in all insurance policies and certificates required pursuant to this Section, and throughout the term of this Agreement, the name of the insured is an exact match with the name(s) of the individual(s), or the business entity defined as FRANCHISEE in the introduction to this Agreement and where FRANCHISOR is required to be named as an additional insured, the name of the additional insured is exactly and correctly stated as Moran Industries, Inc., its subsidiaries, affiliates, stockholders, officers, directors, employees, agents, and assignees. If FRANCHISEE fails to comply with this Section, FRANCHISOR may, in addition to any other remedies available to it for breach of this Franchise Agreement, obtain such insurance and require FRANCHISEE to pay the costs thereof upon demand.

Upon request by FRANCHISOR, FRANCHISEE shall furnish FRANCHISOR with suitable evidence that the insurance premiums have been paid. If FRANCHISEE fails to comply with any of these requirements, FRANCHISOR may terminate this Agreement immediately, or in the alternative, at FRANCHISOR's option, FRANCHISOR may obtain such insurance and keep the same in full force and effect, and the premiums thereof shall be immediately due from FRANCHISEE to FRANCHISOR.

FRANCHISEE's obligation to indemnify FRANCHISOR, as described in this Section, is not limited to the extent of or amount of insurance coverage obtained by FRANCHISEE. Notwithstanding any language to the contrary, FRANCHISOR shall be obligated to defend and save harmless FRANCHISEE against claims for trademark infringement as provided in Section 10 hereinabove.

FRANCHISOR reserves the right to alter or amend the insurance requirements hereunder upon written notice thereof to FRANCHISEE.

21. INDEPENDENT CONTRACTOR.

(a) The only relationship between the parties shall be that of independent contractors. It is understood and agreed that no agency, joint venture, employment, or partnership is hereby created between the parties, and the business to be operated by FRANCHISEE is separate and apart from any which may be operated by FRANCHISOR. No representations will be made by either party which would create an apparent agency, employment or partnership relationship, and neither party shall have the authority to act for the other in any manner to create obligations which would be binding upon the other.

Neither party shall be responsible for any obligations or expenses whatsoever of the other (except as described herein), nor shall either party be responsible for any act or omission of the other or for any act or omission of an employee or agent of the other.

(b) In all dealings with third parties, including, without limitation, employees, suppliers, federal, state and local agencies, customers and guests, FRANCHISEE shall disclose in an appropriate manner acceptable to FRANCHISOR that it is an independent entity. FRANCHISEE agrees to display on the premises of the Service Center in a prominent place in public view, a plaque prepared at its expense and approved by FRANCHISOR, stating the name and address of the FRANCHISEE and the fact that the Service Center is an independently owned and operated franchise and to take such additional steps as FRANCHISOR may reasonably require to establish public knowledge of its independent contractor status. FRANCHISOR shall not be liable for any damage to any person or property, directly or indirectly, arising out of the operation of Franchisee's business, whether caused by Franchisee's negligent or willful action or failure to act.

(c) In all advertising, business cards, stationery, repair orders, receipts, consumer and vendor contracts, printed materials, signage and other such items used in connection with the operation of its business, FRANCHISEE must show prominently thereon that the Service Center licensed hereunder is independently owned and operated. If Franchisee establishes a business entity to operate the franchise business, the name of the business entity must be provided on the repair orders and sales invoices.

(d) FRANCHISEE acknowledges that FRANCHISOR is engaged in the business of licensing rights. FRANCHISEE further acknowledges that FRANCHISEE shall operate the Service Center for itself and not for FRANCHISOR. FRANCHISEE shall provide parts, and perform labor and services for its customers and not for FRANCHISOR.

(e) FRANCHISEE expressly acknowledges that FRANCHISOR is not FRANCHISEE's employer or an employer of any of FRANCHISEE's employees. In addition, FRANCHISOR is not a "joint employer" with FRANCHISEE. FRANCHISEE shall be sole employer of its employees and shall be solely responsible for the hiring, firing, compensation, scheduling of work and performance evaluation of any and all persons employed by FRANCHISEE. FRANCHISEE is solely responsible for establishing its own employee relations policies and handling any disciplinary matters that may arise. Unless a critical need arises, FRANCHISOR shall not have access to FRANCHISEE's employer or employee records. Notwithstanding FRANCHISOR's requirement set forth in Section 6 of this Agreement, that FRANCHISEE's manager(s) complete the necessary components of FRANCHISOR's online training program, FRANCHISEE shall be solely responsible for training its own employees.

(f) FRANCHISEE acknowledges FRANCHISOR's training, guidance, advice and recommendations, the FRANCHISEE's obligations under this Agreement and the standards or specifications required by FRANCHISOR hereunder are imposed not for the purpose of exercising control of FRANCHISEE, but rather for the limited purposes of protecting FRANCHISOR's Proprietary Marks, goodwill and brand consistency. FRANCHISEE is solely responsible for the management of the Service Center as an independent franchise owner/operator. FRANCHISEE is solely responsible for its own investigation of and compliance with all laws and regulations to which FRANCHISEE or the Service Center is subject, and if FRANCHISEE's or the Service Center's compliance with such laws or regulations require, FRANCHISEE shall automatically be entitled to a variance of any standard, specification, requirement, term or condition imposed hereunder for such compliance. FRANCHISOR does not represent that any of the training, guidance, advice or recommendations which it provides, or the standards, specifications, requirements or restrictions which it imposes (all of which are provided or imposed for the protection of the Proprietary Marks, goodwill and brand consistency) comply with the laws and regulations to which FRANCHISEE or the Service Center may be subject.

22. CONFIDENTIAL INFORMATION. The FRANCHISEE acknowledges the confidential nature of the information, manuals, trade secrets, management/computer software, Intranet access and procedures that will be made available to FRANCHISEE by FRANCHISOR. FRANCHISEE shall not acquire any interest in FRANCHISOR's trade secrets or other confidential information, other than the right

to use the trade secrets and other confidential information in the development of the Service Center and in performing its obligations during the term of this Agreement. FRANCHISEE acknowledges that the use or duplication of FRANCHISOR's trade secrets or other confidential information in any other business venture would constitute an unfair method of competition. FRANCHISEE acknowledges that FRANCHISOR's trade secrets and other confidential information are proprietary and are disclosed to FRANCHISEE solely on the condition that FRANCHISEE: (a) shall not use the trade secrets or other confidential information in any other business or capacity; (b) shall maintain the absolute confidentiality of and shall not divulge, directly or indirectly (except to authorized employees, agents or representatives of the FRANCHISEE), any trade secret, or other confidential information, furnished to FRANCHISEE by FRANCHISOR; (c) shall not make any unauthorized copies of any portion of the trade secrets or other confidential information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by FRANCHISOR to prevent unauthorized disclosure or use of the trade secrets and other confidential information. FRANCHISEE shall enforce this Section as to its employees, agents and representatives and shall be liable to FRANCHISOR for any unauthorized disclosure or use of FRANCHISOR's trade secrets or other confidential information by any of them.

Any confidential literature, manuals, computer software, Intranet access codes or passwords which FRANCHISOR has given to FRANCHISEE will be returned to FRANCHISOR at the expiration and nonrenewal or termination of this Franchise Agreement. FRANCHISEE specifically acknowledges that the operating manuals which it receives at FRANCHISOR's initial training program described in Section 6 are copyright material of FRANCHISOR, are the property of the FRANCHISOR, contain matters which constitute trade secrets, and FRANCHISEE agrees that upon expiration and nonrenewal or termination of this Franchise Agreement it will return the operating manuals to FRANCHISOR.

FRANCHISEE agrees not to disclose to anyone for the duration of this Franchise Agreement or any renewal, or at any time after the expiration and nonrenewal or termination of this Franchise Agreement, directly or indirectly, the confidential information received from FRANCHISOR, whether furnished during training, conferences sponsored by FRANCHISOR, or elsewhere, which information relates to methods of operation, servicing, advertising, publicity, promotional ideas, profits, financial status, software, Intranet access or present and future plans for expansion. FRANCHISEE specifically acknowledges that such information is confidential and constitutes part of the trade secrets of FRANCHISOR.

FRANCHISOR and FRANCHISEE agree that the terms and conditions of this Agreement and of any other agreements entered into between the parties hereto in connection with this Agreement shall constitute part of FRANCHISOR's trade secrets or other confidential information. Furthermore, any and all correspondence or communications exchanged between FRANCHISOR and FRANCHISEE relating to this Agreement or the Service Center shall constitute part of FRANCHISOR's trade secrets or other confidential information. Accordingly, all such terms, conditions, correspondence or communications shall be kept confidential and shall not be disclosed, unless such disclosure is required for purposes of FRANCHISOR's or FRANCHISEE's performance of their respective obligations under this Agreement or said other agreements or is required by law.

23. ASSIGNMENT BY FRANCHISEE. This Agreement is a personal obligation to the undersigned FRANCHISEE. The FRANCHISEE's rights under this Agreement, rights to the use of the MR. TRANSMISSION or MILEX COMPLETE AUTO CARE trade names, trademarks and service marks granted hereunder and the assets used in FRANCHISEE's operation of the Service Center including, but not limited to, inventory, equipment, tools, parts, fixtures, and the premises, whether owned or leased by FRANCHISEE, are not assignable or transferable under any circumstances except in strict compliance with the procedures enumerated in this Section and FRANCHISOR shall not unreasonably withhold consent to transfer:

(a) Upon FRANCHISEE's (or any of its owners') death or disability, FRANCHISEE's (or its owner's) executor, administrator, conservator, guardian, or other personal representative must transfer FRANCHISEE's interest in this Agreement, or such owner's ownership interest in FRANCHISEE, and FRANCHISEE's interest in all of the assets used in FRANCHISEE's operation of the Service Center including, but not limited to, inventory, equipment, tools, parts, fixtures and the premises, whether owned

or leased by FRANCHISEE, to a third party (which may be FRANCHISEE's, or the owner's, heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions contained in this Section 23. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent FRANCHISEE (or the owner) from supervising the management and operation of the Service Center.

If, upon FRANCHISEE's or the owner's death or disability, a manager approved by FRANCHISOR is not managing the Service Center, FRANCHISEE's or the owner's executor, administrator, conservator, guardian or other personal representative must appoint a manager within fifteen (15) days of the date of death or disability. The manager must complete FRANCHISOR's standard center management training program at FRANCHISEE's expense. If, in FRANCHISOR's judgment, the Service Center is not being managed properly any time after FRANCHISEE's or the owner's death or disability, FRANCHISOR may, but need not, assume FRANCHISEE's management (or appoint a third party to assume its management). All funds from FRANCHISEE's operation while it is under FRANCHISOR's (or the third party's) management will be kept in a separate account and all expenses will be charged to this account. FRANCHISOR may charge FRANCHISEE (in addition to amounts due under this Agreement) a reasonable per diem fee plus FRANCHISOR's (or the third party's) direct out-of-pocket costs and expenses, if FRANCHISOR (or a third party) assumes the management of the Service Center under this subsection. FRANCHISOR (or a third party) has a duty to utilize only reasonable efforts and will not be liable to FRANCHISEE or its owner for any debts, losses or obligations the Service Center incurs, or to any of FRANCHISEE's creditors for any products, other assets, or services the Service Center purchases, while FRANCHISOR (or a third party) manages it.

In the event that the heir or devisee and/or the person who shall manage the Service Center fails to attend said training courses as required by this Section, then the FRANCHISOR at its sole option may terminate all rights conferred in this Agreement and retain any and all license fees or other sums paid by FRANCHISEE to FRANCHISOR. All rights granted to said heir or devisee in this Section shall be null, void, and of no force and effect in the event that said heir or devisee fails to assume all debts or liabilities of any nature owed by FRANCHISEE to FRANCHISOR. Assumption of said liability by the heir or devisee shall in no respect constitute a waiver of any rights that the FRANCHISOR may have to recover such sums from the estate of the FRANCHISEE or from other persons or firms who may be liable for said debts or liabilities. The rights conferred to the heir or devisee in this Section are contingent upon the heir or devisee's assumption of the lease of the Service Center premises signed by FRANCHISEE.

If the heir or devisee does not elect to operate the Service Center or fails to comply with all of the conditions outlined hereinabove, then said heir or devisee, or his authorized representative shall sell, lease, sublease, transfer or assign all of the rights and interests of the heir or devisee acquired under this Agreement and all of the assets of the SERVICE CENTER including, but not limited to, inventory, equipment, tools, parts, fixtures and the premises, whether owned or leased, to FRANCHISOR or to any other purchaser in strict compliance with the procedures enumerated in Subsections (c) and (e) below.

(b) In the event of the incapacity of the FRANCHISEE, the guardian or other legally appointed representative (the "Guardian") may continue to operate the Service Center under the Franchise Agreement and the Franchise Agreement shall continue in effect provided the Guardian or his designee is approved by FRANCHISOR to continue operation of the Service Center (which approval will be not unreasonably withheld) and provided said Guardian or his designee attends the franchise owner/operator training program required by FRANCHISOR at such times as FRANCHISOR may designate. If the Guardian or his designee is not approved by FRANCHISOR, or fails to attend such training as required by FRANCHISOR, or if the Guardian elects not to continue operation on behalf of the FRANCHISEE, then the Guardian shall sell, lease, sublease, transfer or assign all of the rights and interests of the FRANCHISEE acquired hereunder and all of the assets of the SERVICE CENTER including, but not limited to, inventory, equipment, tools, parts, fixtures and the premises, whether owned or leased, to the FRANCHISOR or other purchaser in strict compliance with Subsections (c) and (e) below.

(c) The FRANCHISEE shall not sell, lease, sublease, transfer or assign its rights and interest under this Agreement, or any part hereof, nor any of the assets of its transmission and/or automotive maintenance and repair service center business, including, but not limited to, inventory, equipment, tools, parts, fixtures and the premises, whether owned or leased by FRANCHISEE, without in each instance first offering the same to FRANCHISOR on the same terms as FRANCHISEE shall previously have received in a bona fide, written offer from a responsible, fully disclosed prospective purchaser, and thereafter the FRANCHISOR shall have thirty (30) days within which to determine if it wishes to accept said offer. If the FRANCHISOR should decline or fail to accept said offer, the FRANCHISEE may sell, lease, sublease transfer, or assign to the prospective purchaser within sixty (60) days thereafter, on the same terms and conditions as contained in said offer and subject to the conditions enumerated in (e) below.

(d) In the event of the retirement of the FRANCHISEE (or any of its owners), the FRANCHISEE shall not sell, lease, sublease, transfer or assign its rights and interest under this Agreement, or any part thereof, nor any of the assets of its transmission service center business including, but not limited to, inventory, equipment, tools, parts, fixtures and the premises, whether owned or leased by FRANCHISEE, without in each instance first offering the same to FRANCHISOR on the same terms as FRANCHISEE shall previously have received in a bona fide, written offer from a responsible, fully disclosed prospective purchaser, and thereafter the FRANCHISOR shall have thirty (30) days within which to determine if it wishes to accept said offer. If the FRANCHISOR should decline or fail to accept said offer, the FRANCHISEE may sell, lease, transfer or assign to the prospective purchaser within sixty (60) days thereafter, on the same terms and conditions as contained in said offer and subject to the conditions enumerated in (e) below.

(e) In the event that FRANCHISOR does not acquire the assets of the Service Center including, but not limited to, inventory, equipment, tools, parts, fixtures and the premises, whether owned or leased and FRANCHISEE's rights hereunder, as described in (c) and (d) hereinabove, FRANCHISEE may sell, lease, sublease, assign or transfer its rights and interest under this Agreement, or any part thereof, and said assets to a prospective purchaser provided first that the purchaser is approved by FRANCHISOR and provided further that the purchaser executes FRANCHISOR's then standard Franchise Agreement. FRANCHISOR agrees to approve said prospective purchaser if the prospective purchaser has a satisfactory credit rating, is of good moral character, has a good business reputation and the business ability to operate the Service Center, and further provided that any and all obligations of the FRANCHISEE hereunder are fully paid and satisfied, that outstanding accounts which FRANCHISEE may have with any advertising agency are fully paid and satisfied, that FRANCHISEE's payments to the CREATIVE FUND and any local advertising group of franchisees are paid in full, that the FRANCHISEE is not in default under any provisions of this Agreement, that the FRANCHISEE and the person or persons having control of the affairs of a corporate FRANCHISEE or other entity shall execute a general release of all claims of any nature against FRANCHISOR. The ownership of the Service Center and the assets of the Service Center including, but not limited to, inventory, equipment, tools, parts, fixtures and the premises, whether owned or leased, may not be transferred to the purchaser, nor shall the purchaser be allowed to take any action with respect to the ownership or operation of the Service Center licensed hereunder or with respect to said assets, until (i) the purchaser has paid any training fee and completed such training course as may be provided for in the then current Franchise Agreement; (ii) the purchaser has executed the then current Franchise Agreement, (iii) the then current transfer fee has been paid by FRANCHISEE or purchaser before purchaser attends any required training courses; (iv) the purchaser and FRANCHISEE have arranged for said purchaser to assume FRANCHISEE's obligations under any lease of the Service Center premises; and (v) all payments due FRANCHISOR are paid or adequate arrangements have been made with FRANCHISOR for payment of same. If FRANCHISEE finances a portion of transferee's or purchaser's purchase price, such financed portion shall be subordinate to any current or future obligations of the FRANCHISEE to FRANCHISOR. Assignment of this Agreement to a purchaser shall not constitute a waiver by FRANCHISOR of any claims, whether known or unknown, that the FRANCHISOR may have against the FRANCHISEE relating to or in any way connected with FRANCHISEE's obligations under this Agreement, and shall not be construed as a release of FRANCHISEE or a novation of this Franchise Agreement.

(f) If FRANCHISEE is an individual and desires to assign and transfer FRANCHISEE's rights to a corporation or other legally recognized business entity (for purposes of this Section 23 any legally

recognized business entity shall be referred to as a "corporation"), FRANCHISEE may do so notwithstanding the limitations on assignment and transfer listed above, provided that FRANCHISEE satisfies the following terms and conditions:

(i) The Franchise Agreement shall remain in the name of the individual, and the full legal name of the corporation shall be added to the Franchise Agreement as an additional Franchisee;

(ii) The corporation is newly organized and its activities are confined exclusively to operating the Service Center licensed under this Agreement;

(iii) The FRANCHISEE is the owner of all the stock of the corporation and is the principal executive officer thereof (unless such requirement is waived in writing by FRANCHISOR), and the names and addresses of all officers, directors and shareholders shall be furnished to FRANCHISOR together with the Affidavit of the Secretary of said corporation as to such information;

(iv) All accrued money obligations of the FRANCHISEE to FRANCHISOR are satisfied;

(v) The corporation and all the officers thereof shall sign an agreement with FRANCHISOR on forms furnished by the FRANCHISOR assuming personally, jointly and severally, all obligations of the corporation as described in this Franchise Agreement. It is expressly understood that assumption of FRANCHISEE's obligations by the corporation does not limit the FRANCHISEE's personal obligations under the Franchise Agreement, and the FRANCHISEE and the corporation shall be jointly and severally liable hereafter; and

(vi) The FRANCHISEE shall sign an agreement with FRANCHISOR on forms to be provided by FRANCHISOR guaranteeing full payment of the corporation's money obligations to FRANCHISOR, agreeing to be bound individually by the obligations assumed by the corporation, and agreeing to continue to be bound by the obligations assumed by FRANCHISEE under this Agreement.

(g) If the FRANCHISEE is a corporation or if FRANCHISEE organizes a corporation as provided for in (f) of this Section, the capital stock thereof shall not be sold, assigned, pledged, mortgaged or transferred without the prior written consent of FRANCHISOR, except that there may be a sale of all of FRANCHISEE's capital stock on the same conditions enumerated above in Subsections (c), (d) and (e) relative to the transfer of FRANCHISEE's rights hereunder to a purchaser. All stock certificates shall have endorsed on them the following:

> "The transfer of the stock is subject to the terms and conditions of a Franchise Agreement dated the _____ day of _____, 20____, by and between MORAN INDUSTRIES, INC., an Illinois corporation d/b/a Moran Family of Brands®, 'Franchisor' and _____ *(insert individual[s]' name[s])* and _____ *(insert name of corporation)*, 'Franchisee'."

(h) If the FRANCHISEE is a partnership and all the members of the partnership desire to assign and transfer the license of the partnership to a corporation, the partners may do so under the same terms and conditions as in Subsection (f) of this Section, provided that the partners own all of the stock of the corporation and are the principal executive officers thereof. In addition, if the FRANCHISEE is a partnership, the right of any partner to sell, assign, pledge, mortgage or transfer its partnership interest shall be subject to the same conditions governing the sale, assignment, pledge, mortgage or transfer of the capital stock of a corporation, as in Subsection (g) of this Section (except that all endorsements shall be printed on units of participation, not stock certificates).

(i) If the FRANCHISEE is or becomes a corporation, FRANCHISEE shall disclose to FRANCHISOR the names and addresses of all officers and directors of the corporation and shall, whenever there is any change, immediately notify FRANCHISOR of the name and address of any new officer and/or director, and upon the change of any officer and/or director, FRANCHISEE agrees to execute a new agreement with FRANCHISOR, consistent with the provisions of Subsection (f)(vi) of this Section.

(j) If the FRANCHISEE is or becomes a corporation, FRANCHISEE shall maintain an "active" or "current" status of the corporation and remain in good standing with the applicable Secretary of State or comparable authorities.

(k) If the FRANCHISEE owns the real estate where the Service Center is located and FRANCHISEE desires to sell the real estate for a different use, FRANCHISEE must relocate and recommence operations of the franchise to another approved location within six (6) days of closing said transaction.

24. ASSIGNMENT BY FRANCHISOR. This Franchise Agreement and all rights hereunder may be assigned and transferred by FRANCHISOR in FRANCHISOR's sole discretion and shall inure to the benefit of FRANCHISOR's successors and assigns. FRANCHISOR has the right to assign this Agreement, and all of its rights and privileges hereunder, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of FRANCHISOR: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing the obligations of FRANCHISOR hereunder, and (ii) the assignee shall expressly assume and agree to perform such obligations.

25. COVENANT NOT TO COMPETE. For a period of two (2) years after the expiration, nonrenewal, termination or transfer of this Agreement, and any transfer of any of the assets of the Service Center not in the ordinary course, or closure of Service Center for any reason, the FRANCHISEE (and its owners if FRANCHISEE is a business entity), FRANCHISEE's spouse and other immediate family members (and each of its owners' spouses and other immediate family members), and any other person acting in concert with or on behalf of FRANCHISEE, shall not, directly or indirectly, engage or be financially interested in, or associated with as a director, officer, manager, employee, consultant, representative, agent, lender, lessor, or otherwise, or invest in, the ownership or operation of any shop, center, or business located in the licensed premises or within a radius of twenty-five (25) miles from the licensed premises or any Service Center, which shop, center or business offers, provides, and/or specializes in (a) the sale, service, and/or repair of transmissions or related services if FRANCHISEE is operating a MR. TRANSMISSION SERVICE CENTER, (b) general automotive service and repair, brakes service and repair or related services if FRANCHISEE is operating a MILEX COMPLETE AUTO CARE SERVICE CENTER, or (c) any of the services listed in (a) or (b) above if FRANCHISEE is operating a CO-BRANDED SERVICE CENTER. If any part of this restriction is found by a court of law to be unreasonable in time, scope and/or distance, the restriction may be reduced in time, scope and/or distance by an appropriate order of the court to that deemed reasonable. This restriction shall include, but is not limited to, such action as cessation of operation as a Service Center in the licensed premises, and FRANCHISEE understands and agrees hereby that in such event, FRANCHISEE may not, directly or indirectly, engage or be financially interested in, or associated with as a director, officer, manager, employee, consultant, representative, agent, lender, lessor, or otherwise, or invest in, the ownership or operation of a transmission and/or general automotive repair or service facility, as applicable, from the premises licensed hereunder during the two (2)-year period stated herein. If FRANCHISEE has not fully complied with its other obligations upon termination, expiration, nonrenewal or transfer, the covenants against competition set forth above in this Section shall be in effect from the date of termination, expiration, nonrenewal or transfer until such date as FRANCHISEE has fully complied and for a period of two (2) years thereafter.

In addition, during the term of this Agreement and as long as this Agreement shall be in effect, the FRANCHISEE (and its owners if FRANCHISEE is a business entity), FRANCHISEE's spouse and other immediate family members (and each of its owners' spouses and other immediate family members), and any other person acting in concert with or on behalf of FRANCHISEE, shall not, directly or indirectly, engage or be financially interested in, or associated with as a director, officer, manager, employee, consultant, representative, agent, lender, lessor, or otherwise, or invest in, the ownership or operation of any shop, center or business which offers, provides, and/or specializes in (a) the sale, service, and/or repair of transmissions or related services if FRANCHISEE is operating a MR. TRANSMISSION SERVICE CENTER, (b) general automotive service and repair, brakes service and repair or related services if FRANCHISEE is operating a MILEX COMPLETE AUTO CARE SERVICE CENTER, or (c) any of the

services listed in (a) or (b) above if FRANCHISEE is operating a CO-BRANDED SERVICE CENTER, unless that shop, center or business is an approved franchise of FRANCHISOR.

Furthermore, during the term of this Agreement and for a period of two (2) years after the expiration and nonrenewal, termination or transfer of this Agreement (and/or any transfer of any of the assets of the Service Center that is not in the ordinary course), FRANCHISEE (and its owners if FRANCHISEE is a business entity), FRANCHISEE's spouse and other immediate family members (and each of its owners' spouses and other immediate family members), and any other person acting in concert with or on behalf of FRANCHISEE shall not, directly or indirectly solicit or otherwise attempt to induce or influence any franchisee, or business associate of FRANCHISOR to compete against, or terminate or modify his, her or its franchise or business relationship with FRANCHISOR.

26. TERMINATION BY FRANCHISOR.

(a) Upon the happening of any of the following events, this Agreement shall, at the sole discretion of FRANCHISOR, immediately terminate upon receipt by FRANCHISEE of written notice of termination:

(i) Any breach or failure by FRANCHISEE to perform any terms or conditions of this Franchise Agreement (except the nonpayment of any monies due) including exhibits, schedules and appendices, or failure by the FRANCHISEE to comply with rules, regulations, or directives promulgated by FRANCHISOR if such default shall continue for thirty (30) days (unless a shorter period is provided for elsewhere in this Franchise Agreement);

(ii) Notwithstanding anything contained in Subsection (a)(i) above to the contrary, upon receipt for any reason by FRANCHISEE of the third notice of default from FRANCHISOR in any consecutive twelve (12)-month period, regardless of whether or not prior defaults were timely cured;

(iii) Notwithstanding anything in Subsection (a)(i) above to the contrary, if FRANCHISEE's default under the terms of this Agreement is the nonpayment of any sum due FRANCHISOR, FRANCHISOR shall notify FRANCHISEE in writing of said default in payment and FRANCHISEE shall have ten (10) days after receipt of such notice to fully pay all amounts owing to FRANCHISOR. In the event payment is not made within said ten (10)-day period, then FRANCHISOR at its option may terminate this Agreement and this Agreement shall immediately terminate on receipt by FRANCHISEE of the notice of termination by FRANCHISOR (unless state law requires a longer period);

(iv) If the location specified in Section 1 of this Agreement is an exact location, failure by FRANCHISEE to commence operations within one hundred twenty (120) days from the date of execution by FRANCHISEE hereof; or if the location specified in Section 1 is a marketing area rather than an exact location, failure to obtain an approved location for the Service Center within the marketing area and to commence operations, all within one (1) year from the date of execution by FRANCHISEE, unless such period is extended by FRANCHISOR in writing;

(v) In the event that FRANCHISEE makes a general assignment or trust mortgage for the benefit of creditors or if the FRANCHISEE shall commit or suffer default under any lease, mortgage, contract or conditional sale, or security instrument, or a petition be filed by or against the FRANCHISEE initiating proceedings under any provisions of the Federal Bankruptcy Code, or if a receiver or similar officer shall be appointed by a court of competent jurisdiction to take charge of all or any part of the FRANCHISEE's property, or if the FRANCHISEE shall fail to perform or observe any of the provisions required to be performed or observed by the FRANCHISEE under any lease or sublease of the FRANCHISEE's premises; provided, however, that should any provision of the Federal Bankruptcy Code prohibit the enforcement of this provision, FRANCHISEE shall remain in default hereunder and no additional notice of default hereunder shall be required if and when such prohibition of enforcement shall be removed for any reason. It is further understood and agreed that nothing contained herein shall be construed as a release of any rights of FRANCHISOR under the Federal Bankruptcy Code, and notice is hereby given that FRANCHISOR does not consent to any extension of time for acts required thereunder to be performed by FRANCHISEE, all of which must be performed in strict compliance with the Code;

(vi) In the event that FRANCHISEE (or any of its owners) commits any acts of fraud or misrepresentation or conducts its business in a manner likely to impair FRANCHISOR's reputation, goodwill and trade name. Unless required by state law, no notice shall be required under this Section;

(vii) If the FRANCHISEE ceases to operate a Service Center or closes its Service Center for any reason whatsoever and fails to recommence operation as a Service Center or reopen within six (6) days from the date of such closing, unless such cessation is due to fire, flood, earthquake or similar cause not under FRANCHISEE's control and FRANCHISEE has advised FRANCHISOR of same;

(viii) In the event that FRANCHISEE is in default under any lease or sublease of the FRANCHISEE's premises;

(ix) If the FRANCHISEE (or any of its owners) attempts to sell, sells, or transfers or assigns any of its rights under or interests in this Agreement, or any of the assets of the Center, without approval of FRANCHISOR as provided in Section 23 of this Agreement;

(x) If the FRANCHISEE fails to procure and/or maintain any insurance coverages required by the terms of this Agreement;

(xi) If FRANCHISEE fails to attend any training course or meeting required by FRANCHISOR;

(xii) If FRANCHISEE fails to discharge any employee immediately upon receiving notification that such employee has been convicted of or has plead guilty or "nolo contendere" to any felony, or any crime or offense involving fraud, embezzlement, larceny or other acts of moral turpitude, or any other crime or offense that is likely to be injurious to FRANCHISOR's Proprietary Marks or the goodwill associated therewith;

(xiii) If FRANCHISEE (or any of its owners) has been convicted of or pleads guilty or "nolo contendere" to any felony, a crime or offense involving fraud, embezzlement, larceny, or acts of moral turpitude that FRANCHISOR believes is, or may be, injurious to FRANCHISOR's Proprietary Marks or the goodwill associated therewith. If there is such an offense, FRANCHISOR may review on an individual basis to determine whether offense may be injurious to FRANCHISOR's Proprietary Marks or the goodwill associated therewith;

(xiv) If FRANCHISEE fails to honor or pay for Service Center warranties, or if FRANCHISEE's warranty fund is not replenished within ten (10) days of demand by FRANCHISOR;

(xv) If FRANCHISEE voluntarily abandons the franchise business, for more than five (5) days; or

(xvi) If FRANCHISEE's (or any of its owners') assets, property, or interests are blocked under any law, ordinance or regulation relating to terrorist activities, or FRANCHISEE (or any of its owners) otherwise violate any such law, ordinance or regulation.

(b) In addition to FRANCHISOR's right to terminate and not in lieu thereof, FRANCHISOR may enter into FRANCHISEE's Service Center and exercise complete authority with respect to the operation thereof until such time as FRANCHISOR shall determine that the default of FRANCHISEE has been cured and that FRANCHISEE is complying with the requirements of this Agreement. FRANCHISEE specifically agrees that a designated representative of FRANCHISOR may take over control and operate FRANCHISEE's Service Center and that FRANCHISEE shall reimburse FRANCHISOR for the full compensation paid to such representative including the cost of all fringe benefits plus any and all expenses reasonably incurred by such representative so long as he shall be necessary, and in any event until the default has been cured and FRANCHISEE is complying with the terms of this Agreement. In connection with this right, FRANCHISOR may obtain a temporary restraining order as a matter of course from any

court of competent jurisdiction enjoining and restraining FRANCHISEE from any interference with the right of FRANCHISOR to enter upon the licensed premises and exercise complete control and authority with respect to the operation of the Service Center.

27. PROCEDURES AFTER TERMINATION, EXPIRATION AND/OR NONRENEWAL.

(a) Upon the termination, or expiration and nonrenewal of this Agreement for any cause, the FRANCHISEE shall immediately cease operations of any transmission repair or similar business at the location licensed under this Agreement and shall immediately discontinue the use of FRANCHISOR's trade names, trademarks, or service marks, and all goods and materials, including, but not limited to, signs, structures, fixtures, equipment, literature of any kind, including, but not limited to, all forms of advertising and stationery containing or bearing FRANCHISOR's trade names, trademarks, or service marks, or any distinctive color schemes or patterns, symbols, designs, or emblems suggestive of FRANCHISOR or anything in any way connecting FRANCHISOR and FRANCHISEE; and so far as the FRANCHISEE may lawfully do so, shall make or cause to be made such removals of or changes in signs, buildings and structures as the FRANCHISOR shall reasonably direct so as to eliminate the name MR. TRANSMISSION and/or MILEX COMPLETE AUTO CARE (as the case may be) from the FRANCHISEE's premises, and to effectively distinguish the premises from its former appearance and from any other System Service Center.

If the FRANCHISEE shall, upon request, fail or omit to make or cause such changes to be made, then without prejudice to FRANCHISOR's other rights and remedies, the FRANCHISOR shall have the right to enter upon FRANCHISEE's premises without being guilty of trespass or any other tort, and to make or cause to be made such changes at the FRANCHISEE's expense. FRANCHISEE hereby appoints FRANCHISOR its attorney-in-fact for the purpose of taking any and all steps and executing any documents necessary to assign and transfer to FRANCHISOR upon termination, expiration or nonrenewal of this Agreement each telephone number, email address, domain name and internet directory listing maintained by FRANCHISEE as a MR. TRANSMISSION and/or MILEX COMPLETE AUTO CARE franchisee. In the event of a termination, expiration or nonrenewal of this Agreement, FRANCHISEE shall take any and all steps and execute any documents as may be necessary to effectuate the transfer(s). Upon termination, expiration or nonrenewal of this Agreement, FRANCHISEE shall not, in any way, use or attempt to use any such telephone number(s), email address(es), domain name(s) or internet directory listing(s), including, but not limited to, having calls forwarded or "ring over" to any other number, having emails forwarded to any other address or having domain names redirected to any other website. Upon termination, expiration or nonrenewal of this Agreement, FRANCHISEE agrees to submit confirmation to FRANCHISOR that all payments due and owing to its telephone service provider and for any advertising have been made.

FRANCHISEE shall, at its expense and upon request of FRANCHISOR, also remove and deliver to the FRANCHISOR any material which has been loaned by FRANCHISOR to FRANCHISEE, as well as all consigned inventory which may be in FRANCHISEE's possession. FRANCHISEE shall return and/or delete from its computer's hard drive copies of any Operations Manuals that may have been downloaded. FRANCHISEE, upon request of FRANCHISOR, shall sell its entire inventory on hand to FRANCHISOR at the depreciated value of said inventory on FRANCHISEE's books, less freight and handling cost. At FRANCHISOR's request, FRANCHISEE shall turn over any materials, including stationery, business cards, brochures and other advertising materials, customer records, invoices, and repair orders bearing FRANCHISOR's trade names, trademarks, service marks, logos, symbols or designs that are suggestive of the FRANCHISOR or contain FRANCHISOR's trade secrets or other confidential information. FRANCHISEE shall provide FRANCHISOR with all internet account names, access codes and passwords used in the operation of the franchised business.

(b) In no event shall termination, expiration or nonrenewal of this Agreement affect, modify or discharge any claims, rights, causes of action or remedies, which FRANCHISOR may have against FRANCHISEE, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination or expiration and nonrenewal of this Agreement. No act of FRANCHISOR taken pursuant to any rights under the terms of this Franchise Agreement, any other agreement, or at law or sounding in equity shall be deemed as a release of FRANCHISEE or consent to any action of FRANCHISEE, nor shall any such act be deemed a novation of this Agreement.

(c) Upon termination or expiration and nonrenewal of this Agreement, FRANCHISOR shall have the right to credit all monies of FRANCHISEE being held under deposit or otherwise, to any debts which the FRANCHISEE owes FRANCHISOR or its subsidiaries or divisions, FRANCHISEE's advertising agent, FRANCHISEE's insurance carrier, the CREATIVE FUND or any local advertising group or pool of which FRANCHISEE is a member. All monies held by FRANCHISOR with respect to Service Center warranties in a warranty fund pursuant to Section 18 of this Agreement shall remain with FRANCHISOR upon termination or expiration and nonrenewal of this Agreement, and will not be credited to the FRANCHISEE. FRANCHISEE shall remain liable for all monies owed pursuant to this Franchise Agreement prior to and after any authorized or unauthorized transfer or attempt to transfer all or any part of FRANCHISEE's rights and interest hereunder, all or any of the assets of the Center, or the cessation of operation as a Service Center by FRANCHISEE.

(d) Upon termination or expiration and nonrenewal, FRANCHISEE shall provide FRANCHISOR with a tally of all warranties issued and in effect as of the date of termination or expiration along with an amount representing the total liability associated with such warranties. If the total liability exceeds the then current balance of FRANCHISEE's payment to FRANCHISOR which is held in the warranty fund, FRANCHISEE shall be required to: (i) pay an additional amount equal to the deficiency to FRANCHISOR to be held in the warranty fund; or (ii) deposit the additional amount into an escrow account. After FRANCHISEE's prior balance in the warranty fund is exhausted to satisfy warranty liabilities, FRANCHISOR shall administer the additional funds for such purpose. If warranty liabilities exceed the additional funds, FRANCHISEE shall be required to make subsequent payments or deposits of funds. If FRANCHISEE's debts as described in Section 27(c) have been satisfied and all warranty liabilities are satisfied, other remaining funds shall be refunded or released to FRANCHISEE within sixty (60) days, except however, if the warranties issued by the Center exceeded the scope of a valid warranty pursuant to the MR. TRANSMISSION and/or MILEX COMPLETE AUTO CARE Warranty Program, or if FRANCHISEE is not in compliance with its other obligations hereunder which survive termination or expiration, then FRANCHISOR shall retain any unused additional funds and the FRANCHISEE will not receive a refund of any of the additional funds. FRANCHISOR's requirements set forth in this Section are for the sole purpose of protecting the goodwill associated with FRANCHISOR's name and FRANCHISOR's Proprietary Marks. Nothing in this Section shall make FRANCHISOR a party to any of the warranty agreements entered into between FRANCHISEE and FRANCHISEE's customers. FRANCHISEE acknowledges that Service Centers issue, honor and service warranties and not FRANCHISOR. Nothing in this Section shall make FRANCHISOR liable for FRANCHISEE's operation of its SERVICE CENTER, liable to FRANCHISEE's customers, or liable for FRANCHISEE's services or repairs, warranty agreements or warranty liabilities.

(e) Without limiting any of the foregoing, upon termination or expiration and nonrenewal of this Agreement, the FRANCHISEE shall execute such documents and take such action as FRANCHISOR shall deem reasonably necessary or desirable to demonstrate the fact that FRANCHISEE has ceased using the trademarks, trade names, service marks and other distinctive commercial symbols, color schemes, patterns or emblems suggestive of a Service Center and otherwise has terminated its rights hereunder.

(f) The termination or expiration and nonrenewal of this Agreement shall not affect, modify or discharge any claims, rights or causes of action which FRANCHISOR may have against FRANCHISEE, under this Agreement or otherwise, whether such claims or rights arise before or after termination, expiration or nonrenewal, and FRANCHISEE agrees hereby that in addition to any other damages to which FRANCHISOR may be entitled, and as set forth in Section 41, FRANCHISOR may collect a sum equal to the value of all future royalty payments which would have been due hereunder for the remainder of the term, which sum shall be computed by FRANCHISOR and based upon the average monthly gross sales (as the term "gross sales" is defined elsewhere in this Agreement) of FRANCHISEE, during the term of this Agreement.

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28. OPTIONS TO ASSIGN OR RESELL.

(a) Upon termination, expiration or nonrenewal, FRANCHISOR or its designee (each a "Purchaser" for purposes of this Section 28) shall have the option and exclusive right, but not the obligation, to:

(i) purchase from FRANCHISEE all or any part of the inventory, owned by FRANCHISEE and used in connection with the Service Center for a purchase price equal to the verified price paid by FRANCHISEE plus shipping costs;

(ii) purchase from FRANCHISEE all or any part of the furniture, leasehold improvements, furnishings, fixtures, equipment and other chattels owned by FRANCHISEE and used in connection with the Service Center for a purchase price per item equal to the fair market value of such item as determined by an independent appraiser;

(iii) receive an assignment of FRANCHISEE's interest in all or any leases of the furniture, trade fixtures, equipment and chattels used in connection with the Service Center; and

(iv) receive an assignment of FRANCHISEE's interest in the Lease, subject to the consent of the landlord under the Lease being obtained (if required), which consent FRANCHISEE shall use its best efforts to obtain, provided that the terms of the Lease Addendum shall govern in the event of any conflict with this Section 28(a).

(b) Each of the options set forth in Section 28(a) above may be exercised independent of the others and may only be exercised by written notice given to FRANCHISEE by FRANCHISOR within thirty (30) days of termination, expiration or nonrenewal and each such option shall survive termination, expiration or nonrenewal. If FRANCHISOR exercises either of the options set forth in Section 28(a)(i) or (ii) above, FRANCHISOR shall have the right to set off all amounts due from FRANCHISEE under this Agreement, or any other agreement between FRANCHISOR and FRANCHISEE, if any, against the purchase price.

(c) FRANCHISEE shall cause the landlord under the Lease to, take all actions that may be reasonably requested of them to give effect to the option(s) exercised under this Section and/or to the option(s) exercised pursuant to the Lease Addendum, as applicable.

(d) Upon the Purchaser's exercise of any of the options described in this Section, there shall be a binding agreement of purchase and sale between the Purchaser and FRANCHISEE pursuant to which FRANCHISEE shall be bound to sell and/or assign, and the Purchaser shall be bound to purchase or assume, the property and/or interest with respect to which such option(s) was exercised (the "Property"). The closing of the transaction shall occur within thirty (30) days of FRANCHISEE's receipt of the written notice required pursuant to Section 28(b) above. At the closing FRANCHISEE agrees to sell, transfer and assign to the Purchaser good and marketable title to the Property, free and clear of all mortgages, charges, liens, security interests and other encumbrances whatsoever and shall execute and deliver to Purchaser such bills of sale, assignments and other conveyances of title or evidence of transfer and sale as may be necessary to effectuate transfer, give notice and register Purchaser's interest in the Property. Subject to applicable bulk sales legislation, the aggregate purchase price for the Property as determined in Section 28(a) (the "Payment") shall be applied by FRANCHISEE on closing as follows:

(i) first, to the payment of all amounts and owing by FRANCHISEE to FRANCHISOR hereunder or under any other obligation;

(ii) second, to the payment of all amounts required in order to obtain a discharge of all mortgages, liens, charges, security interests and other encumbrances on the Property;

(iii) third, to the payment of all amounts which are due and owing by FRANCHISEE to the landlord under the Lease;

(iv) fourth, to the payment of all amounts which are due and owing by the FRANCHISEE to its trade creditors; and

(v) fifth, to FRANCHISEE.

(e) If FRANCHISEE shall fail to close the transaction within such thirty (30) days, then FRANCHISOR shall be entitled to complete the transaction and obtain possession of the Property (including the licensed premises) by paying the Payment as provided in this Section.

(f) FRANCHISEE irrevocably constitutes and appoints FRANCHISOR as its true and lawful attorney-in-fact and agent for, in the name of and on behalf of FRANCHISEE to execute and deliver in the name of FRANCHISEE all such assignments, transfers (including the transfer of telephone numbers and telephone directory listings and advertisements), bills of sale and other conveyances of title, notices and evidences of transfer as may be necessary to effectively transfer and assign the Property to FRANCHISOR and to give effect to any of the provisions of Section 26(b) and Section 27 of this Agreement.

29. TEMPORARY RIGHT TO OPERATE BUSINESS. Upon termination, expiration or nonrenewal and in order to enable FRANCHISOR to determine whether it will exercise any of its options under Section 28 and to preserve the goodwill associated with FRANCHISOR's name and the Proprietary Marks, FRANCHISOR (or its designee) shall have the right, but not the obligation, by giving notice to FRANCHISEE, to take immediate exclusive possession of the licensed premises and to operate the Service Center. FRANCHISEE shall give exclusive possession of the licensed premises to FRANCHISOR and shall provide FRANCHISOR with access to all books and records relating to the Service Center business. If FRANCHISOR exercises its rights pursuant to this Section, then the period of time in which FRANCHISOR has to exercise its options in Section 28 shall be extended for sixty (60) additional days. FRANCHISOR shall have the right to terminate its (or its designee's) management of the Service Center at any time. FRANCHISOR shall not be liable or responsible for any losses, costs, expenses or damages suffered by FRANCHISEE during FRANCHISOR's management.

30. ATTORNEY'S FEES AND COLLECTION COSTS. FRANCHISEE shall pay FRANCHISOR all reasonable costs and expenses, including, but not limited to, investigatory costs, collection costs, attorney's fees and court costs, incurred by FRANCHISOR in connection with the collection of any amounts owed to FRANCHISOR hereunder, or any action, suit or legal proceeding involving the enforcement of any provision of this Agreement. In the event FRANCHISEE files a lawsuit against FRANCHISOR, the prevailing party shall be is entitled to collect its reasonable attorneys' fees and costs from the losing party.

31. EQUITABLE RELIEF. The parties hereto agree and stipulate that the restraints upon the FRANCHISEE as described throughout this Agreement, including, but not limited to, those provisions within the Section entitled "COVENANT NOT TO COMPETE" are reasonable with regard to the limitations; necessary for the protection of the FRANCHISOR and its business; and that such restraints will not be unduly burdensome upon the FRANCHISEE. In addition to all the remedies at law available to FRANCHISOR in the event of any breach of this Agreement by the FRANCHISEE, the FRANCHISEE agrees that a violation of any of the covenants, terms or provisions hereof to be performed by FRANCHISEE pursuant to this Agreement will cause irreparable harm to the FRANCHISOR and that the actual amount of damages will be impossible to ascertain. FRANCHISEE agrees that because of the impossibility of determining FRANCHISOR's total damages in the event of such breach, FRANCHISOR shall be entitled as a matter of course to a temporary restraining order, temporary injunction, and/or a permanent injunction from any court of competent jurisdiction without prior notice thereof to FRANCHISEE, which right of notice, if any, is expressly waived with full knowledge and consent of FRANCHISEE, enjoining and restraining the further violation of any provision of this Agreement, prohibiting FRANCHISEE from any interference with the assertion of any rights of FRANCHISOR, and/or granting possession and control of the Center licensed hereunder to FRANCHISOR. Nothing contained herein shall be construed as in any way limiting the rights of the FRANCHISOR to enforce this Agreement or to avail itself of any remedies available to it in law or in equity or otherwise, or as a waiver of any rights to recover damages from FRANCHISEE for any violation. In the event a bond is required to be posted by the FRANCHISOR in order to obtain injunctive relief

hereunder, FRANCHISEE agrees and stipulates that the bond in an amount not to exceed Five Thousand Dollars ($5,000.00) shall in all instances be adequate.

32. FAILURE TO EXERCISE RIGHTS. No failure of FRANCHISOR to exercise any power or rights given to it hereunder or to insist upon strict compliance with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of FRANCHISOR's right to demand exact compliance with the terms hereof. Waiver by FRANCHISOR of any particular default by FRANCHISEE shall not affect or impair the FRANCHISOR's rights in respect to any subsequent default of the same or a different nature; nor shall any delay or omission of FRANCHISOR to exercise any rights arising from a default affect or impair the FRANCHISOR's rights as to said default or any subsequent default.

33. LEASE. If FRANCHISEE leases or subleases the property on which the franchise will be operated, any such sublease or lease must be attached hereto as Exhibit "1," and FRANCHISEE must provide FRANCHISOR with a copy of such lease prior to the commencement of operation of the Service Center licensed hereunder, and all renewals during the term of this Agreement (and any renewals hereof). FRANCHISEE further agrees to include the following provisions in any such lease or sublease:

In the event of any breach by FRANCHISEE of any of the provisions contained herein, and in the further event that this Lease shall be terminated by Lessor, or if Lessee shall surrender possession of the premises, or be expelled or removed by Lessor for any reason, or should Lessee be more than thirty (30) days late in the payment of any rental or the performance of any other obligations (whether monetary or otherwise) under the terms of this Lease, Lessor shall give written notice thereof by registered mail to MORAN INDUSTRIES, INC., 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467, and MORAN INDUSTRIES, INC. or its designee shall have the exclusive option within ten (10) days of receipt of said notice to assume in writing with Lessor all of the obligations of Lessee hereunder (including, but not limited to, the obligation of any rental then past due). In the event of such assumption, MORAN INDUSTRIES, INC. or its designee shall acquire all of the right, title, and interest of Lessee in and about said premises.

In addition, should FRANCHISOR terminate the Franchise Agreement for the operation of the Service Center on these premises, FRANCHISOR will give notice thereof to Lessor, and the same shall be considered by Lessor and Lessee as a breach of this Lease on the part of Lessee. This notice shall also include a statement of FRANCHISOR's (or its designee's) intent to assume Lessee's obligations hereunder. Upon the receipt of such notice, Lessor shall immediately assign all of the right, title, and interest of Lessee in and about said premises to FRANCHISOR (or its designee) under the same terms and conditions as contained in the Lease.

Lessor and Lessee understand and agree that the premises leased hereby shall be operated solely as a licensed Service Center unless such requirement is waived in writing by MORAN INDUSTRIES, INC.

Failure to provide such lease or sublease prior to the beginning of operation of the Service Center licensed hereunder and/or failure to include the above provisions in any third-party lease shall constitute an item of default hereunder and shall entitle FRANCHISOR to enforce any and all rights and remedies available to it, including, but not limited to, the right to injunctive relief granting possession and control of the premises to FRANCHISOR.

34. SECURITY INTEREST. FRANCHISEE hereby grants to FRANCHISOR a security interest in any and all personal property, equipment, tools, inventory, furniture and fixtures owned by FRANCHISEE and used or usable in connection with the operation of the franchise. FRANCHISOR may take a subordinate position in the security interest if an SBA participating or third party lender requires a first lien and the appropriate documentation of such subordination is executed by all parties. This security interest shall be security for any and all royalties, damages, expenses or other sums owed to FRANCHISOR hereunder and for any other amounts owed by FRANCHISEE to FRANCHISOR. FRANCHISEE agrees to execute any documents, including but not limited to, a UCC-1 (or replacements therefor or extension thereof) reasonably believed by FRANCHISOR to be necessary to perfect said security interest prior to the opening of the Service Center licensed hereunder, and hereby appoints FRANCHISOR as its attorney-in-

fact for the purpose of executing such documents should FRANCHISEE fail so to do. Except with respect to FRANCHISEE's sales of inventory in the ordinary course of business, FRANCHISEE shall not sell, transfer, lease, sublease, assign, remove, waste, destroy, encumber or relocate any of the property described herein as subject to FRANCHISOR's security interest and shall keep said property secure within the premises of the Service Center. Further, FRANCHISEE shall take no other action which interferes with FRANCHISOR's security interest in said property, unless and until FRANCHISOR releases its security interest in the same.

35. COMPLIANCE WITH LAWS.

(a) FRANCHISEE (and any of its owners) agrees to conduct its business in strict compliance with all applicable laws, ordinances, regulations, and other requirements of any federal, state, county, municipal or other governmental authority, including, but not limited to all laws, ordinances, regulations and requirements relating to: (i) licensing and certification; (ii) occupational hazards and health; (iii) handling, storage and disposal of chemicals, hazardous materials, and other materials of a similar nature; (iv) the Occupational Safety and Health Act; (v) state and federal civil and human rights acts; (vi) environmental matters; (vii) workers' compensation; (viii) insurance; (ix) unemployment insurance and withholding; and (x) payment of federal and state income taxes, Social Security taxes, and sales taxes. FRANCHISEE further agrees to obtain and maintain in effect at its own expense all required permits, licenses, certificates, and other consents for the operation of its business. FRANCHISEE shall immediately upon receipt deliver to FRANCHISOR a copy of any notice or other instrument which alleges a violation of any municipal, state, federal, or any other governmental law, ordinance, rule, regulation, or order of any governmental agency or authority. Further, FRANCHISEE agrees hereby to give notice to FRANCHISOR of any customer complaints made to any consumer agency, including, but not limited to, the Better Business Bureau, state or federal agencies, or other such entities, and further agrees to promptly respond to and answer any such complaints, with a copy of such answer to be provided to FRANCHISOR immediately. Should FRANCHISOR be advised by any such agency of the investigation of FRANCHISEE's business for any reason whatsoever, FRANCHISEE shall fully cooperate in any request for cooperation in such investigation and shall pay any and all expenses incurred by FRANCHISOR therein, including, but not limited to, investigation fees, fines, penalties, court costs, attorney's fees and interest.

(b) FRANCHISEE (and any of its owners) agrees to comply, and to assist FRANCHISOR to the fullest extent possible in its efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, FRANCHISEE (and any of its owners) certifies, represents, and warrants that none of their property or interests is subject to being blocked under, and that FRANCHISEE (and its owners) otherwise is not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by FRANCHISEE (or any of its owners), or any blocking of FRANCHISEE's (or any of its owners') assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 26(a)(xvi) above.

36. SEVERABILITY. In the event any of the terms, conditions or clauses of this Agreement shall be determined by a court of competent jurisdiction to be illegal or unenforceable, or be declared by such court to be invalid, then only those terms, conditions or clauses as so determined by the court shall be affected, and all other terms, conditions and clauses hereof shall remain fully valid and enforceable according to law.

Further, in the event any state or other governmental authority has enacted or promulgated, or subsequently enacts or promulgates, any legislation or regulation which affects, alters or controls the terms and substance of this Agreement, such shall automatically become a part of this Agreement and any portions hereof in conflict therewith shall be amended to conform with such legislation or regulation.

37. NOTICE. All notices required hereunder shall be deemed properly given if one party shall mail the same, postage prepaid, to the other by registered or certified mail, Federal Express, UPS, hand delivery

or courier service (a) if to the FRANCHISEE, to the address of the Service Center licensed hereunder and/or FRANCHISEE's last known address; (b) if to FRANCHISOR, to its principal business address, marked to the attention of the President. In the event any notice sent by FRANCHISOR shall be returned for any reason, then it shall be deemed that FRANCHISEE has received proper notice under the terms of this Franchise Agreement, and FRANCHISOR may proceed to enforce its rights hereunder at law or in equity.

38. APPLICABLE LAW/CONSENT TO JURISDICTION. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act 15 U.S.C. Section 1051 et. Seq.), this Agreement and the franchise shall be governed by the internal laws of the State of Illinois (without reference to its choice of law and conflict of law rules), except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said laws have been met independently of this provision. The parties agree that any proceedings which arise out of or are connected in any way with this Agreement and/or operation of the Center licensed hereunder will be submitted to the United States District Court for the Northern District of Illinois, Cook County, Illinois, if in federal court, or a court of record of Will County, Illinois, if state court. FRANCHISEE irrevocably consents to the exclusive jurisdiction of those courts and waives any objection to either the jurisdiction or venue in those courts. FRANCHISEE (and its owners) agrees that FRANCHISOR may enforce any arbitration award and judgment in the courts of the state or states in which FRANCHISEE is domiciled or FRANCHISEE's Center is located.

39. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR. EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR (INCLUDING, BUT NOT LIMITED TO ANY OBLIGATION TO MAKE PAYMENTS PURSUANT TO SECTION 41 HEREOF), AND TO INDEMNIFY FRANCHISOR PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR PURSUANT TO THIS AGREEMENT SHALL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN: (1) TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED; OR (2) ONE (1) YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, GROUP-WIDE, JOINT, COMMON, ASSOCIATIONAL OR REPRESENTATIVE BASIS, AND A PROCEEDING BETWEEN FRANCHISOR AND FRANCHISEE OR THE PRINCIPALS MAY NOT BE CONSOLIDATED WITH ANOTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON OR ENTITY, NOR MAY ANY CLAIMS OF ANOTHER PARTY OR PARTIES BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN FRANCHISOR AND FRANCHISEE. NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

40. WAIVER OF PUNITIVE DAMAGES. FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

41. DAMAGES. In the event this Agreement is terminated because of FRANCHISEE's default, the parties agree that in addition to any other damages to which FRANCHISOR may be entitled, FRANCHISOR may collect a sum equal to the value of the royalty fee and creative fund contributions that would have become due from the date of termination to the scheduled expiration date of this Agreement. For this purpose, royalty fees and the advertising fund contributions shall be calculated based on the product of average gross sales of FRANCHISEE's Service Center for the twelve (12) months preceding the

termination date and years that remained on this Agreement. In the event FRANCHISEE has not continuously operated the Service Center or has failed or refused to consistently or accurately report its gross sales, during the twelve (12)-month period preceding the termination date, royalty fees and advertising fund contributions may either be estimated from such reports as FRANCHISEE has submitted or calculated based on the average monthly gross sales of all Service Centers during FRANCHISOR's last fiscal year or calculated using any reasonable methodology available to FRANCHISOR.

42. WAIVER OF JURY TRIAL. FRANCHISOR AND FRANCHISEE HEREBY IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

43. IMPROVEMENTS TO METHOD OF OPERATION. FRANCHISOR expressly reserves the right to revise, amend and change, from time to time, the method of operation of Centers, or any part thereof. Any and all such revisions, amendments, changes and improvements developed by FRANCHISOR, FRANCHISEE, or other Franchisees, shall be and become the sole and absolute property of the FRANCHISOR, and FRANCHISOR shall have the sole and exclusive rights to copyright, patent, register and protect such improvements in FRANCHISOR's own name, and FRANCHISEE agrees to abide by any such changes.

44. PRONOUNS AND DEFINITION OF TERMS. ALL TERMS AND WORDS 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, AND ANY OTHER GENDER, AS THE CONTEXT OR SENSE OF THIS AGREEMENT OR ANY PROVISION HEREOF MAY REQUIRE, AS IF SUCH WORDS HAD BEEN FULLY AND PROPERLY WRITTEN IN THE APPROPRIATE NUMBER AND GENDER. IN THE EVENT THAT THE "FRANCHISEE" CONSISTS OF TWO (2) OR MORE INDIVIDUALS IN A PARTNERSHIP OR IN THE EVENT THAT THE FRANCHISEE IS A CORPORATION OR LIMITED LIABILITY COMPANY, THEN SUCH GENERAL AND LIMITED PARTNERS, SHAREHOLDERS, STOCKHOLDERS, MEMBERS AND MANAGERS OR ANY OTHER INDIVIDUALS HAVING AN OWNERSHIP INTEREST IN "FRANCHISEE" SHALL BE JOINTLY AND SEVERALLY BOUND BY THE TERMS AND OBLIGATIONS OF THIS AGREEMENT AND JOINTLY AND SEVERALLY LIABLE, AND REFERENCES TO THE "FRANCHISEE" IN THIS AGREEMENT SHALL INCLUDE ALL SUCH INDIVIDUALS, GENERAL AND LIMITED PARTNERS, SHAREHOLDERS, AND STOCKHOLDERS, AND MEMBERS AND MANAGERS.

45. CAPTIONS. The Section captions as to contents of a particular Section herein are inserted only for convenience, and are no way to be construed as part of this Franchise Agreement, or as a limitation of the scope of the particular Section to which they refer.

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46. ENTIRE AGREEMENT. NOTHING IN THIS AGREEMENT OR ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS FRANCHISOR MADE IN THE FRANCHISE DISCLOSURE DOCUMENT. THIS DOCUMENT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, AND NO REPRESENTATIONS, INDUCEMENTS, PROMISES, OR AGREEMENTS, ORAL OR OTHERWISE, BETWEEN THE PARTIES WITH REFERENCE THERETO AND NOT EMBODIED IN THIS AGREEMENT SHALL BE OF ANY FORCE AND EFFECT EXCEPT FOR OR OTHER THAN THOSE CONTAINED IN THE FRANCHISE DISCLOSURE DOCUMENT. ANY AGREEMENTS MADE HEREINAFTER SHALL BE INEFFECTIVE TO CHANGE, MODIFY, ADD TO OR DISCHARGE IN WHOLE OR IN PART, THE OBLIGATIONS AND DUTIES UNDER THIS AGREEMENT, UNLESS SUCH AGREEMENT IS IN WRITING AND SIGNED BY FRANCHISEE AND BY AN AUTHORIZED OFFICER OF FRANCHISOR.

ATTEST:

FRANCHISOR:
MORAN INDUSTRIES, INC.
an Illinois corporation d/b/a Moran Family of Brands®

_____

By:_____

Its:_____

Its:_____

ATTEST:

FRANCHISEE:

_____

_____

_____
Printed

ATTEST:

FRANCHISEE:

_____

_____

_____
Printed

ADDRESS OF FRANCHISEE:

_____

If FRANCHISEE is a partnership, a corporation, or a limited liability company, this Agreement and all obligations, promises and covenants of FRANCHISEE must be guaranteed individually and personally.
.

EXHIBIT 1 TO FRANCHISE AGREEMENT

LEASE OR SUBLEASE AND ADDENDUM TO LEASE AGREEMENT

(Franchisee's lease agreement or sublease agreement for the licensed premises, if any, and the Addendum to Lease Agreement (Exhibit I of the Franchise Disclosure Document), fully executed by Franchisee and the lessor or landlord for the licensed premises should be attached hereto as Exhibit 1 to the Franchise Agreement)

EXHIBIT E

GUARANTEE AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTEE AND ASSUMPTION OF OBLIGATIONS IS GIVEN THIS _____day of _____, 20____, by _____(the "GUARANTOR[S]").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date (the "Agreement") by Moran Industries, Inc. d/b/a Moran Family of Brands® (the "FRANCHISOR") and _____ (the "FRANCHISEE"), each of the undersigned hereby personally and unconditionally (a) guarantees to FRANCHISOR, and its successors and assigns, for the term of the Agreement and thereafter, as provided in the Agreement, that FRANCHISEE shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives; (1) acceptance and notice of acceptance by FRANCHISOR for the foregoing undertaking; (2) notice of demand for payment of any indebtedness or non performance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right he or she may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability. Each of the undersigned consents and agrees that; (1) his or her direct and immediate liability under this guarantee shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if FRANCHISEE fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by FRANCHISOR of any remedies against FRANCHISEE or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which FRANCHISOR may grant to FRANCHISEE or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned GUARANTORS represents and warrants that, if no signature appears below for such GUARANTOR's spouse, such GUARANTOR is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each GUARANTOR hereby consents and agrees that:

(a) GUARANTOR's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, FRANCHISEE and the other owners of FRANCHISEE;

(b) GUARANTOR shall render any payment or performance required under the Agreement upon demand if FRANCHISEE fails or refuses punctually to do so;

(c) This undertaking shall survive any renewal or amendment of the Agreement including, but not limited to, the addition to the Agreement of a corporation or other business entity which is owned by FRANCHISEE as an additional franchisee and FRANCHISEE's execution of FRANCHISOR's then current franchise agreement upon renewal;

(d) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to FRANCHISEE or any assignee or successor of FRANCHISEE or by any abandonment of the Agreement by a trustee of FRANCHISEE. Neither the GUARANTOR's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be

impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of FRANCHISEE or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(e) FRANCHISOR may proceed against GUARANTOR and FRANCHISEE jointly and severally, or FRANCHISOR may, at its option, proceed against GUARANTOR, without having commenced any action, or having obtained any judgment against FRANCHISEE. GUARANTOR hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed;

(f) Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act 25. U.S.C. Section 1051 et. Seq.), this Agreement and the franchise shall be governed by the internal laws of the State of Illinois (without reference to its choice of law and conflict of law rules), except that the provisions of any franchise law of such state shall not apply unless the jurisdictional requirements of said laws have been met independently of this provision. GUARANTOR agrees that any disputes, suits or actions hereunder will be submitted to the United States District Court for the Northern District of Illinois, Cook County, Illinois, if in federal court or a court of record of Will County, Illinois, if state court and GUARANTOR irrevocably consents to the exclusive jurisdiction of those courts and waives any objection to either the jurisdiction or venue in those courts. Nothing in this paragraph (f) precludes enforcement of an award or judgment in a court of the state where GUARANTOR is domiciled or where GUARANTOR's assets are located; and

(g) GUARANTOR agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against GUARANTOR.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	**PERCENTAGE OWNERSHIP IN FRANCHISEE**
_____	_____
Name of Guarantor	
_____	
Signature	
_____	_____
Name of Guarantor	
_____	
Signature	
_____	_____
Name of Guarantor	
_____	
Signature	

The undersigned, as the spouse of the GUARANTOR indicated below, acknowledges and consents to the guarantee given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to GUARANTOR's performance of this Guarantee.

Name of Guarantor	Name of Guarantor
Name of Guarantor's Spouse	Name of Guarantor's Spouse
Signature of Guarantor's Spouse	Signature of Guarantor's Spouse
Name of Guarantor	Name of Guarantor
Name of Guarantor's Spouse	Name of Guarantor's Spouse
Signature of Guarantor's Spouse	Signature of Guarantor's Spouse

GUARANTOR NOTARIZATION

STATE OF _____)
) SS:
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that _____, of _____, _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _____ day of _____, 20___.

Notary Public:_____

My commission expires: _____

EXHIBIT F

FRANCHISEE LIST OF OFFICERS AND DIRECTORS

If FRANCHISEE is a corporation or a limited liability company, all persons having an ownership interest in FRANCHISEE'S business entity shall be identified below:

I. OWNERS:

_____ _____
Owner's Name and Title **% of Ownership Interest**

_____
Owner's Primary Residential Address

_____
Owner's Telephone Number

_____ _____
Owner's Name and Title **% of Ownership Interest**

_____
Owner's Primary Residential Address

_____
Owner's Telephone Number

_____ _____
Owner's Name and Title **% of Ownership Interest**

_____
Owner's Primary Residential Address

_____
Owner's Telephone Number

_____ _____
Owner's Name and Title **% of Ownership Interest**

_____
Owner's Primary Residential Address

_____
Owner's Telephone Number

_____ _____
Owner's Name and Title **% of Ownership Interest**

_____
Owner's Primary Residential Address

_____
Owner's Telephone Number

II. OFFICERS AND DIRECTORS: (IF FRANCHISEE HAS ANY OFFICERS OR DIRECTORS WHO ARE NOT OWNERS OF FRANCHISEE, PROVIDE INFORMATION BELOW):

_____
Officer or Director's Name and Title

_____
Officer or Director's Primary Residential Address

_____
Officer or Director's Telephone Number

_____
Officer or Director's Name and Title

_____
Officer or Director's Primary Residential Address

_____
Officer or Director's Telephone Number

_____
Officer or Director's Name and Title

_____
Officer or Director's Primary Residential Address

_____
Officer or Director's Telephone Number

_____
Officer or Director's Name and Title

_____
Officer or Director's Primary Residential Address

_____
Officer or Director's Telephone Number

_____
Officer or Director's Name and Title

_____
Officer or Director's Primary Residential Address

_____
Officer or Director's Telephone Number

Name of Company: _____

EXHIBIT G

CONVERSION FRANCHISE ADDENDUM

This Conversion Franchise Addendum, made this _____ day of _____, 20__, is by and between Moran Industries, Inc. d/b/a Moran Family of Brands® ("Franchisor") and _____ _____ ("Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisor and Franchisee are concurrently entering into that certain Franchise Agreement of even date herewith for the establishment and operation of a Mr. Transmission®, Milex® Complete Auto Care Service Center or Co-Branded Center (the "Franchise Agreement");

WHEREAS, Franchisee presently owns and operates an independent transmission service center, and such business is not associated with, a party to a contract with or otherwise obligated to any other company pursuant to a license, franchise, joint venture, marketing or other such agreement;

WHEREAS, Franchisee desires to convert its currently operating business to a Mr. Transmission, Milex Complete Auto Care Service Center, or Co-Branded Center*;

WHEREAS, Franchisor and Franchisee desire to supplement and amend certain terms and conditions of the Franchise Agreement to better suit the requirements of such conversion; and

WHEREAS, Franchisee acknowledges that by entering into the Franchise Agreement (as amended by this Conversion Franchise Addendum), it will be subject to certain restrictions regarding competition and confidentiality both during and after the term of the Franchise Agreement.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. This Conversion Franchise Addendum shall form an integral part of the Franchise Agreement and shall have such force and effect as is fully set forth therein. The provisions of this Conversion Franchise Addendum shall govern, control, and supersede any inconsistent or conflicting provisions of the Franchise Agreement.

2. The following Sections of the Franchise Agreement are amended as indicated:

Section 1. "Grant." of Franchise Agreement -

> This Section 1 is revised to the extent necessary to require that Franchisee shall commence operations as a Mr. Transmission, Milex Complete Auto Care, or Co-Branded Service Center at the location specified in this Section within sixty (60) days from the date hereof, or the Franchise Agreement (at Franchisor's option) may be terminated.

Section 1. "Grant." of Franchise Agreement -

> "If Franchisee is a party to an existing lease for the location specified in this Section, Franchisee shall cause such lease to be modified or amended so that its lease meets with Franchisor's approval and conforms

* Capitalized terms not otherwise defined herein have the meanings given to them in the Franchise Agreement .

with the requirements of this Section 1. Further, Franchisee shall execute with Franchisor and shall cause its Landlord or Lessor to execute an addendum to the lease which is the same as or similar to Franchisor's standard form Lease Addendum, except that no provision shall be added to the lease requiring an assignment of lease to Franchisor or a designee." is inserted at the end of the fourth paragraph of this Section.

Section 25. "Covenant Not To Compete." of Franchise Agreement-

Section 25 of the Franchise Agreement is deleted and the following new section is inserted: "Franchise Agreement: Section 25. Covenant Not To Compete. During the term of the Franchise Agreement, Franchisee, (and its owners if Franchisee is a business entity), Franchisee's spouse and other immediate family members (and each of its owners' spouses and other immediate family members), and any other person acting in concert with or on behalf of Franchisee, shall not, directly or indirectly, engage or be financially interested in, or associated with, or invest in, the ownership or operation of any shop, center, or business which offers or provides, and/or specializes in (a) the sale, service, and/or repair of transmissions or related services if FRANCHISEE is operating a MR. TRANSMISSION SERVICE CENTER, (b) general automotive service and repair, brakes service and repair or related services if FRANCHISEE is operating a MILEX COMPLETE AUTO CARE SERVICE CENTER, or (c) any of the services listed in (a) or (b) above if FRANCHISEE is operating a CO-BRANDED SERVICE CENTER, except any Service Center that may be expressly authorized by Franchisor from time to time under a franchise agreement.

In addition, for a period of two (2) years following the expiration and nonrenewal, termination or transfer of the Franchise Agreement, or any transfer of any of the assets of the Service Center not in the ordinary course, Franchisee, (and its owners if Franchisee is a business entity), Franchisee's spouse and other immediate family members (and each of its owners' spouses and other immediate family members), and any other person acting in concert with or on behalf of Franchisee, shall not offer, sell or provide from the location of the licensed premises or within a twenty-five (25) mile radius of the licensed premises or within a twenty-five (25) mile radius of any then-existing Service Center, any product or service that is offered at that time by Service Centers that Franchisee did not offer, sell or provide in its operation of its independent transmission and/or automotive maintenance and repair service center prior to its conversion to a Service Center.

If any part of this restriction is found by a court of law to be unreasonable in time, scope and/or distance, the restriction may be reduced in time, scope and/or distance by an appropriate order of the court to that deemed reasonable."

Section 26 "Termination By Franchisor." of Franchise Agreement-

In subsection (a)(4) of this Section "one hundred twenty (120) days" shall be deleted and "sixty (60) days" shall be inserted in lieu thereof.

Section 27 "Procedures After Termination, or Expiration and Nonrenewal." of Franchise Agreement- Subsection (a)-

"Provided, however, and notwithstanding the foregoing, if Franchisee converted an existing independent transmission and/or automotive maintenance and repair service center into a Service Center, then following expiration and nonrenewal, or termination, Franchisee shall not be required to cease all transmission service center operations at the licensed location. Franchisee may continue to offer any product or service that it offered prior to converting to a Service Center. Franchisee shall be required to cease to offer any product or service offered by Service Centers that it did not offer prior to its conversion." shall be added to the end of the first paragraph of Subsection (a).

Section 27 "Procedures After Termination, or Expiration and Nonrenewal." of Franchise Agreement- Subsection (a)-

"Provided, however, Franchisee shall not be required to sell to Franchisor any portion of Franchisee's inventory that Franchisee has on hand at the time of termination or expiration and nonrenewal, which inventory is the same as inventory that Franchisee would have carried in its conduct of its independent service center prior to its conversion." is added to the end of Subsection (a).

Section 33 "Lease." of Franchise Agreement-

"Provided, however, in the event that Franchisee shall establish its Service Center through a conversion of its currently operating independent transmission and/or automotive maintenance and repair service center and if such operates under a lease, then Franchisee shall not be required under this Section to have terms and conditions added to such lease which provide for an assignment of Franchisee's lease to Franchisor or Franchisor's designee. Further, Franchisee's failure to include such provision in its lease shall not constitute a default of the Franchise Agreement." is added to the end of this Section.

3. All other sections of the Franchise Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed this Conversion Franchise Addendum to the Franchise Agreement.

ATTEST:

FRANCHISOR:
MORAN INDUSTRIES, INC.
D/B/A MORAN FAMILY OF BRANDS®

_____

By:_____

FRANCHISEE:

_____

_____

Witness

Witness Printed Name: _____

EXHIBIT H

AUTHORIZATION AGREEMENT FOR AUTOMATED PAYMENTS

AUTHORIZATION AGREEMENT FOR AUTOMATED PAYMENTS

Company Name(s): ( ) MORAN INDUSTRIES, INC. ( ) MORAN CREATIVE FUND
Select Company(s)

I (we) _____hereby authorize the above-selected
Franchisee(s)

company(s), hereinafter called COMPANY(S), to initiate *debi*t entries *equal to my payment checked below to my* (our) (__)Checking (__)Savings Account (**select one**) at the depository financial institution named below, hereinafter called DEPOSITORY and to debit the same such account. As to debit entries for weekly royalty payments, if a weekly report is not received by Wednesday of each week, an amount equal to the center's most recent 10 week average will be debited. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Select All That Apply:

( ) Weekly Royalty Payment

( ) Weekly ( ) Monthly Note Payment

( ) Monthly Creative Fund Payment

Depository Name_____

Branch_____

City_____State_____Zip_____

Routing Number_____ Account Number_____

Routing Number_____ Account Number_____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s)_____ Center No._____
(Please Print)

_____ Center No._____
(Please Print)

Signed X_____

Signed X_____

Date_____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

Please attach a voided check from the account on which the debit authorization is to be placed.

Any modification to this ACH Authorization Agreement must be requested in writing and submitted to ach@moranbrands.com or via fax @ (708) 844-0211.

EXHIBIT I

ADDENDUM TO LEASE AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20___, by and among **Moran Industries, Inc., d/b/a Moran Family of Brands®** (hereinafter referred to as "FRANCHISOR"), an Illinois corporation with a principal business address of 11524 W. 183rd Place, Suite 100, Orland Park, Illinois 60467; _____ (hereinafter referred to as the "LANDLORD"), with a principal business address of _____; and _____ [Franchisee] (hereinafter referred to as the "TENANT"), with an address of _____.

W I T N E S S E T H:

WHEREAS, the LANDLORD and the TENANT have executed a lease agreement dated _____, (the "Lease") for the premises located at _____ (the "Leased Premises") for use by the TENANT as a business to be operated pursuant to FRANCHISOR's Proprietary Marks and system in connection with a written Franchise Agreement dated _____, by and between FRANCHISOR and the TENANT (the "Franchise Agreement");

WHEREAS, a condition to the approval of the TENANT's specific location by the FRANCHISOR is that the Lease for the Leased Premises designated for the operation of a **Mr. Transmission®, Milex® Complete Auto Care, or Co-Branded Service Center** (hereinafter the "Franchised Business") contains the terms and conditions set forth herein;

WHEREAS, according to Section 33 of the Franchise Agreement, all right, title and interest in and to the Lease may be assigned to FRANCHISOR or its designee upon the termination, or expiration and nonrenewal of the Franchise Agreement; and

WHEREAS, it is the intent of the parties hereto to provide FRANCHISOR with the opportunity to preserve the Leased Premises as a Franchised Business in the event of any default, termination, or expiration and nonrenewal of said Lease or Franchise Agreement and to assure the LANDLORD that in the event FRANCHISOR exercises its rights herein contained, any defaults of the TENANT under the Lease will be cured by FRANCHISOR or its designee before it or its designee takes possession of the Leased Premises.

1. Use Clause. The Leased Premises shall be used for the operation of a specialized retail service center providing repair and service of automobile transmissions and/or automotive maintenance services and related repairs and services and identified by the trademark **Mr. Transmission** or **Milex Complete Auto Care** or any other name designated by FRANCHISOR.

The LANDLORD acknowledges that such use shall not violate any then existing exclusives granted to any existing tenant of the LANDLORD. The LANDLORD further acknowledges that during the term of this Lease or any extension thereof, the LANDLORD will not lease space within the location of the Franchised Business to a business similar to the TENANT's.

LANDLORD represents and warrants that the Leased Premises has no existing building code violations and is properly zoned for its intended use.

2. Default of Lessee under Lease. The LANDLORD shall mail to FRANCHISOR copies of any notice of default or termination it gives to the TENANT concurrently with giving such notices to the TENANT. If the TENANT fails to cure a default within the period provided in the Lease, if any, the

LANDLORD shall give FRANCHISOR immediate written notice of such failure to cure. The LANDLORD shall thereupon offer to FRANCHISOR (or to FRANCHISOR's designee) and FRANCHISOR or its designee shall have the right to accept an assignment of the lease or a new lease containing the same terms and conditions of the Lease, whichever FRANCHISOR elects. If FRANCHISOR elects to continue (or to have its designee continue) the use of the Leased Premises under an assignment of the Lease or a new lease, it shall so notify the LANDLORD in writing within thirty (30) days after it has received written notice from the LANDLORD specifying the defaults the TENANT has failed to cure within the grace period specified in the Lease. Upon receipt of such notice from FRANCHISOR, the LANDLORD shall promptly execute and deliver to FRANCHISOR (or its designee) an assignment of the Lease or a new lease, whichever FRANCHISOR requests, and shall deliver to FRANCHISOR (or its designee) possession of the Leased Premises, free and clear of any rights of the TENANT or any other third party. FRANCHISOR (or its designee), before taking possession of the Leased Premises, shall promptly cure the defaults specified by the LANDLORD in its notice to FRANCHISOR and shall execute and deliver to the LANDLORD its acceptance of the assignment of the Lease or of the new lease, as the case may be.

In the event that the FRANCHISOR elects to enter into (or to designate a third party to enter into) a new lease with the LANDLORD, then LANDLORD shall do so upon terms and conditions no less favorable than those contained in the Lease.

3. Termination of the Franchise Agreement. If the Franchise Agreement between FRANCHISOR and the TENANT is terminated for any reason or if it expires and is not renewed during the term of the Lease or any extension thereof, the TENANT, upon the written request of FRANCHISOR, shall assign to FRANCHISOR (or its designee) all of its right, title and interest in and to the Lease. If FRANCHISOR elects to accept (or to have its designee accept) the assignment of the Lease from the TENANT, FRANCHISOR (or the designee) shall give the TENANT and the LANDLORD written notice of its election to acquire the leasehold interest. The LANDLORD hereby consents to the assignment of the Lease from the TENANT to FRANCHISOR or its designee, subject to the TENANT's and/or FRANCHISOR's or its designee's curing any defaults of the TENANT under the Lease before FRANCHISOR or its designee takes possession of the Leased Premises. Alternatively, in the event of a termination or expiration and nonrenewal of the Franchise Agreement, FRANCHISOR may elect to enter (or to have its designee enter) into a new lease with the LANDLORD containing terms and conditions no less favorable than the Lease. Upon the LANDLORD's receipt of written notice from FRANCHISOR advising the LANDLORD that FRANCHISOR (or its designee) elects to enter into a new lease, the LANDLORD shall execute and deliver such new lease to FRANCHISOR or its designee for its acceptance. The LANDLORD and the TENANT shall deliver possession of the Leased Premises to FRANCHISOR or its designee, free and clear of all rights of the TENANT or third parties, subject to FRANCHISOR (or its designee) curing any defaults of the TENANT, under the Lease, and executing an acceptance of the assignment of Lease or the new lease, as the case may be.

The FRANCHISOR shall indemnify, defend and hold the LANDLORD harmless from any attempt to terminate the Lease or dispossess the TENANT from the Leased Premises based upon a termination, or expiration and nonrenewal of the Franchise Agreement.

4. Tenant's Agreement to Vacate Leased Premises. The TENANT agrees to peaceably and promptly vacate the Leased Premises and to remove its personal property therefrom upon the termination, or expiration and nonrenewal of the Franchise Agreement or upon the TENANT's failure to timely cure all of its defaults under the Lease, provided however, that TENANT may not remove any personal property from the Leased Premises which is subject to FRANCHISOR's security interest without FRANCHISOR's express approval and provided further, that TENANT's right to remove any personal property from the Leased Premises is also subject to and limited by FRANCHISOR's right to acquire (or have its designee acquire) FRANCHISEE's assets upon termination, expiration or nonrenewal of the Franchise Agreement. Any property for which TENANT has obtained FRANCHISOR's approval to remove and which is not removed or otherwise disposed of by the TENANT shall be deemed abandoned.

5. Delivery of Possession. If it becomes necessary for the LANDLORD to pursue legal action to evict the TENANT in order to deliver possession of the Leased Premises to the FRANCHISOR or its designee, the FRANCHISOR or its designee shall, at the written request of the

LANDLORD, pay into an interest-bearing escrow account all amounts necessary to cure any default of the TENANT's, pending delivery of the Leased Premises to the FRANCHISOR or its designee. If the LANDLORD may not legally obtain possession of the Leased Premises or if the LANDLORD is unable to deliver the Leased Premises to the FRANCHISOR or its designee within six (6) months from the date the FRANCHISOR notifies the LANDLORD of its election to continue (or to have its designee continue) the use of the Leased Premises, then the FRANCHISOR (or its designee shall have the right at any time thereafter to rescind its election to acquire a leasehold interest in the Leased Premises and to terminate the Lease or any new lease between it and the LANDLORD for the Leased Premises, whereupon all amounts deposited by the FRANCHISOR or its designee in escrow, together with interest earned thereon, shall be returned forthwith to the FRANCHISOR or the designee, and the LANDLORD shall release the FRANCHISOR or its designee from all of its obligations under the Lease or under any new lease.

6. Amendment of Lease. The LANDLORD and the TENANT agree not to amend the Lease in any respect, except with the prior written consent of the FRANCHISOR.

7. Franchisor Not a Guarantor. The LANDLORD acknowledges and agrees that notwithstanding any terms or conditions contained in this Addendum or any other agreement, the FRANCHISOR shall in no way be construed as a guarantor or surety of the TENANT's obligations under the Lease. Notwithstanding the foregoing, in the event the FRANCHISOR becomes the TENANT by assignment of the Lease in accordance with the terms hereof or enters into a new lease with LANDLORD, then the FRANCHISOR shall be liable for all of the obligations of the TENANT on its part to be performed or observed under the Lease or a new lease.

8. Document to Govern. The terms and conditions contained herein modify and supplement the Lease. Whenever any inconsistency or conflict exists between this Addendum and the Lease, the terms of this Addendum shall prevail.

9. No Hazardous Materials. The LANDLORD warrants and represents that no part of the Franchised Business location, including the walls, ceilings, structural steel, flooring, pipes or boilers is wrapped, insulated, fire-proofed or surfaced with any asbestos-containing materials (hereinafter "ACM") or other hazardous materials as the same may be identified from time to time by applicable federal, state or local laws or regulations ("Hazardous Materials"), and that no ACM materials or Hazardous Materials will be present in the Leased Premises as of the date TENANT takes possession thereof.

10. Assignment and Subletting. Notwithstanding anything in the Lease to the contrary, the TENANT shall have the right to assign this Lease or any interest therein, or sublet the Leased Premises or any portion thereof with the consent of LANDLORD:

(a) to any bona fide franchisee of the FRANCHISOR; or

(b) to the FRANCHISOR or any successor or affiliate thereof.

11. Subordination. The LANDLORD will subordinate its interest in the TENANT's equipment to any lender financing the same, and the LANDLORD will further cooperate in executing all required documents to recognize such subordination.

12. Waiver. Failure of FRANCHISOR to enforce or exercise any of its rights hereunder shall not constitute a waiver of the rights hereunder or a waiver of any subsequent enforcement or exercise of its right hereunder.

13. Amendment of Agreement. This Agreement may be amended only in writing signed by all parties hereto.

14. Notices. All notices hereunder shall be by certified mail to the addresses indicated above or to such other addresses as the parties hereto may, by written notice, designate.

15. Binding Effect. This Agreement shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives. This Agreement shall survive any amendment to, or renewal of the term of, this Lease even if such renewal is effectuated by LANDLORD and TENANT's execution of a new lease agreement with different terms and conditions, but with respect to the same Leased Premises.

16. Severability. If any provision of this Agreement or any part thereof is declared invalid by any court of competent jurisdiction, such act shall not affect the validity of this Agreement and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or part of provisions hereof.

17. Remedies. The rights and remedies created herein shall be deemed cumulative and no one of such rights or remedies shall be exclusive at law or in equity of the rights and remedies which FRANCHISOR may have under this or any other agreement to which FRANCHISOR and the TENANT are parties.

18. Attorneys' Fees. If any action is instituted by any party to enforce any provision of this Agreement, the prevailing party shall be entitled to recover all attorneys' fees and costs incurred in connection therewith.

19. Construction. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Leased Premises are located.

20. Certain Acknowledgments. The LANDLORD and the TENANT acknowledge and agree that all interior and exterior signage and related items (collectively the "Leased/Licensed Assets") installed by TENANT are the sole property of the FRANCHISOR. The TENANT shall have no right to pledge in any manner the Leased/Licensed Assets and the LANDLORD shall have no rights to place any liens on or make any other claims to the Leased/Licensed Assets.

IN WITNESS WHEREOF, the parties hereto have caused this Mandatory Addendum to Lease to be executed the day and year first above written.

WITNESS:

_____

_____

_____
Landlord

_____
Tenant

ATTEST:

_____

Moran Industries, Inc.
d/b/a Moran Family of Brands®

By:_____

Its:_____

EXHIBIT J

MR. TRANSMISSION® / MILEX® COMPLETE AUTO CARE
AREA DEVELOPER AGREEMENT

THIS AREA DEVELOPER AGREEMENT (the "Agreement") is made as of this _____ day of_____, 20___ between Moran Industries, Inc., an Illinois corporation d/b/a Moran Family of Brands®, with an address of 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467 ("FRANCHISOR") and _____, an individual with an address of _____ ("AREA DEVELOPER").

BACKGROUND

A. Contemporaneous with the execution of this Agreement, AREA DEVELOPER and FRANCHISOR have entered into a single unit Franchise Agreement (the "Franchise Agreement") for the right to establish and operate a single Mr. Transmission® / Milex Complete Auto Care® Co-Branded center and AREA DEVELOPER has paid the initial franchise fee;

B. Through the expenditure of money, time and effort, FRANCHISOR has developed a distinct and proprietary method business format for the operation of automotive transmission installation and general vehicle maintenance and repair service centers (the "System"), the distinguishing characteristics of which include proprietary operating procedures and standards and specifications for products and services, as amended from time to time in FRANCHISOR's sole discretion;

C. The System is identified by proprietary trademarks, service marks, trade dress, logos and other indicia of origin including, without limitation, the trade names and service marks "Mr. Transmission" and "Milex Complete Auto Care" (the "Proprietary Marks");

D. FRANCHISOR offers franchises to qualified individuals for the right to use the System and Proprietary Marks at a single approved co-branded location (the "Center");

E. FRANCHISOR continues to develop, expand, use, control and add to the Proprietary Marks and System for the benefit and exclusive use of itself and its franchisees in order to identify for the public the source of products and services marketed thereunder and to represent the System's high standards of quality and service; and

F. AREA DEVELOPER desires to obtain the exclusive right to operate multiple Centers under FRANCHISOR's System and Proprietary Marks within the Territory as specified in this Agreement.

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AGREEMENT

NOW, THEREFORE, in consideration of the promises, undertakings and commitments of each party to the other party described in this Agreement, the parties mutually agree as follows:

1. GRANT

A. FRANCHISOR hereby grants to the AREA DEVELOPER for a term of five (5) years ("Term") the exclusive right and license to operate multiple Centers within the Territory (as designated below) in strict accordance with the System and under the Proprietary Marks. Each Center shall operate according to the terms of an individual Single Unit Franchise Agreement ("Franchise Agreement"), a copy of which is attached hereto as Exhibit A, which may be modified from time to time by FRANCHISOR:

_____
_____
_____

B. AREA DEVELOPER has the right to renew this Agreement for consecutive additional five (5)-year terms, if AREA DEVELOPER meets the following conditions:

1. AREA DEVELOPER is in compliance with all the terms and conditions of this Agreement at the time of renewal and had substantially complied with the terms of this Agreement and with the operating standards and criteria established by FRANCHISOR throughout the initial term and any renewal term of this Agreement;

2. AREA DEVELOPER has satisfied all monetary obligations owed to FRANCHISOR and its affiliates;

3. AREA DEVELOPER is in compliance with all other agreements between AREA DEVELOPER and FRANCHISOR and/or its affiliates;

4. AREA DEVELOPER operates a minimum of one (1) single unit Mr. Transmission / Milex Complete Auto Care Co-Branded Service Center at all times during the term of this Agreement and is in compliance with all franchise agreements with FRANCHISOR and/or its affiliates;

5. AREA DEVELOPER has provided FRANCHISOR with written notice of AREA DEVELOPER's intention to renew the Area Developer Agreement at least ninety (90) days but not more than one hundred eighty (180) days prior to expiration of the then current term;

6. AREA DEVELOPER executes FRANCHISOR's then-current form of Area Developer Agreement, which may vary materially from the terms of this Agreement, and when executed, will supersede this Agreement in all respects; and

7. AREA DEVELOPER executes a general release in the form prescribed by FRANCHISOR, in favor of FRANCHISOR and its affiliates and their respective officers, directors, agents, and employees, for all claims arising out of or related to this Agreement or any related agreements with FRANCHISOR or its affiliates.

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2. AREA DEVELOPER FEES

A. In consideration of the rights granted under this Agreement, AREA DEVELOPER has paid to FRANCHISOR a fee ("Area Developer Fee"), in the amount of Ten Thousand Dollars ($10,000.00) for each Center to be developed pursuant to this Agreement. The Area Developer Fee is in addition to the initial franchise fee due under the Franchise Agreement. Upon the AREA DEVELOPER being granted the Territory, FRANCHISOR's obligations are concluded and the Area Developer Fee is deemed fully earned upon payment and nonrefundable.

B. The AREA DEVELOPER may own and operate individual Centers under the System within the Territory upon the execution of the then-current Franchise Agreement, and payment of the franchise fee thereunder, for each Center to be opened within the Territory.

3. MANDATORY DEVELOPMENT SCHEDULE

A. Immediately following the execution of this Agreement, AREA DEVELOPER must immediately commence procedures to open the Center under the Franchise Agreement, the first of the cumulative number of Centers within the territory under this AREA DEVELOPER Agreement:

Time Period	Number of Units to be Opened During Period	Cumulative Number of Units to be Opened at end of the Period
Within one year of the date of this Agreement		
Within two years of the date of this Agreement		
Within three years of the date of this Agreement		
Within four years of the date of this Agreement		

B. The opening of any Centers in excess of the minimum number required in any time period shall be credited to the subsequent time period. If AREA DEVELOPER fails to meet the Mandatory Development Schedule, the AREA DEVELOPER shall have a nine (9)-month period to cure the default in the Mandatory Development Schedule.

C. FRANCHISOR and AREA DEVELOPER hereby acknowledge and agree that the Mandatory Development Schedule contained herein is a fair and reasonable time frame for the development of Centers within the Territory and is an accurate reflection of market demand without over saturation of FRANCHISOR's proprietary services offered under the System.

4. DEFAULT AND TERMINATION

A. Upon the happening of any of the following events, AREA DEVELOPER's rights, licenses and territorial exclusivity under this Agreement may be terminated by FRANCHISOR, at the sole discretion of FRANCHISOR, which termination shall be immediately effective upon AREA DEVELOPER's receipt of written notice of termination:

1. In the event the AREA DEVELOPER is adjudicated bankrupt, becomes insolvent, suffers a permanent or temporary court-appointed receivership of substantially all of AREA DEVELOPER's property, makes a general assignment for the benefit of creditors or suffers the filing of a voluntary or involuntary bankruptcy petition which is not dismissed within one (1) year after filing;

2. If the AREA DEVELOPER fails to comply with the Mandatory Development Schedule in Section 3 herein and the default is not cured within nine (9) months; and

3. If the provisions contained in this Agreement for transfer by AREA DEVELOPER upon death, disability or incompetency are not strictly followed.

B. The events of default and grounds for termination described in this Section 4 will be in addition to any other grounds for termination and remedies contained elsewhere in this Agreement or in any individual Franchise Agreement executed between FRANCHISOR and the AREA DEVELOPER.

C. No right or remedy herein conferred upon or reserved to FRANCHISOR is exclusive of any other right or remedy provided or permitted by law or equity.

5. TRANSFERABILITY

A. FRANCHISOR has the right to assign this Agreement, and all of its rights and privileges hereunder, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of FRANCHISOR: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing the obligations of FRANCHISOR hereunder, and (ii) the assignee shall expressly assume and agree to perform such obligations.

B. Specifically, and without limitation to the foregoing, AREA DEVELOPER expressly affirms and agrees that FRANCHISOR may sell its assets, its Proprietary Marks, or its System outright to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, AREA DEVELOPER expressly and specifically waives any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Moran Industries, Inc. d/b/a Moran Family of Brands®" as Mr. Transmission and Milex Complete Auto Care or any other granted name hereunder.

C. Nothing contained in this Agreement requires FRANCHISOR to remain in the business or to offer the same products and services, whether or not bearing FRANCHISOR's Proprietary Marks, in the event that FRANCHISOR exercises its rights hereunder to assign its rights in this Agreement.

D. AREA DEVELOPER understands and acknowledges that the rights and duties contained in this Area Developer Agreement are personal to the AREA DEVELOPER and are granted in reliance upon the individual or collective character, skill, aptitude and business and financial capacity of AREA DEVELOPER or its principals. AREA DEVELOPER has represented to FRANCHISOR that AREA DEVELOPER is entering into this Area Developer Agreement with the intention of complying with its terms and conditions and not for the purpose of reselling or transferring its rights and obligations hereunder.

E. In the event that the AREA DEVELOPER desires to sell or transfer its interest, rights or license under this Agreement, it must submit to FRANCHISOR, in writing, the terms and conditions of any proposed sale or transfer, including the name or names of the person or entity desiring to purchase such interest, rights or license of the AREA DEVELOPER. FRANCHISOR will have thirty (30) days from the date of the receipt of any notice of a bona fide offer to sell, to purchase the interest of the AREA DEVELOPER for itself upon the same terms and conditions as the offer to sell to the bona fide offeree. The right of first refusal granted hereunder to FRANCHISOR may be exercised in connection with any offer to sell which may be made by the AREA DEVELOPER during the entire term of this Agreement and any renewal thereof. In the event that FRANCHISOR elects not to purchase the interest, rights and licenses granted to the AREA DEVELOPER, then the remaining provisions of this Section 5 shall apply.

F. Neither AREA DEVELOPER nor any partner or shareholder thereof may, without FRANCHISOR's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement.

G. FRANCHISOR will not unreasonably withhold or delay its consent to the transfer of any interest in the AREA DEVELOPER; provided, however, that prior to the time of the transfer, FRANCHISOR may, in its sole discretion require that:

1. The transferee demonstrate to FRANCHISOR's satisfaction that it meets FRANCHISOR's requirements that existed under the original Agreement and have the adequate financial resources and capital to develop the Territory; and the transferee must submit to FRANCHISOR an application in the form prescribed by FRANCHISOR;

2. At the transferee's expense and upon such other terms and conditions as FRANCHISOR may reasonably require, the transferee or transferee's manager must complete any training course then in effect for area developers;

3. Except in the case of a transfer to a corporation formed solely for the convenience of ownership, AREA DEVELOPER pay FRANCHISOR a transfer fee of ten percent (10%) of FRANCHISOR's then-current area developer fee;

4. AREA DEVELOPER execute a general release, in a form prescribed by FRANCHISOR, of all claims against FRANCHISOR, it affiliates and their respective officers, directors, agents, and employees. Notwithstanding such release, AREA DEVELOPER shall remain obligated under those provisions of this Agreement that expressly extend beyond the term hereof; and

5. The transferee execute FRANCHISOR's then-current Area Developer Agreement.

H. In the event of the death or permanent incapacity of the AREA DEVELOPER, the spouse or personal representative of AREA DEVELOPER may, on request in writing to FRANCHISOR made within ninety (90) days of such death or permanent incapacity, continue to act as AREA DEVELOPER under this Agreement for a period of one (1) year from the date of such request is received by FRANCHISOR to the expiration of the aforesaid one (1)-year period, the spouse or personal representative of a deceased or incapacitated AREA DEVELOPER, as the case may be, must file with FRANCHISOR an application for an Area Developer Agreement.

I. If application is made to FRANCHISOR for an Area Developer Agreement, FRANCHISOR agrees to authorize the person designated in such application to become an AREA DEVELOPER under this Agreement for the balance of the term hereof provided that such person substantially meets FRANCHISOR's qualifications to become an AREA DEVELOPER under the terms of this Agreement and this Agreement is not in default. No transfer fee will be required upon transfer of this Agreement to the surviving spouse, heirs, beneficiaries or devisee of AREA DEVELOPER. Except as provided in this Agreement, if the representative fails to take the steps stated above, the Agreement may be terminated.

6. RIGHTS AND OBLIGATIONS OF THE PARTIES UPON EXPIRATION, NONRENEWAL OR TERMINATION

A. AREA DEVELOPER agrees that after the expiration, nonrenewal or termination of this Agreement, for any reason, it shall:

1. Not directly or indirectly at any time or in any manner identify itself or any business as a current or former franchisee, licensee or dealer of, or as otherwise associated with, FRANCHISOR, or directly or indirectly use any of FRANCHISOR's Proprietary Marks, any colorable imitation thereof or other indicia of a Center in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark

or other commercial symbol that suggests or indicates a connection or association with FRANCHISOR or its affiliates and franchisees;

2. Promptly return or turn over to FRANCHISOR all sign, Manuals, brochures, advertising materials, forms, invoices and other materials containing any Proprietary Marks or otherwise identifying or relating to the System or the operation of a Center and allow FRANCHISOR, without liability, to remove all such items from the AREA DEVELOPER's offices;

3. Promptly take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to its use of any Proprietary Marks;

4. Promptly notify the appropriate telephone company and all telephone directory listing agencies of the termination or expiration of AREA DEVELOPER's right to use any telephone numbers and any regular, classified or other telephone directory listings associated with any Proprietary Marks and authorize transfer of same to or at the direction of FRANCHISOR. AREA DEVELOPER agrees to execute updated letters of direction to telephone companies and telephone directory listing agencies directing termination and/or transfer of AREA DEVELOPER's right to use telephone numbers associated with the Proprietary Marks, which FRANCHISOR may hold until termination or expiration hereof. AREA DEVELOPER acknowledges that as between FRANCHISOR and AREA DEVELOPER, FRANCHISOR has the sole right to and interest in all telephone numbers and directory listings associated with any Proprietary Marks. AREA DEVELOPER authorizes FRANCHISOR, and hereby appoints FRANCHISOR and any officer of FRANCHISOR as its attorney in fact, to direct the appropriate telephone company and all listing agencies to transfer same to FRANCHISOR or at is direction, should AREA DEVELOPER fail or refuse to do so, and the appropriate telephone company and all listing agencies may accept such direction of this Agreement or AREA DEVELOPER's letter of direction held by FRANCHISOR as conclusive of the exclusive rights of FRANCHISOR in such telephone number and directory listings and its authority to direct their transfer; and

5. Furnish to FRANCHISOR, within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to FRANCHISOR of AREA DEVELOPER's compliance with all obligations under this section.

B. AREA DEVELOPER agrees that:

1. During the term of this Agreement and as long as this Agreement shall be in effect, AREA DEVELOPER, (and its owners if AREA DEVELOPER is a business entity), AREA DEVELOPER's spouse and other immediate family members (and each of its owners' spouses and other immediate family members), and any other person acting in concert with, or on behalf of AREA DEVELOPER, shall not, directly or indirectly, engage or be financially interested in, or associate with or invest in, the ownership or operation of a competitive business which recruits prospective franchisees, offers franchises or which specializes in the sale, service, and/or repair of transmissions or related services, general automotive service and repair, or related services, unless such competitive business is pursuant to an Area Developer Agreement with FRANCHISOR; and

2. For a period of two (2) years following the date of termination, expiration, nonrenewal or transfer of this Agreement, or any transfer of any of the assets of AREA DEVELOPER's business, AREA DEVELOPER, (and its owners if AREA DEVELOPER is a business entity), AREA DEVELOPER's spouse and other immediate family members (and each of its owners' spouses and other immediate family members), and any other person acting in concert with, or on behalf of AREA DEVELOPER, shall not, within the Territory or within a radius of twenty-five (25) miles of the Territory, directly or indirectly, engage or be financially interested in, or associate with or invest in, the ownership or operation of a competitive business which specializes in the sale, service, and/or repair of transmissions or related services, general automotive service and repair, or related services; and

3. If any part of the restrictions in this Section 6.B. is found by a court of law to be unreasonable in time, scope and/or distance, the restriction may be reduced in time, scope and/or distance by an appropriate order of the court to that deemed reasonable. If AREA DEVELOPER has not fully complied with its other obligations upon termination, expiration, nonrenewal or transfer, the covenants against competition set forth above shall be in effect from the date of termination, expiration, nonrenewal or transfer until such date as AREA DEVELOPER has fully complied and for a period of two (2) years thereafter.

C. If AREA DEVELOPER, at the time of expiration, nonrenewal, transfer or termination of this Agreement is operating one or more franchises pursuant to the terms of individual Franchise Agreements entered into with FRANCHISOR then all of the rights and obligations under such individual franchise agreements will be applicable; however, to the extent of any conflict or inconsistency between any individual franchise agreement and this Agreement, the provisions of individual franchise agreements will govern.

D. All obligations of AREA DEVELOPER which expressly or by their nature survive the expiration, nonrenewal, transfer or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration, nonrenewal, transfer or termination and until they are satisfied in full or by their nature expire.

7. CHANGES AND MODIFICATIONS

FRANCHISOR and AREA DEVELOPER may modify this Agreement only upon the execution of a written agreement by FRANCHISOR and AREA DEVELOPER. FRANCHISOR reserves and will have the sole right to make changes in the confidential Operating Manual, the System and the Proprietary Marks at any time and without prior notice to AREA DEVELOPER. AREA DEVELOPER must promptly alter any signs, products, business materials or related items, at its sole cost and expense, upon written receipt of notice of such change or modification in order to conform to FRANCHISOR's revised specifications. In the event that any improvement or addition to the confidential Operating Manual, the System or the Proprietary Marks is developed by AREA DEVELOPER, then AREA DEVELOPER agrees to grant to FRANCHISOR an irrevocable, world-wide, exclusive, royalty-free license, with the right to sublicense such improvement or addition.

AREA DEVELOPER understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, FRANCHISOR's System must not remain static, in order that it best serve the interests of FRANCHISOR, AREA DEVELOPER and the System. Accordingly, AREA DEVELOPER expressly understands and agrees that FRANCHISOR may from time to time change the components of the System, including but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those programs, products and services which the Centers are authorized to offer; and changing, improving or modifying the Proprietary Marks. Subject to the other provisions of this Agreement, AREA DEVELOPER expressly agrees to abide by any such modifications, changes, additions, deletions and alterations.

8. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail to the respective parties at the addresses indicated above unless and until a different address has been designated by written notice to the other party.

9. APPLICABLE LAW; CONSENT TO JURISDICTION

The parties have finalized this Agreement in the City of Orland Park, County of Will, State of Illinois, and agree that this contract and their actions hereunder will be governed by and construed in accordance with the laws of the State of Illinois which laws shall control in the event of any conflict of law. The parties

further agree that any proceedings which arise out of or are connected in any way with this Agreement will be submitted to the United States District Court for the Northern District of Illinois, Cook County, Illinois, if federal court, or a court of record of Will County, Illinois, if state court, and FRANCHISOR and AREA DEVELOPER irrevocably consent to the exclusive jurisdiction of those courts and waive any objection to either the jurisdiction or venue in those courts. AREA DEVELOPER agrees that FRANCHISOR may enforce any arbitration award and judgment in the courts of the state or states in which AREA DEVELOPER or the Principals are domiciled.

10. WAIVER OF JURY TRIAL

FRANCHISOR AND AREA DEVELOPER HEREBY IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

11. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO AREA DEVELOPER'S OBLIGATIONS TO MAKE ANY PAYMENT TO FRANCHISOR AND TO INDEMNIFY FRANCHISOR PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF FRANCHISOR AND AREA DEVELOPER PURSUANT TO THIS AGREEMENT SHALL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN: (1) TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED; OR (2) ONE (1) YEAR FROM THE DATE ON WHICH AREA DEVELOPER OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, GROUP-WIDE, JOINT, COMMON, ASSOCIATIONAL OR REPRESENTATIVE BASIS, AND A PROCEEDING BETWEEN FRANCHISOR AND AREA DEVELOPER OR THE PRINCIPALS MAY NOT BE CONSOLIDATED WITH ANOTHER PROCEEDING BETWEEN FRANCHISOR ANY OTHER PERSON OR ENTITY, NOR MAY ANY CLAIMS OF ANOTHER PARTY OR PARTIES BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN FRANCHISOR AND AREA DEVELOPER. NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

12. LIMITATION OF DAMAGES

THE PARTIES WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) WHICH EITHER PARTY MAY HAVE AGAINST THE OTHER ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, RECOVERY SHALL BE LIMITED TO ACTUAL DAMAGES. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS SHALL CONTINUE IN FULL FORCE AND EFFECT, INCLUDING, WITHOUT LIMITATION, THE WAIVER OF ANY RIGHT TO CLAIM ANY CONSEQUENTIAL DAMAGES.

13. ATTORNEY'S FEES

If either party institutes any suit, action or proceeding to enforce any monetary or nonmonetary obligations or interpret the terms of this Agreement and FRANCHISOR prevails in the suit, action or proceeding, AREA DEVELOPER shall be liable to FRANCHISOR for all costs, including reasonable attorneys' fees, incurred in connection with such suit, action or proceeding.

14. FAILURE TO EXERCISE RIGHTS; CUMULATIVE RIGHTS

FRANCHISOR's failure to insist upon strict compliance with any provision of this Agreement shall not be a waiver of FRANCHISOR's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by FRANCHISOR respecting any breach or default shall not affect FRANCHISOR's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement shall be cumulative. FRANCHISOR's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

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15. CONSTRUCTION

A. This Agreement contains the entire agreement between the parties concerning the subject matter herein and no promises, inducements or representations not contained in this Agreement have been made, nor shall any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. FRANCHISOR reserves the right to change FRANCHISOR's policies, procedures, standards, specifications or manuals at FRANCHISOR's discretion.

B. Any provisions of this Agreement which may be reasonably interpreted to impose any obligation after termination or expiration hereof shall survive such termination or expiration and be binding upon the parties.

C. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, FRANCHISOR reserves the right to terminate this Agreement.

D. The term "AREA DEVELOPER" shall be construed to refer to the male or female gender in all cases where the AREA DEVELOPER is an individual, masculine or feminine modifiers and pronouns notwithstanding. The term "principals" shall include AREA DEVELOPER's general and limited partners, if it is a partnership, its officers, directors and shareholders, if AREA DEVELOPER is a corporation, and its members and managers, if AREA DEVELOPER is a limited liability company. The Section captions are inserted only for convenience and reference, and are not intended to define, limit or describe the scope, intent or language of this Agreement or any provisions hereof.

E. This Agreement shall be binding upon the parties and their heirs, executors, personal representatives, successors and assigns. All signatories to this Agreement and all partners of a partnership AREA DEVELOPER, all officers, directors and shareholders of a corporate AREA DEVELOPER, and all members and managers of a limited liability company AREA DEVELOPER, shall be jointly and severally liable for the performance of all terms, covenants and conditions hereof.

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16. ACKNOWLEDGEMENTS

The success of the business venture contemplated to be undertaken by AREA DEVELOPER by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of the AREA DEVELOPER as an independent businessman, and its active participation in the daily affairs of the business as well as other factors. FRANCHISOR does not make any representations or warranty, express or implied, as to the potential success of the business venture contemplated hereby.

AREA DEVELOPER acknowledges that it has entered into this Agreement after making an independent investigation of FRANCHISOR's operations and not upon any representation as to gross revenues, volume, potential earnings or profits which AREA DEVELOPER in particular might be expected to realize, nor has anyone made any other representation which is not expressly contained herein, to induce AREA DEVELOPER to accept this license and execute this agreement.

AREA DEVELOPER represents that it has read this Agreement in its entirety and that it has been given the opportunity to clarify any provisions that it did not understand and to consult with an attorney or other professional advisor. AREA DEVELOPER further represents that it understands the terms, conditions and obligations of this Agreement and agrees to be bound thereby.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Agreement the date and year first written above.

ATTEST:

FRANCHISOR:
MORAN INDUSTRIES, INC.
D/B/A MORAN FAMILY OF BRANDS®

_____

By: _____

AREA DEVELOPER:

_____

_____

_____
Printed

Exhibit A

TO

MR. TRANSMISSION® / MILEX COMPLETE AUTO CARE®

AREA DEVELOPER AGREEMENT

SINGLE UNIT FRANCHISE AGREEMENT

EXHIBIT K

General Release

The undersigned, for itself and on behalf of its representatives, attorneys, employees, agents, officers, directors, shareholders, successors, assigns, and owned, controlled and/or affiliated companies (collectively, the "Releasors"), as the case may be, does hereby, jointly and severally with all other Releasors, remise, release and forever discharge Moran Industries, Inc. d/b/a Moran Family of Brands®, its representatives, attorneys, employees, agents, officers, directors, shareholders, successors, assigns, and owned, controlled and/or affiliated companies (collectively, the "Released Parties"), as the case may be, of and from all manner of actions, cause and causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, liabilities, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands, costs and expenses (including attorneys' fees), whatsoever, in law or in equity, whether they are presently known or unknown or suspected or unsuspected, whether liquidated or unliquidated, fixed or contingent, developed or undeveloped, or direct or indirect, which the Releasors now have against any of the Released Parties, or which the Releasors, shall or may have, for, upon, or by reason of any matter, cause, or thing, whatsoever on or at any time prior to the date hereof.

The Releasors state that they have had an opportunity to seek advice from legal counsel and are executing this Release with full knowledge of its legal effect. The Releasors further state that they have read and understand that this is a General Release and that they intend to be jointly and severally and legally bound by the same.

Any breach by any one or more of the Releasors of this General Release shall be deemed to be and shall be a breach of contract for which any of the Released Parties shall have a cause of action for breach of contract and for which any of the Released Parties may pursue the available remedies for breach of contract, inclusive of but not limited to the recovery of damages, costs, and reasonable attorneys' fees.

_____
(Name)

Its:_____

_____
Date

_____
(Name)

_____
Date

EXHIBIT L

STATE SPECIFIC ADDENDA

AMENDMENT TO MORAN INDUSTRIES, INC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Disclosure Document for Moran Industries, Inc., d/b/a Moran Family of Brands® shall be amended as follows:

- Illinois law governs the franchise agreement(s).

- In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

- Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

- In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

AMENDMENT TO MORAN INDUSTRIES, INC.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

This Amendment is made this _____ day of _____, 20___, in accordance with Section 46 ENTIRE AGREEMENT, of the attached Franchise Agreement between Moran Industries, Inc., d/b/a Moran Family of Brands® and _____. The following paragraph shall be inserted:

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for Moran Industries, Inc., d/b/a Moran Family of Brands® shall be amended as follows:

   - Section 42 is deleted in its entirety.

   - Illinois law governs the franchise agreement(s).

   - In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

   - Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

2. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

.

All paragraphs of the Franchise Agreement not specifically amended by this agreement shall remain unaltered and in full effect.

ATTEST:

Moran Industries, Inc.
an Illinois corporation d/b/a Moran Family of Brands®

_____ _____
Barbara Moran-Goodrich
CEO

ATTEST:

_____ _____

AMENDMENT TO MORAN INDUSTRIES, INC.
AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

This Amendment is made this _____ day of _____, 20___, in accordance with the attached Area Developer Agreement between Moran Industries, Inc., d/b/a Moran Family of Brands® and _____. The following paragraph shall be inserted:

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Area Developer Agreement for Moran Industries, Inc., d/b/a Moran Family of Brands® shall be amended as follows:

- Section 10 is deleted in its entirety.
- Illinois law governs the franchise agreement(s).
- In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
- In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

All paragraphs of the Area Developer Agreement not specifically amended by this agreement shall remain unaltered and in full effect.

ATTEST:

Moran Industries, Inc.
an Illinois corporation d/b/a Moran Family of Brands®

_____ _____

Barbara Moran-Goodrich
CEO

ATTEST:

_____ _____

ADDENDUM TO MORAN INDUSTRIES, INC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

For franchises and franchisees subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Moran Industries, Inc. Franchise Disclosure Document:

Item 17 has been amended to include the following:

- The Franchise Agreement provides that we may terminate your Franchise Agreement if you voluntarily or involuntarily file for bankruptcy. This provision my not be enforceable under federal bankruptcy law.

- A general release required of the Franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability.

- A Maryland franchisee can bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

- Any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after we grant the franchise to you.

AMENDMENT TO MORAN INDUSTRIES, INC.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

This Amendment is made this _____ day of _____, 20___, in accordance with the attached Franchise Agreement between Moran Industries, Inc., d/b/a Moran Family of Brands® and _____. The following paragraphs shall be inserted:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The execution of a General Release required as a condition of renewal, sale and/or assignment or transfer of the franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A Maryland franchisee is permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

All paragraphs of the Franchise Agreement not specifically amended by this agreement shall remain unaltered and in full effect.

ATTEST:

Moran Industries, Inc.
an Illinois corporation d/b/a Moran Family of Brands®

_____

_____
Barbara Moran-Goodrich
CEO

ATTEST:

_____

_____

AMENDMENT TO MORAN INDUSTRIES, INC.
AREA DEVELOPER AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

This Amendment is made this _____ day of _____, 20___, in accordance with the attached Area Developer Agreement between Moran Industries, Inc., d/b/a Moran Family of Brands® and _____. The following paragraphs shall be inserted:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The execution of a General Release required as a condition of renewal, sale and/or assignment or transfer of the franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A Maryland franchisee is permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

All paragraphs of the Area Developer Agreement not specifically amended by this agreement shall remain unaltered and in full effect.

ATTEST:

Moran Industries, Inc.
an Illinois corporation d/b/a Moran Family of Brands®

_____

_____
Barbara Moran-Goodrich
CEO

ATTEST:

_____

_____

ADDENDUM TO MORAN INDUSTRIES, INC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR THE STATE OF MINNESOTA

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Moran Industries, Inc. Franchise Disclosure Document.

Item 13

Moran will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this disclosure document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibits Moran Industries, Inc. from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of Moran, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

AMENDMENT TO MORAN INDUSTRIES, INC.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF MINNESOTA ARE HEREBY AMENDED AS FOLLOWS:

1. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring Franchisee to consent to liquidated damages.

2. Notwithstanding anything contained in the Franchise Agreement to the contrary, the Franchisor shall protect the Franchisee's right to use the trademarks, service marks, trade names, logotypes, symbols, and other commercial symbols belonging to the Franchisor and which the Franchisee has been permitted to use under the Franchise Agreement.

3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80c. 14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

4. Any reference contained in the Franchise Agreement to the effect that the Franchisor "is entitled" to injunctive relief, or any imputation that the Franchisee can waive any rights under any law shall, in any Franchise Agreement entered into in the State of Minnesota be deleted and replaced with the words, "may seek."

5. Notwithstanding anything to the contrary in the Franchise Agreement, pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the Franchisor is prohibited from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. Minn. Rule 2860.4400J prohibits Franchisor from requiring a waiver of a jury trial.

7. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Rule 2860.4400D which prohibits Franchisor from requiring Franchisee to assent to a general release as a requirement to renew or extend the term of the Franchise Agreement.

The undersigned agree and acknowledge that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

ATTEST:

Moran Industries, Inc.
an Illinois corporation d/b/a Moran Family of Brands®

_____ _____
Barbara Moran-Goodrich
CEO
Date Signed: _____

ATTEST:

_____
Franchisee:

_____ _____
Date Signed:_____

ADDENDUM TO MORAN INDUSTRIES, INC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR THE STATE OF NEW YORK

STATEMENT REQUIRED BY THE STATE OF NEW YORK

We represent the following:
No portion of the initial franchise fee has been allocated to the trademark or intellectual property;
The initial franchise fee consists only of payments for site selection assistance, marketing, IT, accounting, and other services which are distinct from and not brand or trademark related to the franchisor; and only the royalty fee is related to the trademark and intellectual property.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or

misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

ADDENDUM TO MORAN INDUSTRIES, INC.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

Moran Industries, Inc. has previously removed and does not include no-poach provisions in its franchise agreements. We will not enforce no-poaching provisions in any of our existing franchise agreements. Further we offer an assurance of discontinuance of any such provision. Such assurance of discontinuance shall not be considered an admission of a violation for any purpose.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

> Items 17 (v) Choice of forum and (w) Choice of law of the Franchise Disclosure Document (Franchise Agreement Table) are amended to provide that these provisions are subject to state law.

A release or waive of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

In addition:

Section 6(j) of the Franchise Agreement is amended to remove the following language: "FRANCHISOR does not guarantee, promise or warrant in any way that FRANCHISEE will be successful at a site which has been approved by FRANCHISOR.

The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking

enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____day of _____ 20____.

_____ _____

Franchisor Franchisee

ADDENDUM TO MORAN INDUSTRIES, INC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WASHINGTON

For Franchises and Franchisees subject to the Washington Franchise Investment Protection Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Moran Industries, Inc. Franchise Disclosure Document.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including areas of termination and renewal of your franchise. If any of the provisions in this Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the Franchise Agreement with regard to any franchise sold in Washington.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not preluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

Item 3.

Moran Industries, Inc. has previously removed and does not include no-poach provisions in its franchise agreements. We will not enforce no-poaching provisions in any of our existing franchise agreements. Further we offer an assurance of discontinuance of any such provision. Such assurance of discontinuance shall not be considered an admission of a violation for any purpose.

Item 6.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Item 17.

Notwithstanding the provisions of the Franchise Agreement, in the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

Items 17 (v) Choice of forum and (w) Choice of law of the Franchise Disclosure Document (Franchise Agreement Table) are amended to provide that these provisions are subject to state law.

In addition:

Exhibit K of the Franchise Disclosure Document Agreement ("General Release") does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder

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

The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20___

_____ _____

FRANCHISOR FRANCHISEE

This addendum may also be used as a rider to the Franchise Disclosure Document.

ADDENDUM TO MORAN INDUSTRIES, INC.
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement and area development agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not preluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

> Items 17 (v) Choice of forum and (w) Choice of law of the Franchise Disclosure Document (Franchise Area Development Table) are amended to provide that these provisions are subject to state law.

A release or waive of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

<u>In addition:</u>

The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do you

own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____day of _____ 20____.

_____ _____

Franchisor Prospective Franchisee

EXHIBIT M

LIST OF FRANCHISEES

As of December 31, 2022

Alabama

Mr. Transmission

Franchisee	Street	City, State	Phone
Randy Whitworth	3973 Lorna Road	Birmingham, AL 35244	(205) 979-3090
Kimberly Countryman	7136 Cahaba Valley Road	Birmingham, AL 35242	(205) 238-7500
Scott Hartzell	2771 Ross Clark Circle	Dothan, AL 36301	(334)673-8726
Pat Bingham	813 Memorial Parkway NW	Huntsville, AL 35802	(256) 536-6989
Pat Bingham	8918 Memorial Parkway SW	Huntsville, AL 35802	(256) 883-6989
John Murph	267 Ingate Street	Mobile, AL 36607	(251) 478-5324
James Gray	1162 E. South Boulevard	Montgomery, AL 36116	(334) 286-9666
Randy Whitworth	3359 Pelham Parkway	Pelham, AL 35124	(205) 621-0836

Milex

Franchisee	Street	City, State	Phone
Kimberly Countryman	7136 Cahaba Valley Road	Birmingham, AL 35242	(205) 238-7500
John Murph	267 Ingate Street	Mobile, AL 36607	(251) 478-5324

California

Mr. Transmission

Franchisee	Street	City, State	Phone
Tom Costello	801 Riverside Avenue, Suite 135	Roseville, CA 95678	(916) 474-4019

Colorado

Mr. Transmission

Franchisee	Street	City, State	Phone
Brian and Jennifer Sawyer	2510 S. Glen Avenue	Glenwood Springs, CO 81601	(970) 945-2019

Connecticut

Mr. Transmission**

Franchisee	Street	City, State	Phone
Matthew Dembski	498 New Haven Avenue	Milford, CT 06460	(203) 877-2898

Milex

Franchisee	Street	City, State	Phone
Matthew Dembski	498 New Haven Avenue	Milford, CT 06460	(203) 877-2898
Steve Kuchta	1289 Stratford Avenue	Stratford, CT 06497	(203) 378-2679

Florida

Mr. Transmission

Franchisee	Street	City, State	Phone
William and Sheri Granger	2109 9th Street West	Bradenton, FL 34205	(941) 746-0220
Fernando Mathew	1509 US Highway 19	Holiday, FL 34691	(727) 934-0019
Chuong Nguyen and Heip Lu	535 Cassat Avenue	Jacksonville, FL 32236	(904) 387-5648
Erich Overhardt and Bruce Bastian	2189 N. State Road 7	Margate, FL 33063	(754) 247-5900
Marlon Ducker	9 E. 15th Street	Panama City, FL 32405	(850) 769-4606
AJ Hatch	6730 N. Davis Highway	Pensacola, FL 32504	(850) 478-4050

Milex

Franchisee	Street	City, State	Phone
William and Sheri Granger	2109 9th Street West	Bradenton, FL 34205	(941) 746-0220
Fernando Mathew	1509 US Highway 19	Holiday, FL 34691	(727) 934-0019
Erich Overhardt and Bruce Bastian	2189 N. State Road 7	Margate, FL 33063	(754) 247-5900

Georgia

Mr. Transmission

Franchisee	Street	City, State	Phone
Tarun Arora	(Not Open Yet)	Atlanta, GA	
William Sasser	1902 Gordon Highway	Augusta, GA 30909	(706) 736-7509
Walt Cason	16789 U.S. Highway 80	Brooklet, GA 30415	(912) 842-7382
Scott Hester	2342 Lawrenceville Highway	Decatur, GA 30033	(404) 325-8484
Eddie Glover	5727 Covington Highway	Decatur, GA 30035	(770) 322-5471
Robert Horgan	278 Glynn Street N.	Fayetteville, GA 30214	(770) 719-7676
Pedro Bolona	422 W. Pike Street	Lawrenceville, GA 30045	(770) 822-5800
Derrick Weaver	4450 Lawrenceville Highway NW	Lilburn, GA 30047	(770) 381-8008
Brian Matthews	4696 Lower Roswell Road, SE	Marietta, GA 30068	(404) 843-3379
Corey Leftwich	3495 Stone Mountain Highway 78	Snellville, GA 30078	(770) 972-7650
Walt Cason	2309 Skidaway Road	Savannah, GA 31404	(912) 349-6046

Milex

Franchisee	Street	City, State	Phone
Tarun Arora	(Not Open Yet)	Atlanta, GA	
Robert Horgan	278 Glynn Street N.	Fayetteville, GA 30214	(770) 719-7676

Illinois

Mr. Transmission

Franchisee	Street	City, State	Phone
Chuck Slukis	104 Brook Court	Bolingbrook, IL 60440	(630) 378-5801
John and Joan Giblin	860 Armour Road	Bourbonnais, IL 60914	(815) 933-6699
Rick Cyplik	2517 W. 111th Street	Chicago, IL 60655	(773) 233-4407
Mark Cruikshank	9200 S. Stony Island	Chicago, IL 60617	(773) 768-7676
Jason Kuriger	1670 Theodore Street	Crest Hill, IL 60403	(815) 741-4412

Milex

Franchisee	Street	City, State	Phone
Chuck Slukis	104 Brook Court	Bolingbrook, IL 60440	(630) 378-5801
John Gibson	635 Chicago Road	Chicago Heights, IL 60411	(708) 756-5050
Jason Kuriger	1680 Theodore Street	Crest Hill, IL 60403	(815) 741-0646
Al Martin	1580 W. Ogden Avenue	Naperville, IL 60540	(630) 983-7444
Terrance Roche/Thomas Roche	6240 W. 159th Street	Oak Forest, IL 60452	(708) 687-6150

Mr. Transmission*

Franchisee	Street	City, State	Phone
John Gibson	635 Chicago Road	Chicago Heights, IL 60411	(708) 756-5050
Al Martin	1580 W. Ogden Avenue	Naperville, IL 60540	(630) 983-7444
Ron Frydrychowski/Brad Stroube	5113 W. 159th Street	Oak Forest, IL 60452	(708) 687-1500
Tony Arito	410 E. Ogden Avenue	Westmont, IL 60559	(630) 325-4975

Indiana

Mr. Transmission

Franchisee	Street	City, State	Phone
George Kok	225 W. Lewis & Clark Parkway	Clarksville, IN 47129	(812) 948-0782

Milex

Franchisee	Street	City, State	Phone
George Kok	225 W. Lewis & Clark Parkway	Clarksville, IN 47129	(812) 948-0782
Scott and Amy Pentecost	848 Highway 31	Greenwood, IN 46143	(317) 859-3465

Iowa

Milex

Franchisee	Street	City, State	Phone
Grant Humston and Melissa Riedesel	2010 Sylvania Avenue NE	Cedar Rapids, IA 52402	(319) 382-0090

Kentucky

Mr. Transmission

Franchisee	Street	City, State	Phone
Joey Wright	6975 Dixie Highway	Elizabethtown, KY 42701	(270) 982-2990
Susan Trumble	7529 Industrial Road	Florence, KY 41042	(859) 283-2225
Christian Higdon	5112 Dixie Highway	Louisville, KY 40216	(502) 447-8586
George Kok	3014 Hunsinger Lane	Louisville, KY 40220	(502) 456-1742
Clayton Higdon/Howard Scott Wilson, Jr.	13000 Middletown Industrial Boulevard	Middletown, KY 40223	(502) 245-0005

Milex

Franchisee	Street	City, State	Phone
Joey Wright	6975 Dixie Highway	Elizabethtown, KY 42701	(270) 982-2990
Susan Trumble	7529 Industrial Road	Florence, KY 41042	(859) 283-2225
Christian Higdon	5112 Dixie Highway	Louisville, KY 40216	(502) 447-8586

George Kok	3014 Hunsinger Lane	Louisville, KY 40220	(502) 456-1742
Clayton Higdon/Howard Scott Wilson, Jr.	13000 Middletown Industrial Boulevard	Middletown, KY 40223	(502) 245-0005

Maryland

Milex

Franchisee	Street	City, State	Phone
Albert Daniel	100-A Bucheimer Road	Frederick, MD 21701	(301) 662-4028

Milex/Alta Mere

Franchisee	Street	City, State	Phone
Albert and Serina Daniel	801 N. Main Street	Boonsboro, MD 21731	(301) 432-2701

Michigan

Mr. Transmission

Franchisee	Street	City, State	Phone
John Castleberry	2302 South Dort Highway	Flint, MI 48507	(810) 239-6060
Tim Printz	4620 24th Avenue	Ft. Gratiot, MI 48059	(810) 385-8700

Milex

Franchisee	Street	City, State	Phone
John Castleberry	2302 South Dort Highway	Flint, MI 48507	(810) 239-6060
Tim Printz	4620 24th Avenue	Ft. Gratiot, MI 48059	(810) 385-8700

Mr. Transmission*

Franchisee	Street	City, State	Phone
Calvin Moorish	700 W. 14 Mile Road	Clawson, MI 48017	(248) 435-2162
John Prior	24111 Groesbeck Highway	Warren, MI 48089	(586) 774-0660
Tom Layman	3118 W. Huron Street	Waterford, MI 48328	(284) 682-7433

Mississippi

Mr. Transmission

Franchisee	Street	City, State	Phone
Clint Cooper	2374 Highway 80 West	Jackson, MS 39204	(601) 352-3021

Missouri

Mr. Transmission

Franchisee	Street	City, State	Phone
Matthew Crouch and Russell Crouch	4001 N. Prather Road	Kansas City, MO 64166	(816) 762-2225

Milex

Franchisee	Street	City, State	Phone
Matthew Crouch and Russell Crouch	4001 N. Prather Road	Kansas City, MO 64166	(816) 762-2225

Nevada

Mr. Transmission

Franchisee	Street	City, State	Phone
Vanya Angelova and Ray Malchev	(Not Open Yet)	Las Vegas, NV	

Milex

Franchisee	Street	City, State	Phone
Vanya Angelova and Ray Malchev	(Not Open Yet)	Las Vegas, NV	

New York

Mr. Transmission**

Franchisee	Street	City, State	Phone
Nick Costa/Michael Sederio	433 Route 25A	Rocky Point, NY 11778	(631) 751-6500

North Carolina

Mr. Transmission

Franchisee	Street	City, State	Phone
Jerry Owenby, Jr.	639 Patton Avenue	Ashville, NC 28806	(828) 254-9370
Steve and Nikki Sargent	303 Bowden Street	Cary, NC 27513	(919) 465-4488
Elmer and Rebecca Gilliam	5116 NC Highway 55	Durham, NC 27713	(919) 323-3555
Frank Norton	10928 E. Independence Boulevard	Matthews, NC 28105	(704) 531-8816

Milex

Franchisee	Street	City, State	Phone
Steve and Nikki Sargent	303 Bowden Street	Cary, NC 27513	(919) 465-4488
Elmer and Rebecca Gilliam	5116 NC Highway 55	Durham, NC 27713	(919) 323-3555
Frank Norton	10928 E. Independence Boulevard	Matthews, NC 28105	(704) 531-8816

Ohio

Mr. Transmission

Franchisee	Street	City, State	Phone
Matthew & Debra Boily	2233 Morse Road	Columbus, OH 43229	(614) 586-0220
Matthew & Debra Boily	(Not Open Yet)	Columbus, OH	

Matthew & Debra Boily	(Not Open Yet)	Columbus, OH	
Chris Hochscheid	11724 Lebanon Road	Sharonville, OH 45241	(513) 769-3111

Milex

Franchisee	Street	City, State	Phone
Matthew & Debra Boily	2233 Morse Road	Columbus, OH 43229	(614) 586-0220
Matthew & Debra Boily	(Not Open Yet)	Columbus, OH	
Matthew & Debra Boily	(Not Open Yet)	Columbus, OH	

Oklahoma

Mr. Transmission

Franchisee	Street	City, State	Phone
Roman Combs	3900 N. Williams Street	Oklahoma City, OK 73112	(405) 942-5523

Milex

Franchisee	Street	City, State	Phone
Roman Combs	3900 N. Williams Street	Oklahoma City, OK 73112	(405) 942-5523

Oregon

Mr. Transmission

Franchisee	Street	City, State	Phone
Robert and Cameron Bauer	9760 SW Wilsonville Road #160	Wilsonville, OR 97070	(971) 224-4368

Milex

Franchisee	Street	City, State	Phone
Robert and Cameron Bauer	9760 SW Wilsonville Road #160	Wilsonville, OR 97070	(971) 224-4368

South Carolina

Mr. Transmission

Franchisee	Street	City, State	Phone
Brannon Bingham	1307 Broad River Road	Columbia, SC 29210	(803) 772-7986
Dean Bingham/Robin Bingham	515 S. Pleasantburg Drive	Greenville, SC 29607	(864) 233-3322
Joel Bingham	1253 Asheville Highway	Spartanburg, SC 29303	(864) 585-5521

Milex

Franchisee	Street	City, State	Phone
Brannon Bingham	1307 Broad River Road	Columbia, SC 29210	(803) 772-7986
Dean Bingham/Robin Bingham	515 S. Pleasantburg Drive	Greenville, SC 29607	(864) 233-3322

Tennessee

Mr. Transmission

Franchisee	Street	City, State	Phone
Kimberly Allison	2810 W. Market Street	Johnson City, TN 37604	(423) 328-0595
Jimmy Mitchell	1013 Gallatin Pike S.	Madison, TN 37115	(615) 865-9187
Jeff Bolton	6066 New Nashville Highway	Murfreesboro, TN 37129	(615) 889-1881

Milex

Franchisee	Street	City, State	Phone
Kimberly Allison	2810 W. Market Street	Johnson City, TN 37604	(423) 328-0595

Milex/Alta Mere

Franchisee	Street	City, State	Phone
Jeff Bolton	6066 New Nashville Highway	Murfreesboro, TN 37129	(615) 889-1881

Texas

Mr. Transmission

Franchisee	Street	City, State	Phone
Gordon and Caroline Ricossa	7315 Highway 105	Beaumont, TX 77713	(409) 683-0700
Ron Weiss	12344 East I-10 Freeway	Houston, TX 77015	(713) 455-1780
Danny O'Rourke	1560 Austin Highway	San Antonio, TX 78218	(210) 832-8600
Jason Shastri and Joann Johnson	13572 Murphy Road	Stafford, TX 77477	(281) 499-4545

Milex

Franchisee	Street	City, State	Phone
Gordon and Caroline Ricossa	7315 Highway 105	Beaumont, TX 77713	(409) 683-0700
Ron Weiss	12344 East I-10 Freeway	Houston, TX 77015	(713) 455-1780
Jason Shastri and Joann Johnson	13572 Murphy Road	Stafford, TX 77477	(281) 499-4545

Mr. Transmission*

Franchisee	Street	City, State	Phone
John Olson	3850 Hemphill Street	Fort Worth, TX 76110	(817) 921-6155
John Olson	5713 Denton Highway	Haltom City, TX 76148	(817) 656-8171

Virginia

Mr. Transmission

Franchisee	Street	City, State	Phone
Lyle McElrath	12598 Warwick Boulevard	Newport News, VA 23606	(757) 930-0242
Travis and Tonya Klein	(Not Open Yet)	Richmond, VA	

Milex

Franchisee	Street	City, State	Phone
Lyle McElrath	12598 Warwick Boulevard	Newport News, VA 23606	(757) 930-0242
Travis and Tonya Klein	(Not Open Yet)	Richmond, VA	

West Africa
Nigeria

Mr. Transmission

Franchisee	Street	City, State	Phone
Temitope Adelu-Davis*	Block 1, Plot 1 Oingobongo Village	Lekki, Lagos NIGERIA	23417740785

Milex

Franchisee	Street	City, State	Phone
Temitope Adelu-Davis***	Block 1, Plot 1 Oingobongo Village	Lekki, Lagos NIGERIA	23417740785

***Multistate Transmissions**
****Dr. Nick's Transmissions**

*****Area Developer**

Exhibit N

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT O

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Moran Industries, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the franchise 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.

If Moran Industries, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency in your state.

The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

❑ Peter Baldine
11524 W. 183rd Place, Suite 100
Orland Park, Illinois 60467
(800) 377-9247

❑ Ben Reist .
11524 W. 183rd Place, Suite 100
Orland Park, Illinois 60467
(800) 377-9247

This issuance date of this disclosure document is March 20, 2023. I have received a franchise disclosure document that included the following Exhibits on the date listed below:

EXHIBIT A	List of State Administrators
EXHIBIT B	Agents for Service of Process
EXHIBIT C	Financial Statements
EXHIBIT D	Franchise Agreement, Exhibit 1 – Lease or Sublease
EXHIBIT E	Guarantee and Assumption of Obligations
EXHIBIT F	Franchisee List of Officers and Directors
EXHIBIT G	Conversion Franchise Addendum
EXHIBIT H	ACH Authorization Agreement
EXHIBIT I	Lease Addendum
EXHIBIT J	Area Developer Agreement
EXHIBIT K	General Release
EXHIBIT L	State Specific Addenda
EXHIBIT M	List of Franchisees
EXHIBIT N	State Effective Dates
EXHIBIT O	Receipt

Please print your name, telephone number and the date below, sign and return one copy of this receipt to Moran Industries, Inc., 11524 W. 183rd Place, Suite 100, Orland Park, Illinois 60467 and keep the other for your records.

_____ Date: _____
Print Name

_____
Signature

_____
Telephone Number

Complete Below for a Partnership, Corporation or Limited Liability Corporation:
Name:_____
Title: _____
Name of Company: _____

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Moran Industries, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the franchise 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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_____ Date: _____
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_____
Signature

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Telephone Number

Complete Below for a Partnership, Corporation or Limited Liability Corporation:
Name:_____ Title: _____
Name of Company: _____