FRANCHISE DISCLOSURE DOCUMENT

ATL International, Inc.
A Maryland corporation
8334 Veterans Highway
Millersville, MD 21108
410-987-1011
dsparby@alltuneandlube.com
www.alltuneandlube.com

This Franchise Disclosure Document describes three franchises. The All Tune and Lube® franchisee will perform general automotive repairs, excluding engine replacements/exchanges and transmission exchanges/rebuilds/clutch replacements. The ATL Motor Mate® franchisee will perform automotive engine replacements/exchanges. The All Tune Transmissions® franchisee will perform transmission exchanges/rebuilds and clutch replacements. The same franchisee may own one or more of these franchises in various combinations as described in this Franchise Disclosure Document.

The total investment necessary to begin operation of an All Tune and Lube® franchise is $105,800 to $135,000. This includes $69,200 to $83,500 that must be paid to the franchisor.

The total investment necessary to begin operation of an ATL Motor Mate® franchise is $94,800 to $115,000. This includes $69,200 to $83,500 that must be paid to the franchisor.

The total investment necessary to begin operation of an All Tune Transmissions® franchise is $105,800 to $129,500. This includes $69,200 to $83,500 that must be paid to the franchisor.

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

You may wish to receive your Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Daniel J. Sparby, Senior Vice President, ATL International, Inc., at 8334 Veterans Highway, Millersville, MD 21108, and 410-987-1011.

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

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

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

ISSUANCE DATE: OCTOBER 4, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits K-L
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?	Exhibit D 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 ATL 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 an ATL International, Inc. franchisee?	Exhibits K-L 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 C.

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 requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Maryland. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Maryland than in your own state.

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

TABLE OF CONTENTS

ITEM		PAGE
1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
2	BUSINESS EXPERIENCE	3
3	LITIGATION	4
4	BANKRUPTCY	4
5	INITIAL FEE	5
6	OTHER FEES	9
7	ESTIMATED INITIAL INVESTMENT	12
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	19
9	FRANCHISEE'S OBLIGATIONS	23
10	FINANCING	25
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	25
12	TERRITORY	34
13	TRADEMARKS	35
14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	36
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	37
16	RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL	37
17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	38
18	PUBLIC FIGURES	43
19	FINANCIAL PERFORMANCE REPRESENTATIONS	43
20	OUTLETS AND FRANCHISEE INFORMATION	44
21	FINANCIAL STATEMENTS	58
22	CONTRACTS	58
23	RECEIPT	

Exhibits

A	List of Registration States and Effective Dates (immediately following the State Cover Page)
B	List of State Administrators
C	Agents for Service of Process
D	Audited Financials

E Franchise Agreement
F-1 Schedule 1 (All Tune and Lube® System)
F-2 Schedule 2 (ATL Motor Mate® System)
F-3 Schedule 3 (All Tune Transmissions® System)
G Addendum to Franchise Agreement (Conversion)
H Reserved
I Application Form (Confidential Qualification Report)
J-1 All Tune and Lube® Confidential Operating Procedure Manual/Table of Contents
J-2 ATL Motor Mate® Confidential Operating Procedure Manual/Table of Contents
J-3 All Tune Transmissions® Confidential Operating Procedure Manual/Table of Contents
K List of Centers in Operation
L List of Franchisees Who Have Left the System
M State-Specific Addenda to Disclosure Document

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we," "us," and "ATL" each means ATL International, Inc., the franchisor. "You" means the person who buys one or more of the three franchises offered in this disclosure document: All Tune and Lube®, ATL Motor Mate®, or All Tune Transmissions® as described below. If you decide to form a corporation, partnership or limited liability company to operate one or more of the franchises, you must follow the procedure noted in Item 17, and the word "you" will include the corporation or other entity you form and its officers, directors, and shareholders; partners; or members, as applicable.

BACKGROUND INFORMATION ON THE FRANCHISOR

ATL is a Maryland corporation formed on September 23, 1985. We do business as ATL International, Inc., and our principal business address is 8334 Veterans Highway, Millersville, Maryland 21108. Exhibit C discloses ATL's agents for service of process. ATL was previously known as All Tune and Lube System, Inc. until it changed its name to ATL International, Inc. in September 1990. ATL has no predecessors nor does it have any affiliates which offer franchises in any line of business or provide products or services to ATL franchisees. ATL does not have any parent company.

We are offering three separate franchises, each with its own distinct System and trademarks: the All Tune and Lube® franchise, the ATL Motor Mate® franchise, and the All Tune Transmissions® franchise. You may purchase one or more of these franchises to be operated at a single location that we approve ("Center"). You will sign the franchise agreement attached as Exhibit E to this disclosure document (the "Franchise Agreement") and the separate schedule for each System that you choose to purchase, also attached as Exhibits F-1, F-2 and F-3. You may choose to purchase any one, two, or all three franchises for operation at your Center. The combination of any of the above listed franchise systems is referred to as ATL Total Car Care®.

ATL has not operated any businesses of the type being franchised; however, certain of ATL's directors and officers listed in Item 2, and/or their immediate family members, have in past years had ownership interests in All Tune and Lube® Centers. Additional disclosure regarding those Centers formerly owned entirely or partially by ATL directors, officers, and/or their immediate family members appears in Item 20. We have offered All Tune and Lube® franchises since July 1986. We began offering ATL Motor Max™ (now known as ATL Motor Mate®) and All Tune Transmissions® franchises in the fall of 1996.

THE ALL TUNE AND LUBE® FRANCHISE

We franchise a system (the "All Tune and Lube® System") for providing general automotive repairs, including engine performance services and other under-the-hood and under-car maintenance, repairs, servicing, and replacements, and other services only as ATL designates. You operate this franchise in an All Tune and Lube® Center. If you only purchase an All Tune and Lube® System franchise under this disclosure document, you will not have automotive engine replacements/exchanges or transmission exchanges/rebuilds/clutch replacements as part of the authorized menu of services for your All Tune and Lube® Center.

THE ATL MOTOR MATE® FRANCHISE

We franchise a system (the "ATL Motor Mate® System") for providing automotive engine replacements/exchanges and other services only as ATL designates. If you only purchase an ATL Motor Mate® System franchise, you will not have general automotive repair or transmission exchanges/ rebuilds/clutch replacements as part of the authorized menu of services for your Center. Some existing All

Tune and Lube® franchisees are offering automotive engine replacements under existing franchise agreements as an additional line of service for their All Tune and Lube® franchise. However, if you only purchase the All Tune and Lube® franchise under this disclosure document, you will not have automotive engine replacements/exchanges as part of the authorized menu of services for your All Tune and Lube® Center.

THE ALL TUNE TRANSMISSIONS® FRANCHISE

We franchise a system (the "All Tune Transmissions® System") for providing automotive transmission exchanges/rebuilds/clutch replacements and other services only as ATL designates. If you only purchase an All Tune Transmissions® System franchise, you will not have general automotive repair or automotive engine replacements/exchanges as part of the authorized menu of services for your Center. Some existing All Tune and Lube® franchisees are offering transmission exchanges/rebuilds/clutch replacements under existing franchise agreements as an additional line of service for their All Tune and Lube® franchise. However, if you only purchase the All Tune and Lube® System franchise under this disclosure document, you will not have transmission exchanges/rebuilds/clutch replacements as part of the authorized menu of services for your All Tune and Lube® Center.

You must honor all customer claims presented under warranties and guarantees issued by you and all other franchisees operating under the System(s) for which you buy franchise(s), without demanding reimbursement from the customer.

Other than the three franchises described above, ATL has not granted franchises in any other line of business.

THE MARKET FOR THE FRANCHISEE'S SERVICES

The market for the general automotive repairs, engine replacements/exchanges, and/or transmission exchanges/rebuilds/clutch replacements and other ATL-designated services you will offer to the general public, depending on which franchise or combination of franchises you select, is well developed. You will compete with other businesses performing similar services such as automobile dealerships, national or regional chains of automotive service stations, transmission shops and/or engine replacement shops, as well as with local service stations and independent repair shops.

INDUSTRY - SPECIFIC REGULATIONS

There are specific regulations applicable to the industry in which you will operate, such as federal, state, and local environmental laws and regulations, and fire marshal requirements, which govern the storage, handling, and disposal of waste oil, solvents, cleaners, and other substances, and motor vehicle repair licensing laws and regulations which require shops to file for and display statewide and/or local repair licenses and to conform their customer invoices to standard statewide and/or local formats. If you desire to conduct state emissions and/or vehicle safety inspections in those states that require or permit private sector inspections, you must first obtain the appropriate licenses from state authorities. There may be other laws, regulations, and permitting requirements that pertain to general automotive repair, transmission exchange/rebuild/clutch replacement, and/or engine replacement/exchange facilities, and the equipment used in those facilities, and it is your responsibility to comply with all federal, state, and local laws, regulations, and permitting requirements.

Item 2

BUSINESS EXPERIENCE

KEVIN D. MAGNUSON
CHAIRMAN OF BOARD OF DIRECTORS AND PRESIDENT

Mr. Magnuson has served as Chairman of the Board of Directors of ATL since late February 2004. He has been ATL's President since August 2000 and a Director of ATL since July 1991, and served as Senior Vice President from March 1991 until August 2000.

DANIEL J. SPARBY
SENIOR VICE PRESIDENT AND DIRECTOR

Mr. Sparby has served as Senior Vice President of ATL since May 1995, Secretary and Treasurer since November 2009, and a Director since 1990.

ATL has no franchise brokers operating on its behalf in a "subfranchisor" capacity, subject to disclosure obligations under the Rule 16 C.F.R. § 436.1(k). ATL may work with franchise brokers from time to time on an individual basis.

Item 3

LITIGATION

CURRENT LITIGATION

None.

CLOSED LITIGATION

No litigation is required to be disclosed in this disclosure document. However, ATL is and has, at various times, been engaged in matters of routine litigation or arbitration arising in the ordinary course of its business.

Item 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this disclosure document nor the franchisor, any parent, affiliate or predecessor, has been involved as a debtor in proceedings under the U.S. Bankruptcy Code (or comparable foreign law) required to be disclosed in this Item.

Item 5

INITIAL FEE

Each new ATL franchisee purchasing one of the three franchises pays a $29,000.00 franchise license fee in 2 installments, the first being a $10,500.00 initial deposit due at the signing of the franchise agreement. You pay the second installment of $18,500.00 in lump sum on the earlier of (i) 120 days after you sign the franchise agreement, or (ii) 7 days before you begin franchise school at our headquarters in Maryland.

If you are a new franchisee purchasing one of the three franchises, you may, simultaneously with (i) the signing of the franchise agreement and the appropriate schedule for the first franchise and (ii) the payment to ATL of the $10,500 initial deposit for your first franchise, purchase one or both of the other franchises described in this disclosure document to be operated at the single Center location approved by Franchisor (see Item 12) for an additional franchise license fee which you pay in lump sum as follows:

Chart 5-1

Franchise(s)/First Location

	Initial Franchise License Fee (Total of 2 Installments)	Initial Deposit 1/	Balance of Franchise License Fee 2/
First Franchise	$29,000	$ 10,500	$18,500
Second Franchise 3/	$ 4,000	$ 2,000	$ 2,000
Subtotal for the First Two Franchises	*$33,000*	*$12,500*	*$20,500*
Third Franchise 3/	$ 3,000	$ 1,500	$ 1,500
Grand Total for Three Franchises at First Location	$36,000	$14,000	$22,000

Notes:

1/ You pay the initial deposit in lump sum to ATL at the signing of the franchise agreement.

2/ You pay the balance of the franchise license fee in lump sum on the earlier of (i) 120 days after you sign the franchise agreement or (ii) 7 days before you begin franchise school.

3/ In order to obtain the discount(s) described above, you must simultaneously purchase any combination of the All Tune and Lube® System franchise, the ATL Motor Mate® System franchise, and/or the All Tune Transmissions® System franchise for operation at the approved location for your first Center.

For example, if you purchase an All Tune and Lube® franchise for $29,000, you may also simultaneously purchase an ATL Motor Mate® franchise for operation at the same location by signing the Franchise Agreement and Schedules 1 and 2, attached to this disclosure document as Exhibits E, F-1, and F-2, paying ATL the $12,500 initial deposit ($10,500 for the first franchise plus $2,000 for the second franchise) and then paying the $20,500 balance of the franchise license fee ($18,500 for the first franchise's balance plus $2,000 for the second franchise's balance) at the times indicated in Notes 1/ and 2/ to Chart 5-1 above.

Similarly, if you purchase all three franchises for operation at the same location, you must sign the Franchise Agreement and Schedules 1, 2, and 3 attached as Exhibits E, F-1, F-2, and F-3 to the disclosure document and pay ATL the $14,000 initial deposit ($10,500 for the first franchise plus $2,000 for the second franchise and $1,500 for the third franchise), followed by the payment to ATL of the $22,000 balance of the franchise license fee ($18,500 for the first franchise's balance plus $2,000 for the second franchise and $1,500 for the third franchise) at the times indicated in Notes 1/ and 2/ to Chart 5-1 above.

We reserve the right, in our complete discretion, to reduce or waive the applicable fee(s) and/or modify the applicable documentation for an All Tune and Lube® Center or franchisee in existence as of November 2, 1996 which desires to add the ATL Motor Mate® System and/or the All Tune Transmissions® System to the then-existing All Tune and Lube® franchise, whether as additional franchise(s) or additional line(s) of service. If you qualify for this program, ATL will advise you regarding the amount of any reduction or waiver or the nature of the documentation required for you to add ATL Motor Mate® or All Tune Transmissions® before you sign the applicable addenda or other documentation.

If you purchase one or more of the three franchises described in this disclosure document for operation at your first ATL-approved location, you may, simultaneously with your signing of the franchise agreements and payment to ATL of the initial deposit for your first franchise(s) (see Chart 5-1), purchase one or more of the three franchises offered in this disclosure document to be operated at a second approved location for franchise license fee(s) payable lump sum as follows:

Chart 5-2

Franchise(s)/First Location 4/

	Initial Franchise License Fee (Total of 2 Installments)	Initial Deposit 1/	Balance of Franchise License Fee 2/
Second Franchise – Second Location	$15,500	$ 9,500	$6,000
Additional Franchise 3/ – Second Location	$ 2,000	$ 0	$2,000
Subtotal for the First Two Franchises/Second Location	*$17,500*	*$ 9,500*	*$8,000*
Third Franchise 3/ – Second Location	$ 1,500	$ 1,000	$ 500
Grand Total for Three Franchises at Second Location	$19,000	$10,500	$8,500

Notes:

1/ You pay the initial deposit in lump sum to ATL at the signing of the franchise agreement.

2/ You pay the balance of franchise license fee in lump sum on the earlier of (i) 120 days after you sign the franchise agreement or (ii) 7 days before you begin franchise school.

3/ In order to obtain the discount(s) described above, you must simultaneously purchase any combination of the All Tune and Lube® System franchise, the ATL Motor Mate® System franchise, and/or the All Tune Transmissions® System franchise for operation at the approved location for your second Center. The franchise(s) that you obtain for your second Center may differ from the franchise(s) obtained for your first Center.

4/ The discounts available in Chart 5-2 apply only if you purchase the right to develop franchise(s) for operation at your second Center, simultaneously with the purchase(s) for your first Center per Chart 5-1.

For example, if you purchase an All Tune and Lube® System franchise for $29,000 to be operated at a first location, you may, simultaneously with your signing of the Franchise Agreement and Schedule 1 and payment to ATL of the $10,500 initial deposit for your first franchise, also purchase a second franchise (All Tune and Lube®, ATL Motor Mate®, or All Tune Transmissions®) for operation at a second location for a $15,500 franchise license fee, payable in two installments of a $9,500 initial deposit and $6,000 balance, as described in Notes 1 and 2 to Chart 5-2. Similarly, if you purchase all three franchises for $36,000 to be operated at a first location, you may simultaneously purchase one or more franchises for a second location on the terms described above and in Chart 5-2.

If you notify ATL before you sign the Franchise Agreement that you want to convert your existing automotive repair, engine replacement/exchange, and/or transmission exchange/rebuild/clutch replacement business to one or more of the above-described three franchises, you will sign the Addendum to Franchise Agreement (Conversion), under which ATL reserves the right to discount the $29,000 franchise license fee and/or certain other fees. (See Exhibit G to this disclosure document.) If you are applying for a conversion, ATL will inform you of the amount of any discount or reduction of the franchise license fee and/or other fees before you sign the franchise agreement.

We offer Veterans a franchise incentive to provide opportunities for veterans who want to be in business. Eligible U.S. military veterans will receive a $5,000 discount off the weekly royalties after opening their location for the first location only. This $5,000 will be applied to one-half of your weekly franchise royalties, until the total $5,000 has been applied.

If you (i) are a current or former employee of ATL or one of its franchisees [the "Franchisee-in-Training" (FIT) Program], and/or (ii) currently own or operate 2 or more ATL Total Car Care® franchises, we, in our complete discretion, may charge a reduced franchise license fee or transfer fee for a new or additional All Tune and Lube®, ATL Motor Mate®, and/or All Tune Transmissions® franchise. If you are applying under either (i) or (ii) above, ATL will advise you regarding the amount of any reduction of fees before you sign the franchise agreement.

Except as stated in the preceding paragraphs, the franchise license fee is uniform for all franchisees.

Whether you purchase an All Tune and Lube® franchise, an ATL Motor Mate® franchise, and/or an All Tune Transmissions® franchise, or some combination of these three franchises for operation at a single location approved by ATL, you will pay a uniform $5,000 initial advertising fee per Center location to the ATL Advertising Fund 7 days before you begin franchise school at our headquarters in Maryland. The $5,000 initial advertising fee is spent in the initial promotion of your Center. (See Item 11.) If you purchase the assets of a Center from an existing ATL franchisee, the initial advertising fee you are required to pay ATL at closing on the purchase is reduced to $3,000. Before you open your Center, you must purchase customer receipts, which can be specific to requirements of your state, and on the type of franchise you will operate. While you are not required to use a computer system or computerized customer receipts, a source that ATL suggests is Advantage Systems dba ShopPro® (See Items 8 and 11); if you use ShopPro® you must purchase from us ShopPro® computerized customer receipts and ShopPro® manual repair/service estimate forms. The minimum initial order for ShopPro® computerized customer receipts is typically $500 per 2,500, together with 1,500 ShopPro® manual estimate forms for an additional $650 - $1,500. Typically, franchisees also purchase a package of promotional items, brochures, forms and supplies from ATL before Center opening that will range from $2,917.50 - $2,982.50 (July 31, 2024 prices), depending on what you buy. As described in Items 7-8, ATL is an approved supplier for certain equipment, signs, and fixtures for use in the Center. While we do not require you to purchase those items from us, we may offer you the opportunity to do so at your option.

We do not refund the franchise license fee, the transfer fee, or any other fee or amount you pay to ATL for any reason.

[NOTHING FOLLOWS ON THIS PAGE]

Item 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Weekly Royalty Fee 1/ 2/	Seven percent (7%) of weekly gross sales for general repair and three percent (3%) for tires/batteries (weekly $395 minimum) for All Tune and Lube®; five percent (5%) of weekly gross sales (weekly $395 minimum) for ATL Motor Mate® and/or All Tune Transmissions®	Payable weekly by Thursday on the preceding week's gross sales	Gross sales means all revenue from the franchise location and is reported weekly to us. Gross sales does not include sales tax.
Weekly Advertising Contribution 1/ 3/	For All Tune and Lube® stand-alone, All Tune Transmissions® stand-alone, ATL Motor Mate® stand-alone, or any combination of two or more franchises: To be determined after 10 weeks of opening 3/	Agreed upon amount paid weekly	For advertising and promotional materials and programs. 4/
Additional Training	No additional charge	Not Applicable	Additional Training is free of charges from ATL. You must pay your own travel, wages, and living expenses and those of your employees should the additional training be at the corporate office instead of virtual online training.
Transfer Fee 1/ 5/	$9,500.00	Before transfer	Payable when you sell or transfer the franchise agreement, the franchise, the assets of the franchised business or any substantial part of those assets. No charge if the franchise agreement is transferred to a corporation formed and controlled by you.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Audit 1/ 6/	Cost of inspection or audit	10 days after billing	Payable only if you under-report gross sales by 2% or more.
Interest 1/ 6/	*Wall Street Journal* prime rate plus 1%	10 days after billing	Payable on all overdue amounts
Late Fees 1/	1% of gross sales for the week for which payment was late	10 days after billing	Payable on overdue weekly royalty fee(s), and/or weekly advertising contribution(s)
Costs/Attorney Fees 1/	Will vary under circumstances	As incurred	Payable if you fail to comply with the franchise agreement
Indemnification 1/	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims from your Center's operations
Warranty Obligations 7/	Will vary under circumstances	As incurred	You must pay other franchisees for warranty work performed on vehicles previously serviced at your Center.

NOTES TO ITEM 6

1/ All fees and contributions that are imposed by and payable to ATL are non-refundable and not subject to offset by you. The franchise agreement requires you to pay weekly royalty fees, weekly advertising contributions, equipment/supplies charges, and any applicable late fees and interest charges to ATL by means of ACH debit originations or other means of electronic funds transfer from your bank account(s). Except as noted in the Table, these fees and contributions are uniform for all three franchises offered in this disclosure document: the All Tune and Lube® franchise, the ATL Motor Mate® franchise, and the All Tune Transmissions® franchise. The Minimum Weekly Royalty Fee is $395 per week per Center whether you purchase one, two, or three franchise(s) for operation at the same ATL-approved Center location. If you fail to make any payment under the Franchise Agreement when due, ATL may at its sole discretion (i) apply payments received from you, on your behalf, or from any national account, fleet account, supplier, or vendor program in which you participate, to any category of payment due from you that we select, (ii) transfer, suspend, discontinue, terminate, or amend your Center's telephone service, telephone numbers and/or directory listings, and/or (iii) suspend support services to you and/or the placement of advertising for your Center. During any period of suspension or other action(s) by ATL described above, you must still make continuing advertising contributions, royalty fee payments, and/or any other amounts due under the franchise agreement.

2/ You must pay a weekly royalty fee of between 3% and 7% of all gross sales performed at the Center: 3% on the sale of tires and/or batteries, 5% on engines and/or transmissions, and 7% on all general repair. ATL will not increase the weekly royalty fee on the renewal of the franchise at the expiration of the 15-year term and every 5 years after the first renewal. Certain existing All Tune and Lube® franchisees pay a weekly royalty fee on engine replacements/exchanges of 5% of gross sales, or 6% of gross sales, from these exchanges/replacements (depending on the date of the applicable franchise agreement with ATL), while still paying the 7% royalty on gross sales from All Tune and Lube® services.

3/ If you will operate a stand-alone All Tune and Lube® franchise, a stand-alone All Tune Transmissions® franchise, a stand-alone ATL Motor Mate® franchise, or any combination of two or three different franchises described in this disclosure document at a single approved location, then you will pay to the ATL Advertising Fund, ATL, and/or ATL's designee (as ATL in its sole discretion determines) an amount agreed upon by Franchisor and Franchisee per week.

4/ ATL reserves the right to charge the ATL Advertising Fund for Chargeable Advertising Expenses as described in the franchise agreement.

5/ If you transfer, the franchisee who buys from you must pay a $9,500 transfer fee to us in addition to the $9,500 transfer fee you pay. ATL reserves the right to waive or reduce one or both of these transfer fees in circumstances such as abandonment of the franchise, appointment of a receiver, sale out of bankruptcy proceedings, assumption/assignment of certain contracts and leases or other circumstances ATL in its complete discretion determines appropriate.

6/ All interest begins from the date of the underpayment or non-payment.

7/ Your payment to other franchisees under the warranty program is for the cost of parts and labor according to an hourly charge we determine.

Item 7

ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment

Table 7-1: All Tune and Lube® Franchise

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made Note 1
Franchise license fee	$29,000 **Note 2**	$10,500 initial deposit on signing and $18,500 balance per **Note 2**	At signing of franchise agreement	ATL
Travel and living expenses while training	$300-$500 **Note 3**	During initial training	As incurred	Restaurants, retailers and outside suppliers
Real Estate and Improvements	**Note 4**	**Note 4**	**Note 4**	**Note 4**
Equipment	$25,000-$30,000 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Computer Hardware and Software	$2,500-$3,500	As agreed	As incurred	ATL or outside suppliers
Initial inventory (replacement parts and oil)	$5,000-$8,000	As agreed	As incurred	Outside suppliers
Promotional material, business supplies, stationery forms, sequentially numbered ATL customer receipts	$1,500-$2,000	As agreed	As incurred	ATL or outside suppliers **(you must purchase customer receipts only from ATL)**
Signs (interior and exterior) plus estimated installation	$1,500-$5,000 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Miscellaneous opening costs (estimated)	$6,000-$12,000 **Note 6**	As agreed	As incurred	Outside suppliers
Initial Advertising Fee	$5,000	Lump sum	7 days before you begin Franchise School	ATL Advertising Fund
Additional Funds – 3 months	$30,000-$40,000 **Note 7**	As agreed	As incurred	Employees, Suppliers and Utilities
Insurance	**Note 8**	As agreed	As incurred	Insurance company
Totals	$105,800-$135,000 **Note 9**			

Your Estimated Initial Investment

Table 7-2: ATL Motor Mate® Franchise

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made Note 1
Franchise license fee	$29,000 **Note 2**	$10,500 initial deposit on signing and $18,500 balance per **Note 2**	At signing of franchise agreement	ATL
Travel and living expenses while training	$300-$500 **Note 3**	During initial training	As incurred	Restaurants, retailers and outside suppliers
Real Estate and Improvements	**Note 4**	**Note 4**	**Note 4**	**Note 4**
Equipment	$19,000-$25,000 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Computer Hardware and Software	$2,500-$3,500	As agreed	As incurred	ATL or outside suppliers
Initial inventory	$1,000-$1,500	As agreed	As incurred	Outside suppliers
Promotional material, business supplies, stationery forms, sequentially numbered ATL customer receipts	$1,500-$2,000	As agreed	As incurred	ATL or outside suppliers **(you must purchase customer receipts only from ATL)**
Signs (interior and exterior) plus estimated installation	$500-$1,500 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Miscellaneous opening costs (estimated)	$6,000-$12,000 **Note 6**	As agreed	As incurred	Outside suppliers
Initial Advertising Fee	$5,000	Lump sum	7 days before you begin Franchise School	ATL Advertising Fund
Additional Funds – 3 months	$30,000-$35,000 **Note 7**	As agreed	As incurred	Employees, Suppliers and Utilities
Insurance	**Note 8**	As agreed	As incurred	Insurance company
Totals	$94,800-$115,000 **Note 9**			

Your Estimated Initial Investment

Table 7-3: All Tune Transmissions® Franchise

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made Note 1
Franchise license fee	$29,000 **Note 2**	$10,500 initial deposit on signing and $18,500 balance per **Note 2**	At signing of franchise agreement	ATL
Travel and living expenses while training	$300-$500 **Note 3**	During initial training	As incurred	Restaurants, retailers and outside suppliers
Real Estate and Improvements	**Note 4**	**Note 4**	**Note 4**	**Note 4**
Equipment	$25,000-$30,000 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Computer Hardware and Software	$2,500-$3,500	As agreed	As incurred	ATL or outside suppliers
Initial inventory	$5,000-$8,000	As agreed	As incurred	Outside suppliers
Promotional material, business supplies, stationery forms, sequentially numbered ATL customer receipts	$1,500-$2,000	As agreed	As incurred	ATL or outside suppliers **(you must purchase customer receipts only from ATL)**
Signs (interior and exterior) plus estimated installation	$1,500-$4,500 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Miscellaneous opening costs (estimated)	$6,000-$12,000 **Note 6**	As agreed	As incurred	Outside suppliers
Initial Advertising Fee	$5,000	Lump sum	7 days before you begin Franchise School	ATL Advertising Fund
Additional Funds – 3 months	$30,000-$35,000 **Note 7**	As agreed	As incurred	Employees, Suppliers and Utilities
Insurance	**Note 8**	As agreed	As incurred	Insurance company
Totals	$105,800-$129,500 **Note 9**			

Your Estimated Initial Investment

Table 7-4: Combination of All Tune and Lube®, ATL Motor Mate®, and All Tune Transmissions® Operating at Single Approved Location

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made Note 1
Franchise license fee	$36,000 **Note 2**	$14,000 initial deposit on signing and $22,000 balance per **Note 2**	At signing of franchise agreement	ATL
Travel and living expenses while training	$300-$500 **Note 3**	During initial training	As incurred	Restaurants, retailers and outside suppliers
Real Estate and Improvements	**Note 4**	**Note 4**	**Note 4**	**Note 4**
Equipment	$25,000-30,000 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Computer Hardware and Software	$2,500-$3,500	As agreed	As incurred	ATL or outside suppliers
Initial inventory	$5,000-$8,000	As agreed	As incurred	Outside suppliers
Promotional material, business supplies, stationery forms, sequentially numbered ATL customer receipts	$1,500-$2,000	As agreed	As incurred	ATL or outside suppliers **(you must purchase customer receipts only from ATL)**
Signs (interior and exterior) plus estimated installation	$1,500-$5,000 **Note 5**	As agreed	As incurred	ATL or outside suppliers
Miscellaneous opening costs (estimated)	$6,000-$12,000 **Note 6**			
Initial Advertising Fee	$5,000	Lump sum	7 days before you begin Franchise School	ATL Advertising Fund
Additional Funds – 3 months	$30,000-$35,000 **Note 7**	As agreed	As incurred	Employees, Suppliers and Utilities
Insurance	**Note 8**	As agreed	As incurred	Insurance company
Totals	$112,800-$137,000 **Note 9**			

NOTES TO TABLES 7-1, 7-2, 7-3, AND 7-4

1/ All amounts paid to ATL are non-refundable.

2/ For any stand-alone All Tune and Lube®, ATL Motor Mate®, or All Tune Transmissions® franchise (Tables 7-1, 7-2, and 7-3, respectively), you will pay the $10,500 initial deposit on the franchise license fee at signing of the franchise agreement and then you will pay the $18,500 balance of the franchise license fee on the earlier of the 7th day before your franchise school begins, or the 120th day after the signing of the franchise agreement. For all three of these franchises to be operated in combination at a single ATL-approved location, you will pay ATL a $14,000 initial deposit on the license fee at signing and the $22,000 balance on the earlier date specified in the preceding sentence. See Item 5, Chart 5-1. To operate any two of the franchises in combination at a single approved location, you will pay ATL a $12,500 initial deposit at signing and the $20,500 balance on the earlier date specified above. See Chart 5-1.

3/ This estimate only applies if training is held in Maryland instead of virtual online. It is a per person estimate of expenses during franchise school. We pay for the cost of 1-2 persons' round-trip transportation to and from Maryland (where the training site is currently located) and for your lodging and local transportation (typically a rental car which is shared with other attendees), as well as for training instructors, facilities and training materials. You pay for any meals, other travel, and wages (if any) during the franchise school. Franchisor reserves the right to substitute/offer training at our headquarters in Millersville, MD vs. online virtual Initial Training. The classroom training will contain the same material in its entirety.

4/ Most of our franchisees lease their Center locations. The real properties used as ATL Total Car Care® Centers will vary considerably in rental amounts, improvements required to make the property usable as a Center, cosmetic improvements to the building and security deposits. Improvements costs you pay may include floor covering, counters, ceilings and electrical, wall and floor treatment, carpentry and related work, and painting, which will vary significantly depending on the condition, location and size of the premises and the demand for the premises among prospective tenants. An All Tune and Lube® Center location typically consists of a 4-6 bay automotive service building or space with a customer waiting room, parts/storage area and restroom(s). Center locations typically have 2,000 - 4,000 square feet, although there are smaller (3-bay) and larger (more than 7-bay) Centers in the ATL Total Car Care® System. An All Tune and Lube® franchise combined with an ATL Motor Mate® franchise at a single location can also fit within such a 2,000-4,000 square foot space. If you are contemplating the purchase of any other two or more franchises to operate at a single approved location in combination (such as combining All Tune Transmissions® with All Tune and Lube® or combining all three franchises), then a larger location approximating 3,000-4,500 square feet would be more suitable for this purpose. Regardless of whether you choose to operate one franchise or combine all three at one location, a paved parking area at or near the Center location large enough to accommodate approximately 10-15 vehicles is preferable; however, many ATL Total Car Care® Centers operate with significantly fewer parking spaces or share parking with other tenants in multi-tenant facilities such as shopping centers, auto malls, and strip centers. You should consider that the owners and managers of real property are independent third parties not controlled by ATL, and that market conditions, together with certain other property-specific factors described below, will determine the terms under which you will be able to secure your Center location. Furthermore, applicable zoning/permitting restrictions or lease provisions may prevent you from offering certain goods and services such as engine exchanges/replacements, transmission exchanges/rebuilds/clutch replacements, and/or truck rentals (see Item 16). ATL estimates that monthly base rent (excluding the franchisee's share of real estate taxes, maintenance and/or insurance will typically range from $3,500 to $6,000 per month, with an initial security deposit required between $3,500 and $6,000 at the time of lease signing. Most franchisees lease their Center locations, whether existing or new, rather than purchasing land and a building which can involve substantial additional expense. Whether leasing or purchasing the Center location, you

may pay commissions or consulting fees (for example, by way of lease payments) to real estate brokers or consultants who are involved in procuring the Center location.

5/ The amounts in the Tables represent the estimated cost to you for equipment needed to operate a typical Center as described above, if you purchase the necessary equipment directly from ATL (see Item 8). The cost of equipment varies depending on the franchise(s) you purchase and operate at your Center and the quality (e.g. new or used), quantity and type you choose to purchase for your Center. The quoted prices are effective July 31, 2021, and may vary to reflect any change in prices from suppliers before the actual shipment of the equipment. The cost for equipment, as well as for initial inventory, supplies, and interior and exterior signs may also vary from the above estimates if you decide to purchase these items from any source other than ATL because of shipping distances and price differentials between suppliers, among other things.

Additionally, the cost of exterior signs, installation of exterior signs, and installation of lifts and air compressors will vary according to the particular characteristics of your Center location. For example, if your Center is a free-standing building for which you construct a new free-standing pylon sign and/or channelized letters or sign boxes attached to the building, then the upper range of the estimate for signs in the Table will apply to you. If your Center is a free-standing building (or is located in an automall or other multi-tenant facility) with an existing pylon and/or sign boxes, then the lower to middle range of the estimate may apply. Regardless of the source of signs, lifts, or air compressors, installation charges for these items of equipment are paid to third-party contractors. Currently, oil products suppliers typically offer ATL Total Car Care® franchisees oil and fluids dispensing equipment payable as a surcharge per gallon of oil purchased over a period of years. Accordingly, Table 7-1 does not include the cost of oil and fluids dispensing equipment.

6/ The miscellaneous costs estimate various items such as the Center's furniture, fire extinguishers, janitorial supplies, office equipment, etc., the price and quality of which will vary according to the franchisee's choice. Also included in miscellaneous costs is an estimate of deposits required by utilities, telephone companies, and sales tax authorities, which vary from locality to locality, fees to independent counsel of your choosing for legal and accounting services, such as forming your business entity and reviewing lease or purchase agreements for the Center, and fees for business licenses and other permits which will vary from jurisdiction to jurisdiction.

7/ This estimates your initial start-up expenses. You will need capital to support ongoing expenses, including payroll costs for your employees, advertising contributions required under the Franchise Agreement, utilities, and other business expenses to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We do not include expenses such as depreciation, loan interest, and salaries or any other benefits paid to you or incurred for your benefit because these amounts vary greatly from franchisee to franchisee. These figures are estimates only, and ATL cannot guarantee that you will not have additional expenses, or need additional working capital, during the first three months or for the months that follow. Your costs will depend on factors such as: how much you follow ATL's methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our services and products; the prevailing wage rate; competition; and the sales level reached during the initial period.

8/ You must purchase and maintain in full force at all times insurance policies meeting the following minimum requirements: (i) worker's compensation insurance, in amounts and from insurance providers or other entities as required by law; (ii) liability insurance under a garage liability policy, with a combined single limit of at least $2,000,000, medical payments coverage of at least $2,500, and customer automobile insurance (garagekeepers physical damage) of at least $80,000; (iii) business insurance consisting of business personal property (fire peril/all risk) of at least $70,000, employee dishonesty/ loss of money and securities for $25,000 each, and business interruption insurance for your actual loss of income from your Center for up to 12 consecutive months with no dollar limitation; (iv) pollutant cleanup and removal coverage insuring your Center against losses from spills or releases from your business operations for at least $25,000 (which pollution insurance requirement ATL may waive in its

complete discretion if we determine that this insurance is not available on a commercially reasonable basis); and (v) any additional insurance that may be required under your real estate lease, loan, equipment lease, or by ATL in its complete discretion. All policies of insurance must be in form acceptable to ATL in its complete discretion, with companies reasonably satisfactory to us. ATL may periodically require you to purchase different forms and/or amounts of insurance. There are also requirements in the franchise agreement for you to provide us with certificates issued by each of your insurers indicating that the required coverages are in effect and providing for at least 30 days written notice to ATL. See paragraph 12 of the franchise agreement for more details.

We estimate that the low/high range of the total premiums for the insurance you are required to carry under the franchise agreement to be approximately $5,000-$15,000 per year. The cost and availability of this insurance may vary substantially depending on size and location of the Center, number of employees in the Center, market conditions within the insurance industry, and other applicable factors. These premiums are typically not due as a lump sum at the opening of the Center. Instead, you make a 10-25% down payment followed by 8-10 monthly installments to pay the balance of the premiums due.

9/ ATL relied on its thirty-eight years of experience in the automotive repair and service business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Regarding various combinations of franchises you may purchase for operation at a single ATL-approved Center location, we estimate that, in addition to the increased initial franchise license fee detailed in Chart 5-2 (see Item 5), (i) the All Tune and Lube® franchisee will have an additional investment of approximately $500 in miscellaneous equipment and tools to add the ATL Motor Mate® franchise; (ii) the All Tune and Lube® franchisee will have an additional investment in the range of $3,600-$7,600 in miscellaneous equipment and tools to add the All Tune Transmissions® franchise; (iii) the ATL Motor Mate® franchisee will have an additional investment in the range of $3,600-$7,600 in miscellaneous equipment and tools to add the All Tune Transmissions® franchise; and (iv) the All Tune Transmissions® franchise will have an additional investment of approximately $1,000 in miscellaneous equipment and tools to add the ATL Motor Mate® franchise.

[NOTHING FOLLOWS ON THIS PAGE]

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Equipment, Signs, Inventory and Supplies

You must operate the Center in strict conformity with the specifications that we describe in the Confidential Operating Procedure Manual (also referred to as the "Manual") or otherwise in writing. You must sell only products and services that we have expressly authorized for sale in writing in the manner we specify. You must not deviate from any of our specifications without our written consent. You must discontinue selling any products or services that we disapprove in writing on notice. You have complete discretion as to the prices you charge customers for your products and services.

We are currently the only supplier of sequentially numbered ATL customer receipts (see Item 5). We do not require you to purchase any other equipment, materials or supplies from us. Typically, ATL franchisees purchase from us certain promotional materials before Center opening (see Items 5 and 7). You must obtain all of the products, equipment, signs, fixtures, furnishings, inventory, supplies, and other materials required to operate the Center solely from suppliers (including manufacturers, distributors and other sources) who meet our specifications for those items at the time. Any supplier that meets ATL's specifications is in effect an approved supplier. ATL is an approved supplier for equipment, signs, fixtures, forms, and other supplies. Except to the extent that ATL is an approved supplier, none of our officers have any ownership interest in any approved supplier.

You must obtain your initial inventory order before Center opening and replenish your inventory periodically during your Center's operation. At your request, we will supply you with information on sources for inventory, equipment, signs, computer software, and supplies before you open your Center (see Item 11). However, you may purchase from any source as long as our specifications are met. ATL may modify specifications by notifying you in writing of the modification.

Last fiscal year, we had total revenues of $767,656, of which $70,807 (or 9.22%) was derived from the sale of equipment, signs, fixtures, software, forms, customer receipts, and other supplies. These figures are derived from our July 31, 2024 audited financial statement.

We estimate that the equipment, signs, fixtures, software, forms, customer receipts, and other supplies that you may purchase from ATL will range from approximately 1% to 50% of your cost to establish the Center and from ½% to 1% of your cost to operate the Center on an ongoing basis. Other than the customer receipts described above, you have no obligation to purchase or lease from ATL or any designee of ATL. You are not required to belong to any purchasing or distribution cooperatives.

Site Selection and Construction

We must approve any proposed site you find for the Center, and also approve any lease or purchase agreement for the Center before you sign it (see Item 11 and Note 4 to Item 7).

Truck Rentals

You have the option of carrying truck rentals as an additional line of service at any of the three franchises offered. ATL has identified U-Haul® as an approved participating truck rental company. You have the right to propose other truck rental companies for our approval. To participate in the U-Haul® program, you must meet U-Haul’s criteria, as well as criteria established by ATL, and enter into an agreement with U-Haul® on terms U-Haul® establishes.

Insurance

You must obtain and maintain the insurance coverage listed in Paragraph 12 of the franchise agreement. We do not restrict the source(s) of your insurance coverage; however, you must obtain the policies from an insurance company reasonably satisfactory to us, name us as an additional insured, and deliver to us initial and renewal certificates of insurance. The policies must include, at a minimum, the insurance coverage and policy limits we specify (see Note 8 to Item 7). We may change the coverage requirements and amounts, in our discretion, and will advise you of the changes in writing.

Computer Software/Shop Equipment

While you are not required to buy or use any electronic cash register, computer system, or software in the operation of your business (see Item 11), a source that ATL suggests to franchisees is Advantage Systems d/b/a ShopPro®. In fiscal year 2023 - 2024, ATL received no revenue from reselling ShopPro® software at the rate of $50 per renewal for each franchisee that renewed its ShopPro® software license and $210 for each franchisee who purchases a ShopPro® software license for the first time. ATL received no credits from Advantage Systems toward future ShopPro invoices.

While you are not required to buy or use any specific vehicle/labor guide, the source that ATL suggests to franchisees is All Data®. All Data's DVD-driven automotive information system facilitates estimating repair or service costs utilizing industry labor rates and provides other detailed vehicle information for most makes and models.

In this and future fiscal years, ATL reserves the right to apply any funds we receive from ShopPro® and/or other vendors to any general corporate purpose we choose without crediting individual franchisee accounts.

Payroll Data Processing Services

While you have the option to choose any payroll service you wish, a source for payroll and payroll related tax filing data processing services that ATL suggests is ADP, LLC ("ADP"). In late-fiscal year 2016 - 2017, ATL reached an agreement with ADP, under which ATL franchisees will receive a 20% discount of prices from ADP. ADP will pay ATL a 10% revenue share from payroll services purchased by ATL franchisees.

ATL received no revenue from ADP under the above program for the 2023 - 2024 fiscal year. In this and future fiscal years, ATL reserves the right to apply any funds we receive from ADP (under the above program or any similar program) for any general corporate purpose we choose without crediting any of the above amounts to individual franchisee accounts.

Parts Supplies

While you have the option to choose any parts supplier you wish, a source for parts that ATL suggests is AutoZone®. Beginning in fiscal year 2009, ATL reached an arrangement with AutoZone® under which ATL will receive payments from AutoZone® based on chainwide volume of parts purchased by ATL franchisees from AutoZone®. AutoZone offers ATL franchisees a discounted purchasing program on select items based on the amount of their individual weekly purchases. Discounts range from 3% to 25% depending on the amount and type of purchase. AutoZone will pay ATL a 3% quarterly commercial rebate for parts purchases from AutoZone® by all ATL locations (excluding oil, antifreeze, and R12 Freon and outside purchases), to be paid quarterly to ATL.

ATL received $20,339.64 from AutoZone® under the above program for the 2023 - 2024 fiscal year and deposited such funds into ATL's corporate account without crediting any of the funds to individual

franchisee accounts. In this and future fiscal years, ATL reserves the right to apply any funds we receive from AutoZone® (under the above program or any similar program) for any general corporate purpose we choose without crediting any of the above amounts to individual franchisee accounts.

Wholesale supplies/initial inventory supplies

While you have the option to choose any wholesale supplier you wish, a source for wholesale supplies/initial inventory supplies that ATL suggests is the TrueBrand® line of products by Solid Start. Solid Start is a manufacturer of performance additives and treatments for all types of engines, fuel systems, gear/transmissions, and hydraulic systems. Solid Start pays ATL a 3% quarterly commercial rebate for inventory purchases from Solid Start by all ATL locations. In fiscal year 2023 - 2024, ATL received $41.88 under the above program.

Formation of Franchisee Corporation/Limited Liability Company

While you have the option of forming your own corporation, limited liability company ("LLC"), or other entity under which you may operate your franchised business, or hiring your own attorney to do so, a source for such service that ATL suggests is Incorporate.com, a CSC company, (formerly The Company Corporation®). In 2002, ATL reached an arrangement with The Company Corporation® (now Incorporate.com) under which ATL will receive a $40 referral fee from Incorporate.com for each formation of a new corporation, LLC, or other entity by an ATL franchisee through Incorporate.com. ATL recommends that you have your own attorney review all documents relating to the formation of any corporation, LLC, or other entity. In fiscal year 2023 – 2024, ATL received no payment in referral fees from Incorporate.com under the above program. In this and future fiscal years, ATL reserves the right to apply any funds we receive from Incorporate.com (under the above program or any similar program) for any general corporate purpose we choose without crediting any of the above amounts to individual franchisee accounts.

Financing for Franchise Start-Up

While ATL does not offer financing to its franchisees (see Item 10), an option available to you in financing the purchase or development of your franchise or in providing working capital for your business is to access the assets of any 401(k), 403(b), or other retirement plan you may have. ATL suggests you consider the "Entrepreneur Rollover Stock Ownership Plan" (ERSOP) offered by Benetrends Financial as a source for this type of service. Under the ERSOP and similar programs, retirement plan assets are applied directly to the start-up or development of your franchise after deducting the fees of the provider who assists you in this process. Utilizing a service such as Benetrends Financial may make available to you a larger percentage of the funds from your retirement plan, as compared to your directly rolling over the assets of your retirement plan, because of the distributions, taxes, and potential penalties involved in a direct rollover by you. You should definitely consult with your own tax and legal advisers before pursuing an ERSOP or similar program.

Benetrends Financial pays ATL a $500 referral fee for each ATL franchisee who engages Benetrends Financial to assist the franchisee with an ERSOP. If Benetrends Financial provides the franchisee with incorporation services, it pays ATL an additional $500 referral fee.

In fiscal year 2023 - 2024, ATL received $1,000 in referral fees from Benetrends Financial under the above program. In this and future fiscal years, ATL reserves the right to apply any funds we receive from Benetrends Financial (under the above program or any similar program) for any general corporate purpose we choose without crediting any of the above amounts to any individual franchisee accounts.

Electronic Transaction Processing Services

It is a common practice for modern retailers of goods and services to contract with outside vendors to provide the retailers with electronic transaction (bankcard) processing services. While you have the option to choose any vendor you wish, a source for those services that ATL suggests is Commerce Technologies Corporation (DBA E-Commerce Exchange). In late fiscal year 2010, ATL reached an arrangement with E-Commerce Exchange ("ECX") under which ECX will pay ATL thirty-five percent (35%) of net income generated on monthly e-commerce and bankcard processing services for any referred and approved ATL franchisee accounts. ATL received no payment from ECX under the above program for the 2023 - 2024 fiscal year. In this and future fiscal years, ATL reserves the right to apply any funds we receive from ECX (under the above program or any similar program) for any general corporate purpose we choose without crediting any of the above amounts to individual franchisee accounts.

ATL provides no material benefits to a franchisee based on a franchisee's use of designated or approved sources or their purchase of particular products or services.

Item 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Paragraph in Agreement	Item in disclosure document
a.	Site Selection and acquisition/lease	Paragraphs 5A and 5B of Franchise Agreement	Item 11
b.	Pre-opening purchases/leases	Paragraphs 5D and 5G of Franchise Agreement	Items 5, 6, 7, and 8
c.	Site development and other pre-opening requirements	Paragraph 5D of Franchise Agreement	Items 6, 7, and 11
d.	Initial and on-going training	Paragraph 5E and 5F of Franchise Agreement	Items 6, 7, and 11
e.	Opening	Paragraphs 5A, 5B, and 5D of Franchise Agreement	Item 11
f.	Fees	Paragraphs 4, 10E, 10F, 15F and 23C(3) of Franchise Agreement	Items 5 and 6
g.	Compliance with standards and policies, Confidential Operating Manual	Paragraphs 5C, 5L and 8 of Franchise Agreement	Items 8 and 11
h.	Trademarks and proprietary information	Paragraphs 7 and 8 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products and services offered	Paragraphs 5C, 5L, and 8 of Franchise Agreement	Item 16
j.	Warranty and customer service requirements.	Paragraphs 5J and 6 of Franchise Agreement	Item 11
k.	Territorial development and sales quotas	Paragraphs 1A, 1B, and 1C	Item 12

	Obligation	Paragraph in Agreement	Item in disclosure document
l.	Ongoing product and service purchases	Paragraph 5G of Franchise Agreement	Item 8
m.	Maintenance, space and remodeling requirements	Paragraphs 2B(2), 5D, 5H, and 5I of Franchise Agreement	Item 11
n.	Insurance	Paragraph 12 of Franchise Agreement	Item 7
o.	Advertising	Paragraphs 4, 5I and 11 of Franchise Agreement	Items 6, 7, and 11
p.	Indemnification	Paragraph 18D of Franchise Agreement	N/A
q.	Owner's participation, management and staffing	Paragraphs 16A and 16B(2) of Franchise Agreement	Items 11 and 15
r.	Records and Reports	Paragraph 10 of Franchise Agreement	Item 6
s.	Inspections and audits	Paragraphs 5K, 10D, and 10E of Franchise Agreement	Items 6 and 11
t.	Transfer	Paragraph 13 of Franchise Agreement	Item 17
u.	Renewal	Paragraph 2B of Franchise Agreement	Item 17
v.	Post-termination obligations	Paragraphs 15 and 16C of Franchise Agreement	Item 17
w.	Non-competition covenants	Paragraphs 16B, 16C, and 16D of Franchise Agreement	Item 17
x.	Dispute resolution	Paragraph 23 of Franchise Agreement	Item 17

Item 10

FINANCING

Although ATL does not offer financing to its franchisees, we may assist you in obtaining financing from other sources. We attempt to keep current information on lenders and/or equipment lessors who are willing to offer financing to ATL franchisees. At your request, we will supply you with information on sources of financing, whether lenders or equipment lessors. There are no written arrangements between ATL and any lender or equipment lessor for the lender or equipment lessor to offer financing to ATL franchisees. ATL does not receive direct or indirect payments for placing financing.

Except as described above, ATL does not offer direct or indirect financing, nor guarantee your note, lease or other obligation. ATL does not sell or assign its rights under any notes or financing agreements or arrangements, but reserves the right to do so.

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 OBLIGATIONS

Before you open your business, ATL will:

(1) Approve your Center location and review your lease or purchase agreement. ATL generally does not own the premises or lease it to the franchisee (Franchise Agreement – paragraph 3H).

(2) Provide you with specifications for inventory, supplies, equipment, and exterior and interior signs necessary for the opening of your Center (Franchise Agreement – paragraph 3D).

(3) Supply information on sources from whom you may purchase inventory, supplies, equipment, and signs, although you may purchase these items from any source as long as ATL's specifications are met (Franchise Agreement – paragraph 3D).

(4) Place the initial advertising for your Center (Franchise Agreement – paragraph 3B).

(5) Provide initial advisory assistance in the operation of your Center (Franchise Agreement – paragraph 3C).

(6) Provide an initial training program, including Initial Training/franchise school (Franchise Agreement–paragraphs 3A and 5E). The Initial Training (franchise school) is described in Charts 11-1, 11-2, and 11-3 below.

(7) Loan you one copy of the Manual(s) applicable to the franchise(s) you purchase (Franchise Agreement – paragraph 3E).

CONTINUING OBLIGATIONS

During the operation of the franchise business, ATL will:

(1) Provide you with support services, such as ATL Operations Department assistance and ongoing training programs as ATL deems appropriate (Franchise Agreement – paragraphs 3A and 5F).

(2) Provide you with sales, service or promotional bulletins to assist you in developing and improving your Center (Franchise Agreement – paragraph 3F).

(3) Provide you with continuing advisory assistance in the operation of your Center (Franchise Agreement – paragraph 3C).

(4) Continue our efforts to maintain high standards of quality, appearance, professionalism, and service, conducting inspections of the Center and evaluations of the services you offer as we deem appropriate (Franchise Agreement – paragraph 3G).

(5) Defend you at our expense against any third-party claim or lawsuit involving your use of the trademarks you are authorized to use as long as you have used these trademarks as the franchise agreement requires [Franchise Agreement – paragraph 7D(1)].

(6) Make reasonable efforts in providing approvals, advice, and services to you as long as no suspension of services has occurred (Franchise Agreement – paragraph 3H).

(7) Provide advisory assistance with your Center's advertising, as part of our obligation to provide continuing advisory assistance for your Center's operation (Franchise Agreement – paragraph 3C) as described below.

(8) Administer the ATL Advertising Fund [Franchise Agreement–paragraphs 4A(4), 4A(5), 11B, and 11C].

Other than the above Pre-Opening Obligations and Continuing Obligations, we are not obligated by the franchise agreement, or any other agreement, to provide any other supervision, assistance, or services before Center opening or during the ongoing operation of the franchised business. As disclosed in Note 1 of Item 6, we have the right to suspend the above support services and advertising if you fail to make any payment under the franchise agreement when due [Franchise Agreement – paragraph 4A(6)]. Your failure to comply with the franchise agreement may also result in ATL’s causing the transfer, suspension, termination, or amendment of your Center’s telephone service, telephone numbers and/or directory listings.

ATL's Pre-Opening and Continuing Obligations are independent covenants, and your obligation to pay weekly royalty fees, continuing advertising contributions, and all other amounts due under the franchise agreement is not contingent on our performance of these obligations [Franchise Agreement – paragraph 4B].

ADVERTISING

Currently, the media in which advertising for franchisees' Centers is primarily disseminated include local or regional newspapers, magazines/flyers, direct mail, internet and web-based electronic media. ATL in its complete discretion directs the use of all advertising contributions and fees made by its franchisees to the ATL Advertising Fund and all decisions regarding creative content and materials used, as well as the source(s) of all advertising (including whether to use an in-house advertising department or an outside advertising agency) [Franchise Agreement – paragraph 11B]. ATL reserves the right to disseminate advertising for franchisees' Centers in media other than local or regional newspapers, magazines/flyers, and direct mail. Currently, ATL's Marketing Department is the source of all advertising purchased with advertising contributions and fees from franchisees. As a matter of policy, the ATL Marketing Department invites input from ATL's franchisees.

Upon written approval by us, you may also place your own advertising and use your own promotional materials at your expense (Franchise Agreement – paragraph 11B). However, you are not to advertise your Center's telephone number(s) or address in any medium without our prior approval (Franchise Agreement – paragraph 11A). You may not deduct any portion of the cost or expense of your own advertising (including print, radio, television, or any other advertising you place on your own) from the initial advertising fee, continuing advertising contributions, weekly royalty fees or any other amount(s) owed to ATL under your franchise agreement (Franchise Agreement – paragraph 11B). At present, ATL does not have an advertising council composed of franchisees, and you are not required to participate in a local or regional advertising cooperative.

While not contractually required to do so, ATL has in recent years spent the franchisee's advertising contributions in the franchisee's designated market. There is no requirement that ATL spend any amount on advertising in the area where your Center is located. Substantially all advertising fees and contributions are spent in the fiscal year in which they accrue. ATL spends those advertising fees and contributions which are not spent in the fiscal year in which they accrue on advertising for franchisees' Centers in the following fiscal year. For ATL's most recently concluded fiscal year, amounts were spent from the ATL Advertising Fund in the following unaudited percentages: production (0%), media placement (100%), and administrative expenses (0%). As noted above, ATL has the right to spend amounts from the Fund for production, media placement, administrative expenses, and other expenses, and reserves the right to do so. No part of the ATL Advertising Fund is used for advertising that is principally a solicitation for the sale of franchises.

You must pay a $5,000 initial advertising fee to the ATL Advertising Fund 7 days before you begin franchise school at our headquarters in Maryland. If you purchase the assets of a Center from an existing ATL franchisee, the initial advertising fee you are required to pay ATL at closing on the purchase is reduced to $3,000. ATL applies this initial advertising fee to the initial promotion of your Center. You must also pay other expenses to the ATL Advertising Fund, in addition to the weekly advertising contribution described below.

As stated in Item 6, if you purchase a stand-alone All Tune and Lube® franchise, a stand-alone All Tune Transmissions® franchise, a stand-alone ATL Motor Mate® franchise, or any combination of two or three different franchises described in this disclosure document at a single approved location, then you will pay to the ATL Advertising Fund, ATL, and/or ATL's designee (as ATL in its sole discretion determines) an amount agreed upon by Franchisor and Franchisee per week.

ATL administers the ATL Advertising Fund, which is audited annually as part of the audit of ATL. While separate financial statements for the ATL Advertising Fund are not provided to franchisees, ATL will provide a statement, not more than once annually upon your written request, of receipts and disbursements from the Fund for your Center and/or your Center's pro-rata share of advertising in your Designated Market (franchise agreement–paragraph 11C). Neither ATL nor any affiliate receives payment for providing goods or services to the ATL Advertising Fund.

COMPUTER SYSTEMS

ATL does not require you to buy or use an electronic cash register or a computer system in the operation of your franchise business. However, some franchisees use computer systems in the operation of their Centers, and various computer systems are available for purchase or leasing on an optional basis from sources of your choosing. ATL can also suggest sources to you at your request.

A source that ATL suggests to franchisees for computer software to use in the operation of their Centers is Advantage Systems dba ShopPro® (see Item 8). ShopPro® 4.5 for Windows is a Microsoft® Windows® program that runs on IBM-compatible computers with a minimum of 256 MB of RAM, a 1 GB hard drive, and a CD-ROM drive. Advantage Systems will provide recommendations regarding specific operating system and hardware criteria. ShopPro® for Windows uses ink-jet or laser printers for repair orders and reports, supporting black and white or color. Advantage Systems advises that repair orders and postcards can be completely printed by ShopPro® for Windows on inexpensive single-sheet printer paper. According to Advantage Systems, ink-jet and deskjet printers will work with ShopPro® for Windows but are not recommended because of high ink cost and slow speed when producing multiple copies.

ATL has neither the contractual right nor obligation to provide ongoing maintenance, repairs, upgrades, or updates to your computer software, computer systems, or other equipment in your Center. Different vendors charge varying prices for those services.

The costs associated with the purchases of software and computer systems may vary from vendor to vendor, especially regarding hardware items, software, and services which are widely available from a variety of vendors. The cost for the first year's license for ShopPro® 4.5 for Windows is $1,210 which includes the software, four hours of telephonic training from Advantage Systems, and a one-year e-mail coupon subscription. In addition, Advantage Systems also offers two optional features for ShopPro® 4.5. A texting feature and a Vehicle Digital Inspection ("VDI") feature. A free 30-day trial is included with the first year's license for each optional feature and if you decide to keep one or both of the features, it is $16 a month for each of the features you keep. Under its current policies, Advantage Systems representatives are also available Monday thru Thursday, 8:00 a.m. to 4:00 p.m., and Friday, 8:00 a.m. to 12:00 p.m. Pacific Time, to troubleshoot any issues on the phone with ATL franchisees regarding the ShopPro® software. The franchisee pays $795 per year for renewals of ShopPro® for Windows software. ATL receives an annual $50 referral fee when its franchisees renew ShopPro® software after the third year.

ShopPro® is an automotive shop management program which is used in the franchisee's business to generate repair orders (customer invoices), to build and maintain a customer database, and to generate reports on the franchisee's business. ShopPro® can also be used as a marketing tool to generate promotional letters, postcards, or offers and mailing labels targeted to the specific customers whose information has been entered into the database. Under ATL's current system, the individual franchisee's computers and software are not electronically linked to any computers or networks at ATL, and ATL's only independent access to the information and data for the franchisee's Center would be via audit/inspection (see Franchise Agreement paragraph 11E).

SITE SELECTION AND TIME FOR OPENING

You select your Center location within your Designated Market (see Item 12) (franchise agreement–paragraphs 1A and 5A). Generally, ATL does not hold or open Center locations for resale or lease to franchisees. Instead, you apply to ATL for a franchise in a geographical area chosen by you. Exhibit I contains that application form, the Confidential Qualification Report. After application and signing of the franchise agreement, you seek a location for your Center within the geographical area you have chosen, which is identified as the Designated Market in the franchise agreement (franchise agreement–paragraph 1A).

ATL strongly encourages you to engage your own tenant- or buyer-broker with specialized knowledge of the commercial real estate market in your Designated Market to assist you in your site selection efforts (franchise agreement – paragraph 5A). In most instances, Center locations are leased or purchased from third parties who are not affiliated with or controlled by ATL [see Note 4 to Item 7]. While you are responsible for finding and securing your Center location (franchise agreement – paragraph 5A), ATL may identify potential Center locations to you, although we are not contractually obligated to do so (franchise agreement – paragraph 5B).

ATL must approve the location (see Item 8) (franchise agreement–paragraphs 3H and 5A). Factors which ATL considers in deciding whether to approve sites include population (households) in the area of the site, median household income, and site characteristics, together with proximity to existing Center locations. The franchise agreement does not contain time limits on your obligation to obtain or on our obligation to approve or disapprove your site. If you and ATL are unable to agree on your site, you may lose your franchise license fee (including the initial deposit and any balance you have paid) because the franchise agreement states that these amounts are non-refundable (franchise agreement – paragraph 4A). See Item 5.

Typically, the interval between the signing of your franchise agreement and the opening of your Center ranges between 2-10 months. Factors which may affect this period include the ability to obtain a lease, to obtain acceptable financing arrangements, and to obtain required zoning and building permits meeting local ordinances or community requirements. Additionally, weather conditions, shortages, slow delivery and other factors such as completion of construction, remodeling, decorating, and purchasing and installing equipment, fixtures and signs affect the opening of your Center.

CONFIDENTIAL OPERATING PROCEDURE MANUALS

Exhibit J-1 consists of the Table of Contents for the All Tune and Lube® Confidential Operating Procedure Manual, and Exhibit J-2 is the Table of Contents for the ATL Motor Mate® Confidential Operating Procedure Manual. Exhibit J-3 contains the Table of Contents for the All Tune Transmissions® Confidential Operating Procedure Manual.

TRAINING

Before you can open your Center, you (including the signers of the franchise agreement and any other individuals ATL in its complete discretion requires and approves) must satisfactorily complete Initial Training which consists of franchise school, either online virtual training, or at our Maryland headquarters, and the in-Center training you receive in your Center just before it opens. The Initial Training school is mandatory for all new franchisees and must be completed to ATL's satisfaction (franchise agreement–paragraph 5E). The first part of the Initial Training consists of approximately one week of franchise school. Should Franchisee attend Initial Training at our headquarters in Millersville, MD, ATL will pay for training instructors, facilities, training materials, round-trip transportation to and from Maryland, the cost of local transportation (typically a rental car which is shared with other franchisees) and lodging for up to 2 persons (per franchise) that ATL approves to attend the franchise school (see Note 3 to Item 7). Travel and living expenses of the

persons attending franchise school that you pay are disclosed in Note 3 to Item 7. (Also see franchise agreement–paragraph 5E.) As noted in the tables below, the Initial Training program is generally given every 6 to 8 weeks. Therefore, a franchisee generally completes the first part of the training before opening the Center. The second part of the Initial Training is the in-Center training. An ATL employee or designee will conduct this portion of the training program in your Center just before your Center opens and during the course of your Center's opening.

ATL's Initial Training/franchise school is conducted by Daniel J. Sparby, Senior Vice President, who has been employed by ATL for more than thirty-five years. Other ATL employees, as well as representatives of several suppliers, give instruction in areas in which they specialize, such as Center Administration, Technical/Equipment and Center Operation. Examples of items used as instructional materials are the Manual, the All Data® DVD-driven automotive information system, brochures, bulletins, handouts, various ATL forms and other materials.

The Initial Training required by ATL for each of the three franchises before and during your Center opening currently consists of the following:

[NOTHING FOLLOWS ON THIS PAGE]

Chart 11-1

TRAINING PROGRAM
for
All Tune and Lube® Initial Training

SUBJECT	HOURS OF VIRTUAL OR CLASSROOM TRAINING 1/ 2/	HOURS OF ON-THE-JOB TRAINING 2/ 3/	LOCATION
Sales Training	10 hours		Online
Policies and Procedures	6 hours		Online
Business Management	8 hours		Online
Customer & Public Relations	4 hours		Online
Technical/Equipment	4 hours		Online
Administration	8 hours		Online
Center Operation		80-120 hours	Your Center

1/ Classroom training, as an alternative to online virtual training, occurs at the franchise school held at ATL's home office, which is located at ATL's principal business address as disclosed in Item 1. The allocation of hours devoted to each subject, whether by virtual online training, or classroom, may vary at ATL's discretion. ATL holds online virtual franchise schools approximately every 8-12 weeks, or 4-5 times per year.

2/ If you simultaneously purchase any combination of two or more of the franchises offered in this disclosure document for operation at the ATL-approved location for your first Center, then you will receive virtual/classroom training on certain subjects (for example, Business Management, Customer & Public Relations, and Administration) in one block rather than repeating this training in two separate blocks for the hours indicated. Similarly, hours of on-the-job training will be consolidated into one block of training.

3/ On-the-job training occurs just before and during the opening of your Center. Actual number of hours may vary at ATL's discretion.

Chart 11-2

TRAINING PROGRAM
for
ATL Motor Mate® Initial Training

SUBJECT	HOURS OF VIRTUAL OR CLASSROOM TRAINING 1/ 2/	HOURS OF ON-THE-JOB TRAINING 2/ 3/	LOCATION
Sales Training	10 hours		Online
Policies and Procedures	6 hours		Online
Business Management	8 hours		Online
Customer & Public Relations	4 hours		Online
Technical/Equipment	4 hours		Online
Administration	8 hours		Online
Center Operation		80-120 hours	Your Center

1/ Classroom training, as an alternative to online virtual training, occurs at the franchise school held at ATL's home office, which is located at ATL's principal business address as disclosed in Item 1. The allocation of hours devoted to each subject, whether by virtual online training, or classroom, may vary at ATL's discretion. ATL holds online virtual franchise schools approximately every 8-12 weeks, or 4-5 times per year.

2/ If you simultaneously purchase any combination of two or more of the franchises offered in this disclosure document for operation at the ATL-approved location for your first Center, then you will receive virtual/classroom training on certain subjects (for example, Business Management, Customer & Public Relations, and Administration) in one block rather than repeating this training in two separate blocks for the hours indicated. Similarly, hours of on-the-job training will be consolidated into one block of training.

3/ On-the-job training occurs just before and during the opening of your Center. Actual number of hours may vary at ATL's discretion.

Chart 11-3

TRAINING PROGRAM
for
All Tune Transmissions® Initial Training

SUBJECT	HOURS OF VIRTUAL OR CLASSROOM TRAINING 1/ 2/	HOURS OF ON-THE-JOB TRAINING 2/ 3/	LOCATION
Sales Training	10 hours		Online
Policies and Procedures	6 hours		Online
Business Management	8 hours		Online
Customer & Public Relations	4 hours		Online
Technical/Equipment	4 hours		Online
Administration	8 hours		Online
Center Operation		80-120 hours	Your Center

1/ Classroom training, as an alternative to online virtual training, occurs at the franchise school held at ATL's home office, which is located at ATL's principal business address as disclosed in Item 1. The allocation of hours devoted to each subject, whether by virtual online training, or classroom, may vary at ATL's discretion. ATL holds online virtual franchise schools approximately every 8-12 weeks, or 4-5 times per year.

2/ If you simultaneously purchase any combination of two or more of the franchises offered in this disclosure document for operation at the ATL-approved location for your first Center, then you will receive virtual/classroom training on certain subjects (for example, Business Management, Customer & Public Relations, and Administration) in one block rather than repeating this training in two separate blocks for the hours indicated. Similarly, hours of on-the-job training will be consolidated into one block of training.

3/ On-the-job training occurs just before and during the opening of your Center. Actual number of hours may vary at ATL's discretion.

You must also satisfactorily complete additional training programs which may include sales meetings, operations meetings, and conventions as ATL may reasonably require. We are only responsible for supplying training instructors to lead these programs. ATL does not charge you any fee for additional training; however, you must pay all the expenses you incur while attending additional training, if not virtual online training, including the cost of all travel, lodging, meals, salaries, and wages.

Item 12

TERRITORY

You and ATL agree on a metropolitan or other extended market area, referred to as the Designated Market in your franchise agreement. The Designated Market varies in size–it typically consists of a town or city, a county or counties, or a metropolitan area, depending on the market(s) in which you are interested in opening your Center. ATL considers your geographic preference in approving the choice of the Designated Market. You will then select a Center location in the Designated Market.

You are to establish and operate your Center only at a single location approved by ATL within the Designated Market. You have territorial rights in that, as long as you are not in default under the franchise agreement, ATL will not establish or grant a franchisee the right to establish more than one Center operating each and every franchise you have purchased (for operation at your Center) for each 40,000 motor vehicles in the immediate area in which your Center is located. ATL or any other franchisee may advertise or solicit customers in this immediate area or in the Designated Market as a whole. ATL is not required to pay any compensation to a franchisee for soliciting or accepting orders from customers inside a franchisee's Designated Market (although, as noted above, ATL will not establish more than one Center in the area in which your Center is located). While there are no restrictions on the territory from which you can solicit or accept customers and you are encouraged to market your services within the Designated Market, you do not have the right to use channels of distribution (other than your Center) to make sales. All sales and services must be provided at or from your Center. If you have selected a Center location and notified ATL of your selection before signing the franchise agreement, then, upon your request, the franchise agreement will include a reference to that location immediately after the description of the Designated Market. If the selected location is not obtainable, then you are required to find and secure another location in your Designated Market.

Your right to operate a Center is limited to one location per franchise agreement. Furthermore, if we give you written authorization, by schedule or other writing signed by one of our officers, to operate two or more different franchises in combination, you must operate these franchises at the single location we approve. You must receive ATL's written approval before relocating your Center. The factors which we consider in approving a Center location are the same on relocation as they are in the initial approval as disclosed in Item 11.

There is no automatic right to acquire additional franchises in the vicinity of your Center or otherwise, and we do not grant you any rights of first refusal.

You are not restricted from selling products and services to customers residing outside the above-described 40,000 motor vehicle area. Except when advertising cooperatively with appropriate franchisees, you are restricted from advertising outside your territory without prior written consent. You may not engage in any mail order solicitations, catalog sales, telemarketing, internet, or television solicitation programs or use any other advertising media outside of your territory without prior written approval.

ATL has not used alternate channels of distribution to sell or offer for sale products or services similar to those offered at or from the Center, but ATL is not restricted from doing so.

ATL does not operate or franchise any other business under a trademark different from those disclosed in this disclosure document that sells goods or services similar to those offered in the Center and we have no present plans to do so. The franchise agreement, however, reserves ATL's right to do so. If you do not purchase all three of the franchises offered in this disclosure document to be operated at the same approved Center location, we may also open, or license another franchisee to establish one or both of the franchises you do not purchase, in close proximity to and/or in the immediate area in which your Center is located. This may result in your being prevented from purchasing and developing at your first Center and/or within the immediate area of your Center described above those franchise(s) that you did not purchase simultaneously with your first franchise for operation at a single approved location.

Continuation of the territorial rights you have in lieu of any exclusive territory does not depend on achievement of any sales volume, sales goal, market penetration, or other contingency (although a $395 minimum royalty fee is payable weekly under the franchise agreement). There are no circumstances (other than termination because of your default (see Item 17f. and g.), under which ATL may alter your territorial rights under the franchise agreement without your consent.

Item 13
TRADEMARKS

ATL currently grants you the right to operate your Center under the trademarks "All Tune and Lube," "ATL Motor Mate," and/or "All Tune Transmissions," depending on the combination of franchises you purchase. ATL may require you to use other trademarks designated by ATL in writing in operating your Center. By trademark, ATL means trade names, trademarks, service marks, and logos used to identify your Center. ATL has registered the following principal trademarks on the United States Patent and Trademark Office ("PTO") principal register: "All Tune and Lube" (#1,437,506; April 21, 1987); "All Tune" (#1,684,879; April 28, 1992); the "All Tune and Lube" logo (#2,105,084; October 14, 1997); "All Tune Transmissions" (#2,122,868; December 23, 1997; "ATL Car Care" (#2,166,057; June 16, 1998); "ATL Total Car Care" (#2,173,232; July 14, 1998); "ATL Motor Mate" (# 2,177,581; July 28, 1998); "All Tune and Lube Total Car Care" (#3,448,729; June 17, 2008). There are no currently effective material determinations of the PTO, Trademark Trial and Appeal Board, the Trademark administrator of this State or any court, any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving these principal registered trademarks. We have filed all required affidavits for the principal trademarks "All Tune and Lube" (#1,437,506),"All Tune" (#1,684,879), the "All Tune and Lube" logo (#2,105,084), "All Tune Transmissions" (#2,122,868), "ATL Car Care" (#2,166,057), "ATL Total Car Care" (#2,173,232), and "ATL Motor Mate" (# 2,177,581).

You must follow our requirements when you use any of the above trademarks. You cannot use a trademark unless ATL authorizes you to use it. You also cannot use a trademark as part of a corporate name or with modifying words, designs or symbols except for those which ATL licenses to you. You may not use ATL's trademarks or registered name with the sale of an unauthorized product or service or in a manner ATL has not authorized in writing.

You must notify ATL immediately when you learn about an infringement or a challenge to your use of our trademark. Although we have the sole right but not the obligation to take action, we will take the action we think appropriate. ATL has the sole right to direct and control any administrative proceeding or litigation involving the trademarks, including any settlement(s). ATL will defend you against any claim involving your use of our trademarks as long as you have used them as the franchise agreement requires. If you have not used the trademarks in accordance with the agreement, ATL will defend you against any of these claims, but at your expense.

You must modify or discontinue the use of a trademark if ATL modifies or discontinues it. If this happens, you must bear the out-of-pocket costs of modification or discontinuance (e.g. changing signs). You must not directly or indirectly contest our right to our trademarks, trade secrets, or business techniques that are part of our business.

There are no agreements currently in effect which significantly limit the rights of ATL to use or license the use of the trademarks listed in this Item 13 in any manner material to you. ATL does not know of any superior prior rights or infringing uses that could materially affect your use of ATL's trademark.

ITEM I4

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents that are material to the franchise. ATL does assert common law copyright claims in the Manual and other printed publications, advertising copy, repair order forms, and other forms, plans and materials issued by us, even though we have not obtained copyright registration of these materials. You will use proprietary information ATL has developed in the operation of the franchised business. The proprietary information (which is also referred to in the franchise agreement as the confidential information) may be found in ATL's Manual, Center manager training materials, technical and sales bulletins, monthly newsletters, and other instructional and training materials (see Item 11). There are no currently effective material determinations of the Register of Copyrights, or any court, any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the information and materials described above.

You must notify ATL immediately when you learn about an infringement or unauthorized use of any of the proprietary information or materials. Although we have the sole right but not the obligation to take action, we will take the action we think appropriate. ATL has the sole right to direct and control any administrative proceeding or litigation involving any of the proprietary information, including any settlement(s). ATL is not obligated to defend or indemnify you from the losses or claims of a third party concerning your use of this information.

We may modify or discontinue using the materials currently used in the System (including those covered by copyrights). You must comply with our standards for their use as modified. If this happens, you must bear the out-of-pocket costs of modification or discontinuance (e.g. destroying old manuals and other materials containing proprietary information). You must not directly or indirectly contest our right to our copyrights or proprietary information that is part of our business.

There are no agreements currently in effect which significantly limit the rights of ATL to use any of the proprietary information or materials described in this Item 14 in any manner material to you. ATL does not know of any superior prior rights or infringing uses that could materially affect your use of ATL's copyrights and proprietary information.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must either (i) directly supervise the franchised business on the Center premises or (ii) employ a manager who has successfully completed the ATL training program for managers to supervise the franchised business on the Center premises. Whether a manager is employed or not, you must devote a minimum of 30 hours per week or more, as necessary, to the management of the franchised business.

If you are a partnership, corporation, limited liability company, or other business entity, at least one of the individuals who signs the franchise agreement must, on a continuous basis, devote a minimum of 30 hours per week or more, as necessary, to the management of the franchised business. Any signer who owns an equity interest in the partnership, corporation, or other business entity and has successfully completed the Initial Training, or a manager who has successfully completed the ATL training program for managers, may provide the required on-site supervision. ATL does not require the on-site manager to have an equity interest in the franchise. Each individual who owns an equity interest in the franchisee entity must sign the franchise agreement assuming and agreeing to discharge all obligations of the "Franchisee" described in the franchise agreement.

The franchise agreement contains confidentiality and non-competition covenants by which you agree to be bound. See Items 14 and 17 of this disclosure document for descriptions of the covenants.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

ATL requires you to offer and sell only those goods and services that we have approved (see Item 9) for your particular franchise or combination of franchises, if applicable. You are also prohibited from using the premises for any purpose other than the required goods and services.

Unless ATL otherwise authorizes in writing, you must offer all goods and services that ATL designates as required for your franchise(s). However, there are certain goods and services such as engine replacements/exchanges, transmission exchanges/rebuilds/clutch replacements, and truck rentals which you may not be able to offer because of applicable zoning restrictions or lease provisions. You must contact local zoning/permitting authorities and your landlord about any of those restrictions or provisions which may limit or prevent your offering those goods and services that we authorize and/or require you to offer under the franchise(s) you have purchased. ATL may authorize you not to offer goods or services restricted in this manner.

The goods and services ATL authorizes and/or requires you to offer are listed in the Manual (See Item 11). ATL has the right to change or add to the authorized services that you must offer, and there are no limits on ATL's right to do so. ATL does not restrict the customers you may solicit or the prices you may charge.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provisions	Paragraph of Franchise Agreement	Summary
a. Length of the franchise term	Paragraph 2A	Term is 15 years
b. Renewal or extension of the term	Paragraph 2B	If you are in good standing, you can renew for three additional terms of 5 years each as long as renewal requirements in c. below are met.
c. Requirements for franchisee to renew or extend	Paragraph 2B	Send timely renewal notice to ATL; sign new agreement; complete maintenance, renovation and remodeling we deem advisable; satisfy all obligations to ATL and its affiliates; and sign release. If you seek to renew your rights to operate the franchised Center at the expiration of the initial term or a renewal term, you will be asked to sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, such as different training qualifications.
d. Termination by franchisee	Not applicable	
e. Termination by franchisor without cause	Not applicable	

Provisions	Paragraph of Franchise Agreement	Summary
f. Termination by franchisor with cause	Paragraph 14	ATL can terminate only if franchisee defaults
g. "Cause" defined – curable defaults	Paragraph 14C	You have 5 days to cure Monetary Defaults such as non-payment of fees, non-payment of money due under lease or purchase agreement, non-submission of reports, and submission of reports containing false statements. You have 15 days to cure any other Curable Defaults defined in Paragraph 14 of the franchise agreement.
h. "Cause" defined – Non-curable defaults	Paragraph 14A and 14B	Non-curable defaults: bankruptcy (see Exhibit M [VA State-Specific Addendum to Franchise Disclosure Document), ceasing to do business at Center, conviction of felony, unapproved transfer, failure to comply with in-term covenant not to compete, breach of required confidentiality, failure to transfer within 12 months after death or substantial incapacity, endangerment of public health or safety, material misrepresentation in application for franchise, abandonment for 5 or more consecutive days, or 2nd Curable Default in 12-month period even if prior Curable Default has been cured.
i. Franchisee's obligations on termination or non-renewal	Paragraph 15	Obligations include completely de-identifying the Center, paying all amounts due, returning the Operating Manual and other proprietary material, and discontinuing use of telephone numbers and directory listings for the Center (also see o. and r. below).

Provisions	Paragraph of Franchise Agreement	Summary
j. Assignment of contract by franchisor	Paragraph 13A	No restrictions on ATL's right to assign.
k. "Transfer" by Franchisee, defined	Paragraph 13B and 13C	Includes transfer of contract or assets or ownership change in franchisee.
l. Franchisor's approval of transfer by franchisee	Paragraph 13B and 13C	You must obtain ATL's prior written consent to all transfers; however, we will not unreasonably withhold our consent as long as conditions for consent in m. below are met.
m. Conditions for franchisor's approval of transfer	Paragraph 13B and 13C	You pay ATL all outstanding monies owed, you sign ATL-form release, you and transferee sign written assignment, new franchisee qualifies, new franchisee signs then-current franchise agreement, you and new franchisee pay transfer fees, new franchisee completes Initial Training (also see r. below) and pays ATL the reduced initial advertising fee of $3,000. If you transfer to a corporation or other legal entity, all shareholders or interest holders must sign franchise agreement, corporate formalities meet 13C restrictions, franchisee and corporation sign written assignment.
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	
o. Franchisor's option to purchase franchisee's business	Paragraph 15H	Upon termination or expiration, ATL has right to assume your lease and/or franchise; ATL also has right to purchase your equipment, signs, and other tangible assets at fair market value (excluding goodwill).

Provisions	Paragraph of Franchise Agreement	Summary
p. Death or disability of franchisee	Paragraph 13D	Your estate or legal representative must transfer the franchise within 12 months with ATL's written consent.
q. Non-competition covenants during the term of the franchise	Paragraph 16B	No involvement in competing business.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 16C	No involvement in competing business for 2 years within 10 miles of the former location or any other location in a System franchised by ATL.
s. Modification of the agreement	Paragraphs 8D and 21	No modifications generally unless signed by both parties but Confidential Operating Manual subject to change.
t. Integration/merger clause	Paragraphs 21 and 24	Only the terms of the franchise agreement are binding (subject to applicable state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Paragraphs 23A and B	Except for certain claims, all disputes must be mediated using the American Arbitration Association's Commercial Mediation Rules, then, if unresolved, arbitrated before the American Arbitration Association ("AAA") under its Commercial Arbitration Rules.

Provisions	Paragraph of Franchise Agreement	Summary
v. Choice of forum (arbitration and litigation)	Paragraphs 23A(3)(a), 23B(3) and 23B(4)	Claims must be mediated in Maryland and then arbitration filed with the Washington, D.C. office (or such other office as the AAA directs), and the arbitration proceedings will be held in Baltimore, Maryland, except for certain claims which must be litigated in the State of Maryland (see state-specific addenda). In any litigation, you waive trial by jury. If you are in a State that has a statute, regulation, or policy requiring arbitration within the State or prohibiting or invalidating agreements that require arbitration to occur outside the State, then ATL reserves the right, under applicable federal law, to contest that statute, regulation, or policy.
w. Choice of law	Paragraph 23C(1)	Maryland law applies (see state-specific addenda).

Restrictions on Termination or Non-Renewal under State Laws

There are states that may have other statutes and court decisions that may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise.

Termination on Bankruptcy

A provision in your franchise agreement that terminates the franchise on your bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq.*

Reinstatements and Extensions

If any termination or expiration of the term of the franchise agreement would violate any applicable law, we may reinstate or extend the term for the purpose of complying with the law.

Other Notes

1. In addition to the provisions noted in the Item 17 chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Franchise Agreement Section 23. We recommend that you carefully review all of these provisions, and the entire contracts, with a lawyer.

2. If a state law requires any modification to these provisions of the Franchise Agreement (or other provisions described in this Item 17) or requires additional terms, those modifications will be found in the disclosure addenda and contractual amendments appended to this disclosure document.

3. If any of the provisions in the Franchise Agreement including those summarized above, are inconsistent with, or contrary to, applicable state law, the requirements of the applicable law or laws will be substituted for the inconsistent or contrary provisions in the agreements.

Item 18

PUBLIC FIGURES

ATL does not use any public figures to promote its franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such 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 Daniel J. Sparby, our Senior Vice President, ATL International, Inc., 8334 Veterans Highway, Millersville, MD 21108 at 410-987-1011; the Federal Trade Commission; and the appropriate state regulatory agencies.

Item 20

Outlets and Franchisee Information

Table No. 1

Systemwide Outlet Summary
For Years 2022-2024

Outlet Type	Year [1]	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	27	25	-2
	2023	25	19	-6
	2024	19	18	-1
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	27	25	-2
	2023	25	19	-6
	2024	19	18	-1

Note:

(1) “Years,” for this chart, and all of the charts in this Item 20, are fiscal years ending July 31.

Table No. 2

Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

State [1]	Year	Number of Transfers
Kansas	2022	1
	2023	0
	2024	0
Pennsylvania	2022	0
	2023	1
	2024	0
Texas	2022	1
	2023	0
	2024	0
Total	2022	2
	2023	1
	2024	0

Note:

(1) States not listed had no franchises, or no activity required to be reported during the periods indicated.

Table No. 3

Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations [(1)]	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Outlets at End of the Year
Alabama	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Alaska	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Alberta	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
British Columbia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
California	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
Connecticut	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations [(1)]	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Outlets at End of the Year
Colorado	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Delaware	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
District of Columbia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Florida	2022	2	2	0	1	0	0	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Georgia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Hawaii	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Idaho	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Illinois	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Indiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Iowa	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations [1]	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Outlets at End of the Year
Kansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kentucky	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Louisiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
Maine	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Maryland	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	2	1
	2024	1	0	0	0	0	0	1
Massachu-setts	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Michigan	2022	1	0	0	1	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Minnesota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Missouri	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations [1]	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Outlets at End of the Year
Montana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Nebraska	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Nevada	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Hampshire	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Jersey	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
New Mexico	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New York	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Ohio	2022	3	2	0	0	0	1	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	2	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations [1]	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Outlets at End of the Year
Oklahoma	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Oregon	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Pennsylvania	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Puerto Rico	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Rhode Island	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
South Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Texas	2022	7	0	1	0	0	1	5
	2023	5	0	0	0	0	2	3
	2024	3	1	0	1	0	0	3
Utah	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations (1)	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Outlets at End of the Year
Vermont	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Virginia	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Washington	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
West Virginia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wisconsin	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wyoming	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Totals	2022	27	5	1	4	0	2	25
	2023	25	2	0	3	0	5	19
	2024	19	3	1	1	0	2	18

Note:

(1) The “Terminated” column reflects the number of outlets terminated after Center opening. The total number of franchises terminated before Center opening for fiscal years 2022/2023/2024 is 3/1/1.

Table No. 4

Status of Company-Owned Outlets [(1)]
For Years 2022 to 2024

State [(2)]	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Notes:

(1) ATL International, Inc. has no “Company-Owned” outlets.

(2) States not listed had no company-owned operations during the time periods indicated.

Table No. 5

Projected Openings as of July 31, 2024, for 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	0	0	0
Alaska	0	0	0
Alberta	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
British Columbia	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
District of Columbia	0	0	0
Florida	1	1	0
Georgia	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	3	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Massachusetts	0	0	0
Michigan	1	1	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	1	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Puerto Rico	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	1	0	0
Texas	2	2	0
Utah	0	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Vermont	0	0	0
Virginia	1	1	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Total	10	6	0

* * *

- A list of Centers in operation (including franchisees and Centers owned by Item 2 persons and/or their immediate family members) is attached as Exhibit K.
- A list of franchisees who have left the system in the most recently concluded fiscal year is attached as Exhibit L.
- If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.
- Some former franchisees who have signed release documents typically in connection with a sale or transfer of their ATL franchise, or upon termination of the franchise relationship with ATL, have agreed to confidentiality provisions which restrict their ability to speak openly about their experience with ATL. 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.
- As of the date of this disclosure document, we do not have any franchisee advisory councils. We are not aware of any trademark-specific franchisee organizations.

Item 21

FINANCIAL STATEMENTS

Exhibit D is the audited financial statements for ATL International, Inc. as of July 31, 2022, July 31, 2023, and July 31, 2024.

Item 22

CONTRACTS

The following contract documents are or may be used by ATL in the franchise relationship:

All Tune and Lube Franchise Agreement – Exhibit E
Schedule 1 (All Tune and Lube® System) – Exhibit F-1
Schedule 2 (ATL Motor Mate® System) – Exhibit F-2
Schedule 3 (All Tune Transmissions® System) – Exhibit F-3
Addendum to Franchise Agreement (Conversion) – Exhibit G
Application Form (Confidential Qualification Report) – Exhibit I
State-Specific Addenda to Franchise Disclosure Document – Exhibit M

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT B
LIST OF ADMINISTRATORS

INDIANA

Secretary of State
Franchise Section
Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204

MICHIGAN

Department of the Attorney General's Office
Consumer Protection Division
Attn: Franchise
P.O. Box 30213
Lansing, MI 48909-7713

NEBRASKA

Nebraska Department of Banking and
Franchise
1200 N Street
P.O. Box 95006
Lincoln, Nebraska 68509-5006

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

OREGON

Director
Oregon Division of Financial Regulation
350 Winter St. NE, Fourth Floor
Salem, Oregon 97301-3883

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
13300 East Main Street, 9th Floor
Richmond, Virginia 23219

EXHIBIT C
AGENTS FOR SERVICE OF PROCESS*

INDIANA

Indiana Secretary of State
Service of Process
302 West Washington Street, Room E-018
Indianapolis, IN 46204

MICHIGAN

Michigan Corporations, Securities &
Commercial Licensing Bureau
2501 Woodlake Circle
Okemos, Michigan 48864-5976

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

OREGON

Director
Oregon Division of Financial Regulation
350 Winter St. NE, Fourth Floor
Salem, OR 97301-3883

VIRGINIA

Clerk of the State Corporation Commission
13300 East Main Street, 1st Floor
Richmond, Virginia 23219

*Each agent is designated according to state statute. In order to obtain valid service, all requirements of the applicable statute must be met.

EXHIBIT D

ATL INTERNATIONAL, INC.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JULY 31, 2024, 2023, AND 2022

ATL INTERNATIONAL, INC.

CONTENTS

	Page
Independent Auditors' Report	1 - 3
Balance Sheets	4
Statements of Income and Retained Earnings	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 15

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Independent Auditors' Report

Kevin Magnuson, President
ATL International, Inc.
Millersville, Maryland

Opinion

We have audited the accompanying financial statements of the ATL International, Inc. (a Maryland "Company"), which comprise the balance sheets as of July 31, 2024, 2023, and 2022, and the related statements of income and retained earnings, 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 ATL International, Inc. as of July 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the ATL International, Inc. 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.

Emphasis of Matter

Adjustment to the Prior Period Financial Statements

As discussed in Note 13, during the year ended July 31, 2024, the financial statements for the year ended July 31, 2023, have been restated to adjust for initial franchise fees earned as of July 31, 2023. Our opinion is not modified with respect to that matter.

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 ATL International, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 ATL International, Inc.'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 ATL International, Inc.'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.

Other Information Included in the Franchise Disclosure Document

Management is responsible for the other information included in the Company's Franchise Disclosure Document. The other information comprises the Franchise Disclosure Document but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wojnich, Cronin & Sorra, LLC

Hunt Valley, Maryland
October 4, 2024

ATL INTERNATIONAL, INC.
Balance Sheets
July 31, 2024, 2023, 2022

ASSETS

	2024	Restated 2023	2022
CURRENT ASSETS:			
Cash	$ 218,467	$ 285,988	$ 345,590
Cash restricted for escrow	22,261	22,251	22,251
Franchise fee receivables, less allowance for doubtful accounts (2024 $28,361; 2023 $24,861; 2022 $24,500)	85,775	174,639	161,913
Inventory	992	1,118	1,800
Prepaid expenses	26,894	30,692	1,653
Deferred tax benefit	- 0 -	108	- 0 -
Total Current Assets	354,389	514,796	533,207
NET PROPERTY AND EQUIPMENT - AT COST	4,170	4,571	4,972
OTHER ASSETS:			
Security deposit	5,077	5,077	5,077
Right-of-use assets	- 0 -	37,928	- 0 -
Loan receivable	373,343	373,343	373,343
Total Other Assets	378,420	416,348	378,420
TOTAL ASSETS	$ 736,979	$ 935,715	$ 916,599

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:			
Accounts payable	$ 1,179	$ 3,596	$ 511
Income tax payable	- 0 -	- 0 -	60,720
Accrued expenses	16,883	22,218	20,593
Payroll tax payable	2,678	3,859	10,009
Deferred franchise sales	- 0 -	66,000	14,000
Deferred income tax	15,096	- 0 -	486
Operating lease liability	- 0 -	38,305	- 0 -
Note payable, current portion	321	309	298
Total Current Liabilities	36,157	134,287	106,617
LONG-TERM LIABILITIES:			
Note payable	13,181	13,502	13,811
TOTAL LIABILITIES	49,338	147,789	120,428
STOCKHOLDER'S EQUITY			
Common stock - $1.40 par value; 5,000 shares authorized; 3,700 shares issued and outstanding	5,200	5,200	5,200
Additional paid in capital	2,000	2,000	2,000
Retained earnings	680,441	780,726	788,971
Total Stockholder's Equity	687,641	787,926	796,171
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 736,979	$ 935,715	$ 916,599

See accompanying notes to financial statements

ATL INTERNATIONAL, INC.

Statements of Income and Retained Earnings
For the Years Ended July 31, 2024, 2023, 2022

	2024			Restated 2023			2022		
	Amount	% To Total Revenue		Amount	% To Total Revenue		Amount	% To Total Revenue	
REVENUE:									
Initial franchise sales	$ 120,000	15.64	%	$ 264,500	29.70	%	$ 340,625	32.77	%
Continuing franchise fees	576,849	75.14		549,601	61.72		618,784	59.53	
Sale of equipment and supplies	70,807	9.22		76,383	8.58		77,615	7.47	
Advertising fees	- 0 -	0.00		- 0 -	- 0 -		2,360	0.23	
	767,656	100.00		890,484	100.00		1,039,384	100.00	
COST OF GOODS SOLD	57,615	7.51		34,217	3.84		34,342	3.30	
OPERATING EXPENSES	800,013	104.22		875,530	98.32		790,775	76.08	
INCOME (LOSS) FROM OPERATIONS	(89,972)	(11.72)		(19,263)	(2.16)		214,267	20.61	
OTHER INCOME:									
Tax refunds	- 0 -	0.00		- 0 -	0.00		- 0 -	0.00	
Income from lease forgiveness	7,262	0.95		13,392	1.50		35,137	3.38	
Miscellaneous income	- 0 -	0.00		- 0 -	0.00		41,668	4.01	
Interest income	10	0.00		- 0 -	0.00		2	0.00	
	7,272	0.95		13,392	1.50		76,807	7.39	
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	(82,700)	(10.77)		(5,871)	(0.66)		291,074	28.00	
PROVISION FOR INCOME TAXES	17,585	2.29		2,374	0.27		46,549	4.47	
NET INCOME (LOSS)	(100,285)	(13.06)		(8,245)	(0.93)		244,525	23.54	
RETAINED EARNINGS AT BEGINNING OF YEAR, AS RESTATED	780,726			788,971			544,446		
RETAINED EARNINGS AT END OF YEAR, AS RESTATED	$ 680,441			$ 780,726			$ 788,971		

See accompanying notes to financial statements

ATL INTERNATIONAL, INC.

Statements of Cash Flows
For the Years Ended July 31, 2024, 2023, 2022

	2024	Restated 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	(100,285)	$ (8,245)	$ 244,525
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	401	401	401
Increase (decrease) in allowance for credit losses	3,500	361	(22,000)
Non-cash operating lease (income) expense	(377)	377	- 0 -
(Increase) decrease in current assets:			
Franchise fee receivables	85,364	(13,087)	(18,413)
Inventory	126	682	186
Prepaid expenses	3,798	(29,039)	318
Deferred tax asset	108	(108)	- 0 -
Increase (decrease) in current liabilities:			
Accounts payable	(2,417)	3,085	(112,053)
Income tax payable	- 0 -	(60,720)	55,229
Accrued expenses	(5,335)	1,625	5,754
Payroll tax payable	(1,181)	(6,150)	9,309
Deferred franchise sales	(66,000)	52,000	(86,500)
Deferred income tax	15,096	(486)	(25,311)
Net cash provided by (used in) operating activities	(67,202)	(59,304)	51,445
CASH FLOWS FROM INVESTING ACTIVITIES:			
Advances on loan receivable	- 0 -	- 0 -	(2,394)
Net cash used in investing activities	- 0 -	- 0 -	(2,394)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments under government programs	(309)	(298)	(240)
Net cash used in financing activities	(309)	(298)	(240)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(67,511)	(59,602)	48,811
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	308,239	367,841	319,030
CASH AND RESTRICTED CASH AT END OF YEAR	$ 240,728	$ 308,239	$ 367,841
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for interest	$ 513	$ 524	$ 537
Cash paid during the year for income taxes	$ 6,741	$ 93,683	$ 16,631
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Acquisition of right-of-use assets	$ - 0 -	$ 109,904	$ - 0 -
Forgiveness of lease	$ 7,262	$ 13,392	$ 35,137

See accompanying notes to financial statements

1. Company and Summary of Significant Accounting Policies

Nature of Operations - ATL International, Inc. ("the Company") was incorporated in Maryland in 1985 and is engaged as a franchisor of general automotive repair centers operating primarily in the United States. Additionally, the Company offers franchises for engine replacements and/or transmission rebuilds/clutch replacements that can be operated as stand-alone units or in combination with the Company's other franchise offerings.

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

Basis of Accounting - The financial statements of the Company have been prepared on the accrual basis of accounting and, accordingly, reflect receivables, payables, and other liabilities. The Company recognizes revenue when earned and expenses when incurred.

Cash Restricted for Escrow - In accordance with Maryland regulations, the Company holds cash in an escrow account for unopened franchise centers in the State of Maryland. A total of $22,261, $22,251, and $22,251 is held in escrow and is included in cash restricted for escrow on the balance sheets for the years ended July 31, 2024, 2023 and 2022, respectively.

Inventory - Inventory consists of business forms, supplies and equipment for resale to franchisees and is carried at first-in first-out (FIFO) cost, which approximates market value.

Property and Equipment - Property and equipment consists of leasehold improvements, office furniture, and equipment and is stated at cost. Major additions and betterments in excess of $1,000 with a useful life greater than one year are charged to the asset accounts while maintenance and repairs, which do not improve or extend the lives of the assets, are expensed currently. Depreciation is provided on either a straight-line or accelerated method. The following represents the estimated useful lives:

Category	Years
Leasehold improvements	7 - 39
Office furniture	5 - 7
Equipment	5 - 7

Valuation of Long-lived Assets - The Company accounts for the valuation of long-lived assets by reviewing long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

1. Company and Summary of Significant Accounting Policies (continued)

Franchise Fee Receivables and Allowance for Credit Losses - Franchise fee receivables consist of balances due to the Company under the franchising agreements which remain unpaid as of the years ended July 31, 2024, 2023, and 2022. The Company provides an allowance for credit losses based on an estimate of probable uncollectible accounts. The Company determines its allowance for doubtful franchise fee receivables account based on prior years' experience and management's analysis of possible bad debts. The Company charges uncollectible accounts against income in the year that such accounts are determined to be uncollectible if an allowance was not established. Management has analyzed the collectability of franchise fee receivables and has set up an allowance, as needed. As of July 31, 2024, 2023, and 2022, the allowance was $28,361, $24,861, and $24,500, respectively.

Revenue Recognition - The Company's revenues consist of the sale of franchising agreements and royalties from the sales of the individual franchises. The franchising agreement contains multiple performance obligations. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee in accordance with the terms of the franchise agreement. Because the required deposits in accordance with the franchise agreement are nonrefundable, revenue from the sale of individual franchises nationwide is recognized when it becomes due. Deposits which remain uncollected for the sale of franchising licenses are included in franchise fee receivables.

Deferred franchise sales consist of the portion of deposits due under the term of the franchising agreement which have not met the criteria for recognition to income. Initial franchise fees are recognized upon attending franchisee school or 120 days from contract signing, whichever comes first.

Reserve for franchisee deposits consists of balances accrued for potential refunds due under the initial franchise agreement.

Continuing franchise fees are accrued as they are earned each week according to the franchise agreement. Uncollectible revenues are recorded as an allowance for credit losses against continuing franchise fees based on management's reasonable expectation for collection.

Advertising fee is a fixed amount per the terms of the franchise agreement. All franchises must pay a weekly fee towards advertising and graphic design. The revenue is recognized when invoiced to the franchisee.

Revenue from the sale of equipment and supplies is recognized at the time the customer takes possession of the equipment.

1. Company and Summary of Significant Accounting Policies (continued)

The Company benefits from several different revenue streams. The disaggregation of revenue for the years ended July 31, 2023, 2022 and 2021 is included in the chart below:

Revenue Type	Timing of Revenue Recognition	2024	Restated 2023	2022
Initial franchise sales	Period Earned	$ 120,000	$ 264,500	$ 340,625
Continuing franchise fees	Period Earned	576,849	549,601	618,784
Sale of equipment and supplies	Point of Sale	70,807	76,383	77,615
Advertising fees	Period Earned	- 0 -	- 0 -	2,360
Tax refunds	Period Earned	- 0 -	- 0 -	- 0 -
Income from rent forgiveness	Period Earned	7,262	13,392	35,137
Miscellaneous income	Upon Receipt	- 0 -	- 0 -	41,668
Interest income	Upon Receipt	10	- 0 -	2
		$ 774,928	$ 903,876	$ 1,116,191

Advertising Costs - The Company expenses advertising cost as they are incurred. Total advertising cost, exclusive of advertising on behalf of franchisees, charged to operations was $12,461, $21,960, and $16,834 for the years ended July 31, 2024, 2023, and 2022, respectively.

Income Taxes - An asset and liability approach for financial accounting and reporting of income taxes is required. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income taxes arise from timing differences resulting from income and expense items reported for financial accounting and income tax purposes in different periods. The principal differences consist mainly of differences in depreciation and allowance for credit treatment for financial reporting and income tax purposes, meals which are 50% deductible for tax purposes, and the carry forward of prior year net operating losses for tax purposes. Valuation allowances are established, if necessary, to reduce deferred tax assets to amounts that will most likely be realized. The Company's effective income tax rate is higher than what would be expected if the federal statutory rate were applied because of expenses deductible for financial reporting purposes that are not deductible for tax purposes. In addition, many states have minimum taxes that are assessed regardless of the taxable income apportioned to the state.

1. Company and Summary of Significant Accounting Policies (continued)

Leases - The Company calculates its operating lease right-of-use asset and operating lease liability using its incremental borrowing rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. The Company amortizes the operating lease right-of-use asset over the lease term.

Reclassifications - Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the current period presentation.

2. Cash and Restricted Cash

In accordance with Maryland regulations, the Company holds cash in an escrow account for unopened franchise centers in the State of Maryland and is reflected as cash restricted for escrow on the balance sheets. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets at July 31 that sum to the totals of the same such amounts in the statements of cash flows:

	2024	2023	2022
Cash and cash equivalents	$ 218,467	$ 285,988	$ 345,590
Cash restricted for escrow	22,261	22,251	22,251
	$ 240,728	$ 308,239	$ 367,841

3. Net Property and Equipment - At Cost

Property and equipment at July 31 consisted of the following:

	2024	2023	2022
Leasehold improvements	$ 38,924	$ 38,924	$ 38,924
Office furniture	24,598	24,598	24,598
Equipment	81,905	81,905	81,905
	145,427	145,427	145,427
Less: accumulated depreciation	(141,257)	(140,856)	(140,455)
Property and Equipment, net	$ 4,170	$ 4,571	$ 4,972

4. Note Payable

In March 2020, significant mitigation efforts began to take effect in the United States in an attempt to curtail the spread of the coronavirus (COVID-19) pandemic. Such efforts have included travel restrictions, business closures, and event cancellations. Capital markets have seen significant volatility in the wake of the pandemic and significant economic disruptions have occurred. In May 2020, as a result of a reduction in cash flow to cover operating expenses, the Company applied for and received a $14,000 loan under the Small Business Administration Economic Injury Disaster Loan (EIDL).

4. Note Payable (continued)

The EIDL loan is for a term of thirty years with installment payments deferred for the first twelve months. Interest accrues at a rate of 3.75% per annum and is included in the loan balance. Unlike the PPP loans, the EIDL loan is not subject to forgiveness. The balance of this loan as of July 31, 2024, 2023, and 2022 is $13,502, $13,811, and $14,109, respectively.

The principal payments are due as follows at July 31:

2025	$ 321
2026	333
2027	345
2028	359
2029	373
Thereafter	11,771
	$ 13,502

5. Variable Interest Entity

The Company is 100% owned by ATL Franchising, LLC ("the LLC") under which it is considered a variable interest entity. The Company is not deemed the primary beneficiary of the LLC. The LLC was formed as a means to provide equity ownership of the stock in the Company to key and long-term members of management. In determining whether the Company is the primary beneficiary, qualitative and quantitative factors were taken into consideration and included the fact that the Company has no ownership interest in the LLC, has no ability to direct or otherwise significantly influence the activities of the LLC and does not have the right to receive benefits or absorb the losses of the LLC.

The Company has a non-current loan receivable totaling $373,343, $373,343, and $373,343 at July 31, 2024, 2023, and 2022 respectively, representing the maximum loss exposure due to its involvement with the LLC. The loan is non-interest bearing and is expected to be repaid through future earnings of the LLC. This balance is included in other loan receivable on the balance sheets.

6. Provision for Income Taxes

The current income tax provision differs from the expense that would result from applying statutory tax rates to income before income taxes due to timing differences. The provision for income taxes consists of the following components:

	2023	2023	2022
Current	$ 2,381	$ 2,968	$ 71,860
Deferred	15,204	(594)	(25,311)
	$ 17,585	$ 2,374	$ 46,549

6. Provision for Income Taxes (continued)

As discussed in Note 1, deferred income taxes arise from timing differences resulting from income for financial accounting and income tax purposes being reported in different periods. Those temporary and permanent differences resulted in a current deferred tax asset of $-0-, $108, and $-0-, and deferred tax liability of $15,096, $-0-, and $486 at July 31, 2024, 2023, and 2022, respectively, due to the deductibility of meals and entertainment, differences in the treatment of depreciation and allowance for credit losses for financial reporting and income tax purposes, and the carry forward of prior year net operating losses for tax purposes.

The Company is no longer subject to U.S. federal or state income tax examinations by tax authorities for fiscal years before 2021. The Company did not have any unrecognized tax benefits as of July 31, 2024, 2023, and 2022, and does not expect this to change significantly over the next twelve months.

7. Advertising Fees

Individual franchisees pay an initial advertising fee as well as continuing weekly fees for ongoing advertising and promotion. These funds are used to purchase advertising for the franchisees and are accrued as they are earned each week in accordance with the franchise agreement. Total franchisee advertising costs expended by ATL International, Inc. in connection with the franchise agreements for the years ended July 31, 2024, 2023, and 2022 were $523, $1,948, and $2,535, respectively.

8. Lease Commitments

The Company leases its corporate headquarters. The original lease was for a five-year term with the option to renew for three additional periods of five years each. Effective on August 1, 2008, the lease was re-negotiated for an initial base year rental of $97,326 plus common area maintenance charges and operating cost with an annual escalation of 3% per annum on the base year rental. The lease was again re-negotiated effective February 1, 2014, and expired January 1, 2024. The new annual base year rental was $61,360, with annual increase of 3% effective February 1, 2017. The increase was not charged to the Company since negotiations took place.

During 2022, the landlord confirmed that the headquarters lease provided an abatement for the 3% increase. The amount of $35,137 accrued through July 31, 2021 was forgiven. The lease for 2023 also remained unchanged. The amount recognized as income from lease forgiveness in the statements of income and retained earnings for the years ended July 31, 2024, 2023, and 2022 was $7,262, $13,392 and $35,137, respectively.

After the lease expired in January 2024, it continued on a month-to-month basis without any written agreement. The fee is $5,267 payable monthly. Under FASB *ASC 840-20-25-2*, short-term lease exception, this lease is expensed on a straight-line basis with no lease asset or liability recognized.

8. Lease Commitments (continued)

The following summarizes the line items in the balance sheets which include amounts for operating leases as of July 31:

	2024	2023	2022
Operating Lease			
Operating lease right-of-use assets	$ - 0 -	$ 37,928	$ - 0 -
Operating lease liability - current	$ - 0 -	$ 38,305	$ - 0 -
Operating lease liability - long-term	- 0 -	- 0 -	- 0 -
Total operating lease liability	$ - 0 -	$ 38,305	$ - 0 -

The following summarizes the weighted average remaining lease term and discount rate as of July 31:

	2024	2023	2022
Weighted Average Remaining Lease Term			
Operating lease	not applicable	0.5 years	not applicable
Weighted Average Discount Rate			
Operating lease	not applicable	7.0%	not applicable

The following summarizes the line items in the statements of income, which include the components of lease expense for the years ended July 31:

	2024	2023	2022
Operating Lease Costs			
Operating lease expenses included in operating expenses	$ 70,467	$ 76,974	$ 74,366

The following summarizes cash flow information related to leases for the years ended July 31:

Cash paid for amounts included in the measurement of operating lease liability:	$ 63,205	$ 63,205	$ 63,205
Lease assets obtained in exchange for lease obligation:			
Operating lease	$ - 0 -	$ 109,904	$ - 0 -

9. Contingencies

In the normal course of business, the Company is subject to proceedings, lawsuits, and other claims. During the years ended July 31, 2024, 2023, and 2022, the Company refunded a total of $-0-, $-0-, and $23,500, respectively, relating to franchise agreements which were mutually terminated. There were no outstanding matters noted for the year ended July 31, 2024 and, accordingly, no accrual has been made in the accompanying financial statements for claims or awards arising from pending litigation or arbitration.

10. Related-Party Transactions

The Company has a verbal agreement to pay for the officer's vehicle loan. The vehicle is purchased through financing with a bank and is to be titled in the officer's name after pay-off in 2029. The monthly payments of $483 are made by the Company and included in the officer's compensation. Total charges including interest amounted to $5,793, $5,793, and $5,804 for the years ended July 31, 2024, 2023, and 2022, respectively, and are included in salaries and wages. The Company is not liable under the loan agreement and has not collateralized any assets toward the officer's personal debt on this vehicle. As such, no assets or liabilities are recorded on the Company's books.

11. Retirement Plan

All of the Company's eligible personnel may elect to participate in its 401(k) retirement plan. The Company elected to match 50% of the first 6% of the employee's deferred compensation. Total retirement plan expense including employee matching contributions and administrative cost were $7,573, $8,175, and $7,989 for the years ended July 31, 2024, 2023, and 2022, respectively, and is included in profit sharing contributions in the schedules of operating expenses.

12. Concentrations of Credit Risk

In the ordinary course of business, the Company's cash balances may exceed FDIC insurance limits. The Company continually reviews credit concentrations as part of its asset and liability management.

The Company's franchise agreement requires the payment of franchise, royalty, and advertising fees weekly as stipulated in the agreement. As of July 31, 2024, 2023, and 2022 net unsecured amounts due for franchise royalties, advertising fees, equipment sales, franchise fee receivables, and loan receivable, net of allowance for credit losses, from franchisees engaged in the automotive services and repair industry were $85,775, $174,639, and $161,913, respectively.

13. Prior Period Adjustment

During the year ended July 31, 2024, the financial statements for the year ended July 31, 2023 were restated to adjust for initial franchise fees earned as of July 31, 2023, as well as associated franchise fee receivables and deferred franchise sales. This restatement resulted in an increase in retained earnings of $42,000, an increase in franchise fee receivables of $66,000, and an increase in deferred franchise sales of $24,000. Accordingly, the financial statements as of and for the year ended July 31, 2023 have been restated as follows.

	As Previously Reported	As Restated
Franchise fee receivables	$ 108,639	$ 174,639
Deferred franchise sales	42,000	66,000
Retained earnings	738,726	780,726

14. Subsequent Events

Management has evaluated subsequent events through October 4, 2024, the date which the financial statements were available to be issued.

EXHIBIT E

FRANCHISE AGREEMENT

TABLE OF CONTENTS

Recitals **1**

Provisions **1**

1. Appointment 1
2. Term and Renewal 2
3. Duties of Franchisor 3
4. Fees 4
5. Duties of Franchisee 6
6. Warranties and Guarantees 8
7. Proprietary Marks 8
8. Confidential Operating Procedure Manual 10
9. Confidential Information 10
10. Accounting and Records 11
11. Advertising 11
12. Insurance 12
13. Transferability of Interest 13
14. Default and Termination 16
15. Obligations Upon Termination 17
16. Covenants 19
17. Taxes, Permits and Indebtedness 20
18. Independent Contractor and Indemnification 20
19. Approvals and Waivers 20
20. Notices 21
21. Entire Agreement 21
22. Severability and Construction 21
23. Dispute Resolution 22
24. Acknowledgements 25

Schedule 1 to Franchise Agreement (All Tune and Lube Franchise)

Schedule 2 to Franchise Agreement (ATL Motor Mate Franchise)

Schedule 3 to Franchise Agreement (All Tune Transmissions Franchise)

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement"), made and entered into this _____ day of _____, 20_____ between ATL International, Inc., a Maryland Corporation, ("Franchisor") and _____ , ("Franchisee") recites and provides as follows:

RECITALS:

I. Franchisor as the result of the expenditure of time, skill, effort and money, has accumulated extensive knowledge of the automotive aftermarket and repair and service businesses associated therewith and has developed and owns unique systems for the development, establishment, and operation of automotive repair/service centers ("Center" or "Centers") providing services under one or more of such systems or such other systems Franchisor may acquire, undertake, or franchise in the future (collectively, the "Systems"). The distinguishing characteristics of the Systems include, without limitation, market analysis, research and development on the optimum use of sophisticated automotive engine analysis equipment, sales and merchandising methods, training, record keeping, advertising techniques and business management, all of which may be changed, improved, and further developed by Franchisor from time to time;

II. Franchisor is the owner of the entire right, title and interest in the trade name(s), trademark(s) and service mark(s) now or hereafter designated by Franchisor for use in the Systems (collectively, the "Proprietary Marks"), and Franchisor shall continue to develop, use and control such Proprietary Marks for the benefit and exclusive use of itself and its franchisees in order to identify for the public the source of services and products marketed hereunder and to represent the Systems' high standards of quality and service;

III. Franchisee desires to operate a Center (the "Franchised Center") under one or more of the Systems offered by Franchisor and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

IV. Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

PROVISIONS:

1. APPOINTMENT

A. Franchisor hereby grants to Franchisee, upon the terms and conditions of this Agreement, the right and license, and Franchisee undertakes the obligation, to develop, establish, and operate the Franchised Center, and to use solely in connection therewith one or more of the Systems designated in the Schedule(s) attached hereto, as such System(s) may be changed, improved and further developed from time to time (the "Franchised System(s)") and the specific Proprietary Marks designated in the attached Schedule(s) for use with the Franchised System(s) (the "Licensed Proprietary Marks"), only at a single location, approved by Franchisor pursuant to Paragraphs 3A and 5C below, in or about the following designated market area (the "Designated Market"):

_____

The term "Franchisee," as used throughout this Agreement, shall encompass each and every individual signer of this Agreement on behalf of Franchisee; any and all of Franchisee's officers, directors, and shareholders, if Franchisee transfers to a Franchisee Corporation as defined in the provisions of Paragraph 13 hereof; any and all of Franchisee's partners, if Franchisee is a partnership (the "Franchisee Partnership") any and all of Franchisee's members, if Franchisee is a limited liability company (the "Franchisee LLC"). The term "Franchisee" also includes, without limitation, the Franchisee Corporation, the Franchisee Partnership, or the Franchisee LLC (collectively "Franchisee Entity"). Each and every individual signer of this Agreement on behalf of Franchisee agrees that the signed writing or other act of any other signer of this Agreement on behalf of Franchisee, or of any officer, director, shareholder, partner, or member of any Franchisee Entity, shall bind all signers of this Agreement on behalf of Franchisee, whether in connection with any consent under this Agreement, any release of claims or rights, and/or any other matter whatsoever.

Franchisee and every signer of this Agreement on behalf of Franchisee jointly and severally represents and warrants that (i) Franchisee is not, nor to Franchisee's knowledge has been designated, a "suspected terrorist" as defined in Executive Order 13224, and (ii) any Franchisee Corporation, Franchisee Partnership, or Franchisee LLC (pursuant to paragraph 13C below) is not owned or controlled, and will not be owned or controlled by, a "suspected terrorist" as defined in Executive Order 13224.

B. During the term of this Agreement, Franchisor, as long as Franchisee is not in default hereunder, shall not, without Franchisee's prior written consent, establish, nor license any other franchisee to establish, more than one (1) Center operating under each, and every Franchised System(s) authorized in the attached Schedule(s) for each Forty Thousand (40,000) motor vehicles in the immediate area in which the Franchised Center is located. The number of motor vehicles shall be determined by Franchisor as of the time such number is brought into question by demographic study of the immediate area(s) to the north, south, east, and/or west of the Franchised Center.

C. Franchisee expressly acknowledges and agrees that Franchisee's rights hereunder and the restriction contained in the preceding Paragraph 1B relate solely to the Franchised System(s) authorized in the attached Schedule(s). Without limiting the generality of the foregoing, Franchisor, its subsidiaries, affiliates, or any other authorized person (including, without limitation, other franchisees, and licensees of Franchisor) may develop, establish, and/or operate Centers or other businesses using one or more Systems other than those authorized in the attached Schedule(s) within or without the immediate area in which the Franchised Center is located. Franchisee expressly acknowledges and agrees that the rights to use the Franchised System(s) authorized in the attached Schedule(s) are limited to the performance of those services designated by Franchisor from time to time in the Manual for each such Franchised System, or otherwise in writing, and no other services. Franchisee expressly acknowledges and agrees that, except as provided in this Agreement, the rights granted hereunder are non-exclusive and that Franchisor, its subsidiaries, affiliates, and any other authorized person (including, without limitation, other franchisees and licensees of Franchisor) may advertise for and solicit customers within and without the areas described in Paragraphs 1A and 1B.

2. TERM AND RENEWAL

A. Except as otherwise provided in this Agreement, the term of this Agreement shall commence on the date of this Agreement and shall expire fifteen (15) years thereafter, unless terminated before expiration pursuant to the terms and conditions hereof.

B. Franchisee, at its option, may renew its rights hereunder, subject to the terms and conditions of this Paragraph 2, for three (3) additional consecutive periods of five (5) years each (the "Renewals"). In order to renew, a Franchisee who is eligible as described in subparagraphs B(1)(a)-(b) may exercise its renewal option pursuant to subparagraphs B(2)(a)-(c). Upon any Renewal, Franchisee shall execute Franchisor's then-current form of Franchise Agreement for the five year Renewal term (the "Superseding Agreement"), which shall supersede in all respects the Agreement in effect just prior to Renewal (the "Previous Agreement"). In no event, however, will there be another franchise license fee charged upon any Renewal hereunder. Other terms and conditions of the Superseding Agreement may differ on any Renewal from the terms and conditions of the Previous Agreement. Other terms and conditions which may be different in the Superseding Agreement, without limiting areas of potential change, are the standards for qualification and training; the renewing Franchisee shall comply with the Superseding Agreements qualification and training requirements (including but not limited to the completion of Additional Training as explained in Paragraph 5F).

(1) In order to be eligible for any Renewal hereunder Franchisee shall:

(a) not be in default under any provision of the Previous Agreement, any amendment thereof, or any other agreement between Franchisee and Franchisor, and/or its subsidiaries and affiliates, and have complied with all of the terms and conditions of such agreements during the terms thereof; and

(b) have satisfied all monetary obligations owed by Franchisee to Franchisor and/or its subsidiaries and affiliates and have timely met these obligations throughout the term of the Previous Agreement;

(2) In order to exercise any Renewal hereunder, Franchisee, if it meets the above-noted eligibility standards, shall:

(a) give Franchisor written notice of such election to renew not less than six (6) months nor more than twelve (12) months prior to the expiration of the then-current term of the Previous Agreement;

(b) permit Franchisor, if Franchisor decides to do so, to inspect the Franchised Center at least five (5) months prior to the expiration of the then-current term of the Previous Agreement, and Franchisor may require, as a condition precedent to its approval of any Renewal, that Franchisee complete to Franchisor's satisfaction, no later than (60) days prior to expiration, such maintenance, renovation and remodeling of the Franchised Center as Franchisor deems advisable; and

(c) execute and deliver to Franchisor, no later than fifteen (15) days prior to the expiration of the then-current term of the Previous Agreement, the Superseding Agreement and a general release in form satisfactory to Franchisor which releases any and all claims against Franchisor arising prior to such effective date.

3. DUTIES OF FRANCHISOR

A. Franchisor shall provide, as Franchisor deems appropriate, support services such as Operations Department assistance and ongoing training programs to Franchisee. All training and other support services provided by Franchisor shall be provided at such times and places as may be designated by Franchisor.

B. Franchisor shall place the initial advertising for the Franchised Center, subject to Franchisor's receipt of the initial advertising fee pursuant to Paragraph 4A(3) as Franchisor shall determine in its sole discretion. Franchisee acknowledges and understands that initial advertising typically appears in the Designated Market approximately thirty (30) days after Franchisor receives payment of the initial advertising fee from Franchisee.

C. Franchisor shall provide initial and continuing advisory assistance in the operation of the Franchised Center as Franchisor deems advisable.

D. Franchisor shall provide Franchisee with a set of specifications as to the types and quantities of inventory, supplies, and equipment necessary for operation of the Franchised Center and specifications for exterior and interior signs, which specifications may be revised, from time to time, by Franchisor. Franchisor shall upon Franchisee’s request supply information on sources for such inventory, supplies, equipment, and signs which Franchisee may purchase from any source provided Franchisor's specifications are met.

E. Franchisor shall loan Franchisee one copy of the Confidential Operating Manual for each of the Franchised System(s) authorized in the attached Schedule(s), as more fully described in Paragraph 8, which Manual(s) Franchisee shall return to Franchisor under the circumstances set forth in Paragraph 15.

F. Franchisor shall provide sales, service, or promotional bulletins to Franchisee.

G. Franchisor shall continue its efforts to maintain high standards of quality, appearance, professionalism, and service of the Franchised System, and to that end shall conduct, as it deems advisable, inspections of the Franchised Center franchised herein, and evaluations of the automotive engine performance and preventative maintenance services rendered therein.

H. Franchisor shall make reasonable efforts in providing approvals, advice, and services to Franchisee but shall not, by virtue of any such approvals, advice, or services, be deemed to have made any warranty or guarantee thereof, nor to have otherwise assumed responsibility or liability to Franchisee or any third parties. Without limiting the generality of the foregoing, Franchisor's approval of the location for the Franchised Center shall be limited to a determination that the physical characteristics of the proposed location are suitable for the operation of a Center and, by such approval, Franchisor shall not be deemed to have warranted or guaranteed (or otherwise assumed liability for) the success of a Center at such location or to have warranted or guaranteed the relative desirability or operating results of such location in comparison to other locations within the Designated Market. Furthermore, Franchisor's review of the proposed lease or purchase agreement for the Franchised Center shall in no event be deemed the giving of legal advice to Franchisee, and Franchisee shall have the right and/or opportunity to have such documents reviewed by professionals of its own choosing.

4. FEES

A. Franchisee shall pay to Franchisor the following fees:

(1) A franchise license fee of **[See attached Schedule(s)]** payable in two (2) installments as set forth below:

(a) Franchisee shall pay an initial deposit on the franchise license fee of **[See attached Schedule(s)]** (the "initial deposit") to Franchisor upon execution of this Agreement.

(b) Franchisee shall pay **[See attached Schedule(s)]**, the balance due on the franchise license fee, to Franchisor: (i) on or before the seventh (7th) day prior to Franchisee's beginning the Franchise School (as defined in Paragraph 5E of this Agreement); or (ii) on or before the one hundred-twentieth (120th) day after the date of this Agreement, whichever shall occur first.

Each installment of the franchise license fee shall be deemed fully earned when paid to Franchisor, and is non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting the rights enumerated hereunder to Franchisee and for Franchisor's lost or deferred opportunity to franchise others.

(2) A non-refundable continuing weekly royalty fee commencing upon the opening of the Franchised Center and continuing throughout the term of this Agreement in the amount of Three Hundred Ninety-Five Dollars ($395.00, the "Minimum Weekly Royalty Fee") or **[See attached Schedule(s)]** of Franchisee's weekly gross sales from the Center, whichever is greater. This Minimum Weekly Royalty Fee remains the same, regardless of if you buy one franchised system, or all three. For example, if you buy the All Tune and Lube stand-alone system, the minimum weekly royalty fee will be $395.00. If you buy all three franchised systems, All Tune and Lube, ATL Motor Mate and All Tune Transmissions, the minimum weekly royalty fee will still be $395.00 total.

(3) A non-refundable initial advertising fee in the amount of Five Thousand Dollars ($5,000.00), payable on or before the seventh (7th) day prior to Franchisee's beginning the Franchise School to the ATL Advertising Fund (the "FUND") administered by Franchisor in accordance with Paragraphs 11C and 11D of this Agreement.

(4) A non-refundable weekly advertising contribution paid by Franchisee, beginning ten (10) weeks after the opening of the Franchised Center. The advertising for the first ten (10) weeks will be paid from the initial advertising deposit of $5,000, as stated in item 4A(3) of this Agreement. After the initial ten (10) weeks, a budget will be set up to continue advertising for the Center at a rate to be mutually agreed upon by Franchisor and Franchisee. The maximum weekly amount paid for advertising is determined by Franchisee during this process. Franchisor highly recommends that Franchisee purchases advertising to optimize the traffic of the Center.

(5) Franchisor may, in its sole discretion, (i) suspend support services to Franchisee, and/or the placement of advertising for the Franchised Center, and/or (ii) cause its affiliate or designee to transfer, suspend, discontinue, terminate, or amend the Franchised Center's telephone service, telephone numbers and/or directory listings if any payment due Franchisor under this Agreement is not paid to Franchisor on or before the date upon which such payment is due. The actions by Franchisor described in (i) and (ii) in the preceding sentence may continue until Franchisee has paid all amounts owed Franchisor. Franchisee is not relieved of any obligation to make continuing advertising contributions, weekly royalty fees, and/or any other amounts due under this Agreement during the term of any suspension or other action(s) by Franchisor as described above.

B. The weekly royalty fee required in Paragraph 4A(2) hereof and the continuing weekly advertising contribution required in Paragraph 4A(4) hereof shall be paid by Franchisee to Franchisor at Franchisor's notice address by Thursday of each week based on gross sales for the preceding week together with any statements and/or reports required under Paragraph 10B. The duties and other obligations of Franchisor set forth in paragraph 3 and elsewhere in this Agreement are independent covenants, and the payment by Franchisee of weekly royalty fees, advertising contributions, and all other amounts payable under this Agreement is not contingent, individually or collectively, upon Franchisor's performance of any or all of such obligations. Without limiting the generality of the foregoing, Franchisee expressly acknowledges and agrees that neither such fee(s) nor such contribution(s) or other amounts due hereunder shall be subject to offset, set-off, or counterclaim, for any reason whatsoever. In addition, Franchisee shall report to Franchisor by telephone or other electronic means on or before 5 p.m. on Thursday of each week a true and accurate statement of the Franchised Center's gross sales for the preceding week. For the purposes of this Agreement, the term "week" shall refer to the period

from the start of business on Saturday to the close of business on the following Friday. In the event that the weekly royalty fee and/or advertising contribution is/are not able to be ACH debited Thursday for the preceding week, a late fee in the amount of one percent (1%) of Franchisee's gross sales for such week, plus interest, will be due and payable by Franchisee in addition to the weekly royalty fee and/or weekly advertising contribution, as applicable. Neither the payment(s) of any amounts of any nature from Franchisee to Franchisor, nor the receipt by Franchisor of a lesser amount than the weekly royalty fee, and/or any category of other charge due under or in connection with this Agreement, shall be deemed to be other than on account of the earliest weekly royalty fee, continuing weekly advertising contribution, or category of other charge due under or in connection with this Agreement, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Franchisor may accept such check or payment without prejudice to Franchisor's right to recover the balance due from Franchisee and/or Franchisor's right to pursue any other remedy provided in this Agreement or under applicable law. Additionally, where Franchisee has or commits any arrearage, default or other delinquency in any category of payment, fee, contribution or charge due Franchisor in connection with this Agreement, Franchisor shall have the right to apply payment(s) received from or on behalf of Franchisee (or from any national account, fleet account, supplier, or vendor program in which Franchisee participates) to such category or categories as Franchisor shall select in its sole discretion regardless of the category or categories to which Franchisee has allocated such payment(s). By way of example, and without limiting the generality of the foregoing, if Franchisee has an arrearage or default in connection with weekly royalty fee(s) owed under this Agreement, then Franchisor shall have the option to apply any and all advertising contributions it receives from Franchisee to such weekly royalty fee arrearage, regardless of the category of payment that Franchisee has allocated to such check by way of any endorsement or statement on the check or any letter accompanying such check or payment.

C. Franchisor reserves the right to require payment of any and all fees, contributions, and other charges in connection with this Agreement (including, without limitation, the weekly royalty fees, weekly advertising contributions, equipment/supplies charges, and any applicable late fees and interest charges) by electronic, computer, wire, automated transfer, ACH debiting, and bank clearing services (collectively “electronic funds transfers” or “EFT”), and Franchisee agrees to undertake all action necessary to accomplish such transfers.

(1) By Franchisee's execution and delivery of this Agreement, Franchisee hereby authorizes any bank(s) or other financial institution(s) holding any account(s) or other funds in connection with the Center (collectively "Franchisee's Bank(s)"), whether in the name of Franchisee, the Franchisee Corporation, the Franchisee Partnership, the Franchisee LLC and/or any other person, corporation, partnership, or entity owned or controlled by Franchisee (collectively any "Franchisee Entity") to accept debit originations, electronic debit entries, or other EFT, and electronically deposit from any and all account(s) or other funds of any Franchisee Entity [collectively "Franchisee Bank Account(s)"] any and all such fees, contributions, and other categories of charges owing Franchisor directly to Franchisor’s bank account(s). Upon Franchisor’s request, Franchisee shall deliver to Franchisor all additional information and agrees to execute such additional documentation which Franchisor deems necessary (including, without limitation, financial institution of origin and relevant account and ABA/transit numbers for any of Franchisee's Bank Account(s) opened, originated or otherwise commenced before or after the date of this Agreement) in connection with such EFT and any other documents or authorizations necessary to process transfers of funds by EFT.

(2) By executing this Agreement, Franchisee authorizes Franchisor to withdraw the weekly royalty fees and weekly advertising contributions due and owing Franchisor under this Agreement via EFT weekly on Thursdays from Franchisee's Bank Account(s). In the event Franchisor's bank changes or recommends a change on the day of the week for EFT withdrawal from Franchisee's Bank Account(s), or in the event Franchisor changes the bank that executes EFT withdrawals from Franchisee's Bank Account(s), then Franchisor may change the day of the week on which EFT withdrawal occurs from Franchisee's Bank Account(s) by providing Franchisee at least twenty (20) days written notice of such change. Regarding the weekly royalty fees, weekly advertising contributions, and all other amounts calculated based on gross sales, Franchisee authorizes one or more weekly ACH debits via EFT based on Franchisee’s gross sales for the preceding week ending Friday (the “Accounting Period”).

(3) In the event Franchisor has not received by 12 noon Thursday a report of gross sales from Franchisee for the preceding Accounting Period via (i) telephonic report, (ii) written statements/written business reports in the form stipulated by Franchisor under paragraph 10B of this Agreement, and/or (iii) by electronic polling [as computers or other technological systems installed as part of the refurbishment of the Franchised Center permit in the future], then Franchisor shall be entitled to withdraw by EFT from Franchisee’s Bank Account(s) the appropriate weekly royalty fee and advertising contribution based on

an arithmetic average of Franchisee's weekly gross sales reported to Franchisor as to operations from the Franchised Center over a number of previous weeks/Accounting Periods determined by Franchisor in its sole discretion or based on some other means of estimating Franchisee's gross sales determined by Franchisor in its sole discretion.

(4) If a gross sales report in the form of a statement required under paragraph 10B of the Franchise Agreement is subsequently received and reflects (i) that the actual amount of the royalty and advertising contribution due was more than the amount of the EFT by Franchisor, then Franchisor shall be entitled to additional funds via EFT from Franchisee's Bank Account(s) for the difference or (ii) that the actual amount of the royalty and advertising contribution due was less than the amount of the EFT by Franchisor, then Franchisor shall credit the excess amount to the payment of Franchisee's future royalty and advertising contribution obligations.

(5) Franchisee is responsible for paying all service charges and other fees imposed or otherwise resulting from action by Franchisee's Bank(s) in connection with EFT by Franchisor including, without limitation, any and all service charges and other fees arising in connection with any EFT by Franchisor not being honored or processed by Franchisee's Bank(s) for any reason. In the event Franchisor's debit entries or other EFT from Franchisee's Bank Account(s) results in a return entry or is otherwise not honored due to lack of sufficient funds, Franchisee's closing of the account, or other act or omission of Franchisee, then Franchisee shall be subject to the late fee in the amount of one percent (1%) of Franchisee's gross sales for such week plus interest. Upon written notice by Franchisor to Franchisee, Franchisee may be required to pay any amount(s) due under this Agreement directly to Franchisor by check or other non-electronic means in lieu of EFT at Franchisor's sole discretion. It shall be a non-curable event of default under paragraph 14B of this Agreement if Franchisee closes or otherwise terminates any of Franchisee's Bank Account(s) without completing all of the following forthwith after such closing: (i) notifying Franchisor thereof in writing, (ii) establishing another Franchisee's Bank Account , and (iii) executing and delivering to Franchisor any and all documents and information necessary for Franchisor to begin and continue making withdrawals from such Franchisee's Bank Account by EFT as this paragraph permits.

D. As used in this Agreement, the term "gross sales" shall mean the amount of all sales of merchandise and services of any nature sold from or performed at the Franchised Center excluding only sales taxes collected and paid.

E. The franchise license fee, continuing weekly royalty fee, initial advertising fee, and continuing weekly advertising contribution payable by Franchisee under paragraphs 4A(1), 4A(2), 4A(3), and 4A(4), respectively, are to be paid absolutely net to Franchisor. Without limiting the generality of the foregoing, Franchisee shall pay any and all sales, use, gross receipts or similar taxes or assessments, as well as any other taxes or assessments of whatever nature (excepting only Franchisor's federal and state income taxes) imposed by any state, federal or local governmental authority on any of the fees, contributions, charges and other amounts due Franchisor in connection with this Agreement; Franchisee agrees forthwith, upon Franchisor's providing written notice to Franchisee, to pay any such governmental authority directly and/or to reimburse Franchisor any and all such amounts.

5. DUTIES OF FRANCHISEE

A. Franchisee shall be responsible for finding and securing, by lease or purchase, the location for the Franchised Center, subject to Franchisor's approval of the location and review of any proposed lease or purchase agreement. Before signing any such agreement, Franchisee shall submit to Franchisor such information and materials on the proposed location for the Franchised Center as Franchisor may reasonably require, together with any proposed lease or purchase agreement. Franchisee acknowledges that Franchisor strongly encourages Franchisee to engage its own local tenant- or buyer-broker with specialized knowledge of the commercial real estate market in Franchisee's Designated Market to assist in Franchisee's site selection efforts.

B. Franchisor (and/or its agents/representatives) may from time to time, at Franchisor's discretion, identify potential Center locations. In the event Franchisor or its agent/representative sends Franchisee a written notice of the availability of a proposed Center location, Franchisee shall inspect the location and notify Franchisor, within four business days after Franchisor sends such written notice, of Franchisee's decision to accept or decline the location to Franchisor. If Franchisor does not receive Franchisee's written notice regarding its decision on or before 5 p.m. on such fourth business day, Franchisee shall be conclusively deemed to have declined such location.

C. Franchisee shall operate the Franchised Center continuously during such hours as Franchisor shall designate and only at the specific location approved by Franchisor, and Franchisee shall not relocate the Franchised Center without the prior written approval of Franchisor. Franchisee shall use the Franchised Center premises solely for the operation of the Franchised Business, as defined in paragraph 7A below.

D. Franchisee shall, after Franchisor's approval of the location for the Franchised Center, complete the leasing and/or purchase of the Franchised Center (including, without limitation, signing and delivering the final lease or purchase agreement with landlord or seller, providing a copy of the fully executed agreement to Franchisor, and performing any necessary construction, remodeling, decorating and/or other work on the premises), open the Franchised Center for business, and operate the Franchised Center continuously throughout the term of this Agreement during such minimum hours as ATL prescribes. Prior to occupancy of the Franchised Center, Franchisee shall submit to Franchisor a statement signed by Franchisee certifying that Franchisee has obtained all permits and certifications required for operation of the Franchised Center (including but not limited to zoning, access, use, sign, fire, and occupancy permits and certifications), together with such copies of permits and certifications as Franchisor may request. Franchisee shall not enter into any cancellation or mutual termination of the lease or other agreement for the Franchised Center (or of Franchisee's right to possession of the premises), nor shall Franchisee relocate or move the Franchised Center without obtaining the express prior written consent of Franchisor, which Franchisor may grant or withhold in its sole discretion.

E. Franchisee (including such signers of this Agreement, officers, directors, shareholders, and/or partners of Franchisee as Franchisor shall in its sole discretion require and approve) shall attend and complete to Franchisor's satisfaction the initial training program for Franchisees (the “Initial Training”), the content, schedule, and duration of which Initial Training Franchisor shall in its sole discretion determine. As of the execution of this Agreement, the Initial Training consists of (i) online virtual Initial Training, (Franchisor reserves the right to hold training at Franchisor’s headquarters in Maryland (the “Franchise School”)); When the Franchise School is held at Franchisor’s headquarters in Maryland, Franchisor currently provides its franchisees who attend with approximately one week of Franchise School; and (ii) certain in-Center training which is conducted by Franchisor’s employee or designee in the Franchised Center just prior to and during the opening for business of the Franchised Center. As to such Franchise School, Franchisor shall provide and pay for all of the following: training instructors, facilities, training materials, Franchisee's round trip transportation to and from Franchise School, local transportation (typically a rental car which is shared with other franchisees), and lodging. All other expenses which may be incurred during the Franchise School, including, without limitation, meals, other travel, salaries, and wages (if any), shall be borne by Franchisee.

F. Franchisor may require Franchisee and/or its employees to attend and complete to Franchisor's satisfaction additional training programs ("Additional Training", including but not limited to such sales meetings, operations meetings and conventions as Franchisor may reasonably require). All expenses incurred in connection with Additional Training including, without limitation, the cost of all travel, lodging, meals, salaries, and wages, shall be borne by Franchisee, and Franchisor shall provide and pay only for training instructors. Consistent with the concept of Additional Training as defined in this Paragraph 5F, Franchisee, at its sole expense, shall conduct periodic training programs at the Franchised Center for employees as prescribed by Franchisor. Such periodic training programs shall be conducted as Additional Training when periodic inspections and/or evaluations by Franchisor deem them necessary.

G. Franchisee shall only use sequentially numbered customer receipts/repair orders for the Franchised System(s) authorized in the attached Schedule(s) (which it agrees to acquire only by purchase from Franchisor) in the Franchised Center premises and/or in its operation of the Franchised Business.

H. Franchisee shall maintain the Franchised Center in the highest degree of sanitation, repair and condition, including but not limited to such periodic repainting, repairs to impaired equipment and replacement of obsolete signs as Franchisor may reasonably direct. At Franchisor's request, which Franchisor shall make no more than once every five (5) years, Franchisee shall, at its sole expense, refurbish or enhance the Franchised Center and Franchisee’s equipment to conform to Franchisor's then-current public image, advertising program(s), and technological requirements for the Franchised System(s) authorized in the attached Schedule(s).

I. Franchisee shall use only the telephone numbers and directory listings reserved by Franchisor, its affiliates, and/or designees, and Franchisor shall have the right to prior review and approval of all telephone numbers and directory listings for the Franchised Center. Franchisee shall be responsible for any and all charges and costs related to telephone service, telephone numbers, and directory listings for the Franchised Center. Franchisee acknowledges that Franchisor, its affiliates and/or designees, has the sole and exclusive right and

authority to transfer, suspend, discontinue, terminate, and amend such telephone numbers and directory listings as Franchisor, in its sole discretion, deems appropriate. Without limiting the generality of the foregoing, Franchisee agrees not to order or arrange for any telephone service, directory listing(s), and/or telephone number(s) for the Franchised Center without Franchisor's prior written consent. In the event Franchisor takes any action pursuant to this paragraph, the telephone company and all other telephone service providers and all listing agencies may, without liability to Franchisee, accept this Agreement and the directions by or on behalf of Franchisor as conclusive of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer, suspension, discontinuance, termination, and/or amendment.

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

K. Franchisee shall permit Franchisor and its agents to enter the Franchised Center for the purposes of conducting inspections; shall cooperate fully with the Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary immediately to correct any deficiencies detected during such inspections.

L. Franchisee shall comply with all other requirements set forth in this Agreement and shall adhere to the Franchisor's policies and procedures as set forth in the Manual(s), as defined in paragraph 8A, or otherwise in writing.

6. WARRANTIES AND GUARANTEES

Recognizing the value of providing warranties and guarantees of the services performed hereunder by Franchisee to the customers of Franchisee and of the Franchised System(s) authorized in the Schedule(s), and the importance of the standardization of the warranties and guarantees offered to the furtherance of the goodwill and public image of Franchisee and of the Franchised System(s), the parties agree as follows:

A. Franchisor has established uniform warranties and guarantees for the Franchised System(s), and Franchisee agrees to offer customers of its Franchised Center, on forms provided by Franchisor, such warranties and guarantees as Franchisor prescribes.

B. Franchisee agrees to honor customer claims presented under warranties and guarantees issued by Franchisee and/or other franchisees under each Franchised System(s) authorized in the attached Schedule(s) without demanding reimbursement therefor from the customer.

C. Franchisee agrees to reimburse any franchisee of Franchisor, regardless of the System under which such Franchisee operates, who satisfies any warranty or guarantee issued by Franchisee hereunder, in an amount as described in the following sentence, within five (5) days after receipt of an invoice for such reimbursement. The amount of reimbursement shall be the cost of all replacement parts, plus a labor charge for the warranty services as established by Franchisor from time to time.

7. PROPRIETARY MARKS

A. Franchisor grants Franchisee the right to use, during the term and any Renewals, only the Licensed Proprietary Marks as described herein and in the attached Schedule(s), or as hereinafter designated in writing by Franchisor for use by Franchisee. Franchisee is authorized to use the Licensed Proprietary Marks only in connection with the operation of the Franchised Center and the business franchised under this Agreement at the specific location approved by Franchisor under the Franchised System(s) authorized in the attached Schedule(s) (the "Franchised Business").

B. Franchisee understands and agrees:

(1) That it shall operate and advertise the Franchised Business only under the Licensed Proprietary Marks designated by Franchisor in writing for use by Franchisee and only in accordance with the terms of this Agreement.

(2) That Franchisor is the exclusive owner of the Licensed Proprietary Marks and that all goodwill arising from any use thereof by Franchisee shall inure exclusively to Franchisor's benefit.

(3) That upon expiration or termination of this Agreement, no monetary amount shall be attributed to any goodwill associated with or related to Franchisee's use of the Licensed Proprietary Marks and/or Franchisee's association with the Franchised System(s) described in the attached Schedule(s) or the Licensed Proprietary Marks.

(4) That the Licensed Proprietary Marks can and will be used by Franchisee only as authorized herein; and that any unauthorized use of such Licensed Proprietary Marks shall constitute an infringement of Franchisor's rights in, to and under the Licensed Proprietary Marks.

(5) That the rights granted hereunder are non-exclusive and that Franchisor retains the right, among others, to operate and to authorize others to operate businesses under the Licensed Proprietary Marks, except that Franchisor shall not do so in violation of Paragraph 1B hereof.

C. Franchisee shall operate, advertise and promote the Franchised Center under the Licensed Proprietary Marks without prefix or suffix and shall use no other name without Franchisor's prior written consent; Franchisee shall not, without Franchisor's prior written consent, use the Licensed Proprietary Marks as part of Franchisee's corporate or other legal name, nor hold out or otherwise employ the Licensed Proprietary Marks to perform any activity, or to incur any obligation or indebtedness, in such a manner as could result in making Franchisor liable therefor or in such a manner as would violate Paragraph 18 of this Agreement.

D. Franchisee shall promptly notify Franchisor of any suspected infringement of the Licensed Proprietary Marks or unauthorized use or disclosure of the Confidential Information, as defined in Article 9 below, any challenge to the validity of the Licensed Proprietary Marks, or any challenge to Franchisor's ownership of, or Franchisee's right to use, the Licensed Proprietary Marks licensed hereunder or the Confidential Information. Franchisee acknowledges that Franchisor shall have the sole right to direct and control any administrative proceeding or litigation involving the Licensed Proprietary Marks or the Confidential Information, including, without limitation, any settlement thereof. Franchisor shall have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Licensed Proprietary Marks or the Confidential Information.

(1) Provided that Franchisee has used the Licensed Proprietary Marks in accordance with this Agreement, Franchisor will defend Franchisee at Franchisor's expense against any third party claim, suit, or demand involving the Licensed Proprietary Marks arising out of Franchisee's use thereof. In the event that Franchisee has not used the Licensed Proprietary Marks in accordance with this Agreement, the parties agree that Franchisor will defend Franchisee, at Franchisee's expense, against such third party claims, suits, or demands.

(2) If Franchisor undertakes the defense or prosecution of any litigation relating to the Licensed Proprietary Marks or the Confidential Information, Franchisee shall execute any and all documents and to do such acts and things as may, in the opinion of counsel for Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Licensed Proprietary Marks or the Confidential Information in a manner inconsistent with the terms of this Agreement, Franchisor agrees, subject to Paragraph 7F, to reimburse Franchisee for its out-of-pocket costs in doing such acts and things, except that Franchisee shall bear the costs of its employees' salaries and/or wages.

E. Franchisee understands and acknowledges that Franchisor has invested significant time and money in each and every detail of the Franchised System(s). As it is prudent for Franchisee and Franchisor together to protect and enhance the reputation and goodwill of the Franchised System(s) and Franchisee's business, Franchisee agrees to do each of the following:

(1) To refrain from using any of the Licensed Proprietary Marks in conjunction with any other word or symbol without Franchisor's prior written consent.

(2) To adopt and use the Licensed Proprietary Marks solely in the manner prescribed by Franchisor.

(3) To observe all requirements with respect to service mark, trademark and/or copyright notices, and trade name and/or fictitious name registrations under applicable federal, state, and local laws, rules, and regulations, and to display the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

(4) To use, promote and offer for sale under the Licensed Proprietary Marks only those products and services which meet Franchisor's prescribed standards and specifications, as they may be revised and amended by Franchisor from time to time in the Manual(s) for the Franchised System(s) described in the attached Schedule(s), or otherwise in writing.

(5) To execute all documents requested by Franchisor, which, in the opinion of its counsel, are necessary to obtain protection for the Licensed Proprietary Marks or to maintain their continued validity or enforceability, and to take no action that would jeopardize the validity or enforceability thereof.

(6) To identify itself, during the term of this Agreement and any renewal hereof, in a manner reasonably acceptable to Franchisor, as the owner of the Franchised Business in conjunction with any use of the Licensed Proprietary Marks, including, without limitation, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing.

(7) To refrain from directly or indirectly contesting or challenging Franchisor's right to the Licensed Proprietary Marks or to any of the confidential information or business techniques which are imparted to Franchisee by Franchisor or otherwise are part of the Franchised System(s).

F. If it becomes advisable at any time in the Franchisor's sole discretion for the Franchisor and/or Franchisee to modify or discontinue use of any Licensed Proprietary Mark, and/or to use one or more additional or substitute trade or service marks, Franchisee agrees to comply therewith within a reasonable time after notice by Franchisor, and Franchisee agrees to bear the out-of-pocket costs of such compliance including, without limitation, the cost of new signs, selling boards, stationery, and permit filings required by such modification, discontinuance, addition and/or substitution.

8. CONFIDENTIAL OPERATING PROCEDURE MANUAL

A. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Licensed Proprietary Marks, Franchisee shall operate its Franchised Center in accordance with Franchisor's Confidential Operating Procedure Manual(s) for each of the Franchised System(s) described in the attached Schedule(s) [the “Manual(s)”], one copy of each of which shall be loaned to Franchisee for the term of this Agreement upon the arrival of Franchisee at Franchise School.

B. Franchisee shall at all times during the term of this Agreement treat the Manual(s), any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any individual except for such of its employees as must have access to the Manual in order to operate the Franchised Business.

C. Franchisee agrees that the Manual(s) shall only be used in the operation of the Franchised Business and shall at all times remain the sole property of Franchisor.

D. Franchisor may from time to time revise the contents of the Manual(s) and/or the services Franchisee is required or authorized to provide therein, and Franchisee expressly agrees to comply with each such revision upon receipt of written notice from Franchisor.

E. Franchisee shall at all times ensure that its copy of each Manual is kept current and up-to-date, and in the event of any dispute as to the contents of any such Manual, the terms of the master copy of such Manual maintained by Franchisor at Franchisor's home office shall be controlling.

9. CONFIDENTIAL INFORMATION

Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation, limited liability company, or other entity, any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised or become aware by virtue of or in connection with Franchisee's operation under the terms of this Agreement (collectively the “Confidential Information” which also includes, without limitation, each and every Manual loaned to Franchisee or otherwise in Franchisee’s possession). Franchisee shall only use such confidential information in the operation of the Franchised Business and

shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business.

10. ACCOUNTING AND RECORDS

A. During the term and any Renewal(s) of this Agreement and during the two (2) years after the termination or expiration of the term or any Renewal, Franchisee shall compile in accordance with generally accepted accounting principles, and maintain and preserve for the immediately preceding six (6) years of its operation of the CENTER, full, complete and accurate books, records and accounts in the form and manner prescribed by Franchisor from time to time in the Manual(s) for the Franchised System(s) authorized in the attached Schedule(s) or otherwise in writing, and shall also maintain and preserve, for the same time period, copies of tax returns for such years as filed with the appropriate taxing authorities. Notwithstanding the foregoing, in the event Franchisee has had fewer than six (6) years of operation as of any request by Franchisor or its designated agents to inspect, examine, or audit Franchisee's books, records, and/or tax returns, then Franchisee shall be required to submit to Franchisor or its designated agents the above-described documentation for all of its actual years and months of operation.

B. Franchisee shall submit to Franchisor, no later than Thursday of each week, signed statement(s) and/or report(s) in the form and manner prescribed by Franchisor, accurately reflecting all gross sales during the preceding week and such other information or data as Franchisor may require. In addition, on Monday of each week, Franchisee shall be prepared to furnish to Franchisor, upon telephonic request by Franchisor, an oral statement accurately reflecting all gross sales during the preceding week and such other information or data as Franchisor may require.

C. Franchisee shall, at its expense, submit to Franchisor by the twentieth (20th) day of each month, an unaudited profit and loss statement on the Franchised Business for the preceding month and the year-to-date. Upon Franchisor's request, Franchisee shall, at its expense, submit to Franchisor an audited profit and loss statement and balance sheet for the current fiscal year of Franchisee and for those concluded fiscal years requested by Franchisor, all as prepared by a certified public accountant.

D. Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information and data as Franchisor may reasonably request, including, without limitation, the Franchised Center’s and/or Franchisee's income tax returns. Franchisor shall have the right, as it deems necessary, to review Franchisee’s credit as received from a recognized credit reporting bureau.

E. Franchisor or its designated agents shall have the right at all times to inspect, examine or audit, at its expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent inspection, examination or audit made of the books and other records of Franchisee. If any inspection, examination, or audit should reveal that Franchisee's gross sales have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount of royalty fees and/or advertising contributions due on such understatement, plus interest thereon from the date the royalty fees and/or advertising contributions on such understatement would have been due if correctly reported. If any inspection, examination, or audit discloses an understatement in any report of two percent (2%) or more of Franchisee's gross sales, Franchisee shall, in addition, immediately reimburse Franchisor for any and all costs and expenses connected with the inspection, examination, or audit, including, without limitation, reasonable accountant's, examiner's, and/or attorney's fees and travel expenses, lodging, meals, and compensation of Franchisor's employees, agents, examiners, accountants, and/or attorneys in connection with the inspection, examination, or audit. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

F. Unless otherwise specified, "interest" as used in this Agreement shall mean the prime rate published in *The Wall Street Journal* on the date when payment was due (or the previous business day), plus one percentage point (100 basis points).

11. ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the SYSTEM, the parties agree as follows:

A. Franchisee agrees not to advertise the Licensed Proprietary Marks and/or any telephone number(s) for and/or the address of the Franchised Center’s location in any medium without Franchisor’s prior written approval. Franchisee agrees that any advertiser may, without liability to Franchisee, accept this Agreement and the directions by or on behalf of Franchisor to terminate, discontinue or amend Franchisee’s advertising as

conclusive of the exclusive rights of Franchisor in the telephone number(s) and address of the CENTER for all advertising purposes.

B. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements in the Manual(s) for the Franchised System(s) described in the attached Schedule(s). Franchisee shall submit to Franchisor for Franchisor's prior written approval (except with respect to prices to be charged) samples of all advertising and other marketing plans and materials which Franchisee desires to use. If Franchisor does not provide its written approval within ten (10) business days after such materials have been received by Franchisor, such proposed advertising, marketing plans, or other materials shall be deemed disapproved. By virtue of having approved any advertising, marketing plans, or promotional materials proposed for use by Franchisee, Franchisor shall not be deemed to have provided Franchisee with any advice, counsel, or review as to whether such materials meet the requirements of applicable federal, state, or local laws, including without limitation, consumer protection and advertising laws. Franchisee acknowledges and agrees that Franchisee has no right to deduct, offset, or set-off any portion of the costs of expenses of Franchisee's own advertising (including, without limitation, print, radio, television, or any other advertising placed by Franchisee) from the initial advertising fee, continuing weekly advertising contributions, weekly royalty fees, or any other amounts payable to Franchisor under this Agreement. The word "advertising," as referred to in any provision of this Agreement, shall be deemed to include any use of or reference to the System or to any one or more of the Proprietary Marks in any form as to which there exists public access, including, without limitation, print (e.g. newspapers, magazines, mailings, brochures, coupons, signage, placards, banners, and any other non-electronic means) or electronic (e.g. television, radio, internet, and any other electronic means) media of any kind whatsoever.

C. Franchisee hereby acknowledges Franchisor's right to charge the FUND for all reasonable advertising expenses, including, without limitation, formulation, development, and media production costs of advertising and the proportionate compensation of employees or contractors of Franchisor (collectively the "Chargeable Advertising Expenses") who devote time and render services in such advertising formulation, development and media production or in the administration of the FUND and any other accounts used therefor. Franchisor and/or its contractors shall spend all advertising contributions received from Franchisee's Designated Market, less the Chargeable Advertising Expenses, for advertising at Franchisor's sole discretion. Franchisee and Franchisor acknowledge and understand that the FUND is intended to maximize general public recognition and patronage of the System(s) and the Franchised Center in the manner determined to be most effective by Franchisor. Franchisor and/or its contractors shall provide a statement of receipts and disbursements from the FUND in respect of the Franchised Center and/or its pro-rata share of advertising in the Designated Market (at Franchisor's election) not more than once annually upon written request by Franchisee.

D. Franchisee agrees that time is of the essence in its duty and obligation to make contributions for advertising as required under Paragraphs 4A(4) and 4A(5). Notwithstanding anything to the contrary in this Agreement, such contributions shall be maintained and administered by Franchisor, in its sole discretion. Franchisee agrees further that Franchisor may designate an advertising agency of its choice, which may or may not be an affiliate of the Franchisor.

12. INSURANCE

A. Franchisee shall purchase and at all times during the term of this Agreement shall maintain in full force and effect policies of insurance as follows:

(1) worker's compensation insurance (including, without limitation, employer’s liability insurance), in amounts prescribed by law;

(2) liability insurance under a garage liability policy, consisting, at a minimum, of the following coverages:

(a) bodily injury and property damage liability insurance with a combined single limit of at least $2,000,000, including, but not limited to completed operations liability insurance, products liability insurance, and automobile liability insurance, (including owned and non-owned hired cars, trucks, trailers, and other motor vehicles),

(b) medical payments coverage in the amount of at least $2,500, and

(c) customer automobile insurance (garagekeepers physical damage) on a primary basis in the amount of at least $80,000; and

(3) business insurance, consisting, at a minimum of the following coverages:

(a) business personal property (fire perils/all risk) in the amount of at least $70,000,

(b) employee dishonesty/loss of money and securities other than by employee dishonesty in the amount of at least $25,000 each, and

(c) business interruption insurance for Franchisee's actual loss of income for up to twelve (12) consecutive months with no dollar limitation; and

(4) pollutant clean-up and removal coverage insuring against clean-up and removal losses, damages, and other claims resulting from spills or releases from the Franchised Center's business operations in the amount of at least $25,000, provided Franchisor may, at its sole discretion, waive the insurance required under this Paragraph 12A(4) after written request from Franchisee, if Franchisor determines in its sole discretion that the insurance described herein is not available for purchase by Franchisee at commercially reasonable rates.

(5) such additional insurance and/or deductibles thereon (or on the above-described insurance) as may be required under any lease for the Franchised Center premises, under any loan or equipment lease to which Franchisee is a party, or by Franchisor in its sole discretion. Before binding and/or purchasing insurance coverage, Franchisee agrees to present to its insurance consultant the text of Paragraphs 12A and 12B of this Agreement and the text of any provisions in its proposed lease regarding insurance.

B. All policies of insurance required under this Paragraph 12 shall be in such form and in such amounts as Franchisor shall in its sole discretion determine with companies reasonably satisfactory to Franchisor and shall protect, as named insured, Franchisee, Franchisor, and any other party designated by Franchisor. Without limiting the generality of the foregoing sentence, Franchisor may, from time to time or upon annual or more frequent renewal of any of such policies, require in its sole discretion that Franchisee purchase different form(s) or minimum amount(s) of insurance. All such policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation, shall constitute knowledge of the insured. Franchisee shall furnish Franchisor, any other named insured, and all other persons designated by Franchisor, certificates issued by each of Franchisee's insurers indicating that all required insurance is in full force and effect and that such insurance shall not be terminated or changed without at least thirty (30) days prior written notice to Franchisor. Within five (5) days of any request by Franchisor, Franchisee shall deliver copies of all such insurance policies to Franchisor for examination.

C. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised in form(s) and/or amount(s) from time to time by Franchisor pursuant to Paragraph 12B hereof, Franchisor shall have the right and authority (without, however, any obligation to do so), to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon receipt of notice from Franchisor that such procurement charges and fee are due.

D. Franchisee's obligation to obtain and maintain the foregoing insurance policies in the forms and amounts specified from time to time by Franchisor shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of its insurance obligations under this Paragraph 12 relieve it of liability under the indemnity provisions set forth in Paragraph 18D of this Agreement.

13. TRANSFERABILITY OF INTEREST

A. Transfer by Franchisor: Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein, including, without limitation, its rights or obligations under or in connection with any one or more of the Franchised System(s) authorized in the attached Schedule(s), either jointly or severally, to any person or legal entity.

B. Transfer by Franchisee:

(1) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted the rights enumerated hereunder to Franchisee in consideration of Franchisee's business skill and financial capacity. Accordingly, neither this Agreement, any of Franchisee's rights hereunder, nor all or any part of the ownership interest of

Franchisee (which ownership interest shall include but not be limited to voting stock, securities convertible thereto, proprietorship and general partnership interests) nor all or any substantial portion of the assets located in, on, or about the Franchised Center premises or other assets of the Franchised Business may be voluntarily, involuntarily, directly, or indirectly assigned, sold, conveyed, given away, pledged, mortgaged, hypothecated or otherwise transferred or encumbered by Franchisee or its owners (including, without limitation, by will, by declaration of or transfer in trust, or by the laws of intestate succession) without the prior written consent of the Franchisor, which consent shall not be unreasonably withheld as set forth in the following subparagraph B(2) and in Paragraph 13C. Any purported assignment or transfer, by operation of law (except in cases of Franchisee's death or Substantial Incapacity for the time period provided in Paragraph 13D hereof) or otherwise, not having the written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without Franchisee having the opportunity to cure pursuant to Paragraph 14C of this Agreement.

(2) Franchisor shall not unreasonably withhold its consent to a transfer by Franchisee of this Agreement, Franchisee's rights hereunder, all or any part of the ownership interest of Franchisee or all or any substantial portion of the assets of the Franchised Business; provided, however, that prior to the time of transfer, Franchisor may, in its sole discretion, require that:

(a) All of Franchisee's accrued outstanding obligations to Franchisor and all other outstanding obligations related to the Franchised Business shall have been satisfied.

(b) The transferor and all such officers, directors, shareholders, partners, and members (as applicable) as Franchisor shall designate shall have executed and delivered to Franchisor a general release in form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities.

(c) Both the transferor and the transferee shall have executed and delivered to Franchisor a written assignment, in form satisfactory to Franchisor.

(d) The transferee (or if a corporation, a partnership, or a limited liability company, such officers, directors, shareholders, partners, or members as are designated by Franchisor) shall meet Franchisor's educational, managerial and business standards; possess good moral character, business reputation, and credit rating and have the aptitude and ability to conduct the Franchised Business (as evidenced by the transferee's prior related business experience or otherwise; transferee shall not be under Substantial Incapacity as defined in Paragraph 13D).

(e) The transferee shall have executed and delivered to Franchisor (and/or, upon Franchisor's request, have caused all such officers, directors, shareholders, partners, or members, if applicable, as Franchisor shall designate to execute) such then-current standard franchise agreement and any ancillary addenda, schedules, and agreements as Franchisor may require, which standard agreement shall be for such initial term and such renewal terms as are set forth therein.

(f) The transferee shall have paid Franchisor a transfer fee of Nine Thousand Five Hundred Dollars ($9,500).

(g) The transferee shall have completed the Franchise School program then in effect for new franchisees of the Franchised System(s) authorized in the attached Schedule(s).

(h) The transferor shall have paid Franchisor a transfer fee of Nine Thousand Five Hundred Dollars ($9,500).

(i) The transferor and all such officers, directors, shareholders, partners, or members (as applicable) as Franchisor shall designate shall have executed and delivered to Franchisor such documents as Franchisor may reasonably specify in order to give effect to the provisions of Paragraph 16C.

C. Transfer to the Franchisee Corporation:

In the event the proposed transfer is to a corporation formed solely for the convenience of ownership (the "Franchisee Corporation"), the transfer fees under Paragraphs 13B(2)(f) and (h) shall not apply, and Franchisor's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

(1) The Franchisee Corporation shall be newly organized, and its charter shall provide that its activities are confined exclusively to operating the Franchised Business.

(2) The individual signer(s) of this Agreement on behalf of Franchisee shall own one hundred percent (100%) of the issued and outstanding capital stock of the Franchisee Corporation, shall not diminish his/their proportionate ownership interest in the Franchisee Corporation, except as may be required by law, and one such signer shall act as its principal executive officer.

(3) Each stock certificate of the Franchisee Corporation shall have conspicuously endorsed upon its face the following printed legal legend:

The transfer of this stock is subject to the terms and conditions of a Franchise Agreement with ATL International, Inc., dated _____. Reference is made to the provisions of the said Franchise Agreement and to the Articles and By-Laws of this corporation.

(4) Copies of the Franchisee Corporation's Articles of Incorporation, By-Laws, and all other governing documents, including the resolutions of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor;

(5) All shareholders of the Franchisee Corporation shall execute this Agreement and shall, notwithstanding the transfer to the Franchisee Corporation, be bound jointly and severally by all of the provisions hereof; and

(6) Both the transferor Franchisee and the transferee Franchisee Corporation shall execute and deliver to Franchisor a written assignment, in form satisfactory to Franchisor.

(7) In the event the proposed transfer is to a partnership or limited liability company formed solely for the convenience of ownership (the “Franchisee Partnership” or “Franchisee LLC,” respectively), then Franchisor, in its sole discretion, may consent to such transfer conditioned on the above requirements as revised or modified by Franchisor according to the appropriate organizational documents, operating agreements, certificates, and indicia of ownership for partners in the Franchisee Partnership or for members in the Franchisee LLC, as the case may be.

D. Transfer Upon Death or Substantial Incapacity: If, upon the death or Substantial Incapacity (as defined in the last sentence of this Paragraph 13D) of any individual with an ownership interest in the Franchised Business, in this Agreement, or in Franchisee, the executor, administrator, heir(s), committee or other legally empowered personal representative of such individual is unable to meet the conditions of this Paragraph 13, then such personal representative shall have a reasonable time to dispose of the interest of the deceased individual or individual under Substantial Incapacity, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. Under no circumstances shall the time needed to finalize the above described transfer exceed twelve (12) months from the date of death or diagnosis of Substantial Incapacity. An individual shall be deemed under Substantial Incapacity when a qualified health care professional certifies in writing that the patient is mentally impaired to the extent that he is incapable of conducting his affairs for an indefinite, but not necessarily permanent, period of time.

E. Non-Waiver of Claims: Franchisor's consent to a transfer of any interest in the Franchised Business, in this Agreement, or in Franchisee shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

14. DEFAULT AND TERMINATION

A. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee or any opportunity to cure the default, if Franchisee is or becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated a bankrupt, suffers temporary or permanent court appointed receivership of substantially all of its property, or suffers the filing (voluntary or involuntary) of a petition under the U.S. Bankruptcy Code.

B. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of notice to Franchisee (in accordance with the provisions of Paragraph 20), upon the occurrence of any of the following events:

(1) If Franchisee ceases to do business at the Franchised Center, or loses the right to possession of the Franchised Center or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Center is located; however, if any loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of Franchisee, the Franchised Center is damaged or destroyed by a disaster to the extent that it cannot, in Franchisor's judgment, reasonably be restored, then in either such event this Agreement shall not be terminated by reason of such event for ninety (90) days thereafter, provided Franchisee applies within such ninety (90) days for Franchisor's approval to relocate the Franchised Center for the remainder of the term hereof, which approval shall not be unreasonably withheld;

(2) Upon: (i) Final conviction of Franchisee of any felony offense or of any offense involving moral turpitude; or (ii) the entry of a plea of guilt or nolo contendere by Franchisee to any of the above-enumerated offenses; or (iii) any other admission of guilt by Franchisee to any of such offenses.

(3) If Franchisee purports to transfer any rights or obligations to any third party without Franchisor's prior written consent, contrary to any of the terms and conditions of Paragraph 13.

(4) If Franchisee fails to comply with the in-term covenants in Paragraph 16.

(5) If Franchisee discloses or divulges, contrary to Paragraph 8 and/or Paragraph 9, the contents of any of the Manual(s) for the Franchised System(s) described in the attached Schedule(s), and/or any other trade secret or confidential information provided Franchisee by Franchisor.

(6) If an approved transfer is not consummated after the death or Substantial Incapacity of Franchisee or of an individual holding an interest in Franchisee, as required by Paragraph 13D.

(7) If a threat or danger to public health or safety (under environmental laws or otherwise) results from the maintenance or operation of the Franchised Center.

(8) If Franchisor discovers that Franchisee made any material misrepresentation on or in connection with his application for the Franchise.

(9) If Franchisee abandons or vacates the Franchised Center for five (5) or more consecutive days; or

(10) If Franchisee is in default as provided in Paragraph 14C and Franchisor has provided to Franchisee one (1) or more prior notices pursuant to Paragraph 14C for the same, similar, or different defaults during the preceding twelve (12) months (whether or not such defaults were cured after notice).

C. Franchisee shall have (i) five (5) days after Franchisor provides notice regarding any Monetary Default, or (ii) fifteen (15) days after Franchisor provides notice regarding any Non-Monetary Default, within which to remedy the defaults described in this Paragraph 14C and provide evidence thereof to Franchisor. The terms "Monetary Default" and "Non-Monetary Default" are defined in Paragraph 14C(1), are collectively referred to herein as "Curable Default," and specifically do not include the types of default described in Paragraphs 14A and 14B. If any such Curable Default is not cured within the applicable time period (or such longer period as applicable law may require), this Agreement shall terminate at Franchisor’s option upon Franchisor’s providing notice to Franchisee. As a general matter, Franchisee shall be in Curable Default for any failure to substantially comply with any of the requirements imposed by this Agreement (except as otherwise set forth in Paragraphs 14A and 14B), as reasonably supplemented from time to time by the Manual(s) for the Franchised System(s) authorized in the attached Schedule(s), or for any failure to carry out in good faith the terms of this Agreement. Such Curable Defaults shall include, for example and without limitation, the occurrence of any of the following events:

(1) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its subsidiaries or affiliates when due, or to pay rent or any other monies required under its lease or purchase agreement on the Franchised Center to the landlord/owner of the location of the Franchised Center when due, or to submit the business and financial information required by Franchisor under this Agreement, or if Franchisee makes any false statements in connection therewith (the type of default enumerated in this subparagraph C(1) being defined as "Monetary Default"; all other types of default described in this Paragraph 14C and all other types of default by Franchisee under its lease or purchase agreement on the location of the Franchised Center being defined as "Non-Monetary Default"; neither Monetary Default nor Non-Monetary Default include any of the defaults specified in Paragraphs 14A and 14B.)

(2) If Franchisee fails to maintain any of the standards or procedures prescribed by Franchisor in this Agreement, in any one or more of the Manual(s) for the Franchised Systems authorized in the attached Schedule(s), or otherwise in writing.

(3) If Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement; or

(4) If Franchisee misuses or makes any unauthorized use of the Licensed Proprietary Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein.

D. If Franchisee is in default of any provision of this Agreement, including, without limitation, any provision of the attached Schedule(s) and any other addenda attached hereto, or of any other agreement with Franchisor, its subsidiaries and/or affiliates, Franchisor, at its option, shall have the right, at its sole discretion, to terminate this Agreement, any right(s) of Franchisee to operate under any one or more of the Franchised System(s) authorized in the attached Schedule(s), and/or any other agreement between Franchisee and Franchisor, its subsidiaries and/or affiliates upon notice to Franchisee in accordance with the provisions for notice and opportunity to cure (if any) in the applicable agreement(s).

E. If any applicable law or rule requires an earlier notice of the termination of, or election not to renew, this Agreement, or the taking of some other action with respect to such termination or election not to renew than is required hereunder, then the requirements of such law or rule as to earlier notice or other action shall govern. Termination of Franchisee pursuant to this Paragraph 14 shall not be deemed an election of remedies by Franchisor, and Franchisor may avail itself of any other remedies available to it under applicable law.

15. OBLIGATIONS UPON TERMINATION

Upon the termination or expiration of this Agreement (collectively, "termination or expiration"), all rights granted hereunder to Franchisee shall forthwith be void and of no further effect and:

A. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly, or indirectly, represent to the public or hold itself out as a present or former Franchisee of Franchisor.

B. Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, confidential information, methods, procedures and techniques associated with the Franchised System(s) and any Licensed Proprietary Marks and distinctive forms, without limitation, the yellow and black color combination or other color combinations used by Franchisor at the time of termination or expiration, slogans, indoor and outdoor signs, symbols, or devices associated with the Franchised System(s)]. Without limiting the generality of the foregoing, Franchisee shall cease to use all signs, equipment, advertising materials, stationery, forms and any other articles which display the Licensed Proprietary Marks associated with any of the Franchised System(s).

C. Franchisee shall take such action as may be necessary to cancel or amend any assumed name or equivalent registration which contains any of the Licensed Proprietary Marks and/or any other service mark, trademark, or trade name designated in writing by Franchisor for Franchisee’s use to delete the reference to all of such marks and/or names, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of such cancellation or amendment within thirty (30) days after termination or expiration.

D. If after termination or expiration, it continues to operate or subsequently begins to operate any other business, Franchisee agrees not to use any reproduction, counterfeit, copy or colorable imitation of the Licensed Proprietary Marks in connection with such other business nor to make any representation which suggests or implies an association or connection (past or present) with Franchisor. Immediately upon the termination or expiration, Franchisee shall make such modifications or alterations to the premises constituting the Franchised Center (including, without limitation, the obtaining of a new telephone listing and number for whatever business Franchisee chooses to operate which complies with the covenants not to compete in paragraphs 16B and/or 16C below, and the removal of/repainting over the yellow and black color combination wherever it appears) as Franchisor may reasonably require to prevent the operation of any business by Franchisee or others in derogation of this Paragraph and/or Paragraph 16, and Franchisee shall make such specific additional changes to de-identify such business from the Franchised System(s) as Franchisor may reasonably require. Without limiting the generality of the foregoing, Franchisee agrees immediately to discontinue the use of all telephone service, telephone numbers, and directory listings in the operation of or otherwise in connection with the Franchised Center. Franchisee agrees to permit Franchisor or its designee to inspect the Franchised Center premises within thirty (30) days of termination or expiration to confirm that this Paragraph 15 and the

Franchisor's de-identification requirements have been complied with. In the event Franchisee fails or refuses to comply with this Paragraph 15 and/or Franchisor's de-identification requirements, Franchisor shall have the right to enter upon the premises where the Franchised Business was conducted, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required hereunder, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

E. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including but not limited to reasonable attorney's fees, incurred by Franchisor as a result of such default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the machinery, fixtures, equipment, inventory, and other personal property owned by Franchisee and on Franchisee's interest in the Franchised Center premises at the time of default.

F. Franchisee shall pay to Franchisor all damages, costs, and expenses, including but not limited to reasonable attorney's fees, incurred by Franchisor in obtaining injunctive or other relief for the enforcement of this Paragraph 15.

G. After termination or expiration, Franchisee shall immediately turn over to Franchisor all Manual(s) for the Franchised System(s) described in the attached Schedule(s) (and any copies thereof, whether or not made in accordance with this Agreement), records, files, instructions, correspondence, all materials related to operating the Franchised Business including, without limitation, blank service orders, promotional materials, brochures, agreements, disclosure statements, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, excepting only Franchisee's copy of this Agreement and any correspondence between the parties.

H. Franchisor shall have the right (but not the duty), to be exercised by written notice after termination or expiration, to: (i) assume Franchisee's lease and/or Franchisee's interest in the Franchised Center premises; and (ii) purchase any or all of Franchisee's equipment, signs, promotional materials, supplies, and inventory (including but not limited to items bearing the Licensed Proprietary Marks) at fair market value; provided that the purchase price shall not contain any factor or increment for "good will" or "going concern value". If the parties cannot agree on fair market value of any such equipment, signs, promotional materials, supplies, and inventory within a reasonable time, the purchase price therefore shall be the fair market value as determined by independent appraisal. If the Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from the Franchisee under this Agreement against any payment, therefore.

I. Franchisee shall comply with the covenants contained in Paragraph 16 of this Agreement.

J. Franchisee shall immediately assign and deliver to Franchisor or Franchisor's designee all accounts with customers, customer telephone numbers and addresses, and any voice-mail computer back-up disks and computer tapes relating to Franchisee's operation of the Franchised Business.

16. COVENANTS

A. The Franchised Center shall be under the direct, on-premises supervision of Franchisee or an on-premises manager supervised by Franchisee who shall have completed to the satisfaction of Franchisor such training as Franchisor shall specify and whose identity shall have been disclosed to Franchisor. Notwithstanding the definition of "Franchisee" contained in Paragraph 1A, the term "Franchisee" as used in this Paragraph 16A shall include, at a minimum, at least one (1) of the individual signers of this Agreement. Furthermore, each signer hereby acknowledges and agrees that he will devote a minimum of thirty (30) hours per week or more, as necessary, to the management of the Franchised Business.

B. Franchisee covenants that during the term of this Agreement or any renewal thereof, except as otherwise approved in writing by Franchisor, Franchisee shall not directly or indirectly, for himself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

(1) Divert or attempt to divert any business or customer of the Franchised Business to any competitor (or to any business entity affiliated to any degree with Franchisee, excluding the Franchised Business), by direct or indirect act or otherwise, or to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with any of Franchisor's Proprietary Marks and/or Systems.

(2) Employ or seek to employ any person who is employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly to induce such person to leave such employment during the term hereof.

(3) Own, maintain, engage in, provide advice to, help, consult with, or have any direct or indirect interest in or position with (including, without limitation, as employee, director, officer, shareholder, partner, representative, agent or in any other capacity) any other business providing any one or more of the specific automotive services provided by Centers under one or more of the Franchised System(s) authorized in the attached Schedule(s) or by Centers under any other System(s) offered by Franchisor; provided, however, that this provision shall not apply to the operation by Franchisee of any other franchise which may be granted by Franchisor to Franchisee; and provided further that this provision shall not apply to less than five percent (5%) beneficial interest of the outstanding equity securities in any publicly held corporation.

C. Except as otherwise approved in writing by Franchisor, Franchisee (including but not limited to all persons and entities described in Paragraph 1A) covenants that for a period of two (2) years after the assignment or other transfer pursuant to Paragraph 13 hereof and for a period of two (2) years after the termination or expiration of this Agreement (regardless of the cause of termination), provided that the two (2) year period shall begin on the later to occur of (i) the date of the assignment, other transfer, termination or expiration or (ii) the conclusion of any legal proceedings (including but not limited to arbitration, appeals therefrom, and appeals from court cases) in which Franchisee unsuccessfully contests any of the covenants contained in Paragraphs 16B and/or 16C, Franchisee shall not either directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership or corporation:

(1) Do or engage in any act proscribed by Paragraphs 16B(1) and/or 16B(2), which are hereby incorporated by reference as if more fully set forth herein (except that the term "other franchisee" in Paragraph 16B(2) shall be deemed to include, without limitation, any assignee or other transferee of Franchisee);

(2) Own, maintain, engage in, provide advice to, help, consult with or have any interest in or position with [as described in Paragraph 16B(3)] any business providing any one or more of the specific automotive services provided by Centers under one or more of the Franchised System(s) authorized in the attached Schedule(s) within a radius of ten (10) miles of the Franchised Center or within ten (10) miles of any other Center operating under one or more of such Franchised System(s) at the time of such termination, expiration, or conclusion.

D. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to modify this Agreement by reducing the Scope (defined to include, without limitation, geographical radius, time period and/or activities prohibited) of any covenant set forth in Paragraphs 16B and/or 16C, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice of such modification. Franchisee agrees that it shall comply forthwith with any covenant so modified, which shall be fully enforceable notwithstanding the provisions of Paragraph 21. Franchisee also agrees that, if any covenant set forth in Paragraphs 16B and/or 16C, or any portion thereof, is determined to be unenforceable by a court of law, an administrative body of competent jurisdiction, or an arbitrator with respect to its Scope, and such covenant can be rendered enforceable by reduction of one or more aspects of such Scope, then such covenant shall be enforced, consistent with Paragraph 22, to the extent permissible under applicable law where enforcement is sought.

17. TAXES, PERMITS AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed by any federal, state, or local tax authorities, and any and all indebtedness incurred by Franchisee in the conduct of the Franchised Business.

B. Franchisee shall comply with all federal, state, and local laws, rules and regulations (including, without limitation, federal, state, and local consumer protection laws and regulations such as those pertaining to the form and/or content of automobile repair orders and/or estimates), and shall timely obtain any and all certificates, licenses, and permits necessary for the operation of the Franchised Business, including, without limitation, certificate of occupancy, business license, fictitious name registration and sales tax permit.

C. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and/or of the issuance of any order, writ, injunction, award or decree of any court, arbitration panel,

administrative body, or other governmental entity, which may adversely affect the operation or financial condition of the Franchised Business.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by Franchisor and Franchisee that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. At all times during the term of this Agreement and any renewals hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, including without limitation, exhibiting in a conspicuous place in the Franchised Center premises a notice of the relationship between Franchisee and Franchisor as set forth in the preceding sentence. Franchisor reserves the right to approve and/or specify the content of such notice.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. It is further understood and agreed that Franchisor shall in no event assume liability for, or be deemed liable as a result of any such unauthorized contract, agreement, warranty, or representation, or as a result of any act or omission of Franchisee in its conduct of the Franchised Business, or by reason of any claim or judgment against Franchisor arising from any violation of this Paragraph.

D. Franchisee hereby indemnifies Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents, and employees, and holds them all harmless from and against any and all claims, actions, damages, liability, and expenses arising directly or indirectly out of or in connection with any act or omission occurring on, about, or in the vicinity of the Franchised Center premises, or by reason of any act or omission with respect to the business or operation of the Franchised Business, whether sounding in contract or tort, as well as the costs and expenses (including, without limitation, arbitration costs, court costs, and reasonable attorney's fees) of defending against such claims and actions.

19. APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore, and such approval or consent shall be obtained in writing.

B. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.

C. No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with any of the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of such terms. Waiver by Franchisor of any particular default by Franchisee shall neither affect nor impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature. No delay, forbearance, or omission (collectively "Omission") of Franchisor in exercising any power or right arising out of any of the terms, provisions, or covenants of this Agreement or out of any breach or default thereof by Franchisee shall affect or impair Franchisor's right to exercise the same, nor shall such Omission constitute a waiver by Franchisor of any right hereunder. Notwithstanding any such Omission, Franchisor shall retain the right subsequently to declare any breach or default and/or to terminate this Agreement prior to the expiration of its term. The acceptance by Franchisor of any payments due to it hereunder (whether partial or full payment) shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any of the terms, covenants, or conditions of this Agreement.

20. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by certified or registered U.S. mail or by a reputable overnight delivery service, or provided by other means which affords the sender evidence of delivery or of rejected delivery, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to FRANCHISOR:	Notices to FRANCHISEE:
ATL International, Inc. 8334 Veterans Highway Millersville, MD 21108 Attn: Legal Department	_____ _____ _____

Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery. Notwithstanding the foregoing, any notice served by a reputable overnight delivery service (e.g. DHL Express, Federal Express, or UPS) shall be deemed to have been received one (1) day after deposit with such overnight service before deadline and marked for delivery the next day.

21. ENTIRE AGREEMENT

This Agreement and the Schedules referred to herein constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Franchisee to execute this Agreement. There are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral representations by Franchisor, or written representations by Franchisor (other than those set forth in the Franchise Disclosure Document that Franchisor provided to Franchisee), relating to the subject matter of this Agreement, the franchise relationship, or the Franchised Business (and any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). However, and notwithstanding the foregoing, nothing in this Franchise Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

22. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, section, part, term and/or provision (collectively "Portion") of this Agreement shall be considered severable; and if, for any reason, any such Portion is determined to be void, contrary to, and/or in conflict with, any existing or future law or regulation by a court of law, an administrative body of competent jurisdiction, or an arbitration panel, such Portion shall not impair the operation of, or have any other effect upon, such other Portions as may remain otherwise intelligible. Such intelligible Portions shall continue to be given full force and effect and bind the parties hereto, while the void Portions shall be deemed not to be part of this Agreement.

B. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any individual, person, or legal entity other than Franchisor or Franchisee, and such of their respective successors and assigns as may be contemplated by Paragraph 13 hereof, any rights or remedies under or by reason of this Agreement.

C. Franchisee expressly agrees to be bound by the maximum duty permitted or required by applicable law which is subsumed in any promise or covenant of this Agreement, as though it were separately articulated in and made a part of this Agreement. It is the strong intent of Franchisor and Franchisee that any reviewing court of law, administrative body of competent jurisdiction, or arbitration panel, instead of canceling or invalidating this Agreement, modify this Agreement by striking any Portion(s) it determines to be unreasonable or unenforceable and/or reducing the scope of any promise or covenant to the extent required to delineate the maximum duty, obligation, or restriction permitted by applicable law, or required by court order or final decision.

D. All captions in the Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. All references herein to paragraphs and paragraph numbers are to provisions within this Agreement.

E. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements, and obligations herein made are undertaken by all of the signers of this Agreement on behalf of Franchisee.

F. This Agreement shall be executed in duplicate, and each copy so executed shall be deemed an original.

G. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

23. DISPUTE RESOLUTION

A. Alternate Dispute Resolution

In the event any dispute, controversy, claim, or cause of action (collectively any "Dispute") arises between the Parties, the Parties shall (except as provided in Paragraph 23B, below), endeavor in good faith to resolve any such Dispute in accordance with, and in the order of, the alternative dispute resolution process (the "ADR Process") described in Paragraphs 23A(1), (2), and (3), below. The agreements to negotiate, mediate and to arbitrate contained herein shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

(1) Negotiation

(a) A Party wishing to resolve any Dispute shall initiate negotiation proceedings by sending notice to the other Party referencing the ADR Process and setting forth, in detail, the particulars of the Dispute, the term(s) of the Agreement (if any) that are involved, and a suggested resolution of the problem (the "ADR Notice").

(b) The Party to whom the ADR Notice is sent must respond within thirty (30) business days of receipt with a written explanation and response to the proposed solution.

(c) If the Dispute is not resolved through correspondence, then the Chairman or President (or, if unavailable, another officer with settlement authority) of each Party shall meet at the home office of Franchisor on at least one (1) occasion within sixty (60) business days of receipt of the ADR Notice in an attempt to resolve the Dispute.

(d) If the Parties are unable to resolve such Dispute within ninety (90) business days of receipt of the ADR Notice (or within such extended period of time as the Parties shall agree upon in writing), either Party can initiate mediation.

(2) Mediation

(a) Mediation shall be administered through the American Arbitration Association (“AAA”) through the Washington, D.C. regional office for the AAA, pursuant to the AAA’s then-prevailing Mediation Rules. Participation in the mediation shall be mandatory for both Franchisee and Franchisor, and the AAA’s then-prevailing Mediation Rules shall be followed, except where inconsistent with this Paragraph 23. During at least one (1) mediation conference which shall be held in Baltimore City or Anne Arundel County, Maryland, the mediator will assist the Parties in evaluating the Dispute and in reaching a reasonable settlement of the Dispute, but the mediator will not impose a judgment on the issues or have the right to force the Parties to make a settlement. All negotiations and settlement discussions will continue until the sooner of (i) the expiration of ninety (90) business days from the date of the initial mediation conference (unless extended in writing by mutual agreement

of the Parties), or (ii) the date on which the mediator makes a determination in writing that all settlement possibilities have been exhausted and that there is no reasonable likelihood that the Dispute can be resolved through mediation ("End of the ADR Process").

(b) All fees and costs of the mediation proceeding, including, without limitation, mediator compensation and administrative fees, will be assessed and paid in accordance with the then current fee policies of the AAA or as may otherwise be mutually agreed upon by the Parties. In the event that the AAA ceases to do business or to administer mediation programs, Franchisor shall select a comparable organization to administer the mediation proceeding.

(c) The AAA requires, among other things, that all records, reports, and/or other documents and all confidential information received by a mediator while serving in that capacity shall be kept confidential. Without limiting the generality of the foregoing, the Parties agree not to serve the mediator with any subpoena or discovery request (or otherwise compel the mediator's attendance or testimony) in connection with any arbitration or litigation between the Parties. The Parties shall maintain the confidentiality of the mediation, including, without limitation:

(i) Views expressed or suggestions made by another Party with respect to a possible settlement of the Dispute;

(ii) Statements or admissions made by another Party in the course of the mediation proceedings;

(iii) Proposals made or views expressed by the mediator; or

(iv) The fact that another Party had or had not indicated willingness to accept a proposal for settlement made by the mediator.

(d) In the event the Parties agree upon a settlement through negotiation or mediation and a Dispute later arises with respect to any of the matters covered by such settlement, the Parties agree to submit such Dispute, prior to instituting any adversarial proceeding, to mediation in accordance with the ADR Process.

(3) Arbitration

(a) Any Dispute which is required by this Agreement to be resolved through the ADR Process, but which is not so resolved, shall be finally resolved by arbitration pursuant to the then-prevailing Commercial Rules of the American Arbitration Association the ("AAA"). All arbitration demands shall be filed with the AAA's Washington, D.C. office (or other such office as the AAA shall direct), and all arbitration proceedings shall take place in the Baltimore, MD metropolitan area at such place as the AAA designates. The Parties agree that any such Dispute involving both Franchisor and Franchisee and any third party(ies) shall be arbitrated to the fullest extent possible. In the event the AAA ceases to do business or to administer arbitration proceedings, Franchisor shall select a comparable organization to administer the arbitration proceedings between the Parties.

(b) The Parties agree that a sole arbitrator shall be selected and that the AAA shall submit to the Parties a panel or list of names of potential arbitrators who have experience in the resolution of disputes between franchisors and franchisees, from which each Party shall submit its strikes and rankings (or follow such other procedure as exists under the then-prevailing Commercial Rules) of the potential arbitrators to the AAA.

(c) Notwithstanding the general applicability of the AAA's Commercial Rules, the Parties agree that the Federal Rules of Evidence shall apply to all arbitration proceedings and to the arbitrator's decisions on admissibility of evidence at any arbitration hearing(s). Each Party agrees that the scope of any pre-arbitration discovery shall be as limited as possible, consistent with a narrow interpretation of such Commercial Rules. Without limiting the generality of the foregoing, neither Party will be required, in any event, to produce documents and/or other information regarding, nor in connection with, any franchises or franchisees in any of the Systems owned or franchised by Franchisor. Documents and other information (i) pertaining to the specific franchise(s) granted by Franchisee to Franchisor pursuant to this Agreement and (ii) relevant and material to the claims, counterclaims, cross-claims, issues, or accountings filed with the AAA by either Party in connection with the unresolved Dispute (collectively "Claims" or "Claims in arbitration") shall be subject to pre-arbitration

production in accordance with such Commercial Rules. Neither Party will be required to give depositions prior to or in connection with any arbitration, but, consistent with such Commercial Rules, either Party shall be permitted to take the deposition of any witness who will be unavailable to testify in person at the arbitration hearing.

(d) The arbitrator shall have the right to award or include in the award any relief which the arbitrator deems proper under the circumstances (other than double, treble, other multiple, punitive or exemplary damages, as provided in Paragraph 23C(2), below), including without limitation, money damages (with interest on unpaid amounts from the due date), specific performance, and injunctive relief. The award of the arbitrator shall be the sole and exclusive remedy between the Parties regarding any and all Claims between them, and shall be made and shall promptly be payable free of any tax, deduction, or offset. The arbitrator will entertain motions for summary disposition and rule on them within a reasonable time prior to any arbitration hearing. The arbitrator's award, whether post-hearing or on a pre-hearing motion for summary disposition, shall be accompanied by a written statement of the arbitrator's reasons for granting it. Judgment upon the award of the arbitrator may be entered in the court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award or any order of enforcement.

B. Litigation

(1) Notwithstanding the agreements to negotiate or mediate any Dispute and/or to arbitrate any Claim as set forth above, nothing herein shall bar Franchisor the right to proceed directly to court (i) under the usual equity rules, in order to obtain injunctive relief, including, without limitation, temporary restraining orders, preliminary injunctions, and permanent injunctions against conduct (threatened or otherwise) that may cause Franchisor immediate irreparable harm and/or to obtain declaratory relief with respect to any rights of Franchisor under this Agreement, or (ii) in order to bring a petition to compel arbitration, as and where appropriate, pursuant to 9 U.S.C. '4 and the federal common law of arbitration. Without limiting the generality of the foregoing, Franchisee acknowledges that any failure by Franchisee to comply with the requirements of Paragraphs 7, 8, 9, 15, and/or 16 will cause Franchisor immediate irreparable harm.

(2) In order to promote judicial economy, Franchisor shall have the right, without having to negotiate or mediate any Dispute and/or arbitrate any Claim, to proceed directly to court to bring, as an ancillary count or counts in any action brought by Franchisor under Paragraph 23B(1)(i) above, a separate cause or causes of action for money damages related to any of the Proprietary Marks. Nothing in this Agreement shall prohibit Franchisor from also asserting Claims that are the same or similar in any such causes of action as a defense or counterclaim in any arbitration proceeding, nor shall the bringing of any cause of action by Franchisor pursuant to any of the subparagraphs of this Paragraph 23B constitute a waiver of Franchisor's right to arbitrate under Paragraph 23A(3).

(3) In any action, whether at law or in equity, brought by either of them, the Parties hereby irrevocably waive trial by jury.

(4) The Parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of Maryland in the judicial circuit in which Franchisor has its principal place of business and the parties do hereby waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

C. Miscellaneous

(1) This Agreement shall take effect upon its acceptance and execution by Franchisor in Maryland. This Agreement and the relationship of the Parties (and any and all Claims and/or Disputes of any nature whatsoever, whether sounding in statute, contract, tort, or otherwise, arising out of or in any way in connection with this Agreement or such relationship) shall be governed by, construed and enforced in accordance with the local/internal laws of the state of Maryland (without regard to conflict of laws principles), except to the extent governed by the United States Trademark Act of 1946 (Lanham Act), and except that all issues relating to arbitrability, the enforcement of the agreement to arbitrate contained herein, and/or the conduct of any arbitration hereunder shall be governed by the Federal Arbitration Act (9 U.S.C. '1 et seq.) and the federal common law of arbitration.

(2) Franchisee and Franchisor each hereby waives to the fullest extent permitted by law, in any arbitration or litigation, any right to or claim of any punitive, exemplary, double, treble, other multiple, incidental, indirect, special, consequential, or other damages (including, without limitation, loss of profits), whether otherwise provided by statute or at common law (including, without limitation, based in contract, negligence, strict liability, other tort or otherwise), and each agrees that, in the event of any Dispute(s) or Claim(s) between them, each shall be limited to the recovery of any actual damages sustained by it.

(3) Franchisee shall pay to Franchisor all damages, costs, and expenses, including, without limitation, arbitration costs, court costs, and reasonable attorney's fees, incurred by Franchisor in enforcing any provision of this Agreement, including, without limitation, the obtaining of any injunctive relief, or of any order compelling arbitration or staying litigation pending arbitration.

(4) The Parties agree that all negotiation pursuant to Paragraph 23A(1), and all mediation, arbitration, and litigation shall be conducted on an individual, not a class-wide, basis and shall not be asserted on behalf of any third party.

(5) For purposes of this Paragraph 23, "Party" and "Parties" shall include, without limitation, first, Franchisor, its officers, directors, agents, and employees, or any one or more of them, and second, those individuals, persons and entities defined as "Franchisee" in Paragraph 1A, and its/their officers, directors, partners, members, managers, agents, and employees or any one or more of them.

(6) The Parties agree that each and every Claim in arbitration pursuant to Paragraph 23A(3) and each and every action pursuant to Paragraph 23B(1) and/or Paragraph 23B(2) must be asserted or brought by filing (a) a written demand for arbitration with the AAA in Washington, D.C., or (b) a complaint with the appropriate court pursuant to Paragraph 23B(4), respectively, within twelve (12) months after the occurrence of the facts giving rise to such Claim or action, or to the Dispute underlying such Claim or action, provided however that where applicable state or federal law provides a shorter limitations period, such shorter period shall apply. If the Claim in arbitration or action is not asserted or brought by filing with the AAA or appropriate court, respectively, within the time period described in this Paragraph, then the Party seeking to assert or bring any such Claim or action waives its rights to do so. In the event any Claim in arbitration is asserted by a Party filing written demand for arbitration with the AAA within the last thirty (30) days of the above-described period, the time between the filing of the arbitration demand through thirty (30) days after service of such demand on the other Party shall not be included in determining whether a counterclaim is barred by the limitations period set forth herein.

(7) This Paragraph 23 and the Dispute Resolution provisions set forth herein shall survive termination or expiration of this Agreement and are intended to encompass any and all Claim(s), action(s), or Dispute(s) asserted, brought, or filed before or after such termination or expiration. No arbitration demand, ADR Notice, or request for arbitration, mediation, or negotiation shall stay, postpone, rescind, or otherwise affect any termination of this Agreement or any notice of termination or default.

(8) The Parties acknowledge that the agreements contained herein on choice of applicable law, choice of forum, use of the ADR Process, applicability of certain evidence rules in arbitration, limitation of pre-arbitration discovery, designation of certain matters for litigation, waiver of jury trial, waiver of certain damages, individual rather than class-wide dispute resolution, limitations period for asserting/bringing Claim(s) and action(s), and other matters set forth throughout this Paragraph 23 provide each of the Parties with the mutual benefit of uniform interpretation of this Agreement and uniform resolution of any Dispute(s) between the Parties. Each of the Parties acknowledges the receipt and sufficiency of consideration for such benefit which has been negotiated for and/or agreed to by each Party.

24. ACKNOWLEDGMENTS

A. Franchisee acknowledges that:

(1) it has conducted an independent investigation of the Franchised System(s) described in the attached Schedule(s) and the Franchised Business; (2) it recognizes that the business venture of developing, establishing, and operating the Franchised Business under the Franchised System(s) involves business risks; and (3) the success of this venture, if any, will be largely dependent upon the ability of the

Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty, guarantee, claim, or other representation, express or implied, as to the potential volume, profits, costs, or success of the business venture contemplated by this Agreement.

B. Franchisee acknowledges that it has received, read, and understood this Agreement. Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Accordingly, any rule of law providing that ambiguities shall be construed against the drafting party shall be of no force and effect. Franchisee further acknowledges that nothing in this Agreement creates, or shall be deemed to have created, a fiduciary relationship between Franchisor and Franchisee.

C. This Agreement supersedes any and all other Agreements and representations respecting the Franchised Business and contains all of the terms of the parties with respect to the grant described herein.

D. Receipt of Documents. Franchisee acknowledges that it received a copy of this Agreement, the Schedule(s) hereto, and agreements relating hereto, if any, with all of the blank lines therein filled in, prior to the date on which this Agreement was executed, and with sufficient time within which to review the Agreement, with advisors of its choosing. Franchisee further acknowledges that it received the Franchise Disclosure Document required by the Federal Trade Commission's Franchise Rule at least fourteen (14) days prior to the date on which this Agreement was executed.

E. Franchisee and Franchisor each acknowledge that the following Schedule(s) are attached hereto and incorporated herein by this reference:

Franchisor _____ Franchisee _____ _____ _____	Schedule 1 (All Tune and Lube® System)
Franchisor _____ Franchisee _____ _____ _____	Schedule 2 (ATL Motor Mate® System)
Franchisor _____ Franchisee _____ _____ _____	Schedule 3 (All Tune Transmissions® System).

Franchisee and Franchisor each acknowledge that the Schedule(s) above which are not initialed by both Franchisee and Franchisor are expressly not incorporated into this Agreement, and Franchisee shall have no right(s) to use any such System(s) which has not been incorporated herein by initialing.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement in duplicate as of the date first above written.

FRANCHISEE:

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

FRANCHISOR:

ATL INTERNATIONAL, INC.

By: _____ (SEAL)
KEVIN D. MAGNUSON
President

3/24

EXHIBITS F-1, F-2, AND F-3

SCHEDULES

ALL TUNE AND LUBE®

ATL MOTOR MATE®

ALL TUNE TRANSMISSIONS®

Schedule 1 TO FRANCHISE AGREEMENT
(All Tune and Lube® Franchise)

THIS Schedule 1 TO FRANCHISE AGREEMENT (this "Schedule 1") supplements and is an integral part of the Franchise Agreement of even date (the "Agreement") between ATL International, Inc. ("Franchisor") and _____ _____, ("Franchisee") as follows:

A. Franchise System/Licensed Proprietary Marks. This Schedule 1 grants Franchisee the right and license, as more fully described in Agreement paragraph 1A, to operate under the All Tune and Lube® System (the "Franchised System") and to use solely in connection with the Franchised System the following Licensed Proprietary Marks:

All Tune and Lube®
All Tune and Lube Brakes and More®

B. Franchise License Fee. The franchise license fee described in Agreement paragraph 4A(1) is due and payable in lump sum according to the chart below. The amount of the franchise license fee depends on the number of franchises granted and purchased simultaneously with the execution of the Agreement as evidenced by the number of Schedule(s) which have been executed and delivered by Franchisor and Franchisee, attached to the Agreement, and initialed by both parties in Agreement paragraph 24F (such Schedule(s) so executed, delivered, attached and initialed being hereinafter collectively referred to as "Ratified Schedule(s)").

	Initial Franchise License Fee (Total of 2 Installments)	Initial Deposit 1/	Balance of Franchise License Fee 2/
First Franchise	$29,000	$10,500	$18,500
Second Franchise 3/	$ 4,000	$ 2,000	$ 2,000
Subtotal for the First Two Franchises	$33,000	$12,500	$20,500
Third Franchise 3/	$ 3,000	$ 1,500	$ 1,500
Grand Total for Three Franchises at First Location	$36,000	$14,000	$22,000

Notes:

1/ Initial deposit is payable in lump sum to Franchisor upon execution of the Agreement.

2/ Balance of franchise license fee is payable in lump sum to Franchisor on the earlier of (i) 120 days after Franchisee signs the Agreement or (ii) 7 days before Franchisee begins franchise school.

3/ In order to obtain the discount(s) beginning with purchase of the Second Franchise as described above, Franchisee must simultaneously purchase any two (2) or more of the three franchises currently offered by Franchisor for operation at the approved Franchised Center location.

C. Weekly Royalty Fee. The non-refundable continuing weekly royalty fee, as more completely described in Agreement paragraph 4A(2) is the greater of $395 per week or seven percent (7%) of Franchisee's weekly gross sales (as defined in the Agreement) for general repair and three percent (3%) of Franchisee's weekly gross sales for tires and/or batteries for all gross sales related to the All Tune and Lube® System. If there are other Ratified Schedule(s) between Franchisor and Franchisee, Franchisee shall pay the continuing weekly royalty fee specified in the Ratified Schedule(s) for all System(s) identified therein. The Minimum Weekly Royalty Fee is $395 per week per Franchised Center, regardless of the number of Ratified Schedule(s) between Franchisor and Franchisee.

D. Weekly Advertising Fee. Franchisee's continuing weekly advertising contribution is calculated as stated in paragraph 4A(4) of this Agreement.

E. Entire Agreement. The Agreement and this Schedule 1, and any other Schedule(s) which are executed simultaneously herewith and attached hereto and initialed in paragraph 24F of the Agreement, constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Franchisee to execute this Agreement and other documents incorporated therein and this Schedule 1. There are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral representations by Franchisor, or written representations by Franchisor (other than those set forth in the Franchise Disclosure Document that Franchisor provided to Franchisee), relating to the subject matter of the Agreement, the franchise relationship, or the Franchised Business (and any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). However, and notwithstanding the foregoing, nothing in the Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from the Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Capitalized terms appearing herein shall have the same meaning as ascribed to them in the Agreement. In the event there are Ratified Schedule(s) in addition to this Schedule 1, then all of such Ratified Schedule(s) shall be read and construed independent of one another in conjunction with the Agreement, consistent however with the purpose of operating more than one franchise at the same Franchised Center location approved by Franchisor. At Franchisor's sole discretion, these Ratified Schedule(s) shall be severable from one another, and Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein, as described in Agreement paragraph 13A, as though each Ratified Schedule together with a copy of the executed Agreement constitutes a separate franchise. No representations, inducements, promises, or agreements, oral or otherwise, not embodied herein or attached hereto, or made by either party, none shall be binding on either party unless in writing and executed by Franchisee and an authorized officer of Franchisor. Except as set forth in Agreement paragraphs 16D and 22C, no subsequent modification or amendment of the Agreement or of this Schedule 1 shall be binding on either party unless in writing [and executed] and delivered by Franchisee and the authorized officer of Franchisor.

WITNESS the following signatures and seals as of the date first above written.

FRANCHISEE:

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

FRANCHISOR:

ATL INTERNATIONAL, INC.

By: _____ (SEAL)
KEVIN D. MAGNUSON
President

SCHEDULE 2 TO FRANCHISE AGREEMENT
(ATL Motor Mate® Franchise)

THIS Schedule 2 TO FRANCHISE AGREEMENT (this "Schedule 2") supplements and is an integral part of the Franchise Agreement of even date (the "Agreement") between ATL International, Inc. ("Franchisor") and _____ _____, ("Franchisee") as follows:

A. Franchise System/Licensed Proprietary Marks. This Schedule 2 grants Franchisee the right and license, as more fully described in Agreement paragraph 1A, to operate under the ATL Motor Mate® System (the "Franchised System") and to use solely in connection with the Franchised System the following Licensed Proprietary Marks:

ATL Motor Mate®
ATL Motor Mate - Engine Installation Centers™

B. Franchise License Fee. The franchise license fee described in Agreement paragraph 4A(1) is due and payable in lump sum according to the chart below. The amount of the franchise license fee depends on the number of franchises granted and purchased simultaneously with the execution of the Agreement as evidenced by the number of Schedule(s) which have been executed and delivered by Franchisor and Franchisee, attached to the Agreement, and initialed by both parties in Agreement paragraph 24F (such Schedule(s) so executed, delivered, attached and initialed being hereinafter collectively referred to as "Ratified Schedule(s)").

	Initial Franchise License Fee (Total of 2 Installments)	Initial Deposit 1/	Balance of Franchise License Fee 2/
First Franchise	$29,000	$10,500	$18,500
Second Franchise 3/	$ 4,000	$ 2,000	$ 2,000
Subtotal for the First Two Franchises	$33,000	$12,500	$20,500
Third Franchise 3/	$ 3,000	$ 1,500	$ 1,500
Grand Total for Three Franchises at First Location	$36,000	$14,000	$22,000

Notes:

1/ Initial deposit is payable in lump sum to Franchisor upon execution of the Agreement.

2/ Balance of franchise license fee is payable in lump sum to Franchisor on the earlier of (i) 120 days after Franchisee signs the Agreement or (ii) 7 days before Franchisee begins franchise school.

3/ In order to obtain the discount(s) beginning with purchase of the Second Franchise as described above, Franchisee must simultaneously purchase any two (2) or more of the three franchises currently offered by Franchisor for operation at the approved Franchised Center location.

C. Weekly Royalty Fee. The non-refundable continuing weekly royalty fee, as more completely described in Agreement paragraph 4A(2) is the greater of $395 per week or five percent (5%) of Franchisee's weekly gross sales (as defined in the Agreement) for all gross sales related to the ATL Motor Mate® System. If there are other Ratified Schedule(s) between Franchisor and Franchisee, Franchisee shall pay the continuing weekly royalty fee specified in the Ratified Schedule(s) for all System(s) identified therein. The Minimum Weekly Royalty Fee is $395 per week per Franchised Center, regardless of the number of Ratified Schedule(s) between Franchisor and Franchisee.

D. Weekly Advertising Fee. Franchisee's continuing weekly advertising contribution is calculated as stated in paragraph 4A(4) of this Agreement.

E. Entire Agreement. The Agreement and this Schedule 2, and any other Schedule(s) which are executed simultaneously herewith and attached hereto and initialed in paragraph 24F of the Agreement, constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Franchisee to execute this Agreement and other documents incorporated therein and in this Schedule 2. There are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral representations by Franchisor, or written representations by Franchisor (other than those set forth in the Franchise Disclosure Document that Franchisor provided to Franchisee), relating to the subject matter of the Agreement, the franchise relationship, or the Franchised Business (and any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). However, and notwithstanding the foregoing, nothing in the Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from the Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Capitalized terms appearing herein shall have the same meaning as ascribed to them in the Agreement. In the event there are Ratified Schedule(s) in addition to this Schedule 2, then all of such Ratified Schedule(s) shall be read and construed independent of one another in conjunction with the Agreement, consistent however with the purpose of operating more than one franchise at the same Franchised Center location approved by Franchisor. At Franchisor's sole discretion, these Ratified Schedule(s) shall be severable from one another, and Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein, as described in Agreement paragraph 13A, as though each Ratified Schedule together with a copy of the executed Agreement constitutes a separate franchise. No representations, inducements, promises, or agreements, oral or otherwise, not embodied herein or attached hereto, or made by either party, none shall be binding on either party unless in writing and executed by Franchisee and an authorized officer of Franchisor. Except as set forth in Agreement paragraphs 16D and 22C, no subsequent modification or amendment of the Agreement or of this Schedule 2 shall be binding on either party unless in writing [and executed] and delivered by Franchisee and the authorized officer of Franchisor.

WITNESS the following signatures and seals as of the date first above written.

FRANCHISEE:

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

FRANCHISOR:

ATL INTERNATIONAL, INC.

By: _____ (SEAL)
KEVIN D. MAGNUSON
President

Schedule 3 TO FRANCHISE AGREEMENT
(All Tune Transmissions® Franchise)

THIS Schedule 3 TO FRANCHISE AGREEMENT (this "Schedule 3") supplements and is an integral part of the Franchise Agreement of even date (the "Agreement") between ATL International, Inc. ("Franchisor") and _____ _____, ("Franchisee") as follows:

A. Franchise System/Licensed Proprietary Mark(s). This Schedule 3 grants Franchisee the right and license, as more fully described in Agreement paragraph 1A, to operate under the All Tune Transmissions® System (the "Franchised System") and to use solely in connection with the Franchised System the following Licensed Proprietary Mark(s):

All Tune Transmissions®

B. Franchise License Fee. The franchise license fee described in Agreement paragraph 4A(1) is due and payable in lump sum according to the chart below. The amount of the franchise license fee depends on the number of franchises granted and purchased simultaneously with the execution of the Agreement as evidenced by the number of Schedule(s) which have been executed and delivered by Franchisor and Franchisee, attached to the Agreement, and initialed by both parties in Agreement paragraph 24F (such Schedule(s) so executed, delivered, attached and initialed being hereinafter collectively referred to as "Ratified Schedule(s)").

	Initial Franchise License Fee (Total of 2 Installments)	Initial Deposit 1/	Balance of Franchise License Fee 2/
First Franchise	$29,000	$10,500	$18,500
Second Franchise 3/	$ 4,000	$ 2,000	$ 2,000
Subtotal for the First Two Franchises	$33,000	$12,500	$20,500
Third Franchise 3/	$ 3,000	$ 1,500	$ 1,500
Grand Total for Three Franchises at First Location	$36,000	$14,000	$22,000

Notes:

1/ Initial deposit is payable in lump sum to Franchisor upon execution of the Agreement.

2/ Balance of franchise license fee is payable in lump sum to Franchisor on the earlier of (i) 120 days after Franchisee signs the Agreement or (ii) 7 days before Franchisee begins franchise school.

3/ In order to obtain the discount(s) beginning with purchase of the Second Franchise as described above, Franchisee must simultaneously purchase any two (2) or more of the three franchises currently offered by Franchisor for operation at the approved Franchised Center location.

C. Weekly Royalty Fee. The non-refundable continuing weekly royalty fee, as more completely described in Agreement paragraph 4A(2) is the greater of $395 per week or five percent (5%) of Franchisee's weekly gross sales (as defined in the Agreement)for all gross sales related to the All Tune Transmissions® System. If there are other Ratified Schedule(s) between Franchisor and Franchisee, Franchisee shall pay the continuing weekly royalty fee specified in the Ratified Schedule(s) for all System(s) identified therein. The Minimum Weekly Royalty Fee is $395 per week per Franchised Center, regardless of the number of Ratified Schedule(s) between Franchisor and Franchisee.

D. Weekly Advertising Fee. Franchisee's continuing weekly advertising contribution is calculated as stated in paragraph 4A(4) of this Agreement.

E. Entire Agreement. The Agreement and this Schedule 3, and any other Schedule(s) which are executed simultaneously herewith and attached hereto and initialed in paragraph 24F of the Agreement, constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Franchisee to execute this Agreement and other documents incorporated therein and this Schedule 3. There are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral representations by Franchisor, or written representations by Franchisor (other than those set forth in the Franchise Disclosure Document that Franchisor provided to Franchisee), relating to the subject matter of the Agreement, the franchise relationship, or the Franchised Business (and any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). However, and notwithstanding the foregoing, nothing in the Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from the Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Capitalized terms appearing herein shall have the same meaning as ascribed to them in the Agreement. In the event there are Ratified Schedule(s) in addition to this Schedule 3, then all of such Ratified Schedule(s) shall be read and construed independent of one another in conjunction with the Agreement, consistent however with the purpose of operating more than one franchise at the same Franchised Center location approved by Franchisor. At Franchisor's sole discretion, these Ratified Schedule(s) shall be severable from one another, and Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein, as described in Agreement paragraph 13A, as though each Ratified Schedule together with a copy of the executed Agreement constitutes a separate franchise. No representations, inducements, promises, or agreements, oral or otherwise, not embodied herein or attached hereto, or made by either party, none shall be binding on either party unless in writing and executed by Franchisee and an authorized officer of Franchisor. Except as set forth in Agreement paragraphs 16D and 22C, no subsequent modification or amendment of the Agreement or of this Schedule 3 shall be binding on either party unless in writing [and executed] and delivered by Franchisee and the authorized officer of Franchisor.

WITNESS the following signatures and seals as of the date first above written.

FRANCHISEE:

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

FRANCHISOR

ATL INTERNATIONAL, INC.

By: _____ (SEAL)
KEVIN D. MAGNUSON
President

EXHIBIT G

ADDENDUM TO FRANCHISE AGREEMENT (CONVERSION)

THIS ADDENDUM TO Franchise Agreement (this "Addendum") made and entered into this _____ day of _____, 20____ between ATL International, Inc., ("Franchisor") and _____ ("Franchisee") amends that certain Franchise Agreement ("Agreement") of even date between the parties as set forth below:

RECITALS:

A. Franchisee desires to convert its existing business to franchise(s) operating under one or more of the Franchised System(s) described in the attached Schedule(s), all of which Franchised System(s) and associated Licensed Proprietary Marks are owned by Franchisor.

B. Franchisor is willing to enter into the Agreement with Franchisee under the circumstances described in (A) above, as long as this Addendum and the attached Schedule(s) is/are executed and delivered contemporaneously therewith.

PROVISIONS:

1. Agreement paragraphs 4A(1) and (3) are revised to read as follows:

"A. Notwithstanding anything contained to the contrary in any Schedule(s) attached hereto, Franchisee shall pay to Franchisor the following fees:

(1) A franchise license fee of _____Dollars ($_____) payable in two (2) installments as set forth below:

(a) Franchisee shall pay an initial deposit on the franchise license fee of _____ Dollars ($_____) (the "deposit") to Franchisor upon execution of this Agreement and Addendum.

(b) Franchisee shall pay _____ Dollars ($_____), the balance due on the franchise license fee, to Franchisor on or before the seventh (7th) day before Franchisee's beginning the Franchise School.

Each installment of the franchise license fee shall be deemed fully earned when paid to Franchisor, and is non-refundable in consideration of administrative and other expenses incurred by Franchisor in entering into this Agreement and Addendum and for Franchisor's lost or deferred opportunity to enter into such Agreement and Addendum with others."

**********[4A(2) not revised by this Addendum]**********

"(3) A non-refundable initial advertising fee in the amount of _____ Dollars ($_____), payable on or before the seventh (7th) day before Franchisee's beginning the Franchise School."

2. The Agreement and the attached Schedule(s), as modified by this Addendum to Franchise Agreement (Conversion), constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Franchisee to execute this Agreement. There are no other oral or written understandings or agreements between Franchisor and Franchisee, or

oral representations by Franchisor, or written representations by Franchisor (other than those set forth in the Franchise Disclosure Document that Franchisor provided to Franchisee), relating to the subject matter of the Agreement, the franchise relationship, or the Franchised Business (and any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). However, and notwithstanding the foregoing, nothing in the Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from the Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Capitalized terms used in this Addendum have the same meanings ascribed to them by the Agreement, unless otherwise stated. Where the Agreement and the Addendum conflict in any way, this Addendum shall control. This Addendum shall inure to the benefit of the parties and their respective heirs, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement in duplicate as of the date first above written.

FRANCHISOR:
ATL International, Inc.

By:_____ (SEAL)
Kevin D. Magnuson
President

FRANCHISEE:

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

EXHIBIT H (RESERVED)

EXHIBIT I
APPLICATION FORM

CONFIDENTIAL
QUALIFICATION REPORT

THIS INFORMATION WILL BE KEPT CONFIDENTIAL

PERSONAL DATA

Date: _____

_____

Name in Full (First) (Middle) (Last)

Social Security #: _____ Date of Birth: _____ Place of Birth: _____

_____

Home Address (Street) (City) (State) (Zip Code)

Previous Address
If Less Than 5 Years _____

(Street) (City) (State) (Zip Code)

U.S. Citizen? Yes ☐ No ☐ If No, Legal Status _____

Home Telephone _____ Business Telephone _____

Cellular Telephone _____ E-Mail Address _____

Marital Status _____ No. of Dependents _____ Military Service _____

Name of Spouse _____ Spouse's SS# _____ Spouse's Date of Birth _____

CURRENT EMPLOYER

Your
Employer _____

Name City State Telephone

Position _____ Dates of Employment From _____ To _____

Spouse's
Employer _____

Name City State Telephone

Position _____ Dates of Employment From _____ To _____

PREVIOUS EMPLOYERS

1. Name _____ City _____ State _____

   From _____ To _____ Position _____ Annual Income $ _____

2. Name _____ City _____ State _____

   From _____ To _____ Position _____ Annual Income $ _____

3. Name _____ City _____ State _____

   From _____ To _____ Position _____ Annual Income $ _____

PERSONAL FINANCIAL STATEMENT *In whole dollars*

ASSETS		**LIABILITIES and NET WORTH**	
Cash (Savings Accounts)		Second Mortgage / Home Equity Line of Credit	
Cash (Checking Accounts)		Unsecured Loans	
Real Estate – Residence (Current Value)		Real Estate Mortgage – Residence	
Real Estate – Investment (Current Value)		Real Estate Mortgage – Investment	
Stocks, Bonds, Mutual Funds, etc.		Brokerage Margin Accounts	
Automobile		Automobile Loan	
Automobile		Automobile Loan	
Retirement Plans (IRA, 401(k)		Credit Card Balances	
Notes Receivable (Itemize)		Student Loans	
		Other Debts (Boat Loan, RV Loan, etc.)	
Personal Property (including Household Goods)			
Other Assets (Itemize) Boats, RV, Collectables			
Land		Total Liabilities	
Business Owned (Value)		Net Worth = Assets minus Liabilities	
Total Assets		**Total Liabilities & Net Worth**	

FINANCIAL BACKGROUND

Personal Bank Accounts

Name of Bank _____

Address _____

_____

Phone _____

Business Bank Accounts

Name of Bank _____

Address _____

_____

Phone _____

LIST DETAILS OF ALL REAL ESTATE

Description of Property (Single Family, Multi-Unit, Townhouse, Condo	Name of Individuals Listed on Title	1st Mortgage Balance	2nd Mortgage / Line of Credit Balance	Current Market Value	Purchase Price	Date Purchased

SOURCES OF ANNUAL INCOME

Salary $ _____

Spouse's Salary $ _____

From Stocks, Bonds, Mutual Funds and Securities $ _____

From Real Estate $ _____

Other Income – Please state source (Child Support, Alimony, Note Receivable, Other Investments)

_____

TOTAL ANNUAL INCOME $ _____

1. Will you devote full time to the business? Yes ☐ No ☐ If not, what percent? _____%
2. Do you plan to have a partner join you? Yes ☐ No ☐ How much will your partner be investing? $ _____
3. How much cash will you be investing in your business? $_____ (Not Borrowed) Your partner? $_____
4. How do you plan to finance the balance? Bank Loan ☐ Equipment Lease ☐ 2nd Mortgage ☐ Home Equity Loan ☐ Other ☐
5. Other assets to be used – 401(k) ☐ IRA ☐ Stocks ☐ Bonds ☐ Mutual Funds ☐ _____
6. When would you like to open your ATL franchise? _____
7. Territory in which you are interested. First Choice _____

   (Please include city/state) Second Choice _____

   Third Choice _____
8. Would you consider relocation to another area of the country? Yes ☐ No ☐

   If yes, state your preference _____
9. Are you a partner or officer of any other business? Yes ☐ No ☐ – If yes, explain: _____

   _____
10. Have Bankruptcy proceedings ever been instituted by or against you? Yes ☐ No ☐

    _____
11. Are you now, or have you ever been a party to any suits or legal actions? Yes ☐ No ☐

    If yes, explain: _____
12. Have you ever been arrested or convicted of a crime other than minor traffic offenses? Yes ☐ No ☐

    If yes, explain: _____
13. I/we have carefully read and submitted the foregoing information provided on this Confidential Qualification Report to ATL International, Inc. ("ATL"). The information is presented as a true and accurate statement of my/our financial condition on the date indicated. This statement is provided for the purpose of applying for a franchise with ATL.
    (a) I/we authorize ATL to make whatever credit inquiries it deems necessary in connection with this financial statement. I/we authorize and instruct any person or consumer reporting agency to furnish to ATL any information it may have or obtain in response to such credit inquiries.
    (b) I/we agree that if any material change(s) occur in my/our financial condition, that I/we will immediately notify ATL of such change(s) and unless ATL is so notified it may continue to rely upon this statement and the representations made herein as a true and accurate statement of my/our financial condition.
    (c) In the event my/our application for franchise is accepted and a franchise agreement is entered into, I/we authorize ATL to disclose to lenders, lessors, and agents some or all of the information contained in this form. I/we understand that this form is not a contract and does not create any obligations between ATL and me/us.

If this form has been printed and completed, please sign and date the form below to indicate your agreement of the items stated in section 13 above.

If it has been completed electronically, since this form requires a signature, please check the "I Agree" box below, date and type your name on the signature line. This signature, combined with the header of the e-mail received by ATL with this attachment, will serve as your electronic signature, in agreement of the items stated in section 13 above.

☐ I AGREE ☐ I AGREE

DATE: _____ DATE: _____

SIGNED: _____ SIGNED: _____

EXHIBIT J1

ATL INTERNATIONAL, INC.

CONFIDENTIAL

OPERATING PROCEDURES MANUAL

(1,184 Total Pages)

TABLE OF CONTENTS

I. INTRODUCTION (2 Pages)

II. OPENING PROCEDURES (30 Pages)

III. RECRUITING (53 Pages)

IV. OPERATIONS (60 Pages)

V. ATL AND MAP UNIFORM INSPECTION GUIDELINES AND STANDARDS OF SERVICE (974 Pages)

VI. CUSTOMER RELATIONS (26 Pages)

VII. ADVERTISING (26 Pages)

VIII. ACCOUNTING (13 Pages)

ANY UNAUTHORIZED DUPLICATION OR DISCLOSURE OF THE MATERIALS CONTAINED IN THIS CONFIDENTIAL MANUAL IS A BREACH OF YOUR FRANCHISE AGREEMENT AND MAY RESULT IN TERMINATION OR OTHER ACTION BY ATL INTERNATIONAL, INC.

NOTE: The number of pages for each section listed above is for the Manual in use in August 2024. Revisions to the Manual may result in a greater or lesser number of pages and/or sections.

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EXHIBIT J2

ATL INTERNATIONAL, INC.
CONFIDENTIAL
OPERATING PROCEDURES MANUAL

TABLE OF CONTENTS

(147 Pages)

I. INTRODUCTION (1 Page)
II. OPERATIONS (13 Pages)
III. PERSONNEL (43 Pages)
IV. ACCOUNTING (12 Pages)
V. OPENING PROCEDURES (26 Pages)
VI. ADVERTISING (26 Pages)
VII. CUSTOMER RELATIONS (26 Pages)

ANY UNAUTHORIZED DUPLICATION OR DISCLOSURE OF THE MATERIALS CONTAINED IN THIS CONFIDENTIAL MANUAL IS A BREACH OF YOUR FRANCHISE AGREEMENT AND MAY RESULT IN TERMINATION OR OTHER ACTION BY ATL INTERNATIONAL, INC.

NOTE: The number of pages for each section listed above is for the Manual in use in August 2024. Revisions to the Manual may result in a greater or lesser number of pages and/or sections.

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EXHIBIT J3

ATL INTERNATIONAL, INC.
CONFIDENTIAL
OPERATING PROCEDURES MANUAL

TABLE OF CONTENTS

(163 Pages)

I. INTRODUCTION (1 Page)
II. OPERATIONS (25 Pages)
III. PERSONNEL (45 Pages)
IV. ACCOUNTING (12 Pages)
V. OPENING PROCEDURES (28 Pages)
VI. ADVERTISING (26 Pages)
VII. CUSTOMER RELATIONS (26 Pages)

ANY UNAUTHORIZED DUPLICATION OR DISCLOSURE OF THE MATERIALS CONTAINED IN THIS CONFIDENTIAL MANUAL IS A BREACH OF YOUR FRANCHISE AGREEMENT AND MAY RESULT IN TERMINATION OR OTHER ACTION BY ATL INTERNATIONAL, INC.

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EXHIBIT K
CENTERS IN OPERATION

STATE	ADDRESS			TELEPHONE	OWNER(S)
FL	12602 PINES BLVD.	PEMBROKE PINES	33027	954-436-8863	GIACOMO PORRINO
FL	6450 W. COMMERCIAL BLVD.	TAMARAC	33319	954-765-6885	TARIK J. ANDRY
GA	500 THORNTON RD STE 7-8	LITHIA SPRING	30122	470-963-5352	STUART HANLEY
IA	941 BLAIRS FERRY RD. NE	CEDAR RAPIDS	52402	319-550-3390	RUSSELL HOTCHKISS
IL	19560 BURNHAM AVE.	LYNWOOD	60411	708-889-6454	XAVIER GATERS
KS	13505 S. MUR-LEN #116	OLATHE	66062	913-764-9680	SCOTT AND TORI BURNETT
MD	8201 RITCHIE HWY.	PASADENA	21122	410-544-6622	EDWARD PATRIZIO
MI	1600 E. OUTER DRIVE	DETROIT	48234	313-733-4550	CALEB CREER
OH	400 E. 3RD ST.	DAYTON	45402	937-222-7772	BRADLEY JESSMER
OH	4462 CEMETERY ROAD	HILLIARD	43026	614-577-9217	IVAN SALABERRIOS
PA	911R EISENHOWER BLVD.	HARRISBURG	17111	717-982-6051	ERIC RODA AND DAKOTA WITMER
PA	850 CARLISLE RD	YORK	17404	223-232-4080	ERIC RODA AND DAKOTA WITMER
PA	3698 E. MARKET ST.	YORK	17402	717-757-0775	TIM GOELZ
TN	1810 N. BROADWAY ST.	KNOXVILLE	37917	865-247-7040	DAVID WEISMULLER
TN	543 MEMORIAL BLVD	MURFREESBORO	37129	615-906-3615	CHRIS ETHERIDGE
TX	12186 N. MOPAC EXPRESSWAY	AUSTIN	78758	512-836-6724	LEWIS BOEHM
TX	600 E WILLIAM CANNON DR	AUSTIN	78745	512-243-8666	VINCENT URBANCZYK
TX	5417 MCPHERSON RD	LAREDO	78041	956-441-1741	LEONEL MURIEL

EXHIBIT L

CURRENT FRANCHISEES WHO HAVE LEFT THE SYSTEM

Transfers

NAME	CITY	ST.	TELEPHONE
NONE			

Terminated

NAME	CITY	ST.	TELEPHONE
EDWARD MARKWARDT	GARLAND	TX	972-998-2516
TYRONE UZZLE	CHESAPEAKE	VA	757-819-7034

Non-Renewal

NAME	CITY	ST.	TELEPHONE
KIANOOSH KARIMI	PANTEGO	TX	817-795-5601

Closed/Discontinued Operation as an ATL Center

NAME	CITY	ST.	TELEPHONE
IVAN SALABERRIOS	PICKERINGTON	OH	614-577-9217

No Communication within 10 Weeks of the Disclosure Document Issuance Date

NAME	CITY	ST.	TELEPHONE
LAWRENCE VIOLETTE	PHOENIX	AZ	602-430-3292
AZZAM MANSOUR	STILWELL	KS	913-314-9765
RICHARD & ASHLEY SPOONIRE	BOONSBORO	MD	301-991-5603
JONAS & ANDRELE BONHOMME	CHESAPEAKE	VA	757-332-2773

EXHIBIT M

STATE-SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

MICHIGAN PROVISIONS

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

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this 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 the 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 obligation to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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 the notice should be directed to the Department of the Attorney General at 525 W Ottawa St, 7th Floor, Lansing, MI 48933-1067 (517-373-1110).

Please initial to indicate your receipt of Michigan Provisions:

_____ _____

_____ _____

AMENDMENT TO FRANCHISE AGREEMENT
FOR USE IN THE STATE OF INDIANA

In recognition of the Indiana Franchise Disclosure Law (the “Statute”), the parties to the attached Franchise Agreement (the "Agreement") for use in the State of Indiana agree to amend by the following provisions (to the extent they are then valid requirements of the Statute):

1. Notwithstanding Paragraph 14 of the Franchise Agreement, the Franchise Agreement may not be unilaterally terminated if such termination is without good cause or in bad faith as required in the Statute, Indiana Code (IC) 23-2-2.7-1.7. Good cause within the meaning of the Indiana statutory section cited in the preceding sentence includes any material violation of the Franchise Agreement.
2. Any release under Agreement Paragraphs 2B and 13B(2)(b) shall exclude liabilities arising under IC §23-2-2.7.
3. The clause “or within ten (10) miles of any other Center operating under one or more of such Franchised System(s) at the time of such termination, expiration, or conclusion” is hereby deleted from the end of Agreement Paragraph 16C(2), in order that the amended text of Paragraph 16C(2) reads as follows:

   16C(2) Own, maintain, engage in, provide advice to, help, consult with or have any interest in or position with [as described in Paragraph 16B(3)] any business providing any one or more of the specific automotive services provided by Centers under one or more of the Franchised System(s) authorized in the attached Schedule(s) within a radius of ten (10) miles of the Franchised Center.
4. The following sentence is hereby inserted at the end of Agreement Paragraph 18D: “Notwithstanding the foregoing, liabilities caused by the Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or caused by the Franchisor’s negligence shall be excluded from the above-referenced indemnification.”
5. In the second sentence of Agreement Paragraph 23C(1), the word "Maryland" is hereby deleted and the word "Indiana" is hereby substituted therefor.
6. In Agreement Paragraph 23B(4), the words "Indiana or" are hereby inserted before "Maryland".
7. Notwithstanding the references to "Washington, D.C." in Agreement Paragraph 23A(3)(a), the Indiana franchisee shall have the opportunity to have the arbitration hearing conducted in Indiana, provided that the written demand for arbitration shall be filed with the Chicago, Illinois office of the AAA.
8. In the final sentence of Agreement Paragraph 15D, the words "without being guilty of trespass or any other tort" are hereby deleted.
9. Agreement Paragraphs 15F, 16E, 23B(3), 23C(2), and 23C(4) are hereby deleted. Actions under Agreement paragraph 23B shall be governed by the statute of limitations in the Statute [IC 23-2-2.7-7 and IC 23-2-2.50-30], which provide for statutes of limitations of 2 and 3 years, respectively.
10. The current text of Agreement Paragraph 23C(3) is hereby deleted.
11. The following sentence is hereby inserted at the end of Agreement Paragraph 1C: "Franchisor shall not establish a Franchisor-owned Center engaged in a substantially identical business to that of Franchisee at a location within a reasonable proximity of Franchisee's Center which permits Franchisor to compete unfairly with Franchisee."

12. Nothing in Paragraph 21 of the Franchise Agreement shall permit Franchisor to disclaim liability for any statements contained in the Franchise Disclosure Document received and signed for by Franchisee prior to Franchisee's execution of the Franchise Agreement.

13. Each provision of this Amendment shall be effective only to the extent that (i) it is a then valid requirement of the Statute and (ii) the jurisdictional requirements of the Statute, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if either one or both of (i) or (ii) above is/are not met.

WITNESS the following signatures and seals as of the date first above written.

FRANCHISEE:

_____(SEAL)

_____(SEAL)

_____(SEAL)

FRANCHISOR:

ATL INTERNATIONAL, INC.

By: _____ (SEAL)
Kevin D. Magnuson
President

STATE-SPECIFIC ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR VIRGINIA

1. A provision in the franchise agreement which terminates the agreement upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The requirement in Franchise Agreement paragraph 10C that, upon our request, you, at your expense, submit an audited profit and loss statement and balance sheet will, if we make this request of you, cause you to expend funds for the services of an accountant. The actual amount you would expend (after any such request by us) will vary according to numerous factors, among them the type, qualifications, and experience of the accountant or accounting firm you select and the manner in which you organize and maintain your financial records.

3. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for ATL International, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

   Additional Disclosure. The following statements are added to Item 17.h.

   > Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

4. Each provision of each statute referenced above shall be effective only to the extent that (i) the jurisdictional requirements of the statute, with respect to each such provision, are met independent of this Addendum and then (ii) the provision(s) of each such statute is/are a valid requirement of the statute. This Addendum shall have no force or effect if either one or both of (i) or (ii) above is/are not met.

5. No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT A

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
Indiana	Pending
Michigan	Pending
Virginia	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Item 23

RECEIPT

(Your Copy – Please retain for your records)

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 ATL International, Inc. ("ATL") offers you a franchise, ATL must provide this disclosure document to you by the earliest of:

(1) 14 calendar days before you sign a binding agreement with us, or make a payment to us, in connection with the proposed franchise sale; or

(2) Under Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or

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

If ATL 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 and State Law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state administrator or state agency as listed on Exhibit B to this disclosure document.

The name(s), principal business address and telephone number of each franchise seller offering the franchise is:

Daniel J. Sparby
Senior Vice President
ATL International, Inc.
8334 Veterans Highway
Millersville, MD 21108
410-987-1011

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

_____

_____

Issuance Date: October 4, 2024.

(For a list of registration effective dates in the franchise registration states, see Exhibit A.)

ATL's agents for service of process are listed on Exhibit C to this disclosure document.

I/we have received a "Franchise Disclosure Document" coded G 8/24 (in the lower right-hand corner of the cover page) this _____ day of _____, 20_____. This disclosure document included the following Exhibits:

A. State Effective Dates Rider
B. List of State Administrators
C. Agents for Service of Process
D. Audited Financials
E. Franchise Agreement
F-1 Schedule 1 (All Tune and Lube®)
F-2 Schedule 2 (ATL Motor Mate®)
F-3 Schedule 3 (All Tune Transmissions®)
G. Addendum to Franchise Agreement (Conversion)
H. Reserved
I. Application Form (Confidential Qualification Report)
J-1 Confidential Operating Manual/Table of Contents (All Tune and Lube®)
J-2 Confidential Operating Manual/Table of Contents (ATL Motor Mate®)
J-3 Confidential Operating Manual/Table of Contents (All Tune Transmissions®)
K. List of Centers in Operation
L. List of Franchisees Who Have Left the System
M. State-Specific Addenda to Franchise Disclosure Document

Signature	Signature
Print Name	Print Name
Street Address	Street Address
City/State Zip Code	City/State Zip Code
Home Tel. No. Cell Tel. No.	Home Tel. No. Cell Tel. No.

Item 23

RECEIPT

(Our Copy – Return to ATL)

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410-987-1011

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J-1 Confidential Operating Manual/Table of Contents (All Tune and Lube®)
J-2 Confidential Operating Manual/Table of Contents (ATL Motor Mate®)
J-3 Confidential Operating Manual/Table of Contents (All Tune Transmissions®)
K. List of Centers in Operation
L. List of Franchisees Who Have Left the System
M. State-Specific Addenda to Franchise Disclosure Document

Signature	Signature
Print Name	Print Name
Street Address	Street Address
City/State Zip Code	City/State Zip Code
Home Tel. No. Cell Tel. No.	Home Tel. No. Cell Tel. No.