FRANCHISE DISCLOSURE DOCUMENT
LINE-X LLC

(a Delaware limited liability company)
4001 Yancey Road, Suite C-200
Charlotte, North Carolina 28217
(800) 831-3232
www.linex.com
www.linexfranchise.com

We offer for sale a franchise to operate a business specializing in vehicle upfit services. Vehicle upfit services are aftermarket vehicle accessories, enhancements, or improvements to existing vehicles, which includes the provision of a set of core services and products as specified in LINE-X's Confidential Operations Manual and includes the sale and application of LINE-X® brand spray-on coatings as well as the sale and installation of vehicle accessories, enhancements, and improvements, such as the LINE-X BRANDED PRODUCTS.

The total investment necessary to begin operation of a LINE-X Franchised Business ranges from $401,815-$1,002,652. This amount includes $254,815 to $577,152, which must be paid to the Franchisor or an affiliate, and if you agree to develop franchised locations under a development agreement with us, a development fee in the current amount of $20,000.00 per location is due to us, which will then be applied to the initial franchisee fee of the franchise agreement(s) entered pursuant to a development agreement. The minimum outlets for any franchise agreement or development agreement is one (1) location, and there is no maximum for development agreements. The total investment necessary to begin operation of a LINE-X Franchised Business pursuant to a development agreement ranges from $401,815-$1,002,652. This amount includes $254,815 to $577,152, which must be paid to the Franchisor or an affiliate, and is for one (1) location.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Sean Ferguson, Franchise Administration, LINE-X LLC, at 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217, at (980) 600-8048, and at franadmin@linex.com.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency listed on Exhibit A 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: January 15, 2026

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 H and I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only LINE-X business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a LINE-X franchisee?	Item 20 or Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in North Carolina. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in North Carolina than in your own state.

2. **Turnover Rate**. In the last year, a high percentage of franchised outlets were terminated. This franchise could be a higher risk investment than a franchise system with a lower turnover rate.

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.

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

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 franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

A franchisor whose most recent financial statements are unaudited and which show a net worth of less than $100,000.00 shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The escrow agent shall be a financial institution authorized to do business in Michigan. The escrow agent may release to the franchisor those amounts of the escrowed funds applicable to a specific franchisee or subfranchisor upon presentation of an affidavit executed by the franchisee and an affidavit executed by the franchisor stating that the franchisor has fulfilled its obligation to provide real estate, improvements, equipment, inventory, training, or other items. This subsection does not prohibit a partial release of escrowed funds upon receipt of affidavits of partial fulfillment of the franchisor's obligation.

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.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 525 W. Ottawa Street, Lansing, Michigan 48906, telephone: (517) 335-7622.

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

The Franchisor's Name and Business Form

The franchisor is LINE-X LLC. To simplify the language in this Franchise Disclosure Document "we," "us," "our," "Franchisor" or "LINE-X" means the Franchisor, LINE-X LLC, a Delaware limited liability company. The person, corporation, partnership or other entity that buys the franchise will be referred to as "you" and "your" throughout this Disclosure Document. If a corporation, partnership, or other entity is the Franchisee, "you" generally includes the Franchisee's owners. Terms not defined in this Disclosure Document (including various capitalized terms) are defined in the Franchise Agreement.

We were formed in Delaware on June 7, 2012. We became the franchisor of the LINE-X franchise brand effective August 31, 2021. Our current principal business address is 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217. Our agents for service of process are listed in Exhibit A. We do business under the name LINE-X LLC or, in some cases, simply as "LINE-X".

Parents and Predecessors

Predecessors

Our most recent predecessor, LINE-X Franchising LLC, a California limited liability company, was formed on December 17, 2008, and was a wholly owned subsidiary of ours ("Our Recent Predecessor"). It shared our previous principal business address at 301 James Record Road, Suite 250, Huntsville, Alabama 35824. Our Recent Predecessor was the franchisor of the LINE-X franchise brand from January 7, 2009, until August 31, 2021, when we merged our wholly owned subsidiary with us in a parent-subsidiary upstream merger. We are the surviving company in the merger and the new franchisor of the LINE-X franchise brand. This is our initial franchise offering. Neither we nor Our Recent Predecessor have ever offered franchises in any other line of business. We do not currently own or operate a LINE-X business similar to the franchise offered in this Disclosure Document.

Our former predecessor, LINE-X Franchise Development Corporation ("LFDC") was incorporated in California on March 3, 1999. It began offering franchises for LINE-X businesses in April 1999. It never offered franchises in any other line of business. The majority of the stock of LFDC was acquired on August 23, 2005 by LFDC Holdings, Inc. ("LFDC Holdings"), which was incorporated in Delaware on August 19, 2005. LFDC Holdings, in turn, was a wholly owned subsidiary of LINE-X Acquisition LLC, a Delaware limited liability company ("LINE-X Acquisition") that was formed on July 26, 2005. On November 17, 2008, LFDC merged with LFDC Holdings, which subsequently merged into LINE-X Acquisition. On January 8, 2010, LXAPC ACQUISITION LLC ("LXAPC"), a Delaware limited liability company, merged with LINE-X Acquisition, with LINE-X Acquisition being the surviving entity. The principal business address for LINE-X Acquisition was 1862 Sparkman Drive, Huntsville, Alabama 35816.

On June 7, 2012, LINE-X Acquisition merged with LINE-X Merger Sub LLC, a Delaware limited liability company, and the surviving entity, LINE-X Merger Sub LLC, was renamed LINE-X LLC (which is us) on the same date. In such merger, we acquired all of the LINE-X® intellectual property assets.

Parents

We are a wholly owned subsidiary of LINE-X Holdings, LLC, a Delaware limited liability company formed on September 3, 2024. LINE-X Holdings, LLC is a wholly owned subsidiary of Ignition Intermediate Holdings, L.P., a Delaware limited partnership formed on September 3, 2024 which is owned by Ignition Holdings, L.P. Ignition Holdings, L.P. is a controlled subsidiary of Ignition Investment Holdings, L.P., a Delaware limited partnership formed on January 15, 2020. Ignition Investment Holdings, L.P. is owned by certain funds affiliated with Clearlake Capital Group, L.P., a Delaware limited partnership formed on February 21, 2007.

Our parent, LINE-X Holdings LLC, and our indirect parent entities, Ignition Intermediate Holdings, L.P. and Ignition Holdings, L.P. share a principal address located at 44648 Mound Road, PMB 199, Sterling Heights, Michigan 48314. The principal address of our ultimate parents is 233 Wilshire Boulevard, Suite 800, Santa Monica, California 90401.

Our parent and indirect parents have never offered franchises for sale. We list our agents for service of process in **Exhibit A**.

Our Business Activities and the Franchises to be Offered

We and our predecessors developed and own a system for establishing and operating businesses specializing in vehicle upfit services, including LINE-X's training programs, operational and image standards, Coating Products (as defined below), offering of Accessories (as defined below), and LINE-X's goodwill (the "**System**"). Vehicle upfit services are aftermarket vehicle accessories, enhancements, or improvements to existing vehicles (the "**Vehicle Upfit Services**"), including the provision of a set of core services and products specified in LINE-X's Confidential Operations Manual (the "**Core Services**") such as the sale and application of LINE-X® brand spray-on coatings (the "**Coating Products**") and the sale and installation of LINE-X BRANDED PRODUCTS and other vehicle accessories, products, and services (the "**Accessories**") and the provision of optional services and products specified LINE-X's Confidential Operations Manual that you may elect to offer but are not required to do so (the "**Choice Services**").

The distinguishing characteristics of the System include, among other things, the goodwill associated with LINE-X, the LINE-X System, LINE-X BRANDED PRODUCTS, and LINE-X's trademarks, service marks, trade dress, commercial symbols and signs, logos, emblems, slogans, and other indicia of origin associated with LINE-X (collectively, the "**Marks**"); use and display of the LINE-X Marks; the procedures and techniques for marketing and selling Vehicle Upfit Services, including marketing and applying Coating Products and the marketing and sale of Accessories, including LINE-X BRANDED PRODUCTS; LINE-X's uniform operating methods, procedures and techniques, including methods and techniques for store operations, inventory, installation, cost controls, record keeping and reporting, purchasing, sales promotion, marketing and advertising, all of which may be changed, improved, and further developed by us from time to time and set forth in LINE-X's Confidential Operations Manual (the "**Manual**"); and LINE-X's franchisee training program. We call this the "**Franchised Business**."

If you are a new or existing franchisee with three (3) or more franchised LINE-X locations open, or have less than three (3) LINE-X locations open and purchase additional LINE-X franchise locations, you may be eligible for incentives to your Franchise Agreement with reduction of initial franchise fee and reduction of royalty as described in Item 5 and the Multi-Unit Operator Addendum to Franchise Agreement. A copy of this addendum is attached as Exhibit B-3.

We offer qualified persons the right to develop multiple franchised LINE-X locations within a specific geographic area. We have included in this Franchise Disclosure Document relevant information about our standard form development agreement (the "**Development Agreement**"). A copy of the Development Agreement is attached as Exhibit B-7. The Development Agreement requires you to open an agreed-upon number of franchised LINE-X locations in accordance with a development schedule and to sign our then-current form of franchise agreement prior to each franchised location you open. The then-current form of franchise agreement may differ from the form of franchise agreement in this Franchise Disclosure Document.

As an integral part of the Franchised Business, we or an affiliate of ours will sell you select products and other chemicals, which are the core ingredients of the Coating Products. Our training specified and required equipment ("**Designated Equipment**"), and the System are designed around our Core Services menu, which includes our select products, such as the Coating Products and LINE-X BRANDED PRODUCTS (collectively, the "**LINE-X Products**"). You are required to purchase Designated Equipment and LINE-X Products only from suppliers or distributors that we designate. Those approved suppliers and distributors may include us, our parents, subsidiaries, and/or affiliates (the "**Franchisor-Related Parties**") and you acknowledge and agree that we or the Franchisor-Related Parties will receive revenue and profit,

as well as other material benefits from the sale of Designated Equipment and LINE-X Products to you. We may terminate the Franchise Agreement pursuant to its obligations, terms, and conditions if you purchase anything other than approved products without our prior written permission.

Under our original System, franchisees of the System focused on the sale and application of Coating Products to truck bedliners. The original System was commission-based, whereby we earned a commission from our franchisees purchase of Coating Products (the "**Pre-conversion Model**"). Beginning in 2024, we and our affiliates shifted the focus of our System to a royalty-based franchise system. Under this current System, LINE-X franchisees pay us a weekly royalty on the Gross Revenues a franchisee receives from the sale of Vehicle Upfit Services, including the provision of Core Services (such as the retail sale of Coating Products to customers and the sale and installation of Accessories) and the provision of Choice Services (the "**Conversion Model**"). The conversion of the System from the Pre-conversion Model to the Conversion Model is referred to as the "**System Conversion**".

As a result of the System Conversion, a significant number of then-existing franchisees did not wish to participate in the System Conversion. Many of those then-existing franchisees formed an association. We reached a written agreement with the association those then-existing franchisees formed whereby the association's members may elect to (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired and they de-identified their business.

Market and Competition

The Franchised Business targets its services to the general public and to businesses that seek Vehicle Upfit Services, including the application of the Coating Products. These Coating Products are applied to aftermarket customers and typically applied to utility trucks, emergency vehicles, light industrial applications that can be transported to a franchise location, and truck bedliners. The market for truck bedliner applications is evolving, however, as more manufacturers either directly spray truck beds or hire third parties to spray the truck beds before delivery to dealers, the retail market for the sale of Coating Products is diminishing. The Franchised Business will compete with other local businesses, as well as local, regional, or national chains of businesses and/or distributors offering Vehicle Upfit Services and similar polyurethane and polyurea-based products and coating services, particularly, related to sales and installation of truck bedliners and other light industrial uses, which businesses may include vehicle manufacturers, dealerships, distributors, and independent total service businesses. We believe the market for Vehicle Upfit Services is also developed but is evolving as retail customers seek to add and apply aftermarket accessories, enhancements, and improvements to their vehicles. We and our affiliates may also compete in this market by operating businesses that offer LINE-X brand (or any other brand) products and Vehicle Upfit Services, including businesses that specialize in the automotive and vehicle accessory aftermarket industry, but excluding the operation of a LINE-X Store located in your designated territory. You may also compete against former LINE-X franchisees.

Affiliates and Other Information

LFDC had a former affiliate, Burtin Urethane Corporation ("BUC"), which was a California corporation incorporated in January 1982. Until April 2001, LFDC and BUC shared common shareholders. In April 2001, the stock of BUC was sold to an unrelated entity. BUC was the licensor of the LINE-X licensing program from April 1993 until September 2000. Also, BUC owned the trademark registrations listed in Item 13. As part of the sale of the stock of BUC, BUC transferred the existing license agreements and the trademark registrations to LFDC. These were assigned to LINE-X Acquisition LLC, who assigned the then-existing license agreements and franchise agreements to us on December 18, 2008.

BUC never operated an outlet similar to the LINE-X Business. BUC never offered franchises for a business similar to the LINE-X Business or in any other business. However, BUC offered licenses for a business using the LINE-X mark similar to the LINE-X Franchised Business from April 1993 until September 2000. The licensed business program differed from the franchised LINE-X Business system in that the license program was merely a product distribution system. It did not entail the comprehensive business system, marketing plan and uniform format of the franchised LINE-X Business. All license agreements have now expired under the licensed business program. The former licensees who wished to continue to operate under the Marks have signed a Franchise Agreement and converted to the franchised system.

On September 28, 2009, Our Recent Predecessor entered into a Cancellation Agreement with Northwest Urethane, Inc. ("NWU"), its subfranchisor for the states of Idaho, Montana, North Dakota, Oregon, South Dakota, Washington, and Wyoming ("NWU Territory"). As part of the Cancellation Agreement, NWU assigned all its rights, titles, and interest in its existing franchise agreements to Our Recent Predecessor. As part of the Cancellation Agreement and related agreements, NWU no longer acts as the subfranchisor in the NWU Territory.

On December 4, 2009, Advanced Protective Coatings, Inc., an Alabama corporation and regional subfranchisor of the Line-X System in 14 states throughout the southeast, was merged into LXAPC. As noted above, LXAPC merged into LINE-X Acquisition on January 8, 2010, which was merged into LINE-X LLC on June 7, 2012.

On February 12, 2010, Our Recent Predecessor entered into a Cancellation Agreement with Urethane Concepts Corp., Mark Hilliard, and Paula Hilliard ("Urethane"), our subfranchisor for the states of California, Hawaii, and Nevada ("Urethane Territory"). As part of the Cancellation Agreement, Urethane assigned all its rights, titles, and interest in its existing franchise or license agreements to Our Recent Predecessor.

On February 12, 2010, Our Recent Predecessor entered into an Asset Purchase Agreement with Hilliard Enterprises, Inc. and Mark and Paula Hilliard ("HEI") for the purchase of a local franchise doing business as "LINE-X of Orange County", as well as equipment and other assets relating to the business.

On June 26, 2012, our former parent and now affiliate, IXS Intermediate Holdings LLC (formerly LINE-X Intermediate Holdings LLC), acquired Ground Effects, Ltd. ("GFX"), a Canadian provider of automotive accessories and "upfit" services, including spray-on truck bedliners to automotive manufacturers and other customers. LINE-X Intermediate Holdings LLC formed Ground Effects LLC, a Delaware limited liability company, on May 25, 2012, to operate a similar "upfit" business in the United States. Neither GFX nor Ground Effects LLC offer franchises for sale.

On November 1, 2013, our former parent and current affiliate, LINE-X Intermediate Holdings LLC (which is now IXS Intermediate Holdings), acquired Canadian Poly Coatings Ltd. and Anchor Coatings Ltd., which were Alberta, Canada companies. These two companies were amalgamated into a newly created Canadian company, LINE-X Canada Ltd. ("LXC"), effective November 8, 2013. LXC is now a direct subsidiary of IXS Intermediate Holdings LLC. LXC sells LINE-X franchises in Canada, similar to the Franchised Business we offer in the United States, as well as supports and sells chemical products and supplies to the previously established Canadian LINE-X franchise network.

On February 25, 2015, our former parent and current affiliate, LINE-X Intermediate Holdings LLC (which is now IXS Intermediate Holdings LLC), formed a new entity, LX Retail LLC, a Delaware limited liability company. LX Retail LLC previously owned and operated three (3) LINE-X retail stores similar to the Franchised Business offered in this Disclosure Document. It sold all three stores to franchisees — one in Our Recent Predecessor's fiscal year 2020 and two in its fiscal year 2021. LX Retail LLC began operating its first LINE-X retail store in April 2016, in Texas. It no longer owns or operates any LINE-X retail stores. It is no longer in operation and has closed, but prior to its closing, its principal business address was 301 James Record Road, Suite 250, Huntsville, Alabama 35824. It does not offer or sell franchises in any line of business. Through a Merger Agreement dated August 31, 2021, LX Retail LLC merged with and into us and we are the surviving company. LX Retail LLC no longer exists.

On December 20, 2017, our former parent and current affiliate, IXS Intermediate Holdings, LLC, acquired Ameraguard Holdings, LLC ("Ameraguard"), a Texas limited liability company and Ultimate Linings, LLC ("Ultimate Linings"), a Delaware limited liability company. Through this acquisition, a new industrial coatings division called IXS Coatings was created combining the brands LINE-X and Ultimate Linings to service original equipment manufacturers and large-scale industrial applicators. On October 19, 2018, Ameraguard was wholly merged into, and acquired by, Ultimate Linings. Ultimate Linings sells brands of products and equipment, including spray-on coating products and equipment, to distributors and retailers who may compete with the LINE-X Franchised Business, both inside and outside of any Territory as defined in the LINE-X Franchise Agreement and offered under this Disclosure Document.

Ultimate Linings' current principal business address is 1155 Richard Petty Way, Lebanon, Tennessee 37090. Ultimate Linings is a supplier of multiple proprietary product lines of spray-on truck bed liner chemicals and equipment, which it sells primarily to original equipment manufacturers, but does sell some retail coatings used for decks, industrial flooring, and wall systems. It has never and does not offer for sale franchises in any line of business.

Industry Specific Regulations

Your Franchised Business will be subject to various federal, state, and local laws and regulations affecting the business, including federal and state environmental and air quality control laws and regulations, and various health, sanitation, safety, and fire standards, including but not limited to, the Occupational Safety and Health Administrations standards, as applicable. You must comply with federal, state, and local health and environmental safety regulations concerning the proper handling and disposal of the Coating Products and other products used in the Franchised Business. You may need the local fire marshals or other local, state, or federal agency's permission before you begin operations.

In addition, there may be local licensing and employment regulations. You should also consider that certain aspects of the Franchised Business' operation will be subject to certain federal, state, and local laws, rules and ordinances in addition to the laws, and regulations applicable to businesses generally, such as the American with Disabilities Act, Federal Wage and Hour Laws and state law equivalents, the Affordable Care Act, data protection (such as credit card protection under the U.S. Fair and Accurate Credit Transaction Act) and data privacy laws and their state law equivalents, including the California Consumer Privacy Act and all similar or derivative laws. Additionally, the Payment Card Industry Data Security Standard ("PCIDSS") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCIDSS applies to all merchants, regardless of size or number of transactions that accept, transmit, or store any cardholder data.

You should examine these and other laws before purchasing a franchise.

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ITEM 2 BUSINESS EXPERIENCE

BOARD OF MANAGERS

Manager and Chief Executive Officer: James D. Scott

Mr. Scott has served on our Board of Managers since August 21, 2014. He is our CEO and has held that position since May 2015. He has been a Member of the Board of Directors for our former parent and now affiliate IXS Intermediate Holdings, LLC since July 2015. Since March 1986, he has held the position of Chief Executive Officer, President, and Director for our affiliate Ground Effects LTD and Ground Effects LLC since May 25, 2012. From August 2014 to August 2021, he served on the Board of Managers and was the CEO for our predecessor LINE-X Franchising LLC. Since December 2017, he has held the position of Chief Executive Officer of our affiliate, Ultimate Linings LLC. All positions listed here for Mr. Scott are located in Windsor, Ontario, Canada.

Manager and Chief Financial Officer: Marcus Hamilton

Mr. Hamilton has served on our Board of Managers and has been our CFO since September 2020. He also serves as the CFO for our former parent and now affiliate IXS Intermediate Holdings, LLC, and has held that position since June 2020. From September 2020 to August 2021, he served on the Board of Managers and was the CFO for our predecessor LINE-X Franchising LLC. Since June 2020, he has held positions of CFO for our affiliates Ground Effects LLC and Ultimate Linings LLC and the position of Secretary for Ground Effects LTD. From January 2018 to March 2020, he was employed at Flexsteel Industries Inc., located in Dubuque, Iowa, and held the positions of Chief Financial Officer, Treasurer and Secretary. From February 2014 to January 2018, he was the Vice President of Finance, Global Paints at Valspar in Chicago, Illinois. Unless otherwise noted, all positions listed here for Mr. Hamilton are located in Detroit, Michigan.

OFFICERS AND EXECUTIVES

President: Matt Labuda

Mr. Labuda has served as our President since December 2025. Previously, Mr. Labuda served as our Vice President of Marketing from January 2022 to December 2025. Prior to that, Mr. Labuda served as Vice President of Marketing for Kline Franchising, Inc. d/b/a Burn Boot Camp, Cornelius, North Carolina, from February 2020 to January 2022.

Executive Vice President: George S. Lezon

Mr. Lezon has been our Executive Vice President since September 2024. Prior to that, Mr. Lezon served as our Executive Vice President of Operations from April 2021 until September 2024. He was the Executive Vice President of Operations for our predecessor LINE-X Franchising LLC from February 2012 to August 2021.

Vice President of Franchise Development: Hannah Erlenbusch

Ms. Erlenbusch has served as our Vice President of Franchise Development since March 2025. Prior to that, Ms. Erlenbusch served as Director of Franchise Development at Five Star Franchising, LLC, Springville, Utah, from January 2022 to March 2025. Additionally, from October 2018 to December 2021, Ms. Erlenbusch served as Franchise Development Representative for Gotcha Covered Franchising, LLC, Springville, Utah.

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ITEM 3 LITIGATION

Pending Actions:

Franchisee Initiated Actions:

Baker Squared, LLC, David Baker, and Nathonia Baker v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-23-0004-1874, American Arbitration Association, filed September 21, 2023. Baker Squared, LLC, David Baker, and Nathonia Baker (collectively, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

Burkholder Truck Sales, LLC, Wilmer Burkholder, and Merlin Oberholzer v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-23-0004-1882, American Arbitration Association, filed September 21, 2023. Burkholder Truck Sales, LLC, Wilmer Burkholder, and Merlin Oberholzer (collectively, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provisions in Claimants' franchise agreements; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provisions; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

LINE-X of Gresham, LLC and Robert Brown v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-23-0004-1877, American Arbitration Association, filed September 21, 2023. LINE-X of Gresham, LLC and Robert Brown (together, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for

an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

Darbyshire Coatings, LLC and Benjamin Darbyshire v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-23-0004-1878, American Arbitration Association, filed September 21, 2023. Darbyshire Coatings, LLC and Benjamin Darbyshire (together, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

K&B Accessories, LLC, Kenneth Lind, and Bonnie Lind v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-23-0004-1880, American Arbitration Association, filed September 21, 2023. K&B Accessories, LLC, Kenneth Lind, and Bonnie Lind (collectively, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provisions in Claimants' franchise agreements; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provisions; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

Joseph Nixon operating as LINE-X of Woodstock v. LINE-X Canada Ltd, Case No. CV-22-00000170-0000, Ontario Superior Court of Justice, filed September 14, 2022. A former terminated franchisee, Mr. Nixon, who was terminated by LINE-X for abandonment of his franchise in 2020 filed an action against LINE-X for wrongful termination, misrepresentation of equipment costs, and unfair treatment regarding the premises of the store, spray standards, and provision of assistance. LINE-X denies each of Mr. Nixon's claims. This matter is currently pending.

Big D's Motorsports LLC, Joshua Berg, and Daniel Kraussman v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-24-0000-1728, American Arbitration Association, filed January 12, 2024. Big D's Motorsports LLC, Joshua Berg, and Daniel Kraussman (collectively, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-

X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

14/69 Carwash Supercenter LLC, 14369 Carwash LLC, and Matt Bennett v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-24-0000-2214, American Arbitration Association, filed January 17, 2024. 14/69 Carwash Supercenter LLC, 14369 Carwash LLC, and Matt Bennett (collectively, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

LINE-X of Southern Oregon, Inc., Justin Duncan, and Terance Duncan v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-24-0000-1734, American Arbitration Association, filed January 12, 2024. LINE-X of Southern Oregon, Inc., Justin Duncan, and Terance Duncan (collectively, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

Hutchek Enterprises, Inc., Indy LINE-X S.E., Inc., James Hutchek, and Michele Hutchek v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-24-0000-1736, American Arbitration Association, filed January 12, 2024. Hutchek Enterprises, Inc., Indy LINE-X S.E., Inc., James Hutchek, and Michele Hutchek (collectively, the "Claimants") filed an arbitration action against LINE-

X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

LINE-X of Troy LLC fka Keith Cooper LLC and Keith Cooper v. LINE-X LLC as successor-in-interest to LINE-X Franchising LLC, Case No. 01-24-0000-1728, American Arbitration Association, filed January 12, 2024. LINE-X of Troy LLC fka Keith Cooper LLC and Keith Cooper (together, the "Claimants") filed an arbitration action against LINE-X seeking: declaratory judgment on the enforceability of the non-compete provision in Claimants' franchise agreement; a permanent injunction prohibiting LINE-X from enforcing of the non-compete provision; and their related attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Claimants' claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Claimants are a member agreed to pay LINE-X financial consideration in exchange for permitting Claimants and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Claimants in the next sixty (60) days.

Franchisor Initiated Actions:

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Tri State LINE-X and Accessories, LLC, Scott Melchi, and Tri State Customs and Offroad, LLC, Case No. 01-22-0001-3246, American Arbitration Association, filed March 23, 2022. LINE-X filed an arbitration action against former franchisee Scott Melchi and his operating companies (collectively, the "Respondents") seeking damages and injunctive relief for Respondents' violations of the Lanham Act for trademark infringement, violations of the Lanham Act for unfair competition, breaches of the Franchise Agreement for violation of the non-compete, breaches of the Franchise Agreement for violation of the post-termination obligations, and breach of the guaranty against Mr. Melchi. Respondents filed an answer and affirmative defenses denying LINE-X's claims. Respondents also asserted counterclaims against LINE-X for declaratory judgment on the enforceability of their non-compete provision in their franchise agreement; an accounting of the advertising fund; breach of contract and breach of good faith and fair dealing for monetary damages for allegations involving price gouging, interference with third-party suppliers, hidden fees, failing to provide or diverting supplies, territory infringement, failing to provide support, misuse of the national advertising fund, diverting customer and accounts, training competitors, and selling proprietary formulas; and attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Respondents' counterclaims. On April 14, 2022, the emergency arbitrator ruled that Respondents were to comply with the post-termination obligations set forth in Paragraph 16.2 and 16.3 of the Franchise Agreement at issue, relating to the intellectual property, confidential information, trade dress and the telephone, other directory listings, and internet sites, but there were disputed facts to be resolved by the merits arbitrator as to the non-compete provision. Although this matter is currently pending, the parties reached a settlement in principle and are completing

settlement documents. Pursuant to that settlement, the association in which Respondents are a member agreed to pay LINE-X financial consideration in exchange for permitting Respondents and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Respondents in the next sixty (60) days.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. TNT Coatings, LLC, Robert Levenhagen II, and Mary Levenhagen, Case No. 01-22-6002-6360, American Arbitration Association, filed June 21, 2022. LINE-X filed an arbitration action against former franchisees Robert and Mary Levenhagen and their operating company (collectively, the "Respondents") seeking damages and injunctive relief for Respondents' breaches of the Franchise Agreement for violation of the non-compete, and breaches of the Franchise Agreement for violation of the post-termination obligations, and breaches of the Franchise Agreements for violation of the purchasing obligations and failing to operate the store throughout the term. LINE-X sought preliminary injunctive relief through an application for emergency measures. Respondents filed an answer and affirmative defenses denying LINE-X's claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Respondents are a member agreed to pay LINE-X financial consideration in exchange for permitting Respondents and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Respondents in the next sixty (60) days.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Todd Boyer dba LINE-X of Southern New Hampshire, Case No. 01-24-0004-7431, American Arbitration Association, filed May 3, 2024. LINE-X filed an arbitration action against current franchisee Todd Boyer dba LINE-X of Southern New Hampshire (the "Respondent") seeking damages, specific performance, and injunctive relief for Respondent's breaches of the franchise agreement for violations of the in-term non-compete; failure to comply with audit obligations; and violation of product purchasing and supply obligations; and breach of the guaranty against Mr. Boyer. Respondent filed an answer and affirmative defenses denying LINE-X's claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Respondents are a member agreed to pay LINE-X financial consideration in exchange for permitting Respondents and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Respondents in the next sixty (60) days.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Michael Magnuson dba LINE-X of Twin Cities, Case No. 01-24-0005-2771, American Arbitration Association, filed May 6, 2024. LINE-X filed an arbitration action against former franchisee Michael Magnuson dba LINE-X of Twin Cities (the "Respondent") seeking damages and injunctive relief for Respondent's breaches of the franchise agreement for violations of the in-term and post-term non-compete, non-solicit agreement, and post-

termination obligations and breach of the guaranty against Mr. Magnuson. Respondent filed an answer and affirmative defenses denying LINE-X's claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Respondents are a member agreed to pay LINE-X financial consideration in exchange for permitting Respondents and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Respondents in the next sixty (60) days.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Clinton Owen and Melissa Owen, Case No. 01-24-0005-3011, American Arbitration Association, filed May 7, 2024. LINE-X filed an arbitration action against current franchisee Clinton Owen and Melissa Owen (together, the "Respondents") seeking damages and injunctive relief for Respondent's breaches of the franchise agreement for violations of the in-term non-compete and non-solicitation agreement; violation of product obligations; and failing to comply with trademark obligations set forth in the Operations Manual; and for breach of the guaranty against Mr. and Mrs. Owen. Respondents filed an answer and affirmative defenses denying LINE-X's claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Respondents are a member agreed to pay LINE-X financial consideration in exchange for permitting Respondents and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Respondents in the next sixty (60) days.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Impact Coatings of the Ozarks LLC dba Impact Coatings by LINE-X, Mark Garms, and Kelli Garms, Case No. 01-24-0005-2783, American Arbitration Association, filed May 6, 2024. LINE-X filed an arbitration action against former franchisees Impact Coatings of the Ozarks LLC dba Impact Coatings by LINE-X, Mark Garms, and Kelli Garms (collectively, the "Respondents") seeking damages and injunctive relief for Respondents' violations of the Lanham Act for trademark infringement and unfair competition; breaches of the franchise agreement for violations of the non-compete and non-solicit; and breach of the guaranty against Mr. and Mrs. Garms. Respondents filed an answer and affirmative defenses denying LINE-X's claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Respondents are a member agreed to pay LINE-X financial consideration in exchange for permitting Respondents and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Respondents in the next sixty (60) days.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. J&D Enterprises Group Inc. dba LINE-X of Greater Orlando, James W. Paul, Debra L. Paul, Raymond G. Thayer, and William F. Paul, Case No. 01-24-0004-7015, American Arbitration Association, filed April 30, 2024. LINE-X filed an

arbitration action against former franchisees J&D Enterprises Group Inc. dba LINE-X of Greater Orlando, James W. Paul, Debra L. Paul, Raymond G. Thayer, and William F. Paul (collectively, the "Respondents") seeking damages and injunctive relief for Respondents' breaches of the franchise agreement and guaranty for violations of the non-compete and non-solicit; violations of the post-termination obligations; and violations of product and purchasing obligations. Respondents filed an answer and affirmative defenses denying LINE-X's claims. Although this matter is currently pending, the parties reached a settlement in principle and are completing settlement documents. Pursuant to that settlement, the association in which Respondents are a member agreed to pay LINE-X financial consideration in exchange for permitting Respondents and other members the opportunity to either: (1) participate in the System Conversion under preferential terms and conditions pursuant to the Cornerstone Legacy Franchise Incentive Addendum to Franchise Agreement (Exhibit B-6), (2) continue to operate under their existing franchise agreements until its expiration or elect to terminate their existing franchise agreement early in exchange for an early termination fee and then operate independently of the System without enforcement of the non-competition obligation if they de-identified their business, or (3) operate independently without enforcement of the non-competition obligation in exchange for a fee if the member's franchise agreement previously expired if they de-identified their business. We anticipate completing settlement documents with Respondents in the next sixty (60) days.

Concluded Actions:

LINE-X Canada Ltd. v. 1092063 B.C. Ltd., Shane Schorr, and Sheri Schorr, Case ID FZ_2022_1353, under the Arbitration Rules of the ADR Institute of Canada Inc., filed October 4, 2022. LINE-X filed an arbitration action against former franchisees Shane and Sheri Schorr and their operating company (collectively, the "Respondents") seeking damages and injunctive relief for Respondents' breaches of confidence and unauthorized use of LINE-X's trademarks and confidential information, breaches of the Franchise Agreement for violation of the non-compete, and breaches of the Franchise Agreement for violation of the post-termination obligations. Respondents filed an answer denying LINE-X's claims. The final hearing was held March 11-14, 2024. The arbitrator's award was released on August 15, 2024. The arbitrator found, on the particular facts, that: (i) the non-compete provision in the franchise agreement at issue was unenforceable; (ii) the requirements for breach of confidence were not demonstrated; and (iii) Respondents must cease and desist from identifying themselves as LINE-X and from using the LINE-X trademarks in an unlawful manner in connection with their current businesses and telephone number.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Trelan Industries LLC and Lance Arrasmith, Case No. 01-23-0003-7296, American Arbitration Association, filed August 23, 2023. LINE-X filed an arbitration action against former franchisee Lance Arrasmith and his operating company (together, the "Respondents") seeking damages and injunctive relief for Respondents' violations of the Lanham Act for trademark infringement; violations of the Lanham Act for unfair competition; breaches of the franchise agreement for violations of the non-compete and non-solicit; breaches of the franchise agreement for violation of the post-termination obligations; breaches of the franchise agreement for past due amounts; violation of purchasing obligations, and abandonment; and breach of the guaranty against Mr. Arrasmith. Respondents filed an answer and affirmative defenses denying LINE-X's claims. Respondents also asserted counterclaims against LINE-X for: declaratory judgment on the enforceability of their non-compete provision in their franchise agreement; an accounting of the advertising fund; breach of contract and breach of good faith and fair dealing for monetary damages for allegations involving price gouging, interference with third-party supplies, hidden fees, failing to provide or diverting suppliers, territory infringement, failing to provide support, misuse of the national advertising fund, diverting customer and accounts, training competitors, and selling proprietary formulas; and attorneys' fees and costs. LINE-X filed an answer and affirmative defenses denying Respondents' counterclaims. On December 11, 2023 LINE-X's motion for interim award for preliminary injunction prohibiting the franchisee from offering spray-on coating products and/or coating spraying services at the franchisee's place of business, using the phone number associated with the former franchise, and/or using or displaying LINE-X's trademarks, trade dress, and tradename was granted. The parties have settled this matter for an exchange for mutual releases and termination of the Franchise Agreement, including the non-competition restrictions, with Respondents agreeing to purchase (ten) 10 sets of chemical product from an affiliate at a set rate or pay LINE-X $8,000.00 per month each month through July 2025.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Trelan Industries LLC and Lance Arrasmith, Case No. 4:24-cv-00303-SMR-SBJ, Southern District Court of Iowa, Central Division, filed August 30, 2024. LINE-X filed an Application for Confirmation of Arbitration Award against its former franchisee seeking confirmation of a December 11, 2023 Interim Award from the parties' underlying action pending with the American Arbitration Association. LINE-X is seeking confirmation and enforcement of the Interim Award prohibiting Respondents from (i) offering spray-on protective coating productions and/or coating and spraying services at Respondents former LINE-X franchise premises and within Respondents' former territory, (ii) using the phone number associated with the franchised business, and (iii) using the LINE-X trademarks, trade dress, or trade name at the former LINE-X franchise premises, online, or in connection with any other business they may operate. This matter has settled as set forth above in relation to the parties' underlying action pending with the American Arbitration Association and will be dismissed.

LINE-X LLC as successor-in-interest to LINE-X Franchising LLC v. Douglas W. Ernst dba LINE-X of Cedar Rapids, Case No. 01-24-0004-7015, American Arbitration Association, filed April 30, 2024. LINE-X filed an arbitration action against former franchisee Douglas W. Ernst dba LINE-X of Cedar Rapids (the "Respondent") seeking damages and injunctive relief for Respondent's violations of the Lanham Act for trademark infringement and unfair competition; breaches of the franchise agreement for violations of the non-compete and non-solicit; breaches of the franchise agreement for violation of the post-termination obligations; breaches of the franchise agreement for past due amounts; violation of purchasing obligations, and abandonment; Respondents filed an answer and affirmative defenses denying LINE-X's claims. The Parties resolved this matter. In exchange for Respondent purchasing chemical products from LINE-X for an agreed length of time at an agreed upon price structure, LINE-X allowed Respondent to operate and sell the location as an independent facility after the minimum purchases were met. This action is closed.

Governmental Actions:

Washington State Order No. S-24-3785-24-CO01, Consent Order, State of Washington Department of Financial Institutions (November 4, 2024). On November 4, 2024, LINE-X agreed to the entry of a consent order with the State of Washington Department of Financial Institutions, Securities Division (the "Department"). In the Consent Order, the Department and LINE-X agree that LINE-X neither admits nor denies the Department's findings of fact and conclusions of law whereby the Department concluded that two (2) correspondence documents to existing Washington franchisees constituted "offers" as defined by state statute. Although LINE-X disputes this finding, the parties mutually resolved the matter by entry of a consent order under which LINE-X agrees to comply with RCW 19.100.020 and pays the Department Two Thousand and 00/100 Dollars ($2,000.00).

Except for the above actions, no litigation is required to be disclosed in this Item.

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ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

FRANCHISE AGREEMENT

LINE-X Franchised Businesses

The Initial Franchise Fee for a single LINE-X Store is $50,000. U.S. Military Veterans may qualify for a special program that offers a 25% discount (up to $10,000) off the Initial Franchise Fee. (See below for details on the U.S. Military Veterans Program.). If you enter into a Franchise Agreement pursuant to a Development Agreement with us, the Initial Franchise Fee in such instance will be applied from the payment of the development fee, as discussed below, and is at the reduced amount of 50% of the then-current Initial Franchise Fee. The Initial Franchise Fee is due and payable to us in a lump sum upon the signing of the Franchise Agreement and is considered fully earned upon payment.

U.S. Military Veterans

To provide support to veterans of the U.S. military forces, we offer to all qualifying veterans the opportunity to purchase an initial franchise at a discount of 25% off the Initial Franchise Fee. This program is available for all veterans who have received an honorable discharge from any branch of the U.S. Military or Coast Guard and is available for new franchisees only. The program is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company which owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If you are a partnership, corporation or limited liability company, your status as a participating veteran must be submitted to us before you sign the Franchise Agreement, and you must maintain a majority interest in the partnership, corporation, or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement, or you will be required to pay us the initial savings of $10,000.

Except as provided above or indicated in the incentive programs below, the initial franchise fee is uniform to all franchisees under this offering.

Initial Franchise Fee Non-Refundable

The Initial Franchise Fee described above is fully earned and non-refundable except as provided below:

1. If no acceptable site is found and approved within 120 days from the date on which the Franchise Agreement is signed, either we or you can terminate the Franchise Agreement and we will partially refund the initial franchisee fee, less expenses we incur in providing site selection assistance to you and other expenses we incur, in a refund amount not to exceed $2,500.

2. If we determine, in our sole discretion, that you are unable to satisfactorily complete our required training program, we may require you to attend additional training at your expense or terminate the Franchise Agreement upon which we will return a portion of the Initial Franchise Fee, less expenses we incur in providing our training program to you and other expenses we incur, in a refund amount not to exceed $2,500.

Different Initial Franchise Fees

We may reduce the Initial Franchise Fee under special initiative programs, such as the ones listed below, in our sole discretion, and as mentioned above. In the past year, we have sold franchises for an Initial Franchise Fee ranging from $0 to $40,000.

Initial Training Fee

You must pay us an initial training fee (the "Initial Training Fee") of $8,000 upon execution of the lease for the premises of your Franchised Business, or upon closing of the real estate purchase of the premises of your Franchised Business. The Initial Training Fee is non-refundable and covers enrollment for two (2) individuals in our required Fundamentals training program conducted at LINE-X training centers in Charlotte North Carolina and/or Lebanon, Tennessee, on site operations and technical training which we conduct at your Franchised Business location, as well as all travel-related expenses incurred by us in connection with providing the on-site portion of your training at your Franchised Business Location.

Initial Software Package Fee

You must pay us an initial software package fee (the "Initial Software Package Fee) of $3,000 upon execution of the lease for the premises of your Franchised Business, or upon closing of the real estate purchase of the premises of your Franchised Business. The Initial Software Package Fee is non-refundable and covers items and services including point-of-sale software set up and configuration, including installation support and initial user training, access to and setup of our online training platform, your initial subscription and account setup for Microsoft Office365, and access credentials and onboarding for LINE-X Portal.

Equipment Packages

You must purchase an "Initial Chemical & Consumables Package" from us before your Franchised Business opens. The cost of the Initial Chemical & Consumables Package ranges from $12,987 - $14,187. Additionally, required for purchase before the Franchised Business opens is the "Exterior Signage + Graphics", the "Equipment Package", the "Shop Tools & Supplies", the "Showroom Displays, Graphics + Furniture Package", and the "Hardware Package", at a combined cost ranging from $175,978 - $484,505. You are not required, but should you choose to complete wheels and tire services in-house, the "Tire Tools Package" is also necessary at a cost range of $5,304 - $8,140, with an investment of $0 if you choose not to provide this service in-house. This cost is only required and incurred if you determine that you will be providing those services at the Franchised Business. We require you to purchase and use our specific POS System. The upfront cost of such system is between $850-$5,320, and is dependent on the current computer capability, hardware, and software that is or is not present at the Store and the number of system devices you choose to operate at your Store. The combined range of the equipment packages costs listed above is $189,815 - $512,152. These costs are non-refundable. Please see the Manual for the current listing of the different packages available and/or required packages or purchases as described above (collectively, the "Required Purchases"), and all other information related to requirements listed in the Franchise Agreement.

Initial Inventory

You must purchase a minimum initial inventory of the LINE-X Essentials, as detailed in the Manual, that will include jump starters, coolers, flashlights, tie down straps, storage cases, and UV spray (the "LINE-X Essentials"). The cost of your initial inventory of LINE-X Essentials is $4,000. The cost of the initial inventory of LINE-X Essentials is non-refundable.

Incentives and Promotions that may impact Pre-Opening or Other Amounts Due

In addition to the U.S. Military Veterans program detailed above, we currently offer certain incentive programs to current LINE-X franchisees or former LINE-X Franchisees that were active franchisees and part of the System on or before December 31, 2023 (the "Historical Franchisees") (the current LINE-X franchisees and Historical Franchisees, together, the "Legacy Franchisees"), and that made proper timely election of such incentive program, that may reduce the amounts of pre-opening fees we describe above.

Cornerstone Legacy Franchisee Incentive Program

If you are a Legacy Franchisee, make timely election, and you sign the Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement for the operation of your current or former franchised LINE-X location, then we offer, among other details as specifically described in the Cornerstone Legacy Franchisee Incentive Addendum: (i) a temporary waiver of any royalty fee for the initial three (3) months of the Franchise Agreement's term; (ii) a temporary waiver of POS System fees for the initial two (2) years of the Franchise Agreement's term, and a reduced POS System monthly fee of $450 per month after the waiver period expires; (iii) participation in a two (2) year individual store improvement reimbursement program; and (iv) no initial franchise fee due pursuant to the execution of the Cornerstone Legacy Franchisee Incentive Addendum. In order to receive the benefits detailed in this incentive, you must timely elect such incentive and sign our required form Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement (attached as Exhibit B-6 to this Franchise Disclosure Document).

Multi-Unit Operator Incentive Program

If you are a new or existing franchisee with three (3) or more franchised LINE-X locations open, or have less than three (3) LINE-X locations open and purchase additional LINE-X franchise locations, and qualify under the requirements of the program as detailed in the Multi-Unit Operator Addendum to Franchise Agreement, you may be eligible for the following incentives to a specific Franchise Agreement and not as a separate offering or agreement: (1) An Initial Franchise Fee of: (a) Forty Thousand and 00/100 Dollars ($40,000) for the first Franchise Agreement executed; (b) Thirty Thousand and 00/100 Dollars ($30,000) for the second Franchise Agreement executed; and (c) Twenty Thousand and 00/100 Dollars ($20,000) for the third Franchise Agreement executed and each Franchise Agreement executed thereafter,; and (2) Once you are obligated to pay Royalty pursuant to your Franchise Agreements and/or any applicable incentive addendum to franchise agreement, you shall pay Royalty as follows: (i) If you own and have open for business three (3) or more but less than five (5) LINE-X Stores, you shall pay a Royalty equal to 5.40% of the Stores' Gross Revenue on the sale and installation of spray-on bedliners, spray-on product on items other than bedliners, and premium/topcoat spraying ("Bedliner Services") and 1.80% of your Store's Gross Revenues on all remaining Vehicle Upfit Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements; (ii) If you own and have open for business five (5) or more but less than ten (10) LINE-X Stores, you shall pay a Royalty equal to 4.80% of the Stores' Gross Revenue on Bedliner Services and 1.60% of your Store's Gross Revenues on all remaining Vehicle Upfit Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements; (iii) If you own and have open for business ten (10) or more Stores, you shall pay a Royalty equal to 4.20% of the Stores Gross Revenue on Bedliner Services and 1.40% of your Store's Gross Revenues on all remaining Vehicle Upfit Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements.

You must remain in full compliance with your Franchise Agreement to be eligible for any multi-unit operator incentives listed above. This is not a separate offering requiring separate investment, and is instead an incentive to a Franchise Agreement that is subject to the investment and requirements of the Franchise Agreement and the addendum. You will provide us any documentation that we may require proving your compliance with the requirements for this incentive program. To receive the benefit of these reduced royalty and fee amount, you must sign our required form Multi-Unit Operator Addendum to the Franchise Agreement (attached as Exhibit B-3 to this Franchise Disclosure Document).

DEVELOPMENT AGREEMENT

If we agree to grant you development rights, you and we will enter into a Development Agreement, which requires you to pay a development fee in the amount of 50% of the current initial franchise fee per location, which amount is currently $20,000 per LINE-X Store to be developed. The number of LINE-X Stores to be developed pursuant to a Development Agreement varies depending upon a variety of factors, including but not limited to, (1) existing population and anticipated population growth within the Development Area; (2) competition within the Development Area; and (3) the number of LINE-X Stores we estimate can be developed within the Development Area. The development fee is not refundable and shall be deemed earned when paid. The development fee will be credited toward the corresponding Franchise Agreement(s)' Initial Franchise Fee(s). During our 2025 fiscal year, we did not collect a reduced development fee and two (2) Development Agreements were executed. A copy of the Development Agreement is attached to this Franchise Disclosure Document as Exhibit B-7.

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ITEM 6 OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fees[1]	Currently, for a Franchise Agreement, we charge 6% for Bedliner Services and 2% for Vehicle Upfit Services, including the Core Services and Choice Services, except the Bedliner Services. Modified rates may apply for those that are on previous forms of agreements or addenda that are no longer available in the System, or that qualify, under the Cornerstone Legacy Franchisee Incentive Addendum, Multi-Unit Operator Addendum to Agreement, or under the Development Agreement (For details, see Note 1, below).	Weekly	We currently charge a royalty on the revenue that you generate from operating your Franchised Business.
Compliance Royalty[1]	12% of Gross Revenue, only as applicable	As Incurred	If you use and/or obtain equipment, products and/or services from any source other than the source we require without our written approval for any reason, we may terminate the Franchise Agreement and/or require you to pay us a royalty of twelve percent (12%) of the Gross Revenues of your LINE-X Store during any period in which you are in violation of the relevant provisions of the Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
LINE-X Brand Coatings, Chemicals,and Equipment [2]	Approximately $2,700 per set. Modified rates may apply for those that are on previous forms of agreements or addenda that are no longer available in the System, or that qualify under the Cornerstone Legacy Franchisee Incentive Addendum.	As incurred	You are required to purchase coatings and chemicals from us, or a designated affiliate.
LINE-X BRANDED PRODUCTS	Varies, depending upon the amount and type of accessories purchased	As incurred	You will purchase these vehicle accessories from our approved supplier's web-based program as specified in the Manual.
Marketing Fund[3]	Currently, 1.5% of Gross Revenues is due for the Marketing Fund. Modified rates may apply for those that are on previous forms of agreements or addenda that are no longer available in the System, or that qualify, under certain incentive programs to the current Franchise Agreement (For details, see Note 3, below).	Weekly	We currently require a national marketing fund contribution of 1.5% of Gross Revenues.
Local Marketing	1.5% of Gross Revenues	As incurred	We require that you spend at least 1.5% of Gross Revenues on marketing and promotion of the Store each quarter. You pay directly to local suppliers.
Marketing Co-Ops	Co-op Assessments	When levied	We have the right to form co-ops and enforce payments to co-ops. Amounts may vary. Each company-owned unit and franchisee-owned unit shall have 1 vote.

Name of Fee	Amount	Due Date	Remarks
Grand Opening Marketing	A minimum of $5,000.00	As incurred, the two (2) weeks prior to opening through six (6) weeks after opening.	You agree, at our election and in our wholly unrestricted right to make decisions and/or take (or refrain from taking) actions in our sole and absolute discretion (our "Business Judgment"), to spend at least five thousand dollars ($5,000) on a marketing and promotional campaign related to the grand opening of your Franchised Business within the period of two (2) weeks before and six (6) weeks after the opening of your Location. This marketing spend is in addition to any other amount due and owing for marketing the Location.
Late Fees	The greater of the highest applicable legal rate for open account business credit, or 1.5% per month	After due date	Applies to all amounts due to us, including purchases and marketing contributions. Additionally, we may require you to pay an administrative late fee of Fifty Dollars ($50) for each late report and/or late payment.
Supplier / Supplies Approval	Reasonable cost of inspection and actual cost of test not to exceed $5,000	Time of inspection	Applies to new suppliers or supplies you wish to purchase that we have not approved.
Insurance Policies[4]	Amount of unpaid premium, and Ten Percent (10%) in addition as an administrative fee if you fail to maintain required insurance coverage and we elect to obtain coverage for you.	Must have the policies within 60 days after signing the Franchise Agreement, but no later than the time that you acquire an interest in the real property and/or vehicle(s) from which you will operate the Franchised Business and on March 1st of each year during the franchise term.	Payable to us if you fail to maintain required insurance coverage and we elect to obtain coverage for you.

Name of Fee	Amount	Due Date	Remarks
Transfer Fee	$10,000	At the time oftransfer	We may reduce this fee if the transfer is made under limited circumstances specified in the Franchise Agreement.
Renewal Fee	10% of the then-current Initial Franchise Fee (Currently, the Renewal Fee equals $5,000)	At the time of renewal	Payable to us.
Relocation Fee	25% of the then-current Initial Franchise Fee (Currently, the Relocation Fee equals $12,500)	Within ten (10) days of the relocated LINE-X Store opening for business	Payable to us.
Additional Training and On-Site Technical Support	$1,000 per day plus expenses	Time of service	Additional training and on-site technical support for equipment and computer systems is at your cost.
Continuing Education	You must pay your expenses as well as your employees' expenses in attending these programs	Time of program	Refresher/update training programs or seminars are at your sole expense. You must stay current on the core services and training requirements pursuant to the standards of the System as provided for in the Confidential Operations Manual and communications or notices sent to you throughout the term of your Franchise Agreement.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action	You will reimburse us for all costs in enforcing our obligations concerning the Franchise Agreement if we prevail.
Indemnification	All costs including attorneys' fees	As costs incurred, or upon settlement or conclusion of claimor action	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Business.

Upgrades and Maintenance[5]	Cost of required maintenance, upgrades, and changes or modifications to the System.	Time of modification	You will make these expenditures as we require to comply with modifications, improvements, and/or upgrades, such as painting, graphics, equipment, or fixture repair and on-going maintenance depending on the wear and tear of the Franchised Business and in accordance with the System. Payable to suppliers.
Name of Fee	**Amount**	**Due Date**	**Remarks**
POS System[6]	$600 per month. A modified fee applies for those that qualify for and execute the Cornerstone Legacy Franchisee Incentive Addendum.	Monthly	We require you to purchase and use, in the manner prescribed by LINE-X, our specific point-of-sale software, including shop management functions, communication, reference portals and accompanying hardware ("POS System").
Transit Administration Fee	Between $6.50 to $38.00 per shipment to franchisee, depending on the method of shipment and direct shipment cost[7]	As incurred per shipment	This fee applies only to those items shipped directly from LINE-X to franchisee (For details, see Note 7 below).

All fees are uniformly imposed by and are payable to us, unless otherwise noted. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party. Any fees paid to us are non-refundable unless otherwise noted. Fees payable to third parties are refundable based on your individual arrangements.

[1] **Royalty Fees.** Currently, for a Franchise Agreement at a new location, we charge 6% of the Store's Gross Revenues, as defined below and in the Franchise Agreement, for Bedliner Services, and 2% of the Store's Gross Revenues on all remaining Vehicle Upfit Services, including all Choice Services and Core Services except the Bedliner Services. You acknowledge and agree that during the Term, LINE-X may raise the Royalty on all non-Bedliner Services from two percent (2%) to three percent (3%) of your Store's Gross Revenues, but that LINE-X will not make such modification on less than six (6) months' written notice. Under the Cornerstone Legacy Franchisee Addendum, there is a temporary waiver of any royalty fee for the initial three (3) months of the Franchise Agreement's term. We generate income and profit from the sale of LINE-X Products to you, including Coating Products. In all cases, you and we have agreed on your commitment to purchase only the LINE-X approved Designated Equipment, LINE-X Products and Services from us. Your use of the Coating Products and System may attract customers with coating requests on items for which the Coating Products are not appropriate to use. In these instances, if you contact us in advance, we may, but are not obligated to, approve your use of non-LINE-X coating products.

If you use and/or obtain Designated Equipment, or other equipment, products, and/or services from any source other than the source we require without our written approval, we may terminate the Franchise Agreement and/or we may require you to pay us a royalty of Twelve Percent (12%) of the Gross Revenues

of your LINE-X Store during any period in which you are in violation of the provisions of subsection 8.2 of the Franchise Agreement (the “Compliance Royalty”).

The term “Gross Revenues” means all revenue resulting from all sales which include the provision and/or sale of Core Services and Choice Services offered at your Location (collectively defined in the Franchise Agreement as the “Services”) arising from the operation of your Franchised Business. This includes all remuneration received from the offering and sale of Services, whether or not such sales have been approved or authorized by us and whether for cash, credit, gift, or barter and with no deductions or exclusions whatsoever (including for any third-party delivery services or processing fees); provided, however, that “Gross Revenue” shall not include any of the following: (i) service personnel tips; (ii) any products or services not include in the Services; and (Iii) any sales taxes or other taxes collected by you for transmittal to the appropriate taxing authority. We reserve the right to modify the definition of “Gross Revenues” including those items exempted from the definition in our sole and absolute discretion.

[2] **Coatings, Chemicals and Equipment.** For XS-100, under the terms and conditions of the Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement in months one (1) through three (3), this amount is approximately $3,600.00 per set currently, and for the remainder of the Term after month three (3) of the Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement, this amount is approximately $2,700.00 per set currently. Under the terms and conditions of the current Franchise Agreement, this amount is approximately $2,700.00 per set currently. We offer a variety of chemicals, additives, catalysts, activators parts, equipment, and related products, currently ranging in price from $2.92 per pound to $27.01 per pound. Our most popular chemical, the XS-100 A & B, currently sells for $2.92 per pound. Coating Products come in 1-gallon and 5-gallon containers, and 55-gallon drums, depending on quantity and type of chemical. In addition to chemicals, we offer equipment, pigments (ranging from $3.60 per pound to $6.14 per pound), accessories, tape, and products for cleaning equipment. We and/or our affiliates generate income from the sale of these and all products to you. We reserve the right to change our prices to respond to fluctuations in commodity and raw materials prices, scarcity, and other factors that may affect our manufacturing or distribution costs.

Under the terms, conditions, and obligations of the Franchise Agreement, and for the remainder of the Term of the Franchise Agreement after month three (3) under the Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement, a Royalty on all Gross Revenues of the Franchised Business applies and is due weekly to us. You shall pay Royalty and make all payments to LINE-X by the method specified by LINE-X in its Business Judgment, which currently is through ACH payment.

[3] **Marketing Fund.** We have established an advertising, publicity, and marketing fund (the "Marketing Fund") to promote LINE-X Stores and the Brand. You will contribute to the Marketing Fund a Marketing Fund Contribution in the amount of one- and one-half percent (1.5%) of your Gross Revenues. We have sole discretion over all matters relating to the Marketing Fund and all related matters (consistent with its purposes and the provisions of the Franchise Agreement). The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the Internet; administration expenses; legal fees incurred by or spent defending the Marketing Fund, brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future LINE-X Stores and the Brand; agency and consulting services; research, any expenses approved by us (or other designee) and associated with franchisee advisory groups (if any); and all or portions of the salaries, benefits or expenses of people we employ who work on Marketing Fund matters (except that such salaries, benefits or expenses will be charged pro rata based on the time they spend on Marketing Fund matters). Among other things, Marketing Fund Contributions may be used for website development/operation and to pay Internet, Intranet, URL, 800 or similar number, and other charges, fees and/or expenses. A brief statement regarding the availability of LINE-X franchises may be included in marketing and other items produced using the Marketing Fund. The Marketing Fund will be accounted for separately and may be used to pay all administrative and other costs of the Marketing Fund related to its activities and purposes and/or as authorized. All taxes of any kind incurred in connection with or related to the Marketing Fund, its activities, contributions to the Marketing Fund and/or any other Fund aspect, whether imposed on us, the Marketing Fund, or any other related party, will be the sole responsibility of the Marketing Fund. We will prepare

financial statements for the Marketing Fund annually, which will be furnished to you upon written request. We have no obligation to ensure that expenditures by the Marketing Fund are or will be proportionate or equivalent to contributions to the Marketing Fund by you or the LINE-X Stores operating in any geographic area or that any LINE-X Store will benefit directly, indirectly, or in proportion to its contribution to the Marketing Fund. LINE-X may not spend contributions made to the Marketing Fund in the year in which those contributions are received and that such contributions may be carried forward into future years. You also acknowledge and agree that LINE-X may overspend the amount of the Marketing Fund based on anticipated future contributions. Pursuant to the Franchise Agreement, you agree that LINE-X reserves the right to increase the rate of the Marketing Fund Contribution and local marketing requirement, respectively, from one and one-half percent (1.5%) of your LINE-X Store's weekly Gross Revenues to five percent (5%) of your LINE-X's weekly Gross Revenues upon ninety (90) days prior written notice in its Business Judgment during the Term. LINE-X agrees that it shall not increase the rate of Marketing Fund Contribution or local marketing requirement by more than one percent (1%) each, annually.

[4] **Insurance Policies.** The following is a list of the required coverage with their respective minimum limits of coverage:

The policy or policies will be written by a licensed insurance company satisfactory to us in accordance with standards and specifications set forth in the Manual or otherwise in writing and will include, at a minimum (except as different coverages and policy limits may reasonably be specified for all franchisees periodically in the Manual or otherwise in writing), the following:

(i) All "**Risks**" or "**Special**" form coverage insurance on all furniture, fixtures, equipment, supplies, and other property used in the operation of the LINE-X Franchised Business.

(ii) Workers' Compensation and Employer's Liability insurance as well as such other insurance, with statutory limits, as required by law in the jurisdiction where the Franchised Business is located. Employers Liability or "Stop Gap" insurance with limits of not less than $1,000,000 each accident.

(iii) Commercial General Liability insurance, Occurrence form, including a per location or project aggregate, with the following coverages: owners and contractors protective liability broad form property damage, contractual liability, personal and advertising injury; and products/completed operations; medical payments and fire damage liability; insuring franchisor and franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Franchised Business including general aggregate coverage in the following limits:

Required Coverage	**Minimum Limits of Coverage**
General Aggregate	$2,000,000.00
Products/Completed Operations Aggregate	$1,000,000.00
Personal and Advertising Injury	$1,000,000.00
Each Occurrence	$1,000,000.00
Fire Damage (any one fire)	$100,000.00
Medical Expense (any one person)	$5,000.00
Garage Policy (covers physical damage to customer vehicles)	$300,000.00 (limit)

(iv) Business interruption insurance for actual losses sustained for a twelve (12) month period minimum.

(v) Automobile Liability Insurance, including owned, hired, and non-owned vehicles coverage, with a combined single limit of at least $1,000,000.00.

(vi) Cyber Liability Insurance with a minimum $1,000,000.00 each occurrence and $3,000,000.00 aggregate.

(vii) Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 6 of the Franchise Agreement.

(viii) Such additional insurance and types of coverage as may be required by the terms of any lease for the Premises or as may be required from time to time by us.

Although we do not require it, we strongly recommend that you consider carrying Pollution/Environmental Legal Liability insurance with a minimum $1,000,000.00 each occurrence and a $2,000,000.00 aggregate, covering bodily injury, property, and environmental damage, including clean up, removal, containment, and treatment of pollutants, arising out of your Franchised Business operations.

Your insurance must name us as an additional insured and contain a clause requiring notice to us thirty (30) days in advance of any cancellation or material change to any such policy. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

You must furnish us with a certificate(s) of such required insurance, within sixty (60) days of the signing of the Franchise Agreement, but in no event later than thirty (30) days prior to commencement of operations of the Franchised Business, on any renewal of such insurance while the Franchise Agreement is in effect, and on March 1st of each calendar year while the Franchise Agreement is in effect.

You acknowledge that business risks are ever-changing and the appropriate insurance coverages and related coverage costs and premiums are changing with the risks. You further understand that we have the right to change the coverage requirements, and you have the obligation to meet these changing requirements, throughout the Term of the Franchise Agreement. We reserve the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. We will provide you with written notice of any change in our insurance requirements. You will have sixty (60) days from receipt of such notice to revise your coverage, as specified in the notice.

Should you for any reason not procure and maintain the insurance coverage required by the Franchise Agreement, we will have the right and authority (without, however, any obligation to do so) to immediately procure the insurance coverage and to charge same to you in addition to a charge of Ten Percent (10%) as an administrative fee.

[5] **Upgrades and Maintenance.** A full Store retrofit or remodel may be required once, or as needed or required, during the term of the Franchise Agreement, depending on the overall condition of the Store and its compliance with System standards. You must also promptly repair or replace defective, worn-out, or obsolete equipment, signage, fixtures or any other item of the interior or exterior of the Store that is in need of repair, refurbishing or redecorating in accordance with our established standards, which may be updated from time to time, or as may be required by your lease. We may change or modify the System that is presently identified by the Designated Equipment, Marks, including the adoption and use of new or modified Designated Equipment, Marks, or copyrighted materials or a change in the services we require you to offer. You may be responsible for any costs associated with these changes. We reserve the right to require you to update or upgrade Designated Equipment, as well as any computer hardware or software during the term of the franchise and, if we choose to do so, there are no limitations on the cost and frequency of this obligation.

[6] **POS System**. We require you to purchase and use the POS System. The initial cost of such system is between $850-$5,320, dependent on the current computer capability, hardware, and software that is or is not present at the Store, and the number of system devices you choose to operate at your Store. You are required to pay us the then-current ongoing monthly fee for the POS System, which is currently $600.00 per month. Legacy Franchisees that qualify for, execute, and remain in Good Standing with the Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement shall pay no monthly POS

System fee for the first two (2) years of the Term of their Franchise Agreement, and shall pay $450.00 per month for the POS System thereafter for the Term of their Franchise Agreement. You must have a computer with hardware and software that: (1) meets the minimum requirements to operate a business of this nature as detailed in the Manual for computer capability and hardware requirements; (2) has Internet access and e-mail capability in the minimum broadband upload and download amounts as listed in the Manual; and (3) includes accounting software. We reserve the right, in our sole and absolute discretion, to raise the POS System fee amount no more than ten percent (10%) in any given calendar year, with no more frequency than once per calendar year, with a ninety (90) day notice to you for such change.

[7] **Transit Administration Fee**. The warehousing, shipping, handling, and shipment administrative fee (the "Transit Administration Fee") is a charge implemented by LINE-X to cover administrative costs associated with managing the transit of products, equipment, and supplies necessary for the operation of your franchise for those items that a franchisee buys directly from LINE-X. This Transit Administration Fee is payable to us and ensures timely and efficient logistics, including the coordination of shipments, inventory management, and compliance with transportation regulations. The fee is non-refundable, is assessed on a per shipped order basis, and is equal to twelve percent (12%) of the total transportation, transit, and/or freight costs charged.

DEVELOPMENT AGREEMENT

If we grant you development rights and you sign a Development Agreement, you should also review the table of fees applicable to Franchise Agreements as well as the following table of fees.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS[1]
Development Fee	$20,000	Upon execution of the Development Agreement	Will be credited toward corresponding Franchise Agreement(s) Initial Franchise Fee
Transfer Fee	$10,000	Upon transferring the Development Agreement	
Attorneys' Fees and Other costs	Varies	As incurred	Payable if you fail to comply with the Development Agreement.
Indemnification	All costs including attorneys' fees	As costs incurred, or upon settlement or conclusion of claimor action	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your development of the Development Area.

[1]All fees are imposed by and payable to LINE-X. All fees are nonrefundable. Except as noted in this Item 6, all fees currently are uniformly imposed.

ITEM 7 - ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement

TYPE OF EXPENDITURE	AMOUNT [1]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee [2]	$50,000	Lump Sum	On signing ofthe Franchise Agreement.	Us
Initial Training Fee[3]	$8,000	Lump Sum	Upon execution of the lease for the premises of the Franchised Business	Us
Initial Software Package[4]	$3,000	Lump Sum	Upon execution of the lease for the premises of the Franchised Business	Us
Initial Training Expenses [5]	$1,000 - $10,000	As arranged	As incurred	Transportation carriers, hotelfacilities, etc.
Real Estate [6]	$16,000 - $60,000	As arranged	As incurred	Landlord
Leasehold Improvements [7]	$22,000 - $110,000	As arranged	As incurred	Approved Suppliers
Insurance[8]	$1,000 - $11,000	As arranged	Before Opening Your Business	Insurance Carrier
Utilities[9]	$500 - $1,500	As arranged	As incurred	Utility Suppliers
Vehicles[10]	$20,000 - $100,000	As arranged	As arranged	Approved Suppliers
Licenses and Permits[11]	$500 - $1,500	As arranged	As arranged	Local, State or Federal Government
Exterior Signage + Graphics[12]	$9,500 - $45,500	As arranged	As incurred	Us, our Affiliate, or Approved Supplier
Equipment Package[14]	$131,169 - $390,499	As arranged	As arranged	Us, our Affiliate, or Approved Suppliers
Equipment Installation[15]	$30,000 - $40,000	As arranged	As arranged	Approved Suppliers/Vendors
Shop Tools and Supplies[16]	$20,174 - $22,191	As arranged	As arranged	Us or Approved Suppliers
Initial Chemical & Consumables Package[17]	$12,987 - $14,187	As arranged	As arranged	Us or Approved Suppliers
LINE-X Essentials Initial Inventory[18]	$4,000	As arranged	As arranged	Us
Showroom Displays, Graphics + Furniture Package[19]	$12,135 - $20,515	As arranged	As arranged	Us or Approved Suppliers

Hardware Package[20]	$3,000 - $5,800	As arranged	As incurred	Us or Approved Supplier
Marketing Materials[21]	$1,000 - $1,500	As arranged	As arranged	Approved Supplier
Opening Marketing[22]	$5,000 - $15,000	As required	30 days prior to opening to 90 days after	Vendors
Additional Funds – 3 months[23]	$50,000 - $75,000	As arranged	As incurred	Employees, vendors, utilities
Tire Tools Package (optional)[24]	$0 - $8,140	As arranged	As arranged	Us or Approved Supplier
TOTAL ESTIMATED INITIAL INVESTMENT[25]	**$401,815 - $1,002,652**			

Notes to Table:

[1] All amounts are non-refundable unless otherwise noted.

[2] **Initial Franchise Fee.** The Initial Franchise Fee for a single LINE-X Store is $50,000. This fee will be reduced if you qualify for our U.S. Military Veteran's program, the Multi-Unit Operator Incentive Program, or pursuant to a Development Agreement with us. Please see Item 5 for more details on the Initial Franchise Fee and the requirements to qualify for a reduced fee.

[3] **Initial Training Fee.** The Initial Training Fee includes attendance of two (2) individuals at LINE-X Fundamentals Training 1 and LINE-X Fundamentals Training 2, and also includes on-site operations and technical training at the Franchised Business, and travel expenses incurred by LINE-X trainer for the training time period.

[4] **Initial Software Package.** You are required to complete initial software set up and training on the POS System and other platforms or portals required for the operation of your Franchised Business as specifically detailed in the Manual, and the configuration and system training package fee is Three Thousand and 00/100 dollars ($3,000.00) due in one lump sum upon the execution of the lease for the premises of the Franchised Business (the "Initial Software Package").

[5] **Initial Training Expenses.** The initial training program for you and one other person is discussed in the Initial Training Fee. However, you are solely responsible for all costs incurred by you in attending the initial training program and any other voluntary or mandatory training programs, seminars, or meetings (e.g., transportation, meals, lodging, and other expenses). The amount you spend while training will depend on several factors, including the number of persons attending, the distance you must travel, and the type of accommodations you choose, if any are needed.

[6] **Real Estate.** The low end of the initial investment represents a building that has adequate space for the showroom and shop areas to display and install the core item requirements as detailed in the Manual. The high end represents a building that has the space to display and install, in addition to the core items, some of the choice items. The estimate covers three (3) months of rent and one (1) month of rent as a security deposit. You may be required to pay a security deposit of more than one (1) month of rent. The chart provides an estimate of your initial investment for a leased site and does not contemplate tenant improvement costs. The total estimated initial investment does not include purchasing real estate and related costs. We are unable to estimate the cost of purchasing and developing a site for a Store, as it will vary considerably depending on such factors as the location and size of the site and the local real estate market.

Since rental, improvement and other real estate-related costs can vary significantly by area, it's your responsibility to (1) independently research all applicable laws and regulations, and real estate market conditions and costs, where you plan to locate and operate your facility, and (2) obtain appropriate advice from your own accountant, attorney and real estate professional, before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

[7] **Leasehold Improvements.** The low end of the range reflects a partial build-out and the high end reflects the cash outlay for a complete build-out. The cost of your build-out may be reduced by a Tenant Improvement ("TI") allowance or rebate from the landlord, which varies depending on the terms of each lease agreement and is not included in this estimate. However, pursuant to your lease agreement with the landlord, you will likely be required to complete the build-out and satisfy all related invoices to contractors and service providers in order to qualify for the TI rebate from the landlord. This estimate includes site development costs using conventional construction methods, which may vary considerably depending on factors such as the condition of the premises when possession is delivered to you by the seller or landlord, site-specific requirements, material and labor costs, and variations depending on your region and your specific location.

[8] **Insurance.** Insurance costs can vary widely and may be more than shown here. The range disclosed is for three (3) months of insurance premiums. You should obtain appropriate advice from your own insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

[9] **Utilities.** A utility deposit will be required only if you are a new customer of the utility company or if your credit does not meet the utility company's standard.

[10] **Vehicles.** You are required to have a pickup truck that is approved by us in the operation of your LINE-X Franchised Business. The low-end estimate represents the down payment on a leased pickup truck and the high-end estimate represents the straight purchase of a pickup truck. You must also purchase and install a graphics package for use on your pickup truck, as described in Note 12 below.

[11] **Licenses and Permits.** The range of costs covers the expense to acquire the required local business permits. We make no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with your LINE-X Franchised Business. Our estimated costs include building permits, fire inspection, sales tax permit, and retail sales permits. If an electrical permit is necessary, the costs may be more. You should investigate applicable requirements in your area and the related costs, including receiving advice from regulatory agencies and your own lawyer, before making any commitments, whether to us or anyone else.

[12] **Exterior Signage + Graphics.** Includes exterior signage and other graphics containing the LINE-X logo, which you are required to use on your pickup truck(s) and LINE-X Store, including on the building's exterior and roadside. LINE-X will provide the options for use on your pickup truck(s) and you must obtain prior approval from LINE-X before installation on your pickup truck(s). The cost of your signage may be more or less, and depends on the size, type, and method of installation you choose.

[13] **POS System.** There is a range of expenses that will be incurred when purchasing point-of-sale system hardware. We require you to purchase and use our specific POS System. The upfront cost of such system is between $850-$5,320, and is dependent on the current computer capability, hardware, and software that is or is not present at the Store and the number of system devices you choose to operate at your Store. You are required to pay us the then-current ongoing monthly fee for the POS System, which is currently $600.00 per month. You must have a computer with hardware and software that: (1) meets the minimum requirements to operate a business of this nature as detailed in the Manual for computer capability and hardware requirements; (2) has Internet access and e-mail capability in the minimum broadband upload and download amounts as listed in the Manual; and (3) includes accounting software.

[14] **Equipment Package**. For the lower end of the estimate, includes bedliner spay equipment, undercoating equipment, spray booth, (1) 2-post lift, (1) 4-post lift, air compressor and forklift. For the higher end of the estimate, includes bedliner spray equipment, undercoating equipment, spray booth, (1) 2-post lift, (1) 4-post lift, (1) 4-post alignment lift, air compressor, wheel balancing equipment, tire changing equipment, alignment equipment, window tint package, paint protection film equipment, and forklift. For any items purchased directly from LINE-X, the Transit Administration Fee will apply and is included in the estimated investment for this category. Additional items and materials may be included in the higher-end Equipment Package estimate, and are detailed in the Manual.

[15] **Equipment Installation**. Includes the installation of all equipment listed in Note 14 above.

[16] **Shop Tools and Supplies.** You must purchase your shop tools and supplies from us or approved suppliers. For any items purchased directly from LINE-X, the Transit Administration Fee will apply and is included in the estimated investment for this category. The basic automotive tools you will need for your LINE-X Franchised Business are detailed in the Manual.

[17] **Initial Chemical and Consumables Package**. The Initial Inventory of Coating Products includes two 55-gallon drum of component A; two 55-gallon drum of component B Black, one set of primer chemical, one set of topcoat chemical, fresh air ventilation system, and all additional tools, materials, and consumables required to spray bedliners. For any items purchased directly from LINE-X, the Transit Administration Fee will apply and is included in the estimated investment for this category.

[18] **LINE-X Essentials Initial Inventory**. Your initial inventory of LINE-X Essentials includes jump starters, coolers, flashlights, tie down straps, storage cases, and UV spray.

[19] **Showroom Displays, Graphics, and Furniture Package**. Includes wall wrap, bedliner lineup wall panel, undercoating wall panel, LINE-X letters logo, LINE-X yellow oval logo, LINE-X tonneau cover display, LINE-X step bar display, LINE-X bedliner countertop display, LINE-X hitch display and initial hitch inventory, and other non-LINE-X branded core service displays. Furniture package includes front counter, back counter, coffee counter, and waiting area coffee table and chairs. For any items purchased directly from LINE-X, the Transit Administration Fee will apply and is included in the estimated investment for this category.

[20] **Hardware Package.** Includes computers, monitors, keyboards and mice, printer, tablets, cash drawer, TV monitors, and TV mounts. For any items purchased directly from LINE-X, the Transit Administration Fee will apply and is included in the estimated investment for this category.

[21] **Marketing Materials.** Includes business cards, brochures, counter mats, bed tags, and employee apparel for 3 to 6 employees.

[22] **Opening Marketing.** We require that you spend a minimum of five thousand dollars ($5,000) on a marketing and promotional campaign related to the grand opening of your Franchised Business within the period of two (2) weeks before and six (6) weeks after the opening of your Location. However, you may invest additional funds to the opening marketing for your grand opening to promote your LINE-X Store.

[23] **Additional Funds.** We estimate this amount based on three (3) months operating the store for costs such as, but not limited to, employees, vendors, and utilities, but you may need additional funding for a longer period of time.

[24] **Tire Tools Package.** Includes all tools necessary to offer wheel and tire services in-house. There is a Basic and Premium option available as noted with the low- and high-end estimates. You can choose packages as specified in the Manual. For any items purchased directly from LINE-X, the Transit Administration Fee will apply and is included in the estimated investment for this category.

[25] **Estimated Total Investment**. This estimated total investment amount is related to the opening of any one franchised LINE-X location and this estimate is the same for locations that qualify for the Multi-

Unit Operator Incentive or pursuant to the terms and conditions of the Development Agreement. If you sign the Franchise Agreement in connection with a Development Agreement, then the applicable portion of the development fee you paid under the Development Agreement toward the franchised LINE-X location will be credited against the initial franchise fee payable and due to us under the Franchise Agreement, according to that Development Agreement's terms. If you sign the Franchise Agreement and a Multi-Unit Operator Incentive Program Addendum, then the initial franchise fee and royalties may be reduced pursuant to the addendum of the incentive program.

In addition, should you qualify (as we solely determine) for any incentive programs or other sales promotions we are then offering in connection with sales of new franchises, then your initial franchise fee or other applicable amounts due under the Franchise Agreement may be reduced according to conditions of that promotional offer (including signing an addendum to the Franchise Agreement, as we may then require).

Except as otherwise noted, none of these payments are refundable. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

INITIAL INVESTMENT PURSUANT TO A DEVELOPMENT AGREEMENT:
The total investment necessary to begin operation of one (1) LINE-X Franchised Business, as listed in the table in this Item 7, ranges from $401,815 -$1,002,652. This amount and the referenced table also apply to the investment necessary to begin operation of one (1) LINE-X Franchised Business pursuant to a Development Agreement. This amount includes $254,815 to $577,152, which must be paid to the Franchisor or an affiliate. If you agree to develop franchised locations under a Development Agreement with us, a development fee in the current amount of $20,000.00 per location is due to us, which will then be applied to the initial franchisee fee of the franchise agreement(s) entered pursuant to a Development Agreement. The minimum outlets for any Franchise Agreement or Development Agreement is one (1) location, and there is no maximum development limit for Development Agreements. The total investment necessary to begin operation pursuant to a development agreement matches that of a franchise agreement.

The Development Agreement's development fee is fully earned by us when received and is not refundable.

For example, if you sign a Development Agreement to open one (1) LINE-X Franchised Business under a Development Agreement, and subsequent Franchise Agreement for a determined location, the following chart shows your estimated initial investment, based on the first table of this Item 7.

YOUR ESTIMATED INITIAL INVESTMENT DEVELOPMENT AGREEMENT DEVELOPMENT OF 1 FRANCHISED BUSINESS				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Development Fee (1)	$20,000	Lump Sum	On signing Development Agreement.	Us
Costs for First Location (2)	**$381,815 -$982,652**	Various	Various	Various
Total	**$401,815 -$1,002,652**			

In general, none of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

Notes:

1. ***Development Fee; Initial Franchise Fee***. The fee will be credited toward corresponding Franchise Agreement(s) Initial Franchise Fee. See Item 5.

2. ***Other Expenditures for First Franchised Business***. These are the estimates to build-out your first LINE-X Franchised Business. This takes into consideration the $20,000 listed in Note 1 above. Costs associated with building out additional LINE-X Franchised Business locations are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs. There are no other expenditures required of the multi-unit developer. Our estimate assumes you will develop one (1) location. There is no maximum requirement pursuant to the Development Agreement.

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ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Before you begin operations, you must purchase the Required Purchases from us. The Required Purchases consists of equipment and supplies necessary for you to operate your Store in compliance with the Franchise Agreement and the Manual. We are the only approved supplier of the Required Purchases, and we will derive revenue and profit as a result of your purchase of the Equipment Package. Your purchase of the Required Purchases represents approximately thirty percent (30%) to seventy percent (70%) of your initial investment and less than ten percent (10%) of your ongoing expenses.

In operating your Franchised Business, you will utilize certain coatings, chemicals, products and other merchandise and products bearing the Marks defined in this Disclosure Document as the "LINE-X Products". In order to protect our System and trade secrets, limit their use to LINE-X and its affiliates, and to monitor the manufacture, packaging, processing, and sale of LINE-X Products, we will (i) sell LINE-X Products to franchisees; and/or (ii) disclose the designs or specifications of LINE-X Products to a limited number of affiliates and/or suppliers who will sell the LINE-X Products to franchisees and a limited and select number of affiliates and third parties to sell in other streams of commerce. We anticipate that your purchases of LINE-X Products will be approximately five percent (5%) to ten percent (10%) of your initial investment and approximately twenty-five percent (25%) of your ongoing expenses. Currently, you must purchase these products from us or our affiliate. We or our affiliate will derive revenue from your purchases of LINE-X Products.

Approved Supplies and Suppliers

Your LINE-X Store will purchase, use, and offer only the Designated Equipment, LINE-X Products, and services, and purchase from suppliers, as are specified by us from time to time. We may designate a single supplier or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers in our sole discretion. These suppliers may include, and may be limited to, us, a Franchisor-Related Parties, and/or a designee of ours. On notice by us, you will immediately cease and desist from using and offering any equipment, products, or services not authorized by us. LINE-X officers hold an ownership interest in Ultimate Linings. You must offer for sale our "Core Products," as we define them in our Manual and which we may amend from time to time.

We and/or an affiliate of ours are the only approved suppliers of select products and other chemicals which are the core ingredient of the LINE-X brand Coating Products that you spray or apply.

We can require that various Designated Equipment, products, and/or services only be supplied by us, a Franchisor-Related Parties and/or a designee of ours and we and/or one or more Franchisor- Related Person/Entities may derive additional revenues, profits, vendor contribution, allowance, or other benefits as a result of your purchases of such Designated Equipment, products, and services.

We require you to purchase all your LINE-X Products and accessories from approved supplier(s), as designated in our Manual, through purchase portals or processes as detailed in the Manual. For purchases of equipment, chemicals, and other consumables as listed and designated in the Manual, we require you make purchases through LINE-X Direct. Via LINE-X Direct, you will place all orders for payment either via credit card or Automated Clearing House (ACH) for your designated account. Should you choose the credit card payment option, we may charge you for the additional fees and costs that we incur in the amounts specifically noted at the time of placing the order via LINE-X Direct. Before purchasing any of the LINE-X Products from our designated supplier(s) you will be required to sign a "Franchise Data Release Authorization and Confidentiality Agreement" in the form attached as **Exhibit J**. We will receive a rebate ranging from one percent (1%) to twelve percent (12%) of our supplier(s)'s overall volume of sales to LINE-X franchisees. The rebate varies based on factors such as the volume sold, type of product, the manufacturer, and our negotiations with our supplier(s). We may receive a rebate, or charge an administrative fee, for any group purchasing or system wide purchasing programs we develop or maintain for the benefit of the System or any individual franchisee or group of franchisees, and may use any such amounts we receive without restriction and for any purpose we deem appropriate, including as revenue and/or profit.

You can request the approval of an item, product service or supplier by notifying us in writing and submitting such information and/or materials we may request. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal up to five thousand dollars ($5,000.00). We will notify you of our decision within thirty (30) days of our receipt of all requested information from you.

We may condition and/or revoke our approval of particular items or suppliers as we choose. Our criteria for supplier approval are available to you. Designation of a supplier may be conditioned on factors established by us in our sole and absolute discretion, including, without limitation, performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. We may approve, or revoke or deny approval, of particular items or suppliers in our sole and absolute discretion. We may designate a single supplier or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers in our sole and absolute discretion and there's no assurance we'll designate more than one supplier for any item, including situations in which we or an Affiliate are the only designated supplier.

We may negotiate volume purchase agreements with some vendors for the purchase of goods and equipment needed to operate your Franchised Business. Currently, we negotiate with vendors pricing for compressors and spray booths for the benefit of LINE-X Franchisees. We may receive a fee or rebate for doing so. We may receive a rebate, or charge an administrative fee, for any group purchasing or system wide purchasing programs we develop or maintain for the benefit of the System or any individual franchisee or group of franchisees, and may use any such amounts we receive without restriction and for any purpose we deem appropriate, including as revenue and profit.

Our specifications and standards for purchasing are in the Manual, as modified periodically.

In addition to the rebate we currently receive from our suppliers, as disclosed above in this Item, we also receive a 10% rebate from our approved supplier of Valugard corrosion and rust protection products, and a 10% rebate from our approved supplier of application booths and filters, based on purchases by our franchisees. Such purchases are not required by us.

We have developed, managed, and control, a national accounts program with various fleet and commercial accounts in LINE-X's National Fleet Services Program (the "Program"). Under the Program, qualified Franchisee LINE-X Store(s) that meet our then-current standards and criteria, including the offering of all Core Services, will voluntarily request to participate, and be selected by us in our sole and absolute discretion after criteria review, to provide selected fleet services to LINE-X's fleet and commercial accounts. At our option and pursuant to the Program participation and form entered between the parties, all services provided by you under the Program will be centrally billed through LINE-X. You acknowledge and agree that we generate income and profit as a result of our effort to create, develop, administer, and grow the Program, including the sales generated by it.

Other suppliers may make payments to us in the future because of transactions with franchisees. We will retain up to 100% of any or all rebates, commissions or other consideration paid by suppliers resulting from transactions with franchisees. We provide no material benefits to you based on your use of designated or approved suppliers. We may receive a rebate, or charge an administrative fee, for any group purchasing or system wide purchasing programs we develop or maintain for the benefit of the System or any individual franchisee or group of franchisees, and may use any such amounts we receive without restriction and for any purpose we deem appropriate, including as revenue and profit.

Computer Hardware and Software

We require you to purchase and use the POS System. You are required to pay us the then-current ongoing monthly fee for the POS System, which is currently $600.00. Legacy Franchisees that qualify for, execute, and remain in Good Standing with the Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement shall pay no monthly POS System fee for the first two (2) years of the Term of their

Franchise Agreement, and shall pay $450.00 per month for the POS System thereafter for the Term of their Franchise Agreement. We reserve the right, in our sole and absolute discretion, to raise the POS System fee amount no more than ten percent (10%) in any given calendar year, with no more frequency than once per calendar year, with a ninety (90) day notice to you for such change. You must have a computer with hardware and software that: (1) meets the minimum requirements to operate a business of this nature, as detailed in the Manual for computer capability and hardware requirements; (2) has Internet access and e-mail capability in the minimum broadband upload and download amounts as listed in the Manual; and (3) includes accounting software.

Derived Revenue

During the fiscal year October 1, 2024 to September 30, 2025, our revenue as a result of required purchases of Coating Products, LINE-X BRANDED PRODUCTS accessories, and equipment by LINE-X franchisees was $17,515,297. This revenue represents seventy-one and 97/100 percent (71.97%) of our total revenues of $24,335,440. We did not receive any other revenue or other material benefits from required purchases or leases by LINE-X Franchisees. Ultimate Linings' revenue as a result of required purchases of Coating Products and equipment by LINE-X franchisees was $11,401,423. This revenue represents seven and 96/100 percent (7.96%) of Ultimate Linings' total revenues of $143,238,992. No other affiliates derived revenue or other material considerations from required franchisee purchases or leases during the fiscal year ended September 30, 2025.

We do not condition providing benefits (such as the award of a successor or additional franchise) on the use of designated or approved sources. However, failure to use approved items or designated suppliers might, like other matters, be a default under the Franchise Agreement and, in general, any Franchisee in default would not be awarded a successor or additional franchise and might even be subject to termination.

Currently, there are no purchasing or distribution cooperatives. We have the power to require cooperatives to be formed, changed, dissolved, or merged, and we reserve the right to do so.

Insurance Policies

The following is a list of the required coverage with their respective minimum limits of coverage:

The policy or policies will be written by a licensed insurance company satisfactory to us in accordance with standards and specifications set forth in the Manual or otherwise in writing and will include, at a minimum (except as different coverages and policy limits may reasonably be specified for all franchisees periodically in the Manual or otherwise in writing), the following:

(i) All "**Risks**" or "**Special**" form coverage insurance on all furniture, fixtures, equipment, supplies, and other property used in the operation of the LINE-X Franchised Business.

(ii) Workers' Compensation and Employer's Liability insurance as well as such other insurance, with statutory limits, as required by law in the jurisdiction where the Franchised Business is located. Employers Liability or "Stop Gap" insurance with limits of not less than $1,000,000 each accident.

(iii) Commercial General Liability insurance, Occurrence form, including a per location or project aggregate, with the following coverages: owners and contractors protective liability broad form property damage, contractual liability, personal and advertising injury; and products/completed operations; medical payments and fire damage liability; insuring franchisor and franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Franchised Business including general aggregate coverage in the following limits:

Required Coverage	**Minimum Limits of Coverage**
General Aggregate	$2,000,000.00

Products/Completed Operations Aggregate……..$1,000,000.00
Personal and Advertising Injury……$1,000,000.00
Each Occurrence……$1,000,000.00
Fire Damage (any one fire)……$100,000.00
Medical Expense (any one person)……..$5,000.00
Garage Policy……..$300,000.00 (limit)
(covers physical damage to customer vehicles)

(iv) Business interruption insurance for actual losses sustained for a twelve (12) month period minimum.

(v) Automobile Liability Insurance, including owned, hired, and non-owned vehicles coverage, with a combined single limit of at least $1,000,000.00.

(vi) Cyber Liability Insurance with a minimum $1,000,000.00 each occurrence and $3,000,000.00 aggregate.

(vii) Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 6 of the Franchise Agreement.

(viii) Such additional insurance and types of coverage as may be required by the terms of any lease for the Premises or as may be required from time to time by us.

Although we do not require it, we strongly recommend that you consider carrying Pollution/Environmental Legal Liability insurance with a minimum $1,000,000.00 each occurrence and a $2,000,000.00 aggregate, covering bodily injury, property, and environmental damage, including clean up, removal, containment, and treatment of pollutants, arising out of your Franchised Business operations.

Your insurance must name us as an additional insured and contain a clause requiring notice to us thirty (30) days in advance of any cancellation or material change to any such policy. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

You must furnish us with a certificate(s) of such required insurance, within sixty (60) days of the signing of the Franchise Agreement, but in no event later than thirty (30) days prior to commencement of operations of the Franchised Business, on any renewal of such insurance while the Franchise Agreement is in effect, and on March 1st of each calendar year while the Franchise Agreement is in effect.

You acknowledge that business risks are ever-changing and the appropriate insurance coverages and related coverage costs and premiums are changing with the risks. You further understand that we have the right to change the coverage requirements, and you have the obligation to meet these changing requirements, throughout the Term of the Franchise Agreement. We reserve the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. We will provide you with written notice of any change in our insurance requirements. You will have sixty (60) days from receipt of such notice to revise your coverage, as specified in the notice.

Should you for any reason not procure and maintain the insurance coverage required by the Franchise Agreement, we will have the right and authority (without, however, any obligation to do so) to immediately procure the insurance coverage and to charge same to you in addition to a charge of Ten Percent (10%) as an administrative fee.

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ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Section 3.1	Sections 3.01 and 3.02, and Exhibit A	Items 11 and 12
b. Pre-opening purchases/leases	Sections 3.2-3.5 and 9.2	Not applicable	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 3 and 4	Not applicable	Items 6, 7 and 11
d. Initial and ongoing training	Sections 4, 9.4, 14.3 and 15.5.F.	Not applicable	Items 6, 7 and 11
e. Opening	Section 3	Not applicable	Item 11
f. Fees and Royalties	Sections 8, 13.3 and 17.1.C. of the Franchise Agreement, and Section 4 of the Multi-Unit Operator Incentive Addendum to the Franchise Agreement which amends Section 8 of the Franchise Agreement.	Sections 2.01 and 7.01(g), and Exhibit A	Items 5, 6 and 7
g. Compliance with standards and policies / Operations Manual	Sections 1.1, 1.2, 1.5, 2.2.F., 3.1, 3.2, 3.3,3.4, 4.2, 9.1, 9.3, 13.3.A. and 15.5	Section 1	Item 11
h. Trademarks and proprietary information	Sections 1.1, 1.2, 5, 7, and 16.2	Sections 1.01, 1.02, 1.04, and 6.01	Items 13 and 14
i. Restrictions on products/services offered	Sections 8.2, and 9.2	Section 1.03	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 6.3.B., 8.4 and 13.3.A.10	Not applicable	Not Applicable
k. Territory	Section 2.2	Section 2.02 and Exhibit A	Item 12

l. Ongoing product/service purchases	Sections 9.2 and 15.5	Not applicable	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3.3 and 9.1	Not applicable	Items 6 and 17
n. Insurance	Section 9.5	Not applicable	Items 6, 7, and 8
o. Marketing	Sections 2.3, 10 and 16.3	Not applicable	Items 5, 6, 7, and 11
p. Indemnification	Section 6.3	Section 5.02	Item 6
q. Owner's participation/ management/staffing	Section 9.4	Exhibit B	Item 15
r. Records and reports	Section 11	Not applicable	Item 11
s. Inspections and audits	Sections 8.2, 12 and 15.5.B.	Not applicable	Items 11
t. Transfer	Sections 13 and 16	Section 7	Items 6 and 17
u. Renewal	Sections 2.2 and 14	Not applicable	Item 17
v. Post-termination obligations	Section 16	Section 9	Item 17
w. Non-competition covenants	Section 7.2	6.02, 7.02(i), and 9.02	Item 17
x. Dispute resolution	Section 17	Section 10	Item 17
y. Owner's/Shareholders Guaranty	Exhibit 1	Exhibit C	Item 15

ITEM 10 FINANCING

We do not offer you any direct or indirect financing for any amount due under the Franchise Agreement or Development Agreement. We do not guarantee your note, lease, or any other obligation, nor do we receive payment or other consideration for the placing of financing.

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

Except for the specific items listed below, we are not required to provide you with any assistance.

A. Our Obligations Before the Franchised Business Opens

1. Provide you with training. (Franchise Agreement, Section 4.1.)

2. Provide you with electronic access to the Manual, which contains mandatory and suggested specifications, standards, and procedures. This Manual is confidential and remains our property. We may modify this Manual. (Franchise Agreement, Section 4.2.) The Table of Contents of the Manual is attached to this Disclosure Document as **Exhibit E**. Our Manual currently contains 456 pages.

3. License you the use of our trademarks. (Franchise Agreement, Section 5.)

4. We will authorize the opening of your LINE-X Store. (Franchise Agreement, Section 3.6.) If you enter into a Development Agreement with us, you must select sites within your specified Development Area. (Development Agreement, Section 3).

B. Our Obligations During the Operation of the Franchised Business

1. We will specify or approve certain equipment, inventory, and suppliers to be used in the Franchised Business. (Franchise Agreement, Section 3.4.)

2. We may provide additional and/or refresher training programs, including national and regional conferences, conventions and meetings, as we may reasonably require, to correct, improve and/or enhance your operations. (Franchise Agreement, Section 4.1.C.)

3. If you do not obtain and maintain appropriate insurance coverage, we may procure the coverage on your behalf. We will pass the cost onto you. (Franchise Agreement Section 9.5.F.)

4. We (or other designee) will maintain and administer the Marketing Fund. We (or other designee) will direct all marketing programs, with sole discretion over the creative concepts, materials, and media used in the programs, and the placement and allocation. The Marketing Fund contributions may be used for website development, toll-free telephone numbers or similar marketing items. (Franchise Agreement, Section 10.1)

5. We may institute various programs for auditing customer satisfaction and/or other quality control measures. (Franchise Agreement, Section 12.3.)

6. We may negotiate marketing programs with suppliers and obtain marketing allowances or rebates for doing so and may utilize such allowances or rebates in any manner in which we elect, in our sole discretion, for the benefit of the System or any individual franchisee or group of franchisees, and may realize such amounts as income, profit, and/or use any such amounts we receive without restriction and for any purpose we deem appropriate. (Franchise Agreement, Section 3.4)

7. Review and approve or reject your marketing materials prior to your use of same. (Franchise Agreement Section 10.2.B.)

8. We may provide consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We will not assist in establishing prices or setting minimum or maximum prices for your LINE-X Store. We may make recommendations that we deem appropriate to assist your efforts regarding administrative and operating issues. However, you alone will establish all requirements, consistent with your legal requirements and obligations under any local or federal rule or regulation, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at your LINE-X Store for which we have not established Approved Suppliers. (Franchise Agreement, Section 4.3.)

C. The Marketing Fund

We have established an advertising, publicity, and marketing fund (the "Marketing Fund") to promote LINE-X Stores and the Brand. Currently, you must contribute one- and one-half percent (1.5%) of Gross Revenues to the Marketing Fund. We (or our designee), which may include the marketing department, executives, or a franchise advisory board, will maintain and administer the Marketing Fund. We will direct all marketing programs, with sole discretion over the creative concepts, materials, and media used in the programs, and the placement and allocation. We have no obligation in administering the Marketing Fund to ensure that any particular franchisee or territory benefits directly or on a pro rata basis from the placement of advertising. The Marketing Fund may be used for (among other things) product development, signage, creation, production and distribution of marketing, advertising, public relations, and other materials in any medium, including the Internet, URL, 800 or similar number. We anticipate that the media coverage will be national, regional, and/or local and any combination of those levels in a digital or traditional advertising medium. Marketing may be provided by us or a Franchisor-Related Parties ("in-house" or by an independent outside person/company). (Franchise Agreement, Section 10.1). Pursuant to Franchise Agreement Section 10.6, we reserve the right to change and increase the rate of the Marketing Fund Contribution and local marketing requirement, respectively, from one and one-half percent (1.5%) of your LINE-X Store's weekly Gross Revenues to five percent (5%) of your LINE-X's weekly Gross Revenues upon ninety (90) days prior written notice in its Business Judgment during the Term. We will not increase the rate of Marketing Fund Contribution or local marketing requirement by more than one percent (1%) each, annually.

No material marketing expenditures from the Marketing Fund will be devoted to the sale of new franchises. The monies may be used to meet any and all costs of maintaining, administering, directing, producing, and preparing digital, online, and social media tools and campaigns, websites, Customer Relationship Management (CRM) tools and programs, re-targeting and re-marketing campaigns, mass media marketing (including the cost of conducting public relations activities, conducting advertising and producing promotional brochures and other marketing materials to franchisees in the system). All sums you pay to the Marketing Fund will be maintained in a separate account and will not be used to defray any of our general operating expenses, except for reasonable administrative costs, salaries, expenses and overhead, if any, as we may incur in activities reasonably concerning the administration or direction of the Marketing Fund and marketing programs including conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Marketing Fund.

We do not anticipate that all contributions to the Marketing Fund will be expended for marketing and promotional purposes during the fiscal year within which contributions are made. Any excess amounts remaining in the Marketing Fund at the end of the fiscal year will be spent as follows: first out of any current interest or other earnings of the Marketing Fund, next out of any accumulated earnings and finally from principal. The Marketing Fund will rollover from year to year. We maintain the right to terminate the Marketing Fund. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for marketing purposes or distributed back to franchisees. An unaudited accounting of the operation of the Marketing Fund will be prepared annually and will be made available to you upon request. We will have the right to require that the annual accounting include an audit of the operation of the Marketing Fund, be prepared by an independent certified public accountant selected by us, and prepared at the expense of the Marketing Fund. We have no obligation to ensure that expenditures by the Marketing Fund are or will be proportionate or equivalent to contributions to the Marketing Fund by you or the LINE-X Stores operating in any geographic area or that any LINE-X Store will benefit directly, indirectly, or in proportion to its contribution to the Marketing Fund. (Franchise Agreement, Section 10.1.)

During the time frame of October 1, 2024 through September 30, 2025, the percentages of Marketing Fund expenditures by type were as follows:

Spent On	Year Ended September 30, 2025
Paid Digital Media	34.8%
Social Media	43.9%
Website Development	4.1%
Search Engine Optimization	8.2%
Marketing Software	3.1%
Public Relations	0.2%
Creative Development	5.7%

D. Your Local Marketing Activities

In addition to contributing One- and One-Half Percent (1.5%) to the Marketing Fund, we require that you spend an additional One- and One-Half Percent (1.5%) on local marketing activities, for a minimum total of Three Percent (3%) of your Gross Revenues each quarter toward marketing and promotion of your LINE-X Store. We will give you sixty (60) days' advance written notice of any required local advertising and marketing expenditures. You cannot create or maintain any digital presence, internet site, whether through the World Wide Web, URL, or other method, social networking site, or other digital, electronic, or virtual method without obtaining our express written agreement, which we may grant, deny, or condition in our Business Judgement. (Franchise Agreement, Sections 2.4 and 10.2). Pursuant to Franchise Agreement Section 10.6, we reserve the right to change and increase the rate of the Marketing Fund Contribution and local marketing requirement, respectively, from one and one-half percent (1.5%) of your LINE-X Store's weekly Gross Revenues to five percent (5%) of your LINE-X's weekly Gross Revenues upon ninety (90) days prior written notice in its Business Judgment during the Term. We will not increase the rate of Marketing Fund Contribution or local marketing requirement by more than one percent (1%) each, annually.

We reserve the right to approve all of your local marketing and promotion before you begin. You must not establish a website on the Internet using any domain name containing the words "**LINE-X**" or any variation without our prior written consent. We retain the sole right to advertise on the Internet and create a website using the "**LINE-X**" domain name.

Your marketing will be in good taste and conform to ethical and legal standards and our requirements. Your marketing and use of the Marks in advertising may not be associated with off-color content, pornography, vulgarities, or other unsuitable content as determined in our sole discretion. We may require you to submit samples of all marketing and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise. We retain the right to approve or disapprove of such marketing based on our sole discretion. You agree not to use any materials or programs disapproved by us. (Franchise Agreement, Section 10.2.B.)

We have established a franchise advisory council, which we call our Franchise Advisory Board ("FAB"), that provides feedback to us about marketing and the System. We are not obligated to take, follow, or implement any feedback, advice, request, or demand from the FAB or any other group of franchisees.

E. Cooperatives

We may decide to form one or more associations and/or sub-associations of LINE-X Stores to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering your area, then you must join and actively participate. Each Store will be entitled to one (1) vote, but in order to vote, franchised Stores must be in Good Standing. You may be required to contribute such amounts as are determined from time to time by such Co-Ops. (Franchise Agreement, Section 10.3.)

F. Methods Used to Select the Location of the Franchised Business

You must operate from a location suitable to the operation of the Franchised Business that you select. In selecting your site, you should consider demographics, population density, accessibility, proximity to other LINE-X Stores, available parking, traffic flow, and entrance to and exit from the site. We will consider those same factors in evaluation of the site for acceptance and others.

You must choose a site for your LINE-X Store and submit to us information we may reasonably request concerning the proposed location, including, without limitation, demographics, population density, accessibility, suitability, and competing facilities. We will not own the premises leased to franchisees. We will deliver to you written acceptance or rejection of a proposed location within thirty (30) days after our receipt of all requested information from you regarding the proposed site. We will not unreasonably withhold our acceptance. Acceptance by us of any site is not a recommendation or endorsement of such site. We make no representations or warranties as to the success of any site.

If we accept your site, you are responsible for obtaining any architectural and engineering services required for your facility and for ensuring its compliance with local law. Neither we, nor any Franchisor-Related Parties, nor any other person or company associated with us, will have any liability for any site-related matter. Your LINE-X Store must be open for regular, continuous business within nine (9) months of the Effective Date of the Franchise Agreement. If no acceptable site is found and accepted by us, and your LINE-X Store is not open for regular, continuous business within nine (9) months of the Effective Date of the Franchise Agreement, either we or you can terminate the Franchise Agreement. Upon such termination under these circumstances, we may partially refund the initial franchisee fee, less expenses we incur in providing site selection assistance to you and other expenses we incur. In no event will we return an amount more than Two Thousand Five Hundred Dollars ($2,500). (Franchise Agreement, Section 3.1.)

You must comply with any standards, specifications, and other requirements that we may furnish you for design, decoration, layout, equipment, furniture, fixtures, signs, and other items for your LINE-X Franchised Business (the “Design Standards”). Your compliance with the Design Standards does not release you from your obligations to ensure that your LINE-X Store is designed, constructed, and operated in compliance with all local, state, and federal laws, including (without limitation) the American with Disabilities Act (“ADA”), or similar state laws. (Franchise Agreement, Section 3.3.)

G. Typical Length of Time Before Operation

We will authorize the opening of your LINE-X Store when (i) all of your pre-opening obligations have been fulfilled; (ii) pre-opening training has been completed; (iii) all amounts due us (and/or any Affiliate) have been paid; and (iv) copies of all insurance policies (and payment of premiums,) and all other required documents have been received by us. (Franchise Agreement, Section 3.6.) The typical length of time between the earlier of the signing of the Franchise Agreement or the first payment of consideration for the franchise and the opening of the LINE-X Store is approximately six (6) to nine (9) months. Factors that may affect the opening time period include your ability to locate a site, obtain a lease, financing or building permits, zoning and local ordinances, and construction delays.

H. Training

Before the opening of your LINE-X Store we will provide you, the Owner, or anyone you may designate, with initial training at our Franchise Support Center, Training Facility, or other designated location. A fee shall be assessed for the initial training program as outlined in Item 5. We will charge an additional training fee for training of additional and/or subsequent managers commensurate with the support and training required. We can choose to eliminate or shorten training for persons previously trained or with comparable experience. Travel and lodging are at your own expense.

The initial training program is conducted after the signing of the Franchise Agreement and the signing of the lease for your LINE-X Store, and it must be completed before the opening of the LINE-X Store. We offer our initial training once per quarter or more as needed.

The initial training program will occur at a facility that we designate and is described below (our Franchise Support Center is currently located in Charlotte, North Carolina, and our Training Facility is in Lebanon, Tennessee, but that may change):

LINE-X FUNDAMENTAL TRAINING: IN-CLASS IMMERSION AT OUR SITE UP TO 5 DAYS		
Subject	**Hours of Classroom Training**	**Location**
Day 1		
Program Orientation-Training Goals & LINE-X Evolution	1.5	At our Training Facility, Franchise Support Center or other location chosen by us
Franchise Systems Log in & LINE-X Evolution	1	At our Training Facility, Franchise Support Center or other location chosen by us
LINE-X Core Services and Accessories	5	At our Training Facility, Franchise Support Center or other location chosen by us
Assessment	.5	At our Training Facility, Franchise Support Center or other location chosen by us
Day 2		
WD Accessory Search and Ordering Process	1.5	At our Training Facility, Franchise Support Center or other location chosen by us
Warranty Submission & Claim Process (LINE-X Bedliners & Branded Accessories)	1	At our Training Facility, Franchise Support Center or other location chosen by us
LINE-X Products and C&I Opportunities	1	At our Training Facility, Franchise Support Center or other location chosen by us
Marketing and LINE-X Portal	3	At our Training Facility, Franchise Support Center or other location chosen by us
Lead Management and Phone Skills	1	At our Training Facility, Franchise Support Center or other location chosen by us
Assessment	.5	At our Training Facility, Franchise Support Center or other location chosen by us

Day 3		
Phone Skills & Coaching	1	At our Training Facility, Franchise Support Center or other location chosen by us
Growth Performance System (GPS)	1	At our Training Facility, Franchise Support Center or other location chosen by us
In-Person Customer Engagement	2	At our Training Facility, Franchise Support Center or other location chosen by us
Dealership Sales	1	At our Training Facility, Franchise Support Center or other location chosen by us
Fleet Services & National Accounts	1	At our Training Facility, Franchise Support Center or other location chosen by us
Safety Awareness	1	At our Training Facility, Franchise Support Center or other location chosen by us
Assessment	.5	At our Training Facility, Franchise Support Center or other location chosen by us
Day 4		
Human Resources	1	At our Training Facility, Franchise Support Center or other location chosen by us
LINE-X Standards & Franchise Business Consultant Support	1	At our Training Facility, Franchise Support Center or other location chosen by us
Generating & Analyzing Revenue	1	At our Training Facility, Franchise Support Center or other location chosen by us
Local Business Development	1	At our Training Facility, Franchise Support Center or other location chosen by us
Assessment	.5	At our Training Facility, Franchise Support Center or other location chosen by us
Review	1.5	At our Training Facility, Franchise Support Center or other location chosen by us
TOTALS	**29.5**	

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HANDS-ON TRAINING PROGRAM AT OUR SITE UP TO 5 DAYS		
Subject	**Hours of Hands-on training**	**Location**
Day 1		
Facility Safety and Tour	1.5	At our Training Facility, Franchise Support Center or other location chosen by us
Shop and Vehicle Lift Safety	1	At our Training Facility, Franchise Support Center or other location chosen by us
Graco Spray Equipment	3	At our Training Facility, Franchise Support Center or other location chosen by us
Positector and Primer	1	At our Training Facility, Franchise Support Center or other location chosen by us
Day 2		
Hands on Spray Training	4	At our Training Facility, Franchise Support Center or other location chosen by us
Spray Bedliner Preparation and Application	4	At our Training Facility, Franchise Support Center or other location chosen by us
Day 3		
Window Tinting & Paint Protection Film	4	At our Training Facility, Franchise Support Center or other location chosen by us
Valugard Undercoating & Rust proofing	4	At our Training Facility, Franchise Support Center or other location chosen by us
Day 4		
Core Services Accessory Install	8	At our Training Facility, Franchise Support Center or other location chosen by us
Day 5		
Core Services Accessory Install	3	At our Training Facility, Franchise Support Center or other location chosen by us
Assessment	1	At our Training Facility, Franchise Support Center or other location chosen by us
TOTALS	**34.5**	

ON-SITE TECHNICAL TRAINING PROGRAM AT YOUR BUSINESS LOCATION			
Subject		**Hours of On-The-Job Training**	**Location**
Set Up of New Graco Spray Equipment		9	Your business location
How to Prepare a truck bed & Application of Spray-on-Bedliner		6	Your business location
PPE and Shop Safety Review		1.5	Your business location
Graco Spray Gun Operations & Spray Test Samples		1	Your business location
Equipment Operations and Maintenance Training		9	Your business location
Inside Sales, WD ordering processes, LINE-X Direct, & LINE-X Portal Usage		3	Your business location
Shop set up and organization		2	Your business location
LINE-X On-Going Technical and Operations Support		1	You
Core Services Accessory Training		4	At your franchise location
TOTALS		**36.5**	

ON-SITE TRAINING BUSINESS OPERATIONS PROGRAM AT YOUR BUSINESS LOCATION		
Subject	**Hours of On-Site Training**	**LOCATION**
Growth Performance System (GPS)	10	At your franchise facility
Account Access & Systems Navigation outside GPS.	4	At your franchise facility
Phone Skills	4	At your franchise facility
In-Person Customer Engagement	4	At your franchise facility

Outside Sales	2	At your franchise facility
Digital Marketing including Google Business, Social Media, Online Estimator and Microsite	4	At your franchise facility
Facility Standards (Exterior and Interior of building)	2	At your franchise facility
TOTAL	**30**	
TOTAL ON-SITE TRAINING	**66.5**	**At your franchise facility**

Scott Harmon, our Senior Director of Training & Development, conducts the initial training through LINE-X Fundamental Training and LINE-X University. Mr. Harmon has over 17 years of experience in LINE-X franchise operations, including managing a LINE-X franchise for over 5 years. He has over 9 years of operations and sales experience as a Regional Manager with us prior to his previous position with us as Director of Training & Development from July 2023 to May 2024. Mr. Harmon has been in his current position since May 2024.

Rebecca Morse is our Senior Manager of Franchise Onboarding and has been in that position since October 2023, managing all aspects of new and transfer LINE-X franchise onboarding. From January 2023 to October 2023, Ms. Morse was a Franchise Business Consultant with us and represented the Northeast territory of the United States. Prior to that, Ms. Morse was employed at Sanford Health in Greater Boston, Massachusetts, from January 2019 to November 2022, where she held the position of Area Operations Manager and Health Coach.

Jeff Alderman is our Technical Training Manager and has been in that position since October 2024, providing technical training and support to franchisees including equipment installation and troubleshooting. From April 2011 to October 2024, Mr. Alderman was the General Manager of Kevin Enterprises, LLC, a franchised LINE-X location in Pearl, Mississippi.

Gary Rigsby is our Technical Training Manager and has been in that position since October 2024, providing technical training and support to franchisees including equipment installation and troubleshooting. From March 2020 to October 2024, Mr. Rigsby was retired from employment. Prior to that, Mr. Rigsby was employed by us, and our direct predecessors-in-interest, as a Tech Specialist in Huntsville, Alabama from January 2000 to March 2020.

Jack Stanton is our Video Production & LMS Manager and has been in that position since December 2025. Prior, Jack served as LINE-X's Video Production Specialist from March 2024 to December 2025, overseeing all aspects of video production and editing needs including training and marketing content. He also manages LINE-X University, our online training platform. Prior to joining LINE-X, Mr. Stanton was employed at Roosterfish Media in Charlotte, North Carolina, from January 2022 to March 2024, where he held the position of Videographer/Video Editor.

Our primary instructional material consists of the Manual, online training, and in-person training in Charlotte, North Carolina, Lebanon, Tennessee, or another location designated by us. All media is available online in digital format through the Franchise Portal and LINE-X University.

You, the Owner, and any other manager you may designate, must successfully complete the initial training program to our satisfaction prior to opening for business. (Franchise Agreement, Section 4.1.)

We may charge a tuition fee for any optional training programs, such as training for specialized vehicle upfitting, unique or unusual jobs, or training in the use of new chemicals, coatings, or formulations that we may create and offer. We can require you to attend and successfully complete, extended initial

training if we feel more training is required, and can eliminate or shorten training for persons previously trained or with comparable experience. (Franchise Agreement, Section 4.1.B.)

If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure, or other event outside of our control, we reserve the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences. (Franchise Agreement, Section 4.1.E.)

I. Additional Training

You and/or your manager must attend additional and/or refresher training programs, including national and regional conferences, conventions, and meetings, as we may require, to correct, improve and/or enhance your operations. (Franchise Agreement, Section 4.1.C.)

J. Computer System – Hardware and Software

We require you to purchase and use our POS System. We also require you to purchase the Initial Software Package, which will include the set up and training of the POS System, LINE-X online training platform, MicrosoftOffice365, and LINE-X Portal. You must have a computer with specific hardware and software requirements that: (1) meets the minimum requirements to operate a business of this nature as detailed in the Manual for computer capability and hardware requirements; (2) has Internet access and e-mail capability in the minimum broadband upload and download amounts as listed in the Manual; and (3) includes accounting software.

We reserve the right to require you to update or upgrade any computer hardware or software during the term of the franchise and, if we choose to do so, there are no limitations on the cost and frequency of this obligation. The approximate cost of the computer with hardware and software is $3,000 for the Initial Software Package, between $850 to $5,320 for the POS System, and between $3,000 and $5,800 for the Hardware Package. The approximate cost of any annual maintenance upgrades or updates or maintenance support contracts is $50 to $100. The current cost of the POS System is $600 per month and is paid to us. Legacy Franchisees that qualify for, execute, and remain in Good Standing with the Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement shall pay no monthly POS System fee for the first two (2) years of the Term of their Franchise Agreement, and shall pay $450 per month for the POS System thereafter for the Term of their Franchise Agreement. The cost of the POS System may increase during the term of your Agreement. We reserve the right, in our sole and absolute discretion, to raise the POS System fee amount no more than ten percent (10%) in any given calendar year, with no more frequency than once per calendar year, with a ninety (90) day notice to you for such change.

We will have full access to all computer and any other systems and the information and data they contain. There are no contractual limitations on our right to access the information and data. You also agree that we own and control all information, lists, and data related to past, present, and future customers of your LINE-X Store (the “Customer Data”).

Other than to the POS System, we have no obligation to provide ongoing maintenance, repairs, upgrades, or updates, and any such obligations would be those of the software licensors.

Other than the POS System, none of the software programs we require you to use are proprietary to our affiliates or us. We have not identified compatible equivalent components for items that are non-proprietary.

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ITEM 12 TERRITORY

FRANCHISE AGREEMENT

You will receive an exclusive territory for your LINE-X Store within a designated area (the "Territory") as defined in the Franchise Agreement for as long as you are in compliance with your obligations under the Franchise Agreement. Within the Territory, we will not grant another LINE-X Store franchise to another franchisee, nor will we open a LINE-X Store that we own. You will operate the Franchised Business from a location we accept (the "Premises"). Your Territory will be defined by a map and/or a related set of identifiers such as zip codes, coordinates, street addresses, or area codes. The Territory will be independently determined by using our sole discretion and may be based on (but not necessarily limited to) the following considerations: Number of households within the specified boundaries; number of potential customers residing within the specified boundaries, given current market demographics; population density; drive times from the defined location; natural and manmade boundaries; number of vehicle dealerships and new truck sales; and/or other reasonable criteria that we may apply.

You must not conduct a LINE-X Franchised Business, use the Marks, System and/or distribute the LINE-X Products or services from any location other than the Premises, or for any purpose other than as approved by us in writing. Except for pre-existing, non-competitive businesses, you must not conduct any activities from the Premises other than the operation of your LINE-X business unless given our prior written approval. You will not engage in any other business or activity that may conflict with your obligations under this Agreement, unless given our prior written approval. Your use of the Internet, World Wide Web, social networking sites, any URLs and other electronic or other means of marketing and distribution of goods and/or services can be restricted by us in our Business Judgment (as defined in Section 17.6 of the Franchise Agreement). You will not market or sell through venue(s) or any channel of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing to make sales outside your Territory, other than your LINE-X Store without our written permission, which we can grant, condition, or deny in our Business Judgment. Any website or webpage and any URLs must be linked to the LINE-X website.

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control, or impose conditions on the location or operation of present or future LINE-X (or any other brand) units or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to the Premises and whether or not they provide goods or services to customers within your Territory. You do not have any rights with respect to other and/or related businesses, products and/or services, in which we or any Franchisor-Related Parties may be involved, now or in the future.

We, our parents, and affiliates, expressly reserve all other rights, and can (along with anyone we designate) own and/or operate, and/or authorize others to own and/or operate:

(1) any kind of business inside the Territory, except for a brick-and-mortar retail LINE-X Store, whether or not using the LINE-X Marks, System, Chemical Products, or LINE-X Products, and/or any kind of business outside of the Territory, including, without limitation, LINE-X Stores, whether or not using the LINE-X Marks and System, Chemical Products, or LINE-X Products;

(2) sell LINE-X brand (or any other brand) products and services (whether or not competitive or substantially similar to LINE-X Products) to customers located anywhere (including within the Territory) using any channel of distribution (including, but not limited to, LINE-X franchisees who have been trained and approved to use mobile applicators, by mail and/or the Internet, or via LINE-X's National Fleet Services Program performed by LINE-X or franchisees) other than a LINE-X Store located in the Territory;

(3) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the LINE-X System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere, even those that may compete with you;

(4) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the LINE-X Marks and System). You may be responsible for any reasonable conversion costs.

We may sell LINE-X brand products and services via the LINE-X website (whether or not competitive) to customers located anywhere (including within the Territory) using any channel of distribution other than a LINE-X Store.

Sometimes a LINE-X franchisee develops an account which may be testing the Coating Products, or which may grow too large for the franchisee to service, or which account may determine it is more economically feasible to purchase and apply the Coating Products directly from us for its own operations. In those instances, and to avoid the account using a competing brand or product, we may sell Coating Products to these accounts, and we may train them on how to apply the coatings. However, if you initiated this account, have serviced it for over one (1) year, and have sold product to them in the prior twelve (12) months, we may, but are not obligated to, compensate you for a limited period of time through a formula we develop.

We do not have to pay you any compensation if we exercise any of the options listed above.

If you would like to request a relocation of your LINE-X Store, any relocation shall (i) be to a location within the Territory (unless waived by us); (ii) require our prior written consent, which we may grant, condition or withhold in our Business Judgment (and which may be withheld, in any case, if you are not in Good Standing); (iii) be at your sole expense; and (iv) require that you (and each Affiliate and owner of yours) sign a General Release.

We may, in our Business Judgment, modify, change, reconfigure, shrink, or enlarge your Territory as a condition of your renewal or successor process. Such Territory may be materially smaller or larger than the current Territory defined in your Franchise Agreement.

If (i) you are not in compliance with all material terms of the Franchise Agreement and the Manual, and current in all accounts to us and our affiliates ("Good Standing"); or (ii) you fail to meet our then-current Performance Standards (as defined below), then we may seek and obtain remedies that are then available to us pursuant to the Franchise Agreement or the law, including Termination.

Performance Standards

A. LINE-X System Standards. We may choose, in our Business Judgment, to evaluate your LINE-X Store for compliance with LINE-X System Standards using various methods (including, but not limited to, inspections, field service visits, customer comments/surveys, audits, and secret shopper reports.) We reserve the right to terminate the Franchise Agreement if you receive three or more material customer complaints about the quality of your workmanship in any twelve-month period, whether or not such complaints are resolved.

B. Correction Process

(1) If we notify you of your failure to meet any Performance Standard, then you will have thirty (30) days from our delivery of written notice to you to meet all applicable Standards.

(2) In our Business Judgment, we may assist you in your efforts to meet your performance requirements. Among other things, we can (i) require you and/or your manager to attend and successfully complete a re-training seminar at our then-current headquarters, with you to pay all related travel, meals, lodging and incidental expenses; or (ii) send a trainer to your location to present a re-training seminar, which you and your manager must successfully complete, with you to pay us a $500 per day retraining fee.

(3) As part of the correction process, you agree to sign a probation report which clearly sets forth an admission by you of the problems identified, the remedial actions taken, and the consequences for repeated failure or defaults. If within such thirty (30) days your LINE-X Store does not meet any of the Performance Standards, then we can reduce, eliminate, or otherwise modify your territorial rights or proceed to default and terminate your franchise in accordance with the terms and provisions of the Franchise Agreement.

C. We have developed a "LINE-X Standards of Service" program that offers elite recognition, rewards, and benefits, including eligibility for reimbursements, to encourage LINE-X Franchisees to meet or exceed the Performance Standards. Specific details about the program can be found in the Manual.

D. Nothing in this Section is intended to limit or diminish in any way any rights or remedies provided us under this or any other agreement, at law or in equity. The fact that any correction process may be ongoing shall not prevent us from exercising any such rights and/or remedies, including any right to terminate this Agreement for another default under this or any other agreement.

You are not granted any options, rights of first refusal or similar rights to acquire additional franchises under the Franchise Agreement.

DEVELOPMENT AGREEMENT

The Development Agreement grants you the right to develop an agreed upon number of LINE-X Stores within a geographical area described in Exhibit A to the Development Agreement (the "Development Area"). The size of the Development Area will depend on the number of LINE-X Stores suitable for the Development Area, as mutually determined in light of factors such as population density and the residential or commercial character of the area. The number of LINE-X Stores and the dates they are to be open and operating, including development schedules for such locations, will be set out in Exhibit A to the Development Agreement (the "Development Schedule").

You will not receive an exclusive territory in the Development Area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of the Development Agreement, as long as you and your affiliates are in compliance with the agreement and all other agreements with us or any of our affiliates (including Franchise Agreements signed under the Development Agreement), we will: (a) grant to you, in accordance with Section 3 of the Development Agreement, at least that cumulative number of franchises for LINE-X Stores set forth in Exhibit A to the Development Agreement, all of which are to be located within the Development Area; and (b) not operate (directly or through an affiliate), nor grant the right to operate, any LINE-X Store located within the Development Area, except for: (1) franchises granted pursuant to the Development Agreement; and (2) LINE-X Store locations open (or under commitment to open) as of the date of the Development Agreement.

Except as otherwise expressly provided in the Development Agreement, we and all of our affiliates (and our or their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks and the System anywhere in the world, and the right to engage in any business whatsoever (without compensation to you), including the right to: (1) own and/or operate any kind of business inside the Development Area, except for a brick-and-mortar retail LINE-X Store, whether or not using the LINE-X Marks, System, Chemical Products, or LINE-X Products; (2) own and/or operate any kind of business outside of the Development Area, including, without limitation, LINE-X Stores, whether or not using the LINE-X Marks and System, Chemical Products, or LINE-X Products; (3) sell LINE-X brand or other branded products and services (whether or not competitive or substantially similar to LINE-X Products) to customers located anywhere (including within the Development Area) using any channel of distribution (including, but not limited to, LINE-X franchisees who have been trained and approved to use mobile applicators, by mail and/or via the Internet or via LINE-X's National Fleet Services Program performed by LINE-X or franchisees) other than a brick and mortar retail LINE-X Store located in the Development Area; (4) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether using the LINE-X System and/or the Marks, and

award franchises under such other concepts for businesses located and/or operating anywhere, even those that may compete with you; and/or (5) acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive with you or not) with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the LINE-X Marks and System). You may be responsible for any reasonable conversion costs.

You must be developing, or have open and operating in the Development Area, at least the cumulative number of LINE-X Store locations set out in the Development Schedule. We have no obligation under any circumstances to extend the Development Schedule. Your failure to develop and operate LINE-X Store locations in accordance with the Development Schedule will be a material breach of the Development Agreement; however, our right to terminate the Development Agreement will be our exclusive remedy for your failure to meet the Development Schedule. Except as noted above in the Performance Standards, a franchisee's exclusivity in the Territory is not dependent on achieving certain sales volume, market penetration or any other contingency.

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ITEM 13 TRADEMARKS

We grant you the right to operate a Franchised Business under the Mark "LINE-X" (the "Principal Mark") and other Marks we may authorize you to use. The following Marks are owned and registered by us on the Principal Register of the United States Patent and Trademark Office. We may authorize you to use some or all of the following Marks:

Registered Mark	Registration Number	Registration Date	Registration Renewal
LINE-X (Cl.02)	1861562	November 8, 1994	Due Nov. 8, 2034
LINE-X (Cl. 02 & Cl. 40)	2461464	June 19, 2001	Due June 19, 2031
LINE-X (Cl. 02 & Cl. 40)	2463701	June 26, 2001	Due Jun 26, 2031
LINE-X (Cl. 02 & Cl. 40)	3530500	November 11, 2008	Due Nov 11, 2028
LINE-XXTRA (Cl. 2)	3095472	March 23, 2006	Due Mar 23, 2026
LINE-XXTRA (Cl. 40)	3170032	November 7, 2006	Due Nov 7, 2026
LINE-X XTRA (Cl. 2 & Cl. 37)	3666008	August 11, 2009	Due Aug 11, 2029
LINE-X XTRA **(Cl. 2 & Cl. 37)**	3666009	August 11, 2009	Due Aug 11, 2029
LINE-X (Cl. 25)	3764253	March 23, 2010	Due Mar 23, 2030
LINE-X (Cl. 02 & Cl. 37)	5208783	May 23, 2017	Due May 23, 2027
ASPART-X (Cl. 02)	4026850	September 13, 2011	Due Sep 13, 2031
LINE-X ULTRA (Word Mark)(Cl. 2, Cl. 12 &	5453783	April 24, 2018	Due Apr 24, 2028

Cl. 37)			
LINE-X TINTSOLUTIONS (Word Mark) (Cl. 17 & Cl. 40)	6137251	August 25, 2020	Due Aug 25, 2026
LINE-X TINTSOLUTIONS (Cl. 17 & Cl. 40)	6137252	August 25, 2020	Due Aug 25, 2026
LINE-X (Cl. 37)	98764919	June 17, 2025	Due June 17, 2031
LINE-X PREMIUM (Cl. 25)	98855315	August 5, 2025	Due August 5, 2031
LINE-X Cl. 12	98764913	September 16, 2025	Due September 16, 2025
LINE-X (Cl. 12 & Cl. 37)	98764907	September 16, 2025	Due September 16, 2031
LINE-X MAX (Cl. 02 & Cl. 40)	98855326	October 28, 2025	Due October 28, 2031

UNITED STATES APPLICATIONS:

Mark	Application Number	Filing Date
LINE-X (Cl. 9, Cl. 11, Cl. 21, & Cl. 22)	98764883	September 23, 2024
LINE-X (Cl. 09, Cl. 11, Cl. 21, Cl. 22 & Cl. 37)	98764896	September 23, 2024
LINE-X RENEW **(Cl. 37)**	98855317	November 15, 2024
LINE-X (Cl. 09, Cl. 11, Cl. 12, Cl. 21 & Cl. 22)	98764898	September 23, 2024

All required affidavits have been filed.

There are currently no material effective determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court; pending infringement, opposition, or cancellation proceedings; or pending material litigation involving the above-identified trademarks. There are no agreements currently in effect which significantly limit our rights to use or license the use of these trademarks, service marks, trade names, logotypes, or other commercial symbols in any manner material to you. We have no knowledge of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent or actual infringement of or challenge to your use of any of the Marks or claims by any person of any rights in the Marks. You will not communicate with anyone other than us or our counsel regarding any such infringement, challenge, or claim. We have the sole discretion to take action as we deem appropriate and to exclusively control any litigation or any other proceeding arising out of any infringement, challenge or claim or otherwise relating to the use of the Marks (including the right to direct any settlement of the claims. You must sign any documents, give any assistance, and do acts that our attorneys believe are necessary or advisable to protect and maintain our interests in any litigation or administrative proceeding.

You must follow our rules when you use the Marks. Failure to do so can (and probably will) result in Termination since protection of the Marks is of critical importance to us and all LINE-X Franchisees. You will not use any Mark, or modified version or derivative of a Mark, or any other mark or form of commercial identification confusingly similar to the Marks or Trade Dress, as part of any business or trade name or in any other manner not expressly authorized by us in advance and in writing. Prior to adoption and/or use, any proposed corporate and/or trade name is subject to approval by us in our Business Judgment. You will give trademark and other notices (including notices of independent ownership) as we direct and will, and, at your expense, obtain fictitious or assumed name registrations as may be required under law. You will display the Marks as required by us and will not use the Marks so as to negatively affect their goodwill. You will not use any Mark in connection with the performance or sale of any unauthorized services or products or at any store or in any other manner not expressly authorized in writing by us.

You must not establish a website on the Internet using any domain name containing the word “LINE-X” or any variation of the word without our written consent. We retain the sole right to advertise on the Internet and create a website using the “LINE-X”, “Linex” or “Goline-x” domain names. You acknowledge that we are the owner of all right, title, and interest in and to such domain names. We retain the right to pre-approve your use of linking and framing among your web pages and all other websites. If we request, you will within five (5) days dismantle any frames and links among your web pages and any other websites.

You will notify us in writing within five (5) days of the commencement of any proceeding and/or of the issuance of any governmental order or action impacting you and/or your LINE-X Store.

If it becomes advisable at any time, in our sole judgment, for you to modify or discontinue the use of any of the Marks, or for you to use one or more additional or substitute trademarks or service marks, you will immediately comply (at your expense) with our directions. We will not have any liability or obligation to you for modification, discontinuance or otherwise. We are not obligated under the Franchise Agreement to pay for the costs of your defense, or to indemnify you, in connection with any trademark proceeding or action.

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ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, and other Confidential Information as defined below.

There currently are no effective determinations of the Copyright Office (or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

In general, our proprietary information includes "Confidential Information" as defined in Article 7.1 of the Franchise Agreement, some of which is contained in the Manual, and includes, among other things, all information (current and future) relating to the operation of a LINE-X Franchised Business or the System, including, among other things, all: (i) Manuals, training, techniques, processes, policies, procedures, systems, data and know-how regarding the development, marketing, operation and franchising of LINE-X Stores; (ii) specifications designs, formulas, and any other information about the LINE-X Products and Services; and (iii) all information regarding customers and suppliers, including any statistical and/or financial information and all information, lists and data related to past, present, and future customers of your LINE-X Store (the "Customer Data"). We own the Customer Data. We disclose to you Confidential Information, including Customer Data, needed for the operation of a LINE-X franchise, and you may learn additional information during the term of your franchise. We or our Affiliates have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of this Agreement, you must (i) use the Confidential Information only for the operation of your LINE-X Store under a LINE-X Franchise Agreement; (ii) maintain the confidentiality of the Confidential Information; (iii) not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (iv) implement and follow all prescribed procedures for the prevention of unauthorized use or disclosure of the Confidential Information.

We have the perpetual right to use and authorize others to use all ideas, techniques, methods, and processes relating to a LINE-X Store, which are conceived or developed by you and/or your employees.

You also agree to fully and promptly disclose all ideas, techniques, and other similar information relating to the Franchised Business that are conceived or developed by you and/or your employees, which we will have a perpetual right to use, and to authorize others to use, without compensation or other obligation. As you know, an integral part of the Franchised Business and, as part of our System we or an affiliate of ours will sell you select polyurethane and polyurea-based products and other chemicals that comprise the Coating Products. Our training, Manual, Designated Equipment, and certain products comprise the LINE-X System.

We grant you a temporary and revocable license to use the Confidential Information, including the Customer Data, during the term of this Agreement provided you are in strict compliance with all of the terms and conditions of this Agreement. At the end of the term of this Agreement, you no longer have a license to use the Confidential Information, Customer Data, and you must return all of it to us.

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

You, as Owner, after successfully completing mandatory training and meeting our then-current standards, must personally supervise your LINE-X Business on a full-time basis. We require that you personally manage your LINE-X Store during the first twelve (12) months of operation and strongly recommend full term participation in the Franchise Business and on-site management and supervision by you if you chose not personally participate in the direct operation of the business after the first twelve (12) months.

In the event you own and operate multiple LINE-X Stores and are unable to manage any of your LINE-X Stores fulltime for the first twelve (12) months, then, with our prior written approval, you may designate a fulltime manager to manage any such LINE-X Store. The manager you designate must successfully complete our required initial training program. If you are a business entity, your designated manager need not hold an ownership interest in the business to be the on-premises supervisor.

You and your employees must comply with the confidentiality provisions described in Item 14.

During the term of the Franchise Agreement and for one (1) year after the expiration of the term, you and any successor franchise, any Affiliate of yours, any shareholder, member, or partner of yours (if you are or become a business entity), and any immediate family member of any of the foregoing, will abide by the non- compete covenants contained in the Franchise Agreement.

If you are a Business Entity, we require each of your owners to guarantee your performance. Our current form of Owners Guaranty is attached as Exhibit 1 of the Franchise Agreement and Exhibit C of the Development Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

You must offer for sale, and sell only, all those products and services, and deal only with those suppliers, that we authorize or require, and have authorized. Failure to do so can (and probably will) result in Termination. You may also be required to pay the Compliance Royalty. You may not advertise, offer for sale or sell, any products and/or services that we have not authorized. We reserve the right to change the types of authorized products and services at any time in our discretion. You agree to promptly undertake all changes as we require from time to time. If you fail to do so, we may do so on your behalf. You agree to reimburse us within ten (10) days of our delivery of an account statement. You will not make any alterations to your LINE-X Store or its appearance as originally approved by us without our prior written approval.

The supply and price of oil and oil-based products such as the chemicals used in the catalytic process for the Coating Products are volatile. As a result, the supply and price of the chemicals used in the catalytic process for the Coating Products may fluctuate if the supply decreases and if the demand increases. Although we have long-term supply contracts with our suppliers for the Coating Products, it is possible, but not likely, that the supply of these chemicals may be allocated among all buyers wishing to purchase the same, which could result in a decrease in the supply of Coating Products available to LINE-X franchisees. A decrease in the supply of these products may prevent you from servicing customers at the level that you would service customers if the supply of these products was readily available, which could result in a decrease of your revenue and profit from the operation of the franchised business. Likewise, a significant increase in the price for these products could decrease your revenue and profit from the operation of the business if the price increases are not passed along to your customers.

You must refrain from any merchandising, marketing, or promotional practice which is unethical or may be injurious to our business and/or other franchised businesses or to the goodwill associated with the Marks.

In circumstances designated by us in the Manual, or where otherwise reasonably required by us, you will give those customers who have made complaints appropriate refunds or otherwise deal with such complaints as we reasonably direct. You and we agree that such responses to customer complaints are a vital element in maintaining and enhancing the goodwill associated with the Marks. If we receive multiple customer complaints, we may require that you take remedial action (including refunds, repairs and/or additional training), or take such other action as may be warranted, including termination of the Franchise Agreement.

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ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

FRANCHISE AGREEMENT

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement: Section 2.2	The term is 10 years from the date of the Franchise Agreement.
b. Renewal or extension of term	Franchise Agreement: Sections 2.2.C. and 14.	If you are current in all your obligations to us and meet the conditions for renewal, including attending any required modified training program, you can renew for one (1) additional term of 10 years. You must meet all successor and renewal criteria set forth in the Franchise Agreement at the end of the term before we will consider Renewal.
c. Requirements for franchisee to renew or extend	Franchise Agreement: Section 14	You have complied with all of the Franchise Agreement provisions; you are not in default of the Franchise Agreement; you have brought the Franchised Businessinto compliance with our current standards; you have complied with our then-current qualification and training requirements; you have given us timely written notice of renewal; you have signed a then-current form of Franchise Agreement; you have paid the 10% of the then-current Initial Franchise Fee (Currently, the Renewal Fee equals $5,000), and you have signed a general release in substantially the form of **Exhibit F** to this Disclosure Document. You must give us notice of your intent to renew between 6 and 12 months before the Franchise Agreement expires. Within ninety (90) days after our receipt of the notice, we will acknowledge receipt of your notice and provide in writing: 1)any reasons that could cause us to not award the successor franchise, including any deficiencies requiring correction; and 2) our then-current requirements, specifications, and standards relating to the image, appearance, and equipment then-necessary to operate the Franchised Business as a LINE-X Store. The new Franchise Agreement may contain terms and conditions that are materially different fromyour original Franchise Agreement.
d. Termination by franchisee	Franchise Agreement: Not Applicable	The Franchise Agreement does not provide for termination without cause.

Provision	Section in franchise or other agreement	Summary
e. Termination by franchisor without cause	Franchise Agreement: Not applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Franchise Agreement: Section 15	We may terminate the Franchise Agreement upon delivery of notice to you if you default under the terms of the Franchise Agreement.
g. "**Cause**" defined – curable defaults	Franchise Agreement: Section 15.2	The following constitute curable defaults that must be cured within ten (10) days: (1) failure to maintain required insurance or provide evidence of such to us within ten (10) days of our request; (2) failure to correct any condition that might pose a danger to public health and/or safety; (3) failure to submit any report due; (4) failure to make payments of any amounts due; (5) failure to have a trained, qualified spray technician at the Store; (6) failure to timely meet the Performance Standards (defined below) or otherwise implement and/or comply with the Performance Standards (defined below) as required by Section 15.5; (7) failure to comply with any dispute resolution provisions of the Franchise Agreement; (8) failure to comply with any other provision of the Franchise Agreement, any other agreement with us, or any specification, standard or operating procedure or rule in the Manual or by other writing which does not provide for a shorter notice period. With respect to items (1) and (2) above, we may require you to immediately cease all operations until such defaults are fully cured.
h. "**Cause**" defined - non-curable defaults	Franchise Agreement: Section 15.1	The following events constitute non-curable defaults, you: A). fail to timely meet the site selection, development, opening, and other requirements provided in Sections 3.1 and 3.4 of the Franchise Agreement; B). abandon or fail to operate your LINE-X Store or the Location for more than seven (7) consecutive calendar days; C). make any material misrepresentation or omission in your application for the franchise, including failure to disclose any prior litigation or criminal convictions (other than minor traffic offenses) or otherwise provide LINE-X with false or misleading books, records, documents, information,

		statements, representations, or warranties; D). are judged bankrupt, become insolvent, make an assignment for the benefit of creditors, are unable to pay your debts as they become due, or a petition under any bankruptcy law is filed by or against you or any of your owners or a receiver or other custodian is appointed for a substantial part of the assets of your LINE-X Store; E). are convicted of, or plead no contest to, a felony, or to any crime or offense, or engage in any misconduct (including, but not limited to, child abuse, health or safety hazards, drug or alcohol problems, or permitting unlawful activities at your LINE-X Store) that is likely to adversely affect the reputation of the franchise or any owner, your LINE-X Store, other LINE-X franchisees, us, the Marks, or our goodwill; F). make, or attempt to make, an unauthorized Transfer or surrender control of your LINE-X Store without our prior written approval; G). violate Section 7.2 of the Franchise Agreement (or any other person identified therein commits such a violation); H). have three (3) or more material customer complaints with respect to your LINE-X Store in any eighteen (18) month period, whether or not resolved; I). fail to permit or cooperate with us or our designee in any audit or inspection or fail to retain (or to produce on request) any records required to be maintained by you; J). make any unauthorized use or disclosure of any Confidential Information or use, duplicate, divulge, or disclose any portion of the Manual in violation of the Franchise Agreement; K). violate any health, safety, or sanitation law, ordinance, or regulation and fail to immediately begin curing the noncompliance within three (3) days of receiving notice of such violation and do not completely cure such noncompliance within five (5) days of receiving notice; L). commit an act or omission that results in a danger of compromises the safety of your employees, Customers, or the public; M). lose the right of possession to the Location or fail to timely cure any default or breach of the Location the Franchise Agreement; or N). use, obtain, or sell designated equipment, products and/or services from any source other than the source we require without our prior written approval.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligation on termination/non-renewal	Franchise Agreement: Section 16	Your obligations include: stop operations of the Franchised Business; stop using the Marks and items bearing the Marks; stop using LINE-X in any form as part of your corporate name; assign any assumed names to Company; de-identify the premises from any confusingly similar decoration, design or other imitation of a LINE-X Franchised Business; stop marketing as a Franchised Business; pay all sums owed; pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement; return all manuals and other confidential information to us; return all signs to us; assign your telephone and facsimile numbers, electronic mail and internet addresses to us; and comply with the covenants not to compete.
j. Assignment of contract by franchisor	Franchise Agreement: Section 13.1	There are no restrictions on our right to assign except that assignee must be financially responsible and capable of performing our obligations under the Franchise Agreement and assignee must expressly assume these obligations.
k. "Transfer" by franchisee definition	Franchise Agreement: Section 13.2	Transfer of franchise, Franchise Agreement, your LINE-X Store, or any ownership interest or assets of any of them.
l. Franchisor approval of transfer by franchisee	Franchise Agreement: Section 13.2	We have the right to approve all your transfers but will not unreasonably withhold approval. We may place reasonable conditions on our approval of any transfer.
m. Conditions for franchisor approval of transfer	Franchise Agreement: Section 13.3	You must be in compliance with all agreements, the Manual, all contracts with any party, and transferee must assume all obligations under these agreements; transferee must meet our then-current requirements and complete or agree to complete our training program for new franchisees; all sums due must be paid; all obligations to third parties must be satisfied; and the LINE-X Store must be in full compliance with the Manual and standards and specifications for new LINE-X Stores. The transfer will occur through the use of an escrow or a closing attorney, as

		applicable, and the escrow or closing instructions will provide for (i) payments of all fees owed to us, including transfer fees, training fees and any other amounts; and (ii) a reasonable 'hold back' or retention for a period not to exceed 12 months, to provide for correction of defects in workmanship committed by you, or for payment to the Transferee of warrantied work performed by you; Transferee agrees to be bound by all terms of franchise agreement or may be required to sign a new franchise agreement with different terms and conditions; pay the then-current transfer fee; general release signed by all; you must provide customer and warranty information to the transferee, and the transferee must agree to honor all warranties on work performed by you for a period of twelve (12) months after the transfer; you must agree not to compete with transferee; additional conditions apply to a transfer to a Business Entity.
Provision	**Section in franchise or other agreement**	**Summary**
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement: Section 13.6	You agree that all Transfers are subject to our right of first refusal. If you or any of your direct or beneficial owners (i) wish to Transfer any or all of your or any of its direct or beneficial owners' interest in this franchise, the Agreement, franchisee, the Location, the Location Agreement, or substantially all of your assets or (ii) receive a bona fide offer to Transfer any or all of franchisee or any of your direct or beneficial owners' interest in this franchise, the Agreement, franchisee, the Location, the Location Agreement, or substantially all of your assets (13.6(i) and (ii) together, an "Offer"), then you shall provide us with written notice of any Offer or proposed Transfer by you, as well as all Complete Transfer Request Material.
o. Franchisor's option to purchase franchisee's business	None	Not Applicable.
p. Death or disability of franchisee	Franchise Agreement: Section 13.5	Interest in this Agreement, the Franchise and/or the Franchisee will be transferred to a third party. A "permanent disability" occurs if due to a disability you are not able to personally actively participate in the management of your LINE-X Store for (6) consecutive months. Any transfer shall be completed within six (6) months from the

		date of death or permanent disability. If no transfer occurs, the Franchise will automatically terminate at the end of such period, unless a written extension is granted by us in our Business Judgment.
Provision	**Section in franchise or other agreement**	**Summary**
q. Non-competition covenants during the term of the agreement r. Non-competition covenants after the agreement is terminated or expires	Franchise Agreement: Section 7.2.	(subject to state law) In consideration of your inclusion in the System, LINE-X's disclosure of its Confidential Information, license of the Marks and goodwill, initial and ongoing training, as well as other good and valuable consideration, the Franchise Agreement requires that during the Term and for a period equal to one (1) year after the later of (i) the Term expires or is terminated, (ii) any sale, assignment, or transfer of this Agreement or the Franchised Business, (iii) the date upon which you stop operating the LINE-X Store, using the Marks and/or System, or (iv) comply with Section 7.2 of the Franchise Agreement (the "Restricted Period") neither you nor any affiliate of yours, nor any shareholder, member, or partner of yours (if you are or become a business entity), nor any family member of any of the foregoing shall either directly or indirectly, work for, own, operate, develop, engage in, advise, assist, consult, invest in, franchise, make loans to, or have any direct, indirect, or beneficial interest in any business that (1) offers or sells (a) Core Services or (b) any Choice Services which you offer from your Location in the last 12 months of your operation as a LINE-X store, (2) manufactures, distributes sells, or applies spray-on coating products that are similar to or competitive with the Coating Products you sold or applied from your Location in the last 12 months of your operation as a LINE-X Store, and/or (3) sells and/or installs Accessories similar to or competitive with those sold or installed by you during the last 12 months of your operation as a LINE-X Store at the Location, within the Territory, or within five (5) miles of any other LINE-X store that now exists or may open in the future. The Franchise Agreement requires you to acknowledge and agree that you may either know or easily determine the location of any existing or

		future LINE-X store by, among other things, reviewing LINE-X's website.
Provision	**Section in franchise or other agreement**	**Summary**
s. Modification of the Franchise Agreement	Franchise Agreement: Sections 20.2 and 4.2	The Franchise Agreement can be modified only by written agreement between us and you. We can modify or change the System through changes in the Manual.
t. Integration/merger clause	Franchise Agreement: Section 20.2	Only the terms of the Franchise Agreement and any ancillary documents or addendum are binding (subject to state law). Any representations or promises outside of the Disclosure Document and the Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the representations made in the Franchise Disclosure Document, its exhibits, and amendments.
u. Dispute resolution by mediation or arbitration	Franchise Agreement: Section 17	Except for claims or disputes seeking (a) injunctive relief as to the validity or your use of the Marks and/or any intellectual property licensed to you; (b) injunctive relief for health and safety issues or violations; or (c) injunctive relief as to the validity or enforcement of the covenants not to compete, all claims shall be submitted to and resolved by binding arbitration before a single arbitrator in the County where our then headquarters is located, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The parties will bear their own fees and costs, including attorney's fees, provided that for matters not settled through agreement of the parties, the arbitrator may assess all, or any portion, of the fees and costs incurred in connection with any arbitration against the party who does not prevail. This provision is subject to state law.
v. Choice of forum	Franchise Agreement: Section 17.1, 17.2	Any arbitration, and litigation not subject to arbitration, must be brought in the county/jurisdiction where our then-current headquarters are located, which is currently Charlotte, North Carolina (subject to state law).
w. Choice of law	Franchise Agreement: Section 17.8	North Carolina law applies (unless prohibited by laws of the state where the Franchised Business is located.)

DEVELOPMENT AGREEMENT

This table lists certain important provisions of the development agreement. You should read these provisions in the development agreement attached to this Disclosure Document.

Provision	Section in development or other agreement	Summary
a. Length of the term	Development Agreement: Section 2.01	Mutually agreed upon
Provision	**Section in franchise orother agreement**	**Summary**
b. Renewal or extension of the term	Development Agreement: Section 2.01	No renewal
c. Requirements for developer to renew or extend	Development Agreement: Section 2.01	You have no right to renew or extend your rights under the Development Agreement.
d. Termination by developer	Development Agreement: Not applicable	Not applicable
e. Termination by franchisor without cause	Development Agreement: Not applicable	Not applicable
f. Termination by franchisor with cause	Development Agreement: Section 8	We can terminate only for specified causes
g. "Cause" defined: curable defaults	Development Agreement: Section 8.02	30 days to cure certain breaches of the Development Agreement.
h. "Cause" defined-non-curable defaults	Development Agreement: Sections 8.01 and 8.02	Includes insolvency; failure to meet development schedule; unauthorized transfer; misrepresentations; conviction of a felony; unauthorized disclosure of confidential information; any default by you under a franchise agreement; adverse franchise legislation.
i. Developer's obligations on termination/ nonrenewal	Development Agreement: Section 9	Comply with covenant not to compete
j. Assignment of contract by franchisor	Development Agreement: Section 10.10	No restriction on our right to assign
k. "Transfer" by developer defined	Development Agreement: Section 1.08	Includes transfer of agreement, sale of business and ownership changes.

Provision	Section in franchise or other agreement	Summary
l. Franchisor's approval of transfer by developer	Development Agreement: Sections 7.01 and 7.02	We have the right to approve all transfers.
m. Conditions for franchisor's approval of transfer	Development Agreement: Section 7.02	Compliance with agreements; have at least one LINE-X Store open; sign release for each transferred location; and do other things we request. Transferee must qualify, sign existing agreement and you or transferee pay transfer fee.
n. Franchisor's right of first refusal	Development Agreement: Section 7.06	We can match any offer for your development rights.
o. Franchisor's option to purchase developer's development rights	Development Agreement: Not applicable	Not applicable
p. Death or disability of developer	Development Agreement: Section 7.05	Franchise must be assigned by estate to approved buyer within nine months.
q. Non-competition covenants during the term of the agreement	Development Agreement: Section 6.02	(subject to state law) In consideration of your inclusion in the System, LINE-X's disclosure of its Confidential Information, license of the Marks and goodwill, the Development Area, initial and ongoing training, as well as other good and valuable consideration, the Franchise Agreement states that during the Term and for a period equal to one (1) after the later of (i) the Term expires or is terminated, (ii) any sale, assignment, or transfer of this Agreement or a Location, (iii) the date upon which you stop operating a Location, using the Marks and/or System, or (iv) comply with this Section 6.02 (the "Restricted Period") neither you nor any affiliate of yours, nor any shareholder, member, or partner of yours (if you are or become a business entity), nor any family member of any of the foregoing shall either directly or indirectly, work for, own, operate, develop, engage in, advise, assist, consult, invest in, franchise, make loans to, or have any direct, indirect, or beneficial interest in any business that (1) offers or sells spray-on bedliners, spray-on product on items other than bedliners, and premium/topcoat spraying (the "Bedliner Services") per any Franchise

		Agreement which you offer from your Location in the last twelve (12) months of your operation as a LINE-X Store, and/or (2) manufactures, distributes sells, or applies spray-on coating products that are similar to or competitive with the Coating Products you sold or applied from your Location in the last twelve (12) months of your operation as a LINE-X Store, within the Development Area.
Provision	**Section in franchise orother agreement**	**Summary**
r. Non-competition covenants after the agreement is terminated or expires	Development Agreement: Section 9.02	(subject to state law) All obligations under the Franchise Agreement which expressly or by their nature survive the expiration or termination of the Franchise Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.
s. Modification of the agreement	Development Agreement: Section 10.10	No modifications except by written agreement signed by both parties.
t. Integration/merger clause	Development Agreement: Section 10.10	Only terms of Development Agreement are binding (subject to state law); any representations or promises outside the disclosure document and development agreement may not be enforceable. However, nothing in the Development Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by negotiation, mediation & arbitration	Development Agreement: Section 10.06	All claims, disputes and controversies shall be arbitrated.
v. Choice of forum	Development Agreement: Section 10.07	Any arbitration, and litigation not subject to arbitration, must be brought in the county/jurisdiction where our then-current headquarters are located, which is currently Charlotte, North Carolina (subject to state law).
w. Choice of law	Development Agreement: Section 10.08	North Carolina law applies.

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in **Exhibit G** to this Disclosure Document.

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ITEM 18 PUBLIC FIGURES

We do not currently use any public figure or personality to promote the 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 such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of the outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Matt Labuda, President, at LINE-X LLC, 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217, (877) 330-1331, the Federal Trade Commission, and any appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Fiscal Years 2023 through September 30, 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2023	431	418	-13
	2024	418	180	-238
	2025	180	142	-38
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	431	418	-13
	2024	418	180	-238
	2025	180	142	-38

Table No. 2
Transfer of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Fiscal Years 2023 through September 30, 2025

State	Year	Number of Transfers
AL	2023	0
	2024	1
	2025	0

AZ	2023	0
	2024	1
	2025	0
CA	2023	1
	2024	0
	2025	1
FL	2023	1
	2024	0
	2025	3
ID	2023	0
	2024	1
	2025	0
IA	2023	1
	2024	0
	2025	0
MI	2023	0
	2024	1
	2025	0
TX	2023	3
	2024	1
	2025	0
VA	2023	1
	2024	0
	2025	0
Totals	2023	7
	2024	5
	2025	4

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Table No. 3
Status of Franchised Outlets
For Fiscal Years 2023 through September 30, 2025

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reason	Outlets at End of the Year
AK	2023	1	0	0	0	0	0	1
	2024	1	0	0	1	0	0	0
	2025	0	0	0	0	0	0	0
AL	2023	14	0	1	0	0	0	13
	2024	13	0	0	0	0	0	13
	2025	13	0	0	6	0	1	6
AR	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1
AZ	2023	6	0	0	0	0	0	6
	2024	6	0	0	1	0	0	5
	2025	5	0	0	0	0	0	5
CA	2023	43	1	0	2	0	0	42
	2024	42	0	0	12	0	10	20
	2025	20	0	0	0	0	1	19
CO	2023	8	0	0	0	0	0	8
	2024	8	0	1	0	0	3	4
	2025	4	0	0	0	0	1	3
CT	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	2	1
	2025	1	0	0	0	0	0	1
DE	2023	2	0	0	0	0	0	2
	2024	2	0	0	1	0	0	1
	2025	1	0	0	0	0	0	1
FL	2023	23	1	0	0	0	0	24
	2024	24	1	0	8	0	3	14
	2025	14	0	0	0	0	1	13
GA	2023	17	0	0	1	0	0	16
	2024	16	0	0	6	0	2	8
	2025	8	0	0	0	0	1	7

HI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IA	2023	10	0	1	1	0	0	8
	2024	8	1	0	4	0	3	2
	2025	2	1	0	0	0	0	3
ID	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	3	1
IL	2023	11	0	0	0	0	0	11
	2024	11	0	0	6	0	1	4
	2025	4	0	0	0	0	1	3
IN	2023	11	0	0	0	0	0	11
	2024	11	1	0	9	0	0	3
	2025	3	0	0	0	0	1	2
KS	2023	5	0	0	0	0	0	5
	2024	5	0	0	4	0	0	1
	2025	1	0	0	0	0	0	1
KY	2023	12	0	0	0	0	0	12
	2024	12	0	0	9	0	1	2
	2025	2	0	0	0	0	2	0
LA	2023	4	0	0	0	0	0	4
	2024	4	0	0	4	0	0	0
	2025	0	0	0	0	0	0	0
MA	2023	5	0	0	0	0	0	5
	2024	5	0	0	3	0	0	2
	2025	2	0	0	0	0	0	2
MD	2023	11	0	0	0	0	0	11
	2024	11	0	0	5	0	3	3
	2025	3	0	0	1	0	0	2
ME	2023	6	0	0	0	0	0	6
	2024	6	0	0	1	0	0	5
	2025	5	0	0	0	0	1	4
MI	2023	16	0	1	1	0	0	14
	2024	14	0	0	9	0	1	4
	2025	4	0	0	0	0	1	3
MN	2023	6	0	0	0	0	0	6
	2024	6	0	0	1	0	2	3

	2025	3	0	0	0	0	3	0
MO	2023	13	0	0	0	0	0	13
	2024	13	0	0	9	0	0	4
	2025	4	0	0	0	0	1	3
MS	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
MT	2023	3	0	0	1	0	0	2
	2024	2	0	0	2	0	0	0
	2025	0	0	0	0	0	0	0
NC	2023	10	0	0	0	0	0	10
	2024	10	0	0	3	0	5	2
	2025	2	0	0	1	0	0	1
ND	2023	5	0	0	0	0	0	5
	2024	5	0	1	1	0	0	3
	2025	3	0	0	0	0	1	2
NE	2023	5	0	0	0	0	0	5
	2024	5	0	1	4	0	0	0
	2025	0	0	0	0	0	0	0
NH	2023	7	0	0	0	0	0	7
	2024	7	0	0	4	0	0	3
	2025	3	0	0	1	0	0	2
NJ	2023	3	0	0	0	0	0	3
	2024	3	0	0	2	0	0	1
	2025	1	0	0	0	0	0	1
NM	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	1	0	0	0
NV	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
NY	2023	10	1	0	1	0	0	10
	2024	10	0	0	2	0	2	6
	2025	6	0	0	0	0	0	6
OH	2023	16	0	0	0	0	0	16
	2024	16	0	0	9	0	1	6
	2025	6	0	0	0	0	0	6
OK	2023	7	0	0	0	0	0	7

	2024	7	0	0	4	0	1	2
	2025	2	0	0	0	0	1	1
OR	2023	7	0	0	0	0	0	7
	2024	7	0	0	4	0	0	3
	2025	3	0	0	0	0	1	2
PA	2023	17	0	0	2	0	0	15
	2024	15	0	1	7	0	2	5
	2025	5	0	0	0	0	1	4
RI	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
SC	2023	10	0	0	0	0	0	10
	2024	10	0	0	1	0	0	9
	2025	9	0	0	1	0	1	7
SD	2023	3	0	0	0	0	0	3
	2024	3	0	0	2	0	1	0
	2025	0	0	0	0	0	0	0
TN	2023	11	0	0	0	0	0	11
	2024	11	0	0	6	0	2	3
	2025	3	0	0	1	0	1	1
TX	2023	36	1	4	0	0	0	33
	2024	33	0	0	9	0	7	17
	2025	17	2	0	0	0	10	9
UT	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
VA	2023	15	0	2	1	0	0	12
	2024	12	0	0	4	0	2	6
	2025	6	0	0	0	0	2	4
VT	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
WA	2023	13	0	0	0	0	0	13
	2024	13	0	0	6	0	3	4
	2025	4	0	0	0	0	1	3
WI	2023	11	0	0	0	0	0	11
	2024	11	0	0	6	0	0	5
	2025	5	0	0	0	0	0	5

WV	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1
WY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0
TOTALS	2023	433	4	9	10	0	0	418
	2024	418	3	4	169	0	60	188
	2025	188	3	0	12	0	37	142

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Table No. 4
Status of Company-Owned Outlets*
For Years 2023 through September 30, 2025

State	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
TOTAL	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

* We no longer have any Company-Owned Stores.

Table No. 5
Projected Openings as of September 30, 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
FL	4	0	0
GA	3	0	0
IN	1	0	0
MO	1	0	0
NE	2	0	0
NJ	1	0	0
NY	3	0	0
NC	2	0	0
OH	1	0	0
PA	1	0	0
SC	1	0	0
SD	1	0	0
TN	1	0	0
TX	6	0	0
VA	1	0	0
WV	2	0	0
Total	31	0	0

The identifying contact information of those franchisees that signed a franchise agreement but that their outlet was not open as of the last fiscal year end is as follows:

LINE-X of Apex, Brian Finnegan, Apex, North Carolina, email - finsposse@hotmail.com
LINE-X of Bastrop, Will Bass, Bastrop, Texas, email - will.bass45@gmail.com

LINE-X of Charlotte County, Uppari "Shree" Rao, Port Charlotte, Florida, email - uksrao@gmail.com
LINE-X of College Station, Will Bass, College Station, Texas, email - will.bass45@gmail.com
LINE-X of Covington, David Williams, Covington, Georgia, email - davewilm@mindspring.com
LINE-X of Daytona Beach, Greg Motto, Daytona Beach Florida, email - mottogsm@bellsouth.net
LINE-X of Delray Beach, Ervin Otankis, Delray Beach Florida, email - ervinotankis@gmail.com
LINE-X of East Dallas, Robert Polgar, Dallas, Texas, email - rpolgarsales@gmail.com
LINE-X of Eastern Panhandle, Scott Quinn, Kearneysville, West Virginia, email - info@obsessionautomotive.com
LINE-X of Fairport, Ali Ahmed, Fairport, New York, email - ali@dodgemiami.com
LINE-X of Hendersonville, Tiffany Vernon, Hendersonville, Tennessee, email - buckeyevernon@gmail.com
LINE-X of La Porte, Fred B Floyd Jr., La Porte, Texas, email - fredfloyd82@gmail.com
LINE-X of Lithonia, David Williams, Georgia, email - davewilm@mindspring.com
LINE-X of Morgantown, Ali Ahmed, Morgantown, West Virginia, email - ali@dodgemiami.com
LINE-X of Morristown, Ritesh Mathur, Morristown, New Jersey, email - riteshmathur@outlook.com
LINE-X of Myrtle Beach, Monica Wright, Myrtle Beach, South Carolina, email - monica.wright@line-x.com
LINE-X of North Atlanta, David Williams, Georgia, email - davewilm@mindspring.com
LINE-X of North Cincinnati, John "Jack" Horner, Cincinnati, Ohio, jackjhorner@gmail.com
LINE-X of North Indianapolis, Milton "Turner" Schaeffer III, Indianapolis, Indiana, email - turner.schaeffer@line-x.com
LINE-X of North Omaha, Matt Seem, Omaha, Nebraska, email - matt.seem@gmail.com
LINE-X of North Dallas, Zeyad Basha, address to be determined, Texas, phone: (469) 703-6252
LINE-X of Oneida, Ali Ahmed, Oneida, New York, email - ali@dodgemiami.com
LINE-X of Rochester, Ali Ahmed, Rochester, New York, email - ali@dodgemiami.com
LINE-X of Sioux Falls, Ross Jasper, Sioux Falls, South Dakota. email - ross@empiremotorsportssf.com
LINE-X of South Omaha, Matt Seem, Omaha, Nebraska, email - matt.seem@gmail.com
LINE-X of Southeast Kansas City, Anthony Fields, Kansas City Missouri, email - anthony.fields@line-x.com
LINE-X of St. Augustine, Michael McKinney, St. Augustine, Florida, email - mdmckinney2@gmail.com
LINE-X of Suffolk County, Ali Ahmed, Suffolk County, Virginia, email - ali@dodgemiami.com
LINE-X of Union County, Justin Drake, Monroe, North Carolina, email - bdrake58@yahoo.com
LINE-X of Washington County, Ali Ahmed, Washington County, Pennsylvania, email - ali@dodgemiami.com
LINE-X of West Dallas, Robert Polgar, Dallas, Texas, email - rpolgarsales@gmail.com

Please see **Exhibits H and I** of this Disclosure Document for a list of current and former franchisees. There are no franchisees who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document. Please note that if you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In the past three years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the LINE-X franchise system. 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.

The following independent franchisee organization has asked to be included in this Disclosure Document: IALXF, an Independent Association of Line-X® Franchisees, a Chapter of the American Association of Franchisees & Dealers, PO Box 10158 Palm Desert, CA 92255-1058, Phone: 619-209-3775, Fax: 866-855-1988, Email: IALXF@aafdchapters.org.

ITEM 21 FINANCIAL STATEMENTS

Attached as **Exhibit C** are our audited financial statements for the year ended September 30, 2025, the year ended September 30, 2024, and the year ended September 30, 2023.

ITEM 22 CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit B-1	Franchise Agreement (with Exhibits)
Exhibit B-2A	Franchise Agreement Amendment (Mutual Early Expiration)
Exhibit B-2B	California Franchise Agreement Amendment (Mutual Early Expiration)
Exhibit B-3	Multi-Unit Operator Addendum to Franchise Agreement
Exhibit B-4	Co-Branding Addendum to Franchise Agreement
Exhibit B-5	Lease Addendum to Franchise Agreement
Exhibit B-6	Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement
Exhibit B-7	Development Agreement and Exhibits
Exhibit D	Statement of Prospective Franchisee
Exhibit F	Sample General Release of All Claims
Exhibit J	Franchise Data Release Authorization and Confidentiality Agreement

ITEM 23 RECEIPTS

Our and your copies of the Uniform Franchise Disclosure Document Receipt are located on the last two pages of this Disclosure Document.

[*Remainder of Page Intentionally Left Blank*]

EXHIBIT A TO

LINE-X LLC

DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

CALIFORNIA
(State Agency)
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Tel: (213) 576-7500
Tel: (866) 275-2677

One Sansome Street
Suite 600
San Francisco, California 94104
Tel: (415) 972-8559

(Agent for Service of Process)
Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013
Tel: (850) 245-1000
Fax: (850) 245-1001

CONNECTICUT
(State Agency)
Connecticut Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Tel: (860) 240-8230

FLORIDA
(State Agency)
Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
Tel: (850) 488-2221
Fax: (850) 410-3804

(Agent for Service of Process)
Florida Department of Agriculture and Consumer Services
Office of General Counsel
407 S. Calhoun Street
Tallahassee, Florida 32399-0800

HAWAII
(State Agency)
Business Registration Division
Department of Commerce & Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
Tel: (808) 586-2722
Fax: (808) 587-7559

(Agent for Service of Process)
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS
(State Agency)
Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Tel: (217) 782-4465

(Agent for Service of Process)
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA
(State Agency)
Securities Commissioner
Indiana Secretary of State

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

(Agent for Service of Process)
Indiana Secretary of State
200 W. Washington Street, Suite 201
State House
Indianapolis, Indiana 46204
Tel: (317) 232-6531

IOWA
Dennis Britson
Director of Regulated Industries Unit
Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
Tel: (515) 281-4441
Fax: (515) 281-3059
email: iowasec@iid.state.ia.us

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

(Agent for Service of Process)
Maryland Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN
(State Agency)
Michigan Department of the Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa
Lansing, Michigan 48909
Tel: (517) 373-7117

(Agent for Service of Process)
Michigan Department of Labor and
Economic Growth Commercial Services Bureau
611 West Ottawa Street
Lansing, Michigan 48909

MINNESOTA
(State Agency)
Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
Tel: (651) 296-4026

(Agent for Service of Process)
Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
Tel: (651) 296-4026

NEBRASKA
(State Agency)
Nebraska Bureau Securities
Department of Banking & Finance
1200 N. Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
Tel: (402) 471-3445

(No Requirement for Service of Process)

NEW YORK
(State Agency)
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
Tel: (212) 416-8222

(Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA
(State Agency)
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
Tel: (701) 328-4712

(Agent for Service of Process)
North Dakota Securities Department
Office of the Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510

OREGON
(State Agency)
Department of Consumer &
Business Services
Division of Finance & Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
Tel: (503) 378-4140

Fax: (503) 947-7862
Email: dcbs.dfcsmail@state.or.us

RHODE ISLAND
(State Agency)
Securities Division
State of Rhode Island
Department of Business Regulation
Building 69-1
John O. Pastore Complex
1511 Pontiac Avenue,
Cranston, Rhode Island 02920
Tel: (401) 462 9582

(Agent for Service of Process)
Department of Business Regulation
1511 Pontiac Avenue
Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA
(State Agency)
Department of Labor and Regulation
Division of Securities – Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501
Tel: (605) 773-3563

(Agent for Service of Process)
Director, Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501-3185

TEXAS
(State Agency)
Secretary of State
1019 Brazos
Austin, Texas 78701
Tel: (512) 475-2815

(No Requirement for Service of Process)

UTAH
(State Agency)
Director, Division of Consumer Protection
Utah Dept. of Commerce

(In all other states process may be served on us at our corporate address.)

160 East 300 South
SM Box 146704
Salt Lake City, Utah 84114-6704
Tel: (801) 530-6601
Fax: (801) 530-6001

(No Requirement for Service of Process)

VIRGINIA
(State Agency)
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Tel: (804) 371-9051

(Agent for Service of Process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
(State Agency)
Administrator
Department of Financial Institutions
Securities Division
PO Box 9033
Olympia, Washington 98501
Tel: (360) 902-8760
Fax: (360) 902-0524

(Agent for Service of Process)
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

WISCONSIN
(State Agency)
Commissioner of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
Tel: (608) 266-2801

EXHIBIT B-1 TO

LINE-X LLC

DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT
AND EXHIBITS

Franchise Agreement Number: _____

LINE-X LLC Franchise Agreement

Commencement Date: _____

Expiration Date: _____

Franchisor: **LINE-X LLC,** a Delaware limited liability company

Franchisee: _____

Accepted Premises: _____

_____

1. THE SYSTEM.

1.1 **The System**. We and our predecessors developed and own a system for establishing and operating businesses specializing in vehicle upfit services, including LINE-X's training programs, operational and image standards, Coating Products (as defined below), offering of Accessories (as defined below), and LINE-X's goodwill (the "**System**"). Vehicle upfit services are aftermarket vehicle accessories, enhancements, or improvements to existing vehicles (the "**Vehicle Upfit Services**"), including the provision of a set of core services and products specified in LINE-X's Confidential Operations Manual (the "**Core Services**") such as the sale and application of LINE-X® brand spray-on coatings (the "**Coating Products**") and the sale and installation of LINE-X BRANDED PRODUCTS and other vehicle accessories, products, and services (the "**Accessories**") and the provision of optional services and products specified LINE-X's Confidential Operations Manual that you may elect to offer but are not required to do so (the "**Choice Services**").

1.2 **The Franchised Business**. The distinguishing characteristics of the System include, among other things, the goodwill associated with LINE-X, the LINE-X System, LINE-X BRANDED PRODUCTS, and LINE-X's trademarks, service marks, trade dress, commercial symbols and signs, logos, emblems, slogans, and other indicia of origin associated with LINE-X (collectively, the "**Marks**"); use and display of the LINE-X Marks; the procedures and techniques for marketing and selling Vehicle Upfit Services, including marketing and applying Coating Products and the marketing and sale of Accessories, including LINE-X BRANDED PRODUCTS; LINE-X's uniform operating methods, procedures and techniques, including methods and techniques for store operations, inventory, installation, cost controls, record keeping and reporting, purchasing, sales promotion, marketing and advertising, all of which may be changed, improved, and further developed by us from time to time and set forth in LINE-X's Confidential Operations Manual (the "**Manual**"); and LINE-X's franchisee training program. We call this the "**Franchised Business**."

1.3 **LINE-X Products and Designated Equipment.** As an integral part of the Franchised Business, we or an affiliate of ours will sell you select products and other chemicals, which are the core ingredients of the Coating Products. Our training specified and required equipment ("**Designated Equipment**"), and the System are designed around our Core Services list, which includes our select products, such as the Coating Products and LINE-X BRANDED PRODUCTS (collectively, the "**LINE-X Products**"). You are required to purchase Designated Equipment and LINE-X Products only from suppliers or distributors that we designate. Those approved suppliers and distributors may include us, our parents, subsidiaries, and/or affiliates (the "**Franchisor-Related Parties**") and you acknowledge and agree that we or the Franchisor-Related Parties will receive revenue and profit, as well as other material benefits from the

sale of Designated Equipment and LINE-X Products to you. You agree that if you purchase or use other non-approved products in connection with the Franchised Business, you will tarnish the LINE-X Marks, you will irreparably harm the goodwill associated with LINE-X, the LINE-X System, and the Marks, you will cause customer confusion, you will defeat the economic purpose of this Agreement, and you will be in breach of this Agreement. We may terminate this Agreement pursuant to its obligations, terms, and conditions if you purchase anything other than approved products without our prior written permission.

1.4 **Ownership of the System**. We own the rights to the System, the LINE-X Products, the LINE-X Marks, and the goodwill associated with LINE-X, the System, the LINE-X Products, and the LINE-X Marks and may license you the right to use parts or all of the System, LINE-X Products, and LINE-X Marks, as well as the goodwill associated therewith, in the operation of your LINE-X Store under the terms and conditions set forth herein. Your license to use parts or all of the System, LINE-X Products, and LINE-X Marks and the goodwill therein in the operation of your LINE-X Store is conditioned upon your compliance with the terms, conditions, and obligations set forth herein and in the Manual.

1.5 **Development of the System**. You agree that it is critical to you, us, and each franchisee for the System to evolve and be flexible to respond to commercial opportunities and challenges. An inability to change the System could adversely affect you, us, all LINE-X franchisees, and the System. Therefore, you agree and anticipate that we will change the Manual and the System, including the required Core Services, from time to time, in our Business Judgment (as that term is defined in Section 17.6 below) which may result in additional cost to you. You agree to comply with the Manual and the System as they are changed by us.

2. AWARD OF FRANCHISE.

2.1 Award. Subject to and conditioned upon your compliance with the terms and conditions herein, LINE-X hereby grants you the non-exclusive right to operate a single LINE-X franchise (the "**LINE-X Store**") at the address set forth on the first page of this Agreement (the "**Location**") within the area set forth and defined in Exhibit 2.2 (the "**Territory**"). You agree not to relocate or change the Location of the LINE-X Store without LINE-X's prior written consent, which it may grant or withhold in its Business Judgment.

2.2 Term. The commencement date of this Agreement is provided on the first page of this Agreement (the "**Commencement Date**"), as is the expiration date of this Agreement (the "**Expiration Date**"). The "**Term**" of this Agreement shall begin on the Commencement Date and end at 11:59 p.m. on the Expiration Date. You acknowledge and agree it is your expectation that you shall purchase all LINE-X Products from LINE-X and pay all amounts due under this Agreement beginning on the Commencement Date and through and including the Expiration Date.

A. If this Agreement is awarded in connection with a new franchise, the term of this Agreement is for ten (10) years commencing on the date of this Agreement.

B. If this Agreement is awarded in connection with your acquisition of an existing LINE-X Franchised Business, the term of this Agreement will be, at our option, either for:

1) a term that runs from the date of this Agreement through the expiration date of the franchise agreement granted to the party from whom you acquired the franchise; or

2) a period of ten (10) years.

C. If this Agreement is awarded in connection with the successor or renewal provisions of a franchise agreement, then the term of this Agreement will be governed by the then-current form of franchise agreement which may be materially different than the terms, conditions, and obligations of this Agreement. The successor terms for this Agreement are set forth in Section 14 of the Agreement.

D. If applicable law requires that we give notice to you before the Expiration Date regarding a successor or renewal franchise and we fail to do so, this Agreement shall remain in effect on a month-to-month basis until we give the required notice, and the required notice period expires. If we are not offering new franchises, are in the process of revising, amending, or renewing our form of franchise agreement or disclosure document, or are not lawfully able to offer you our then-current form of franchise agreement at the time you deliver a Renewal Notice we may, in our discretion, (i) offer to renew this Agreement upon the same terms set forth herein; or (ii) offer to extend the current Term on a month-to-month basis following the expiration of the Term for as long as we deem it necessary or appropriate so that we may lawfully offer you our then-current form of franchise agreement. You agree in such instance that you will continue to comply with all terms, conditions, and obligations set forth in this Agreement and that the restrictions set forth in Section 7.2 do not begin until the date upon which you stop operating the LINE-X Store, using the Marks and/or System, or comply with the restrictive covenants set forth in this Agreement, whichever shall occur last.

E. Should no renewal or extension of the Term occur pursuant to the terms and conditions of this Agreement at the end of the Term, this Agreement, and any right provided to you herein for use of the System and operation of the Franchised Business, shall expire. Notwithstanding the foregoing, LINE-X may, in its sole and absolute discretion, permit you to continue operating the LINE-X Store in accordance with the terms, conditions, and obligations set forth in this Agreement on a month-to-month basis pursuant to a limited license. If we permit you to continue to operate the LINE-X Store pursuant to this Agreement after the Franchise and/or Term would otherwise end, then such limited license shall be granted and conditioned upon the following without prejudice to any of our other rights or remedies:

1) you shall continue to operate the LINE-X Store in accordance with the terms, conditions, and obligations of this Agreement, including compliance with the System as set forth in the Manual and payment of all fees due hereunder; and

2) either party may terminate the monthly license by giving the other party thirty (30) days' written notice, which may expire on any day after thirty (30) days. You agree in such instance that the restrictions set forth in Section 7.2 do not begin until the date upon which you stop operating the LINE-X Store and using or displaying the Marks and/or System and comply with the restrictions set forth in Section 7.2, whichever is later.

F. You shall not conduct a LINE-X Franchised Business, use or display the Marks, use the System, and/or distribute the LINE-X Products from any location other than the Location, or for any purpose, other than as approved by us in writing. Except for pre-existing, non-competitive businesses as described in Exhibit 2.1, you shall not conduct any activities from the Location other than the operation of your LINE-X business. You will not engage in any other business or activity that may conflict with your obligations under this Agreement unless given our prior written approval. You agree to operate the LINE-X Store and exclusively purchase LINE-X Productions, including the Coating Products, solely from LINE-X or its approved supplier for the entire Term of this Agreement.

G. You expressly acknowledge and agree that your franchise and the license granted by this Agreement are not exclusive, and LINE-X, LINE-X's parents, subsidiaries, affiliates, franchisees, and licensees may compete with you for customers within and outside of your Territory. The Franchisor-Related Parties expressly reserve all other rights not expressly set forth in this Section 2.2, and can (along with anyone we designate) directly or indirectly own and/or operate, and/or authorize others to:

1) own and/or operate any kind of business inside the Territory, except for a brick-and-mortar retail LINE-X Store, whether or not using the LINE-X Marks, System, Chemical Products, or LINE-X Products;

2) own and/or operate any kind of business outside of the Territory, including, without limitation, LINE-X Stores, whether or not using the LINE-X Marks and System, Chemical Products, or LINE-X Products;

3) sell LINE-X brand or other branded products and services (whether or not competitive or substantially similar to LINE-X Products) to customers located anywhere (including within the Territory) using any channel of distribution (including, but not limited to, LINE-X franchisees who have been trained and approved to use mobile applicators, by mail and/or via the Internet or via LINE-X's National Fleet Services Program performed by LINE-X or franchisees) other than a brick and mortar retail LINE-X Store located in the Territory;

4) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether using the LINE-X System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere, even those that may compete with you; and/or

5) acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive with you or not) with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the LINE-X Marks and System). You may be responsible for any reasonable conversion costs.

2.3 Territory.

A. Subject to our rights as set forth in this Agreement and for the Term, we will not enter into a franchise agreement for another LINE-X Store nor open a LINE-X-owned LINE-X Store inside the Territory. Your Territory is defined by a map and/or a related set of identifiers such as zip codes, coordinates, street addresses, or area codes as set forth in Exhibit 2.2 to this Agreement.

B. The Territory is independently determined by us in our sole and absolute discretion and may be based on (but not necessarily limited to) the following considerations:

1) Number of households within the specified boundaries;

2) Number of potential customers residing within the specified boundaries, given current market demographics;

3) Drive times from the defined location;

4) Natural and manmade boundaries;

5) Number of vehicle dealerships and new vehicle sales within the Territory;

6) Number of trucks registered within the Territory; and

7) Such other reasonable criteria that Franchisor may apply.

C. Your rights in the Territory are **exactly** and only as set forth in this Section 2.3. You may not solicit business nor pick up and deliver vehicles from customers outside the Territory. Except as provided in this Agreement, you have no right to affect the location or operation of present or future LINE-X (or any other brand) units or distribution channels of any type, whether licensed, franchised, or company-

owned, regardless of their location or proximity to the Location or whether they provide goods or services to customers within the Territory. You do not have any rights with respect to other businesses, products, or services in which we or any Franchisor-Related Parties may be involved, now or in the future.

D. We may sell LINE-X Products and services via the LINE-X website (whether or not competitive or substantially similar to LINE-X Products) to customers located anywhere (including within the Territory) using any channel of distribution other than a LINE-X Store.

E. Sometimes a LINE-X franchisee develops an account that may be testing the Coating Products, or which may grow too large for the franchisee to service, or which account may determine it is more economically feasible to purchase and apply the Coating Products directly from us for its own operations. In those instances, and to avoid the account using a competing brand or product, we may sell the Coating Products to these accounts, and we may train them on how to apply the coatings. However, if you initiated this account, have serviced it for over one (1) year, and have sold product to them in the prior twelve (12) months, we may, but are not obligated to, compensate you for a limited period of time through a formula we develop, as detailed in the Manual.

F. If you are not in (i) compliance with all material terms of this Agreement and the Manual and current in all accounts to us and the Franchisor-Related Parties ("**Good Standing**"); or (ii) if you fail to meet our then-current Performance Standards (as defined in Section 15.5.A and elsewhere) we may reduce, eliminate, or otherwise modify your territorial rights, along with whatever other remedies are then available to us, including termination.

G. You acknowledge and agree that LINE-X may, in its Business Judgment, modify, change, reconfigure, shrink, or enlarge your Territory in its Business Judgement as a condition of your renewal or successor process. You acknowledge and agree such Territory may be materially smaller or larger than the current Territory.

2.4 E-Commerce/Mail Order Business.

Your use of the Internet, World Wide Web, social networking sites, any URLs ("Uniform Resource Locators"), websites, and other digital, electronic, virtual, or other means of marketing and distribution of goods and/or services are restricted by us. You cannot create or maintain any digital presence, internet site, whether through the World Wide Web, URL, or other method, social networking site, or other digital, electronic, or virtual method without obtaining our express written agreement, which we may grant, deny, or condition in our Business Judgement. You agree not to promote, offer or sell any products or services relating to your Franchised Business, or to use any of the Marks or System, through the Internet without our consent, which consent may be withheld for any reason or no reason. In connection with any such consent, we may establish such requirements as we deem appropriate, including (a) obtaining our prior written approval of any Internet domain name and home page addresses; (b) submission for our approval of all webpages and URLs, materials and content; (c) use of all hyperlinks and other links; (d) restrictions on use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has any ownership interest; and (e) obtaining our prior written approval of any modifications. Any website or webpage and any URLs shall be linked to the LINE-X website.

3. DEVELOPMENT AND OPENING OF YOUR LINE-X STORE.

3.1 Site Selection. You will use your best efforts to identify, select, and secure a Location for a LINE-X Store in your Territory that meets LINE-X's then-current site acceptance standards within three (3) months of the Commencement Date. You are solely responsible for the cost, expense, responsibility, due diligence, and liability for locating, obtaining, financing, developing, and completing construction of a site for the LINE-X Store that meets LINE-X's then-current site acceptance standards. You shall submit to LINE-X all information, documents, and material required by LINE-X in the form LINE-X specifies, including, without limitation, population density, demographics, proximity to other LINE-X Stores, available parking, traffic flow, and entrance to and exit from the site (the "Site Selection Package") for LINE-X's confirmation that the Location meets LINE-X's then-current site acceptance standards. You acknowledge and agree that

LINE-X's acceptance of a Location does not constitute, nor will such acceptance be deemed, an indication, judgment, representation, or warranty of the desirability or potential success of such Location nor a recommendation or endorsement of such location. We will deliver to you written acceptance or rejection of a proposed location within thirty (30) days after our receipt of all requested information from you regarding the proposed site. We will not unreasonably withhold our acceptance. We make no representations or warranties as to the success of any site. If we accept your site, you are responsible for obtaining any architectural and engineering services required for your facility and for ensuring its compliance with local law. Neither we, nor any Franchisor-Related Parties, nor any other person or company associated with us, will have any liability for any site-related matter. You agree not to make any claims against us and/or any of the Franchisor-Related Parties with regard to such matters. Your LINE-X Store shall be open for regular, continuous business within nine (9) months of the Effective Date of this Agreement. If no acceptable site is found and accepted by us, and your LINE-X Store is not open for regular, continuous business within nine (9) months of the Effective Date of this Agreement, either we or you can terminate the Franchise Agreement. Upon such termination under these circumstances, we may partially refund the initial franchisee fee, less expenses we incur in providing site selection assistance to you and other expenses we incur. In no event will we return an amount more than Two Thousand Five Hundred Dollars ($2,500). **LINE-X DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE SUCCESS OR RESULTS WHICH YOU MAY OR WILL EXPERIENCE AT THE LOCATION. YOU ACCEPT AND ASSUME ALL RISK ASSOCIATED WITH ANY LOCATION REGARDLESS OF WHICH PARTY IDENTIFIES, LOCATES, OR SUGGESTS THE LOCATION**.

3.2 Property Control. You shall obtain and maintain continuous possessory interest to the premises for the Location either through ownership or a lease to the premises for the Location for not less than the Term (the "Location Agreement") before opening the LINE-X Store and for any renewal or successor term before the Expiration Date. You shall provide LINE-X with a copy of the Location Agreement without request before opening the LINE-X Store and Expiration Date, as relevant, as well as upon written request. You agree that any Location Agreement, including any lease, shall comply with LINE-X's then-current site acceptance policy, lease acceptance policy, and lease addendum. You shall execute LINE-X's then-current lease addendum with the Location's owner and LINE-X (the "Lease Addendum"). You guarantee, warrant, and represent that LINE-X shall have the right to receive an assignment of the possessory interest in the Location upon expiration or termination of this Agreement at LINE-X's election pursuant to the Lease Addendum. You may not assign, sublease, or transfer your possessory interest in the Location without LINE-X's prior written consent which it may grant, withhold, or condition in its sole and absolute discretion.

3.3 LINE-X Design Standards. You agree to comply with any standards, specifications, and other requirements that we may furnish you for design, decoration, layout, equipment, furniture, fixtures, signs, and other items for your LINE-X Store (the "**Design Standards**"). Your compliance with the Design Standards does not release you from your obligations to ensure that your LINE-X Store is designed, constructed, and operated in compliance with all local, state, and federal laws, including (without limitation) the Americans with Disabilities Act ("ADA") or similar state laws. We are not acting as a general contractor, construction manager, or otherwise providing construction advice. You shall hire your own licensed general contractor and architect to comply with applicable laws, including the ADA, as well as all local ordinances and codes. You are solely responsible for the build-out of the Location, including all fees, costs, and expenses. If we do not provide written Design Standards, you agree that the LINE-X Store will be designed and decorated consistent with our brand image standards, have appropriate signage, be clean, and have a safe, comfortable customer reception or waiting area.

3.4 Equipment, Inventory, and LINE-X BRANDED PRODUCTS. We will specify or approve and require you to use certain computer equipment, equipment, inventory, supplies, and marketing in the Franchised Business. You agree that you shall purchase all computer equipment, equipment, inventory, supplies, materials, and other products used in the Franchised Business or offered for sale at your LINE-X Store from approved or designated manufacturers, suppliers, distributors, resellers, and vendors identified and set forth in the Manual, which may include us or other Franchisor-Related Parties (collectively, "**Suppliers**"). You agree and will only use approved computer equipment, equipment, inventory, supplies, and marketing purchased from Suppliers in your Franchised Business. You further agree and will only offer

for sale approved programs, products, and services in the Franchised Business. We also designate and require you to provide and sell certain products and services in the Franchised Business, including our Core Services. We may negotiate marketing or other programs with suppliers and we may receive a rebate, revenue, profit, vendor contribution, allowance, other benefits, or charge an administrative fee, for any equipment, inventory, supplies, or marketing we specify, or any group purchasing or system-wide purchasing programs we develop or maintain for the benefit of the System or any individual franchisee or group of franchisees, and may realize such benefits as revenue, income, and profit to us or other Franchisor-Related Parties or use any such amounts we receive without restriction and for any purpose we deem appropriate, in our sole discretion. You further acknowledge and agree that we provide warehousing, shipping, handling, and shipment administrative services for those items that you purchase directly from us, and that you shall pay to LINE-X a fee implemented to cover administrative costs associated with managing the transit of products, equipment, and supplies necessary for the operation of your Store for those items that a you buy directly from us (the "**Transit Administration Fee**"). You shall comply with all terms, conditions, and obligations of all contracts and arrangements with vendors, suppliers, or other third parties as part of LINE-X's System. We require you to purchase all your LINE-X BRANDED PRODUCTS and other LINE-X Products through a web-based program operated by us and/or by a supplier approved by us. Before purchasing any of the LINE-X BRANDED PRODUCTS or other LINE-X Products from our approved supplier(s), you will be required to sign our standard form of "Franchise Data Release Authorization and Confidentiality Agreement."

3.5 Products and Services. Your Store shall offer for sale only those products and services authorized by LINE-X. You are required to offer Core Services. You may offer Choice Services (as defined below). You are required to and agree to use your best efforts to market and sell Core Services and Choice Services (should you choose to market and sell Choice Services). You are required to offer and sell Core Services and Choice Services (should you choose to market and sell Choice Services) in accordance with the procedures and specifications set forth in the Manual.

A. Core Services currently include the sale and installation of: spray-on bedliners; spray-on product on items other than bedliners (except overalls/full body sprays); premium/topcoat spraying; all truck gear; toppers; national account requirements; step bars and side rails; hitches; leveling kits; toolboxes; cargo management; bedslides; bumpers; winches; basic 12v work (e.g., single-relay wiring jobs; toppers); van upfit; ladder racks; headache racks; undercoating; tint; safety equipment; tonneau covers; wheels and tires; towing, hitches, HD towing, and load-leveling; and intakes and performance exhaust (bolt-on). LINE-X may update or change the required Core Services in the Manual (as discussed in Sections 1.1, 1.2, and 1.5) from time to time, in our Business Judgment (as defined in Section 17.6).

B. Choice Services means those products and services that you may elect to offer and sell as set forth in the Manual as modified from time to time but are not required to do so and currently include, for example, custom seat covers, vinyl wraps, paint protection film, ceramic coating, color bedliners, and Ultra.

3.6 Opening. We will authorize the opening of your LINE-X Store when (i) all of your pre-opening obligations have been fulfilled; (ii) pre-opening training has been completed; (iii) all amounts due us, all Franchisor-Related Parties, and the System's suppliers, vendors, and other third-parties have been paid; and (iv) copies of all insurance policies (and payment of premiums) and all other required documents have been received by us. Your LINE-X Store shall be open for regular, continuous business within nine (9) months of the Effective Date of this Agreement.

3.7 Relocation. Any relocation shall (i) be to a location within the Territory (unless waived by us); (ii) require our prior written consent, which we may grant, condition, or withhold in our Business Judgment (and which may be withheld, in any case, if you are not in Good Standing); (iii) upon LINE-X consent of the requested relocation, require you to pay LINE-X a non-refundable relocation fee equal to twenty five percent (25%) of the then-current Initial Franchise Fee, due to LINE-X within ten (10) days of the relocated LINE-X Store opening for business; (iv) be at your sole expense; (v) not adversely impact another franchisee; and (vi) require that you (and each affiliate and owner of yours) sign a General Release in favor of us and all Franchisor-Related Parties.

3.8 Computer System - Hardware and Software.

A. We require you to purchase and use, in accordance with the use requirements prescribed by us and in the Manual, specific point-of-sale software, including shop management functions, communication and reference portals, and accompanying hardware ("**POS System**") which we develop, offer, designate, and/or approve. You are required to pay us the then-current ongoing monthly fee for the POS System, currently the amount of Six Hundred and 00/100 dollars ($600.00) per month. We reserve the right, in our sole and absolute discretion, to raise the POS System fee amount no more than ten percent (10%) in any given calendar year, with no more frequency than once per calendar year, with a ninety (90) day notice to you for such change. You agree we may designate a different approved POS System that may require you to pay more in monthly fees and/or purchase additional hardware or equipment during the Term. You shall have a computer with hardware and software that meets the minimum requirements to operate the POS and a business of the nature of the LINE-X Store. Such minimum requirements include internet access and capability, e-mail capability, and accounting functions. We also reserve the right to require you to update or upgrade any computer hardware or software, including the POS System, during the term of this Agreement, and if we choose to do so, there are no limitations on the cost and frequency of this obligation. You are required to complete initial software set up and training on the POS System and other platforms or portals required for the operations of your Franchised Business as specifically detailed in the Manual, and the configuration and system training package fee is Three Thousand and 00/100 dollars ($3,000.00) due in one lump sum upon the execution of the lease for the premises of the Franchised Business (the "Initial Software Package"). You shall provide and we will have full and independent access to all computers and any other systems, including the POS System, and the information and data they contain relating to the operation of your Franchised Business during the Term and for up to five (5) years after the expiration or termination of the Term. There are no limitations on our right to access information and data. You agree that your compliance with these provisions, use of the POS System, and LINE-X's right to unfettered and independent access to the POS System is a material term and condition of this Agreement.

B. You are solely responsible for protecting your computer system from disruptions, internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders, and you waive any and all claims that you may have against us from the direct or indirect result of such disruptions, failures, or attacks.

C. You agree to take all reasonable and prudent steps necessary to ensure that your computer system and Customer Data (as defined below) is protected at all times from unauthorized access or use by a third party or misuse, damage, or destruction by any person.

D. You shall comply with all laws and regulations relating to privacy and data protection and shall comply with any privacy policies or data protection and breach response policies we periodically establish. You shall notify us immediately of any suspected data breach at or in connection with your LINE-X Store.

4. TRAINING AND GUIDANCE.

4.1 Training.

A. You, as Owner, shall successfully complete our initial training program before operating your LINE-X Store. The initial training fee is eight thousand and 00/100 dollars ($8,000.00) (the "Initial Training Fee") is due upon the execution of the lease for the premises of the Franchised Business, and includes attendance of two (2) individuals at LINE-X Fundamentals Training 1 and LINE-X Fundamentals Training 2 as described in the Manual, and also includes on-site operations and technical training at the Franchised Business, and travel expenses incurred by LINE-X trainer for the training time period. We may charge a reasonable fee for the training of additional and/or subsequent managers. If we determine, in our sole discretion, that you are unable to satisfactorily complete our required training program, we may require you to attend additional training at your expense or terminate this Agreement upon which we will return a portion of the Initial Franchise Fee, less expenses we incur in providing our training program to you and

other expenses we incur, in an amount not to exceed Two Thousand Five Hundred Dollars ($2,500). The Initial Training Fee is not refundable.

B. The initial training program will be at a time and place, and for such period, as we specify in our Business Judgment. You will be responsible for all travel, living, incidental, and other expenses for you and your personnel attending the initial training program and any other voluntary or mandatory training programs, seminars, or meetings unless otherwise agreed to by us in writing. We may charge a tuition fee for any optional training programs, such as training in the use of mobile applicators or unique or unusual jobs, or training in the use of new chemicals, coatings, or formulations that we may create and offer. We may choose not to allow you to offer new services (such as mobile applications), or we may choose not to sell you new chemicals or formulations until you have attended and completed training to our satisfaction. We can require you to attend, and successfully complete, extended initial training if we feel more training is required, and can eliminate or shorten training for persons previously trained or with comparable experience.

C. You, as Owner, and your manager shall attend additional and/or refresher training programs, including national and regional conferences, conventions, and meetings and those relating to Core Services and Choice Services, as we may require, to correct, improve and/or enhance your operations. You shall pay us any reasonable fees we charge for additional training, plus your and your employees' travel and living expenses while adding such training.

D. You, as Owner, and your manager shall attend any required modified/refresher training upon the renewal of this Agreement, including training on Core Services and Choice Services, in our Business Judgment.

E. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure, or other event outside of our control, we reserve the right in our sole and absolute discretion to conduct any and all training, classes, courses, meetings, and conferences, virtually, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences.

4.2 Manuals. As part of your training program, and during the term of the Franchise, we will provide you with access to a digital copy of the Manual. You will continuously comply, at your sole expense, with all provisions of, and any additions, deletions, and/or changes to, the Manual. Any additions, deletions, and/or changes will take precedence over all prior communications. Any required specifications, standards, and/or operating procedures exist to protect our interests in the System, the Marks, and goodwill, as well as to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to you. You recognize and agree that uniformity of image, standards, product offerings, and customer experience are critical elements of the Franchised Business. Specifications, standards, and operating procedures prescribed from time to time by us in the Manual, or otherwise communicated to you, electronically or otherwise, are a material part of this Agreement and are incorporated herein by reference. You agree that the failure to comply with the specifications, standards, and operating procedures in the Manual is a material breach of this Agreement.

4.3 Initial and Ongoing Assistance. We may provide such initial and continuing advisory assistance in connection with the operation of your LINE-X Store as we deem appropriate in our Business Judgment. Such assistance may be provided, in our discretion, by our directives, in-person and virtual coaching, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters, manuals, or our websites. You shall meaningfully and actively participate in this assistance. We may provide consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention in our Business Judgment. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with your legal requirements and obligations under any local or federal rule or regulation, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell products and services; and (iii) the suppliers from whom you obtain any products or services used in or at

your LINE-X Store for which we have not established Suppliers. The rendering of any consultation, advice, assistance, consent, approval, or services by us, as set forth in this Agreement, does not constitute any assurance or guarantee that such consultation, advice, assistance, consent, approval, or services will result in any level of success of your business. Any services we provide or that are set forth in this Agreement may be provided by us and/or our representative(s) or designee(s). You acknowledge and agree that you independently own and operate your Franchised Business despite receiving our assistance from time to time.

5. MARKS AND GOODWILL.

5.1 Goodwill and Ownership of Marks. You have a non-exclusive revocable license to use the Marks and LINE-X's goodwill, and only as expressly authorized by us under this Agreement and the Manual. We retain all rights in and to the Marks and goodwill. All right, title, and interest to any and all of the goodwill associated with the Marks and the System belongs exclusively to us. You will not obtain any goodwill in the Marks or System as a result of this Agreement, your operation of the Franchise, or for any other reason. Any unauthorized use of the Marks, System, or goodwill is a breach of this Agreement. You agree that if you breach any obligation regarding the Marks or goodwill, we will have no adequate remedy at law, we will suffer irreparable harm, and we will be entitled to equitable relief. This Agreement applies to all goodwill and the Marks, including all trademarks, service marks, commercial symbols and signs, logos, emblems, slogans, or other indicia of origin that we may authorize you to use during the Term.

5.2 Limitations and Use of Marks and Goodwill. You will not use our goodwill in any form or manner not expressly authorized by us in advance and in writing. You will not use our name, any Mark, or modified version or derivative of a Mark, or any other mark or form of commercial identification confusingly similar to the Marks, as part of any business, legal entity, or trade name or in any other manner not expressly authorized by us in advance and in writing. Prior to adoption and/or use of any proposed corporate, limited liability company, and/or other entity name in conjunction with the Franchisee Business, such name is subject to approval by us in our Business Judgment. You agree you will not use the name "LINE-X" in your entity's names. You will give such trademark and other notices (including notices of independent ownership) as we direct and will, at your expense, obtain fictitious or assumed name registrations as may be required under law. You will display the Marks as required by us and will not use the Marks so as to negatively affect their goodwill, including in any communication to a third party whether in writing or posted online. You agree our Marks will always be the primary mark associated with and displayed by your Franchised Business. You will not use or display any Mark or our goodwill in connection with the performance or sale of any unauthorized services or products or at any store or in any other manner not expressly authorized in writing by us. You will not engage in co-branding or use or display the Marks or goodwill in connection with any business or other co-branding without our written consent. You shall not establish a website, a URL, or any email account(s) using any domain name containing the Marks or any variation thereof without our written consent.

5.3 Notification of Infringements and Claims. You agree to immediately notify us of any apparent or actual infringement of, or of any challenge to your use of, the Marks or goodwill. You will not communicate with any third party with respect to such a claim. We will take such action as we deem appropriate in our Business Judgment. We retain the sole and exclusive right to initiate and control any settlement, litigation, or proceeding arising out of or related to the Marks and goodwill. You agree to execute any and all documents and render such assistance as LINE-X deems reasonably necessary to support any assertion or prosecution of any claim or defense made by LINE-X in any proceeding relating to any infringement.

5.4 Development, Modification, Substitution, or Discontinuance of Marks. You acknowledge and agree that LINE-X will continue to develop, modify, substitute, and/or discontinue the Marks. You agree to comply with any such development, modification, substitution, and/or discontinuation in accordance with the time period reasonably required by LINE-X at your sole cost and expense.

6. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION.

6.1 Independent Business. You will always identify yourself to all persons and in all dealings of your LINE-X Store as an independent owner under a LINE-X franchise, clearly indicating that your Franchised Business is separate and distinct from any business that may be operated by us and that nothing in this Agreement shall create a fiduciary relationship between us or constitute either party as agent, legal representative, subsidiary, joint venturer, joint owner, partner, employee, general contractor, servant, or fiduciary of the other party for any purpose whatsoever. You will include notices of independent ownership on such forms, business cards, stationery, marketing, signs, and other materials, as we require from time to time. Subject to the requirements of this Agreement and the Manual, you will have complete operational control of your business, including the right to hire and fire each employee and otherwise set and control the conditions of their employment. It is further specifically agreed that you are not an affiliate of ours and that neither you nor we shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other party.

6.2 No Liability for Acts of Other Party. You will not represent that your and our relationship is other than that of independent franchisor and franchisee. Neither you nor we will have any liability under any acts, omissions, agreements, or representations made by the other.

6.3 Responsibility, Indemnity, Etc.

A. You will indemnify and hold us, and our current and former affiliates, parents, subsidiaries, and all of their owners, shareholders, members, officers, directors, employees, agents, accountants, and attorneys (individually and collectively, the "**Indemnified Parties**") harmless from all fines, suits, proceedings, allegations, claims, demands, actions, losses, expenses, damages, costs, fees (including attorneys' fees, related expenses, and interest) and/or any other loss or liability of any kind or nature, however arising, growing out of, or otherwise connected with and/or related to any act, conduct, error, and/or omission of yours (including but not limited to your ownership and/or management, selection, development, operation, or closing of your LINE-X Store and/or any transfer of any interest in this Agreement or your LINE-X Store) breach of this Agreement, and operation of you Franchised Business, regardless of whether it resulted from any strict or vicarious liability imposed by law on the Indemnified Parties (collectively, the "**Claims**"). You agree to give us prompt notice of any event or Claims which you are aware for which indemnification is required. We will have the right to control all litigation, direct which counsel shall represent the Indemnified Parties, and defend and/or settle any Claims, against and/or including us and/or the Indemnified Parties, or affecting our and/or their interests, in such manner as we deem appropriate in our Business Judgment, without affecting our rights under this indemnity. This Section 6.3 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

B. Unless we give you a specific written warranty for a particular item or service, any goods and/or services provided by us, the Indemnified Parties, and/or any approved vendor or supplier are provided without any warranties, express or implied, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED, absent a specific written warranty expressly provided in connection with a particular product or service. For all Designated Equipment, you will receive from the respective manufacturer such warranty as they customarily may provide. It is your obligation to maintain all Designated Equipment in accordance with the applicable warranty obligations and to make any and all warranty claims directly to the supplier or manufacturer.

C. All reasonable expenses actually incurred by, or in the case of retainers, to be incurred by, the Franchisor-Related Parties in connection with any Claims shall be paid by you in advance of the final disposition of such Claims, if so requested by the Indemnified Parties, as incurred and within ten (10) days after the receipt by you of a statement or statements from the Indemnified Parties requesting such payment for incurred costs or fees, advance, or advances. The Indemnified Parties may submit such statements from time to time. The Indemnified Parties' entitlement to such expenses shall include those incurred, or in the case of retainers, to be incurred, in connection with any Claims. Such statement or statements shall reasonably evidence the expenses incurred by, or in the case of retainers, to be incurred by, the Indemnified

Parties in connection therewith, however, in no instance shall you receive or be entitled to statement or statements indicating or exposing attorney-client or attorney work product information.

D. You agree that the terms and conditions of this Article are not the Indemnified Parties exclusive remedy against you for such Claim or demand and the Indemnified Parties hereby specifically reserve all rights and remedies they may otherwise have available to them at law or in equity.

7. CONFIDENTIAL INFORMATION; EXCLUSIVE RELATIONSHIP.

7.1 Confidential Information; Non-Disclosure and Non-Use.

A. You acknowledge and agree LINE-X possesses and will continue to acquire, develop, and maintain certain data, information, knowledge, know-how, and best practices that are proprietary and/or exclusive to LINE-X relating to the development, method, and operation of LINE-X stores, including that data and information relating to the System or contained in the Manual such as training materials, site selection, development, construction specifications and standards, specifications and standards for furniture, fixture, and equipment, preparation methods, service techniques, product designs, product formulas, pricing, discounts, supplier information and contract terms, operational standards, strategic plans, marketing plans and strategies, unit performance, store operating results and financial performance, and System sales results (the "**System information**").

B. "**Confidential Information**" includes all System Information and all other information relating to the operation of a LINE-X Store or the System, including, among other things, all current and future: (i) Manuals, training, techniques, processes, policies, procedures, systems, data and know-how regarding the development, marketing, operation, and franchising of LINE-X Stores; (ii) specifications, designs, formulas, and any other information about the LINE-X Products and services; and (iii) all information regarding customers and Suppliers, including any statistical and/or financial information and all lists. Specifically, and without limitation, you agree that we own and control all domain names and URLs relating to any and all LINE-X stores. You also agree that we own and control all rights, titles, and interests to information, lists, and data related to past, present, and future customers of your LINE-X Store and the LINE-X system of franchise locations (the "**Customer Data**"). Your only interest in any of this Confidential Information is the revocable license to use it pursuant to this Agreement. You have the burden of proof and of going forward in any dispute between you and us involving the proprietary or confidential nature of any information.

C. Both during and after the term of this Agreement, you agree (i) to use the Confidential Information only for the operation of your LINE-X Store under a LINE-X Franchise Agreement and not to otherwise communicate, copy, disclose, disseminate, divulge, misappropriate, transfer, or use the Confidential Information; (ii) to maintain the confidentiality of the Confidential Information; (iii) not to make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information, including but not limited to the use, upload, or disclosure of Confidential Information to any artificial intelligence system, machine learning tool, large language model, or similar platform (including without limitation public or third-party services such as ChatGPT); and (iv) to implement and follow all prescribed procedures for the prevention of unauthorized use or disclosure of the Confidential Information.

D. You acknowledge and agree that you and/or your employees may provide LINE-X with information relating to or improvements to the System. You acknowledge and agree that any information or improvements relating to the System by you and/or your employees are considered a part of the Confidential Information. You hereby agree, therefore, to assign all rights, titles, and interests to such improvements and information to LINE-X, and LINE-X shall be deemed to own such improvements or information and may sub-license or franchise such improvements or information. You agree and grant us the perpetual and unfettered right to use, and to authorize others to use, Customer, Data, all ideas, techniques, methods, and processes relating to your LINE-X Store, which are conceived or developed by you and/or your employees. You also agree to disclose all ideas, techniques, and other similar information relating to the Franchised Business that you and/or your employees conceive or develop, which we will

have a perpetual right to use, and to authorize others to use, without further compensation or other obligation.

E. We grant you a temporary and revocable license to use Customer Data during the term of this Agreement provided you are in strict compliance with all of the terms and conditions of this Agreement. At the end of the term of this Agreement, you no longer may use Customer Data or have a license to use the Customer Data and you shall return all Customer Data to us and destroy any copy of the Customer Data you maintained during the Term.

7.2 Restrictive Covenants.

A. In consideration of your inclusion in the System, LINE-X's disclosure of its Confidential Information, license of the Marks and goodwill, initial and ongoing training, as well as other good and valuable consideration, you hereby agree that during the Term and for a period equal to one (1) year after the later of (i) the Term expires or is terminated, (ii) any sale, assignment, or transfer of this Agreement or the Franchised Business, (iii) the date upon which you stop operating the LINE-X Store, using the Marks and/or System, or (iv) comply with this Section 7.2 (the "Restricted Period") neither you nor any affiliate of yours, nor any shareholder, member, or partner of yours (if you are or become a business entity), nor any family member of any of the foregoing shall either directly or indirectly, work for, own, operate, develop, engage in, advise, assist, consult, invest in, franchise, make loans to, or have any direct, indirect, or beneficial interest in any business that (1) offers or sells (a) Core Services or (b) any Choice Services which you offer from your Location in the last 12 months of your operation as a LINE-X store, (2) manufactures, distributes sells, or applies spray-on coating products that are similar to or competitive with the Coating Products you sold or applied from your Location in the last 12 months of your operation as a LINE-X Store, and/or (3) sells and/or installs Accessories similar to or competitive with those sold or installed by you during the last 12 months of your operation as a LINE-X Store at the Location, within the Territory, or within five (5) miles of any other LINE-X store that now exists or may open in the future. You acknowledge and agree that you may either know or easily determine the location of any existing or future LINE-X store by, among other things, reviewing LINE-X's website. You acknowledge, agree, warrant, and represent that you shall not assert or use as a defense any allegation, argument, claim, or defense that current or future LINE-X stores are not expressly set forth in this Agreement or that the location of any such current or future LINE-X store may change.

B. In consideration of your inclusion in the System, LINE-X's disclosure of its Confidential Information, license of the Marks and goodwill, initial and ongoing training and support, as well as other good and valuable consideration, you hereby agree that neither you nor any affiliate of yours, nor any shareholder, member, or partner of yours (if you are or become a business entity), nor any immediate family member of any of the foregoing shall during the Restricted Period either directly or indirectly solicit any person, firm, or company that has been a LINE-X customer or a customer at the Location during the last 12 months of your operation as a LINE-X Store (collectively, the "Customers"), nor try to divert any such Customers from any LINE-X store or LINE-X enterprise of any kind (including any operations owned by any Franchisor-Related Parties/Entities).

C. You agree the covenants in Article 7 are fair and reasonable and will not impose any undue hardship on you because, among other reasons, you and your owners possess considerable other skills, experience, and education which afford you and your owners the opportunity to derive comparable earnings from other endeavors while complying with these restrictions.

D. You agree that your failure to strictly comply with the terms and conditions of Article 7 is a material breach of this Agreement that will cause LINE-X irreparable harm resulting from, among other things, injury to the goodwill associated with LINE-X and LINE-X's System and Marks. As a result, you hereby consent to the entry of an interim award, temporary restraining order, or other appropriate injunction prohibiting any conduct in violation of the terms of the restrictive covenants set forth herein. You further agree that it may be conclusively presumed that any violation of the terms of these restrictive covenants

were accomplished by and through your wrongful use of LINE-X's Confidential Information, goodwill, or other business interests.

E. Should one or more provisions contained in this Agreement be held to be invalid, illegal, overbroad, or otherwise unenforceable in any respect, whether in whole or in part, then the Parties agree it is their intention that (i) the offending provision be modified and/or reduced in scope and term so that it is enforceable to the maximum extent permitted by applicable law; (ii) such invalidity, illegality, overbreadth, or unenforceability does not affect any other provision of this Agreement; and (iii) the provision at issue and this Agreement shall be construed as if such invalid, illegal, overbroad, or unenforceable provision was never contained herein. The Parties further acknowledge and agree that this provision specifically authorizes and does not prohibit the modification of the restrictive covenants set forth in this Agreement so that they are enforceable to the maximum extent permitted by law, whether such modification occurs pre-suit or during a legal proceeding, including any hearing on a motion seeking or objecting to an interim, award, temporary restraining order, or preliminary injunction, or any proceeding thereafter.

8. INITIAL FRANCHISE FEE, GROSS REVENUES, ROYALTIES, PAYMENTS, OTHER FEES.

8.1. Initial Franchise Fee and Reduced Initial Franchise Fees.

A. You shall pay an initial franchise fee of Fifty Thousand Dollars ($50,000) (the "Initial Franchise Fee") to us upon execution of this Agreement. You agree the Initial Franchise Fee is fully earned and non-refundable upon payment and is used, among other things, to offset LINE-X's costs and expenses relating to initial training, equipment (if applicable), maintenance of supplier relationships, inspection, testing and other quality control programs, design assistance, project management, marketing plan/toolkit, administrative costs associated with reviewing franchisee's application and qualifications, as well as LINE-X's other costs in helping Franchisee open the franchise. The fee is entirely nonrefundable, with the limited exceptions noted in Sections 3.1 and 4.1 of this Agreement. In our sole discretion, we may reduce this fee for special programs (for example, our "Veterans Program") or situations (for example, multi-unit development agreements, conversion of an existing coating business or small market areas).

B. If you are a U.S. military veteran, under our U.S. Military Veterans Program, you may qualify to purchase an initial franchise at a discount of Twenty-Five Percent (25%) off the Initial Franchise Fee up to Ten Thousand Dollars ($10,000). This program is available for all veterans who have received an honorable discharge from any branch of the U.S. Military or Coast Guard and is available for new franchisees only. The program is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company that owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If you are a partnership, corporation, or limited liability company, your status as a participating veteran shall be submitted to us before you sign the Franchise Agreement, and you shall maintain a majority interest in the partnership, corporation, or limited liability company for a minimum of three (3) consecutive years after executing this Agreement, or you will be required to pay us the initial savings of Ten Thousand Dollars ($10,000).

8.2 Gross Revenues, Royalty, Compliance Royalty, and Payments.

A. The term "**Gross Revenues**" means all revenue resulting from all sales which include the provision and/or sale of Core Services and Choice Services offered at your Location (collectively, the "**Services**") arising from the operation of your Franchised Business. This includes all remuneration received from the offering and sale of Services, whether or not such sales have been approved or authorized by us and whether for cash, credit, gift, or barter and with no deductions or exclusions whatsoever (including for any third-party delivery services or processing fees); provided, however, that "Gross Revenue" shall not include any of the following: (i) service personnel tips; (ii) any products or services not include in the Services; and (Iii) any sales taxes or other taxes collected by you for transmittal to the appropriate taxing authority. We reserve the right to modify the definition of "Gross Revenues" including those items exempted

from the definition in our sole and absolute discretion. You agree to accurately record all Gross Revenues on the POS System in the manner prescribed by LINE-X, as well as allow LINE-X to access to such POS System or other computer software and systems in the manner, increments, and times LINE-X determines, in its sole and absolute discretion.

B. You shall pay LINE-X a royalty equal to six (6) percent of your Store's Gross Revenues on the sale and installation of Bedliner Services and two percent (2%) of your Store's Gross Revenues on all remaining services and sales besides the Bedliner Services ("**Royalty**"). You acknowledge and agree that you expect to pay Royalty to LINE-X on the interval determined by LINE-X, which is currently a weekly basis, through and including the Expiration Date or for ten (10) years from the Commencement Date, whichever is longer, and that this agreement is a material inducement for LINE-X to enter this Agreement. You also acknowledge and agree that during the Term, LINE-X may raise the Royalty on all non-Bedliner Services from two percent (2%) to three percent (3%) of your Store's Gross Revenues, but that LINE-X will not make such modification on less than six (6) months' written notice.

C. Your use of the Coating Products and System may attract customers with coating requests on items for which the Coating Products are not appropriate to use. In these instances, if you contact us in advance, we may, but are not obligated to, approve your use of non-LINE-X coating products. We will charge you a royalty of Six Percent (6%) on the revenue you generate from the use of any non-LINE-X coating product in Core Services or Choice Services that we have approved in advance in writing. You agree to make such request to use a non-LINE-X coating product at least sixty (60) days in advance of such proposed use. You agree your failure to make such request at least sixty (60) days in advance shall be deemed a failure to obtain LINE-X's consent subjecting such use to the Compliance Royalty set forth below. If you use and/or obtain equipment, products and/or services from any source other than the source we require without our written approval for any reason, we may terminate this Agreement and/or require you to pay us a royalty of twelve percent (12%) of the Gross Revenues of your LINE-X Store during any period in which you are in violation of the provisions of this subsection (the "**Compliance Royalty**"). The Compliance Royalty is intended by you and us to preserve a basic economic premise of this Agreement and is in addition to all other remedies available to us under this Agreement, at law and in equity for a breach of obligation. Any violation by you of the provisions of this section is a breach of this Agreement and may result in termination of your rights and our obligations. We shall, at all times, have the rights of inspection and audit of your LINE-X Store and its books and records (including electronic records and tax returns) to verify compliance with the provisions of this subsection and, if such audit determines that you have used and/or obtained Designated Equipment, products and/or services from any other source, you will pay the costs of such audit. You acknowledge and agree that we are also entitled to enjoin any further breach of this provision in addition to collecting the Compliance Royalty. You further acknowledge and agree that your potential, threatened, or actual breach of this provision constitutes irreparable harm to LINE-X and the System.

D. You agree that you shall pay Royalty on the Monday following the prior concluded week, which runs from Saturday through Friday, or as we shall otherwise require from time to time in our Business Judgment.

E. You shall pay Royalty and make all payments to LINE-X by the method specified by LINE-X in its Business Judgment, which currently is through ACH payment. You agree to execute all authorizations, consents, or documents necessary to effectuate this obligation, including LINE-X's then-current form authorizing ACH payments or other electronic funds transfer agreements. You shall provide LINE-X with not less than forty-five (45) days' written notice before changing banking institutions or accounts and will execute all authorizations, consents, or documents required by LINE-X before such change is approved.

F. You agree we may apply any payment received from you in our sole and absolute discretion without regard for any designation or instruction from you to your account, whether for this LINE-X Store or any other you may own or operate. You further agree we may offset any amount owed to you by

us against amounts you then currently or we reasonably anticipate that you will owe to LINE-X at the time of LINE-X's obligation to you or thereafter for this LINE-X Store or any other you may own or operate. You shall not withhold, retain, deduct, credit, and/or offset any amounts which may be owed or claimed owed by LINE-X or any Franchisor-Related Parties against any amounts due from you to us.

G. Unless otherwise set forth in this Agreement, all other contributions, fees, payments, or other amounts due from you to LINE-X, including Contribution Royalty, are due and payable upon demand or receipt of any billing statement or invoice issued by LINE-X.

H. You agree that LINE-X will aggregate all amounts owed to LINE-X for this LINE-X Store or any other LINE-X Stores you may own and/or operate into one account designated by franchisee and not by store. You agree that LINE-X may apply or offset amounts owed to you for one location against any unpaid amount for another location.

8.3 Interest, Late Fees, and Incurred Costs. On all amounts you owe us and/or our Franchisor-Related Parties, we reserve the right to charge interest at the highest applicable legal rate for open account business credit, but not to exceed One and One-Half Percent (1.5%) per month. Such amounts shall be due beginning the first day after the amount you owe us is due. Additionally, we may require you to pay an administrative late fee of Fifty Dollars ($50) for each late report and/or late payment. If we experience repeated late payments by you, then we may require you to pay all amounts in advance and by cashier's check or other form of immediate payment. We may charge you for any fees and costs spent collecting debts or amounts that you owe. If you choose to pay amounts owed to us by credit card, rather than bank debit or transfer or electronic funds transfer, such as ACH processing, we may charge you for the additional fees and costs that we incur plus an administrative fee in the amount we designate.

8.4 Fees for Customer Complaints, Poor Reports and Audits. We may charge you for our costs of responding to the complaints. If you fail to correct valid customer complaints (as determined in our sole discretion) or fail to honor a warranty with a customer, we may correct the problem and charge you for the cost of correction. If you receive a poor inspection report or audit, and if we are forced to inspect or audit your store more than twice per calendar year as a result, we may charge you for our costs of inspecting or auditing your store.

9. YOUR LINE-X STORE — IMAGE AND OPERATION.

9.1 System Compliance, Regular Upgrading, National Fleet Services Program.

A. You agree to operate your LINE-X Store in full compliance with the then-current LINE-X System and the Manual. You agree to promptly comply, at your expense, with all then-current requirements, standards and operating procedures relating to every aspect of a LINE-X Store and its operations (including, without limitation, use of Designated Equipment, LINE-X Products and Services) and image standards. You will not use any equipment or other items, or offer or sell any products or services, not approved by us in writing.

B. You will maintain your LINE-X Store at your expense according to all then-current standards for new units and promptly undertake all changes required by us from time to time in our Business Judgment, and as outlined in the Manual. Your failure to do so is a material breach of this Agreement. If you fail to do so, we may do so on your behalf. You agree to reimburse us within ten (10) days of our delivery of an account statement. You will not make any alterations to your LINE-X Store or its appearance as originally approved by us without our prior written approval.

C. You acknowledge and agree that we generate income and profit from the sale of LINE-X Products to you. You and we have agreed on your commitment to purchase only approved LINE-X Products and Designated Equipment from us, Franchisor-Related Parties, or Suppliers.

D. LINE-X has developed, and LINE-X manages and controls, a national accounts program with various fleet and commercial accounts in LINE-X's National Fleet Services Program (the "Program").

Under the Program, qualified Franchisee LINE-X Store(s) that meet LINE-X's then-current standards and criteria will voluntarily request to participate and be selected by us in our sole and absolute discretion after criteria review, to provide selected fleet services to LINE-X's fleet and commercial accounts. At LINE-X's option and pursuant to the Program participation and form entered between LINE-X and Franchisee, all services provided by Franchisee under the Program will be centrally billed through LINE-X. You acknowledge and agree we generate income and profit as a result of our effort to create, develop, administer, and grow the Program, including the sales generated by it.

E. You agree to participate in all programs and initiatives required by LINE-X, including all coaching programs and marketing and advertising programs such as call and lead tracking.

9.2 Designated Equipment, Products, Services, and/or Suppliers – Product Exclusivity.

A. Unless you obtain our prior written consent, which we may grant or withhold in our Business Judgment, you shall only purchase, use, and/or sell equipment, supplies, materials, and other products for use in your Franchised Business solely from Suppliers, and not thereafter disapproved. You acknowledge and agree that we may approve or disapprove of Suppliers in our Business Judgment.

B. We may designate a single or multiple Suppliers for any given item, product, or service and may concentrate purchases with one or more Suppliers in our Business Judgment and in our interest. Such Suppliers may include, and may be limited to us, a Franchisor-Related Party, and/or a designee of ours. On notice by us, you will immediately cease and desist from using/offering any equipment, products, and/or services not authorized by us. Failing to do so is a material breach of this Agreement.

C. You can request the approval of an item, product, service, or supplier by notifying us in writing and submitting such information and/or materials we may request. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal. We will notify you of our decision within ninety (90) days of our receipt of all requested information from you.

D. We can and do require that various Designated Equipment, LINE-X Products, and other products, and/or services, only be supplied by us, Franchisor-Related Parties and/or a designee of ours. You acknowledge and agree that we and/or one or more Franchisor-Related Person/Entities may derive additional revenues, profits, and other material benefits as a result of your purchases of such Designated Equipment, LINE-X Products, and other products and services.

E. You acknowledge and agree that we or the Franchisor-Related Parties will receive rebates, volume discounts, vendor contributions, revenue, profit, as well as other material benefits from Suppliers as a result of the sale of Designated Equipment and other products and services to you.

9.3 Compliance with Laws and Ethical Business Practices.

A. You will operate your LINE-X Store in full compliance with all applicable laws, ordinances, and regulations at your sole expense. We make no representations or assurances as to what (if any) laws, rules, or regulations may apply or licenses, permits, or authorizations that may be required in connection with your LINE-X Store. It is your sole responsibility to identify and determine which laws, rules, and regulations apply and obtain all authorizations necessary for your operation. You will maintain high standards of honesty, integrity, fair dealing, and ethical conduct in your business activities as determined in our Business Judgment. You will notify us in writing within five (5) days of the commencement of any proceeding or of the issuance of any governmental order or action relating to you or your LINE-X Store.

B. You will obtain and maintain in effect all required licenses, permits, and certificates related to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable federal, state and local laws, ordinances and regulations, including without limitation all government regulations relating to (1) licensing and certification; (2) occupational hazards and health; (3) handling, storage, and disposal of chemicals and other materials of a similar nature; (4) the Occupational

Safety and Health Act; (5) environmental matters; (6) worker's compensation; (7) insurance; (8) unemployment insurance and withholding; (9) the Americans with Disabilities Act and State law equivalents; and (10) payment of wages, federal and state income taxes, Social Security taxes, and sales taxes.

C. You shall honor all credit, charge, courtesy, and cash cards that we approve in writing. You shall not store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services at your LINE-X Store. You shall comply with all credit card policies and applicable laws, as well as maintain the security of cardholder data and adhere to the then-current credit card security standards for the protection of all consumer and cardholder data throughout the Term and after expiration and termination of this Agreement, including the California Consumer Privacy Act and all similar or derivative laws. You are solely responsible for the security of cardholder data in your possession or control and in the possession or control of any of your employees that you engage to process credit cards. At our request, you agree to provide appropriate documentation to us to demonstrate compliance by you and all your employees with the Payment Card Industry Data Security Standard ("PCI DSS") requirements as they may be revised and modified by the Payment Card Industry Security Standards Council (see www.pcisecuritystandards.org), or such successor or replacement organization and/or in accordance with other standards as Franchisor may specify, and the Fair and Accurate Credit Transactions Act ("FACTA"). In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, you shall immediately notify us in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion. You shall also periodically upgrade your computer equipment, payment processing equipment and related software at your expense to maintain compliance with PCI DSS, FACTA, and all related laws and regulations. In the event of termination or expiration of this Agreement, you and your respective successors and permitted assigns shall ensure compliance with PCI DSS requirements even after expiration or termination of this Agreement.

9.4 Management and Personnel.

A. Your LINE-X Store shall be personally managed on a full-time basis by a person who has successfully completed training, as required by this Agreement (the "Designated Manager"). You shall provide us with all contact information for your Designated Manager. Your Designated Manager shall successfully complete our manager's training program (which may be provided at our then-current Franchise Support Center or other location as we designate) before beginning their duties at your LINE-X Store. You are responsible for all associated travel, living, incidental and other expenses you and your employees incur during training. We require that you personally manage your LINE-X Store during the first twelve (12) months of operation and strongly recommend full-term on-site management by you. You understand that absentee ownership involves a significantly greater risk of failure. You shall take all reasonable protections to ensure your Designated Manager and employees protect and do not disclose, divulge, or use LINE-X's Confidential Information except in the course and scope of their employment duties for you.

B. All employees you hire or employ at your LINE-X Store, including your Designated Manager, will be your employees and your employees alone, and you will not, for any purpose, deem them to be our employees or subject to our direct or indirect control, including with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax returns, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations. We will not have the power to hire or fire your employees. Our authority under this Agreement to train your supervisorial or managerial personnel on the LINE-X System and to perform certain functions at your LINE-X Store does not directly or indirectly vest us with the power to hire, fire, or control any of your personnel. You will be solely responsible for all hiring and employment decisions and functions relating to your LINE-X Store, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects. You

shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules, and regulations of federal, state, and local governmental agencies, including, without limitation, all wage-hour, civil rights, immigration, employee safety, and related employment and payroll laws. You shall make all necessary filings with and pay all taxes and fees due to the Internal Revenue Service and all other federal, state, and local governmental agencies or entities to which filings and payments are required. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, including, but not limited to, creating your own employee handbook, and you should do so in consultation with local legal counsel experienced in employment law. You acknowledge and agree we are not a joint employer of your employees, and we are not vicariously liable for their or your acts or omissions.

9.5 Insurance.

A. You acknowledge that business risks are ever-changing and the appropriate insurance coverages and related coverage costs and premiums are changing with the risks. You further understand that the Franchisor has the right to change the coverage requirements, and you have the obligation to meet these changing requirements, throughout the Term. You will maintain in force policies of insurance issued by carriers approved by us covering various risks, as specified by us from time to time. We may specify the types and amounts of coverage required under such policies and require different and/or additional kinds of insurance at any time, including excess liability insurance. Each insurance policy shall: (i) name us and our affiliates as additional named insureds; (ii) contain a waiver of all subrogation rights against us, our affiliates, and any successors and assigns; and (iii) provide thirty (30) days' prior written notice to us of any material modifications, cancellation, or expiration of such policies.

B. Such policy or policies shall be written by an insurance company licensed in the state in which you operate your Franchised Business. Such insurance company shall have at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide in accordance with standards and specifications set forth in the Manual or otherwise in writing, and shall include, at a minimum (except as different coverages and policy limits may reasonably be specified for all franchisees from time-to-time by us in the Manual or otherwise in writing), the following:

1) All "**Risks**" or "**Special**" form coverage insurance on all furniture, fixtures, equipment, supplies, and other property used in the operation of the LINE-X Franchised Business.

2) Workers' Compensation and Employer's Liability Insurance as well as such other insurance, with statutory limits, as required by law in the jurisdiction where the Franchised Business is located, Employers Liability or "Stop Gap" insurance, with limits of not less than $1,000,000 each accident.

3) Commercial General Liability Insurance, Occurrence form, including a per location or project aggregate, with the following coverages: owners and contractors protective liability, broad form property damage, contractual liability, severability of interest clause; personal and advertising injury; and products/completed operations; medical payments and fire damage liability insuring you and us against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Franchised Business including general aggregate coverage in the following limits:

Required Coverage	**Minimum Limits of Coverage**
General Aggregate	$2,000,000.00
Products/Completed Operations Aggregate	$1,000,000.00
Personal and Advertising Injury	$1,000,000.00
Each Occurrence	$1,000,000.00
Fire Damage (any one fire)	$100,000.00
Medical Expense (any one person)	$5,000.00

Garage Policy ..... $300,000.00 (limit)
(covers physical damage to customer vehicles)

4) Business Interruption Insurance for actual losses sustained for a twelve (12) month period minimum.

5) Automobile Liability Insurance, including owned, hired, and non-owned vehicles coverage, with a combined single limit of at least $1,000,000.00.

6) Cyber Liability Insurance with a minimum $1,000,000.00 each occurrence and $3,000,000.00 aggregate.

7) Such insurance as is necessary to provide coverage under the indemnity provisions set forth in Section 6 of this Agreement.

8) Such additional insurance and types of coverage as may be required by the terms of any lease for the Location, or as may be required from time-to-time by us.

Although we do not currently require it, we strongly recommend that you consider carrying Pollution/Environmental Legal Liability Insurance with a minimum $1,000,000 each Occurrence and a $2,000,000.00 Aggregate, covering bodily injury, property and environmental damage including clean up, removal, containment, and treatment of pollutants, arising out of the Franchised Business operations.

We reserve the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. Within sixty (60) days of receipt of notice from us, you agree to revise your coverage as specified by us in such notice.

C. Insurance Certificates and Endorsements. You will forward to us a certificate(s) of such insurance within sixty (60) days of the signing of this Agreement, but in no event later than thirty (30) days prior to commencement of operations of the Franchised Business, on any renewal of such insurance while the Agreement is in effect, and on March 1st of each calendar year while this Agreement is in effect.

The certificate(s) will provide that:

1) for Commercial General Liability and Automobile Liability insurance, LINE-X LLC and the Franchisor-Related Parties (and its participating affiliates) are named as “additional insureds”;

2) thirty (30) days’ prior written notice of cancellation, material change or exclusions to the policy will be given to us;

3) coverage is primary and not in excess of, or contributory with, any other valid and collectible insurance purchased or maintained by us; and

4) Waiver of Subrogation in favor of us, as respects the Commercial General Liability, Automobile Liability, Workers Compensation and Employers l-Liability Insurance when permissible by law.

FOR ITEMS (a), (b), (c) and (d), WITHIN THIS SUB PARAGRAPH, SEPARATE ENDORSEMENTS SHALL BE ATTACHED.

D. Additional Insured Endorsement. The “Additional Insured Endorsement” shall be approved in writing by us and name us and our respective officers, directors, partners, members, affiliates, subsidiaries, and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The Additional Insured Endorsement form shall be ISO CG 20 26 or any other form approved in writing by us that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no

endorsement limiting coverage for) the negligent acts, errors or omissions of us or other additional insureds. You shall maintain such additional insured status for us on your policies continuously during the term of this Agreement.

E. The insurance policies described above are minimum requirements and you may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. Your failure to obtain or the lapse of any of the required insurance coverage is a material breach of this Agreement and shall be grounds for the immediate termination of this Agreement pursuant to Section 15.2, and you agree that any losses, claims or causes of action arising after the lapse of or termination of insurance coverage will be your sole responsibility and that you will fully indemnify and hold us harmless from all such losses, claims and/or causes of action in accordance with the terms and conditions of Section 6.3 A-C. We shall have a security interest in all insurance proceeds to the extent you have any outstanding obligations to us.

F. Should you, for any reason, not procure and maintain such insurance coverage as required by this Agreement, we shall have the right and authority (without, however, any obligation to do so) to immediately procure such insurance coverage and to charge same to you in addition to a charge of ten percent (10%) as an administrative fee.

G. Your obligation to obtain and maintain the foregoing insurance policy or policies in the amounts specified shall not be limited by reason of any insurance that may be maintained by us nor relieve you of liability under the indemnity provisions set forth in this Agreement. Your insurance procurement obligations under this Section 9.5 are separate and independent of your indemnity obligations.

9.6 Customers; Customer Data. You acknowledge and agree that Customers of LINE-X Stores, including your LINE-X Store, and the goodwill associated with those customers belong to LINE-X. You agree that all data and other information you collect from customers and potential customers ("Customer Data") is exclusively owned by LINE-X. You are required to and shall provide LINE-X with all Customer Data upon LINE-X's request and as specified in the Manual. LINE-X hereby grants you a non-exclusive revocable license to use Customer Data in accordance with the terms and conditions set forth in the Manual for the sole purpose of operating and marketing your LINE-X Store, LINE-X Stores in general, and contributing to the goodwill associated with the Marks. You agree that you may not maintain, use, transfer, or sell Customer Data without LINE-X's prior written consent, which it may grant, withhold, or condition in its Business Judgment.

10. MARKETING.

10.1 Marketing Fund and Marketing Fund Contribution.

A. We have established an advertising, publicity, and marketing fund (the "**Marketing Fund**") to promote LINE-X Stores and the System. You shall pay a contribution to the Marketing Fund equal to one and one-half percent (1.5%) of your Gross Revenues on a weekly basis (the "**Marketing Fund Contribution**"). You acknowledge and agree that you expect to pay the Marketing Fund Contribution to LINE-X on a weekly basis for ten (10) years from the Commencement Date, and that this agreement is a material inducement for LINE-X to enter this Agreement.

B. You agree that you shall pay your Marketing Fund Contribution on the Monday following the prior concluded week, which runs from Saturday through Friday, or as we shall otherwise require from time to time in our Business Judgment.

C. You agree we have the sole discretion over all matters relating to the Marketing Fund and all related matters. We may use the Marketing Fund without limitation and in our Business Judgement for, among other things, product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; administration expenses of the Marketing Fund; legal fees incurred by or spent defending the Marketing Fund, brand/image campaigns; media; national, regional any combination of those levels in a digital or traditional

advertising medium, and other marketing programs; activities to promote current and/or future LINE-X Stores and the LINE-X Marks, brand, and goodwill; agency and consulting services; research, any expenses approved by us or our designee and associated with franchisee advisory groups; and all or portions of the salaries, benefits, or expenses of people we employ or contract with who work on Marketing Fund matters (except that such salaries, benefits or expenses will be charged pro rata based on the time they spend on Marketing Fund matters); website development/operation and to pay internet, intranet, URL, 800 or similar number, and other charges, fees and/or expenses.

D. We and/or any Franchisor-Related Parties can provide goods, services, materials, etc. (including administrative services and/or "in-house marketing agency" services) and be compensated and/or reimbursed for the same by the Marketing Fund, provided that any such compensation shall be reasonable in amount. We can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies, and all related costs, fees, etc. will be paid by the Marketing Fund.

E. The Marketing Fund will be accounted for separately and may be used to pay all administrative and other costs of the Marketing Fund related to its activities and purposes and/or as authorized, including all accounting and audit costs. All taxes of any kind incurred in connection with or related to the Marketing Fund, its activities, contributions to the Marketing Fund and/or any other Marketing Fund aspect, whether imposed on us, the Marketing Fund, or any other related party, will be the sole responsibility of the Marketing Fund. All interest earned on monies contributed to, or held in, the Marketing Fund will be remitted to the Marketing Fund.

F. You acknowledge and agree that expenditures by the Marketing Fund will not be proportionate or equivalent to contributions to the Marketing Fund by you or the LINE-X Stores operating in any geographic area or that any LINE-X Store will benefit directly, indirectly, or in proportion to its contribution to the Marketing Fund, and that we have no obligation to ensure that they do. You further acknowledge and agree that LINE-X may not spend contributions made to the Marketing Fund in the year in which those contributions are received and that such contributions may be carried forward into future years. You also acknowledge and agree that LINE-X may overspend the amount of the Marketing Fund based on anticipated future contributions.

G. You shall be in Good Standing to receive the benefits of programs and materials created by the Marketing Fund. You agree that we may deny access to any and all programs and/or materials created by, and benefits of, the Marketing Fund to you and to any LINE-X franchisees who are not in Good Standing.

10.2 <u>Your Local Marketing Activities</u>.

A. You are also required to spend at least one and one-half percent (1.5%) of your Gross Revenues each quarter on local marketing and promotion of your LINE-X Store. Upon our request, you will submit verification of your expenditures in a form prescribed by us in our Business Judgment.

B. Your marketing will be in good taste and conform to ethical and legal standards and our requirements as determined in our Business Judgement. Your marketing and use of the Marks in marketing may not be associated with disparaging or off-color content, pornography, vulgarities, unethical, immoral, illegal, or other unsuitable content. You shall submit samples of all proposed marketing and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the internet, World Wide Web or otherwise. We retain the right to approve or disapprove of all of your marketing in our Business Judgment. You agree not to use any materials or programs disapproved by us.

C. You shall not establish a website on the Internet using any domain name containing the words "LINE-X" or any variation without our prior written consent. We retain the sole right to advertise on the internet and create a website using the "LINE-X" domain name. We shall approve any form of co-

branding, or marketing with other brands, products, or services, in writing, in advance in our Business Judgment.

D. You shall confine all marketing efforts, including advertising, promotion, solicitation, and truck pick-up and delivery, to your Territory. You agree that you will not solicit business or pick-up trucks from customers outside your Territory. For mass circulation publications (e.g., the Yellow Pages or daily newspapers) or television, radio, or cable which may cover more than one franchisee's territory, you agree to share marketing costs and expenses pro rata, based on the estimated audience in each territory. You understand that it is not practical or possible to restrict all marketing, either yours or that of other franchisees, from overlapping or leaking into a protected Territory.

E. For regional trade shows, convention center activities, county fairs, and other similar promotional events which may take place in one franchisee's territory, but which draw an audience from a wide geographic area, Franchisor will determine which franchisee or franchisees may participate, present, and advertise at such shows, regardless of whether the actual activity takes place in a protected territory. Franchisor will either allow equal participation at such events, or rotating participation among several franchisees over a period of years, or, if you decline to participate in a trade show or other activity in your Territory, Franchisor may permit other franchisees to participate. LINE-X may apply objective criteria (such as whether a Franchisee is in Good Standing, has met Minimum Performance Standards, or has the capacity for the type of business advertised) in determining who may participate in any such show or event.

10.3 Franchisee Marketing Group(s) ("Co-Ops"). We may decide to form one or more associations and/or sub-associations of LINE-X Stores to conduct various marketing-related activities on a cooperative basis (a "**Co-Op**"). If one or more Co-Ops (local, regional and/or national) are formed covering your area, then you shall join and actively participate. Each Store will be entitled to one (1) vote, but in order to vote franchised Stores shall be in Good Standing. You may be required to contribute such amounts as are determined from time to time by such Co-Ops.

10.4 Social Media Activities. "**Social Media**" means the network of platforms, including, but not limited to, blogs, microblogs, and social networking sites (such as Facebook, LinkedIn, Instagram, and Twitter), video-sharing and photo-sharing sites (such as YouTube and Flickr), review sites (such as Yelp and Angie's List), marketplace sites (such as eBay and Craigslist), Wikis, chat rooms and virtual worlds, that allows participants to communicate online and form communities around shared interests and experiences. While it can be a very effective tool for building brand awareness, it can also be devastating to a brand if used improperly. Therefore, you shall strictly follow the Social Media guidelines, code of conduct, and etiquette as set forth in the Manual or as otherwise communicated to you by us. Any use of social media by you pertaining to LINE-X or your LINE-X Store shall be in good taste and not linked to controversial, unethical, immoral, illegal, or inappropriate content or is considered defamatory or disparaging of LINE-X, the System, or other LINE-X franchisees in LINE-X's Business Judgment. We reserve the right to "occupy" any Social Media websites/pages and be the sole provider of information regarding the LINE-X Store on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to LINE-X or the LINE-X Store that does not comply with this Agreement or the Manual or is in poor taste, otherwise displays controversial, unethical, immoral, illegal, or inappropriate content, or is considered defamatory or disparaging of LINE-X, the System, or other LNIE-X franchisees in LINE-X's Business Judgment.

10.5 Grand Opening Marketing Fund. You agree, at our election and in our Business Judgment, to spend at least five thousand dollars ($5,000) on a marketing and promotional campaign related to the grand opening of your Franchised Business within the period of two (2) weeks before and six (6) weeks after the opening of your Location. You acknowledge and agree this marketing spend is in addition to any other amount due and owing for marketing the Location.

10.6 Changes to Marketing Fund Contribution and Local Marketing. You agree that LINE-X reserves the right to and you agree to permit LINE-X to change and increase the rate of the Marketing Fund Contribution and local marketing requirement, respectively, from one and one-half percent (1.5%) of your LINE-X Store's weekly Gross Revenues to five percent (5%) of your LINE-X's weekly Gross

Revenues upon ninety (90) days prior written notice in its Business Judgment during the Term. LINE-X agrees that it shall not increase the rate of Marketing Fund Contribution or local marketing requirement by more than one percent (1%) each, annually.

11. RECORDS AND REPORTING.

11.1 Bookkeeping, Accounting and Records. You shall maintain books and records, including records of purchases and sales, tax returns, and other records typical for a business of this type and size using LINE-X's POS System, bookkeeping software, and a specified and standardized chart of accounts. Such records may include, but are not limited to, sales and operations reports for each month, quarter, and year; fiscal year-end balance sheet and income statement for your business, verified and signed by you; Customer Data; records of complaints and warranty obligations; and such other data as we may from time to time require. You acknowledge and agree LINE-X will directly access the books, records, and data contained in the POS System. In addition, you shall provide to us your books and records, the Customer Data, records of complaints and warranty obligations, sales, and operation of your LINE-X Store, and in such form and format, as we specify from time to time in our Business Judgment, upon our request.

11.2 Reports, Financial Statements and Tax Returns. You shall maintain and preserve for four (4) years or such period as may be required by law (whichever is greater) from the date of their preparation such financial information relating to the LINE-X Store as we may periodically require, including without limitation, your sales and use tax returns, register tapes and reports, sales reports, purchase records, and full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by us. You agree that your financial records shall be accurate and up to date at all times. You agree to promptly furnish any and all books and records, reports, and financial information, including tax records and returns, relating to your LINE-X Store and of each of your principal owners to us on request. You shall use a POS System and accounting software designated by us, and maintain your books, including expense line items, in the format designated by us.

11.3 Survival. The obligations of Article 11 shall survive the expiration and/or termination of this Agreement. You acknowledge and agree that you shall comply with the obligations of Article 11 for up to five (5) years after the expiration or termination of this Agreement.

12. INSPECTIONS AND AUDITS.

12.1 Our Inspections, etc. We and/or our agents will have the right, at any time during business hours, and without prior notice to you, to: (i) inspect your LINE-X Store, business records, and related activities, locations, and items and record, photograph, or photocopy the same; (ii) remove samples for testing and analysis; (iii) interview personnel; (iv) interview customers; and (v) conduct inventories. You agree to cooperate fully in connection with such matters. We may require you, or an individual designated by us, to meet at our headquarters, or other location designated by us, for the purpose of discussing and reviewing your LINE-X Store's operations, financial performance, and other matters.

12.2 Audit. We and/or our agents will have the right at any time during business hours, and without prior notice to you, during the Term and for a period equal to five (5) years thereafter to inspect and/or audit business records relating in any way to your LINE-X Store and/or the Franchised Business, as well as the books and records of any person(s), corporation or partnership which holds, or does business with, the Franchised Business. Such business records may include but are not limited to bookkeeping and accounting records prepared in connection with Franchised Business and those required by the Manual, including a chart of accounts, records of purchases, including dates, quantities, item description, seller, and buyer, income statements, sales and income tax records and returns, cash register tapes, invoices, purchase orders, and deposit receipts. Our right to audit includes the right to access all POS Systems, cash registers, computers, and other equipment by electronic means. You agree to cooperate fully and in good faith with such an audit. We will have the right to conduct an audit and/or review all documentation and information pertaining to the Store upon termination or expiration of this Agreement and for a period equal to five (5) years thereafter. You agree not to delete, destroy, or otherwise remove such documentation and

information from the Store. You further agree that LINE-X shall have unimpeded and independent access to the business records. If an inspection or audit should reveal that (1) you understated, under reported, or failed to include any sales or revenue in your Gross Revenue, (2) any amount or payment to us was underpaid, or (3) any amount or payment was understated, underreported to us, or failed to include any sales or revenue, then you agree to immediately pay us the amount understated or under reported upon demand, in addition to interest from the date such amount was due until paid, at the rate of fifteen percent (15%) per annum or the maximum rate permitted by law, whichever is less. If an inspection or audit discloses an understatement or under reporting of one percent (1%) or more of Gross Revenues for the period covered by such inspection or audit, then you agree to reimburse us for any and all costs and expenses in connection with the inspection or audit (including, without limitation, travel, lodging, and wage expenses and reasonable accounting and legal costs).

12.3 Use of Financial Data, Customer Information and Surveys and Quality Controls. You agree that we have the right to use any financial report or statement, or any information derived therefrom, relating to the Franchised Business including data contained in your POS System, for aggregate statistical purposes, such as in a blind listing or unit performance or in a financial performance representation, without providing your name. You further consent to our use and publication of income and expense information related to your Franchised Business within our System via Intranet or other non-public media. You agree that (i) any information that you provide to us in your reports or financial statements that includes any customer information collected or received electronically via the Internet or in any other format will be provided to us with the informed consent of the customer; and (ii) we will rely on this representation by you and accordingly you will indemnify us for any breach of this Section 12 in accordance with Section 6.3. We may institute various programs for auditing customer satisfaction and/or other quality control measures. You agree to request your customers to participate in any surveys performed by or on behalf of us, using forms prescribed by us from time to time.

12.4 Material Obligation and Survival. The obligations of Article 12 are a material inducement to LINE-X entering this Agreement and shall survive the expiration and/or termination of this Agreement. You acknowledge and agree that you shall comply with the obligations of Article 12 for up to five (5) years after the expiration or termination of this Agreement, and that your failure to comply is a material breach of this Agreement.

13. TRANSFER.

13.1 Transfers by Us. This Agreement, and any or all of our rights and/or obligations under it, are fully transferable by us, in whole or in part, without your consent. If we transfer this Agreement, only the transferee will have obligations to you and our obligations (and those of any of the Franchisor-Related Parties) will be extinguished. You specifically agree that we may be sold and/or we may sell or license any or all of our intellectual property and/or other assets (including the Marks); go public; engage in a private or other placement of some or all of our securities; merge, acquire other entities and/or assets (competitive or not); be acquired by a competitor or other entity; and/or undertake any refinancing, leveraged buy-out and/or other transaction. You agree that we will have no liability to you resulting from our entering into any transactions permitted hereunder. We also may, on a permanent or temporary basis, delegate any or all of our duties to another company to perform. In such event, you will look only to such other company for the performance of such duties.

13.2 Transfers by You. The rights and duties created by this Agreement are personal to you (or your owners if the Franchisee is a Business Entity). We have awarded the Franchise relying on the individual integrity, ability, experience, and financial resources of you or your owners. You acknowledge and agree that we granted this franchise to you based on our reliance upon the information set forth in your application, as well as your aptitude, attitude, business ability, character, financial capability, and reputation. Therefore, you shall not assign, convey, gift, hypothecate, pledge, mortgage, sell, transfer, or otherwise encumber (collectively, a "**Transfer**") any or all of your interest in this franchise, the Agreement, your operating company if you are a business entity, the LINE-X Store, the Location, the Location Agreement, or substantially all of your assets without (i) LINE-X's prior written consent, which LINE-X may grant, withhold, or condition in its Business Judgment; (ii) strictly complying with the conditions set forth herein

and LINE-X's then-current policies and procedures regarding Transfers; and (iii) providing LINE-X with ninety (90) days to determine whether it will exercise its right of first refusal. You agree any purported or attempted Transfer, by operation of law or otherwise, without LINE-X's prior written consent is null and void. You agree we may place reasonable conditions on our approval of any transfer by you in our Business Judgment.

13.3 Conditions for Approval of Any Transfer.

A. All of the following conditions shall be met prior to, or concurrently with, the effective date of any approved transfer. You shall provide us not less than one hundred twenty (120) days' prior written notice of any proposed Transfer by you, as well as all reasonably requested data, information, agreements (including any fully executed purchase and sale agreements), documents, and materials relating to the proposed Transfer and proposed transferee, including the identities and details of all anticipated direct or beneficial owners of the proposed transferee (the "**Transfer Request Material**"). You shall further provide us with ninety (90) days after our receipt of the completed Transfer Request Material and any additionally reasonably requested data, information, agreements, or documents by our (the "**Complete Transfer Request Material**") to determine whether we will exercise our right of first refusal as provided herein. We may waive any condition in our Business Judgment.

1) You shall be in compliance with this Agreement, the Manual, all other agreements between you and us (including any of our respective affiliates), and all leases/subleases with any party, and the transferee shall expressly assume all obligations under all such agreements.

2) The transferee and its owners shall meet our then-current requirements for new franchisees, including but not limited to business experience, aptitude, an acceptable background check, and financial resources all to our satisfaction in our Business Judgment, and the transferee shall complete or agree to complete our training program for new franchisees.

3) You shall be current on all amounts owed to us or our affiliates. Any and all promissory notes owed by you to us, or our affiliates, shall be accelerated and paid in full.

4) All obligations to third parties in connection with your LINE-X Store shall be satisfied or assumed by the transferee.

5) Your LINE-X Store shall have been brought into full compliance with the Manual and specifications and standards then-applicable for a new LINE-X Store.

6) The transfer will occur through the use of an escrow or a closing attorney, as applicable, and the escrow or closing instructions will provide for (i) payments of all fees owed to us, including transfer fees, training fees and any other amounts; and (ii) a reasonable "hold back" or retention for a period not to exceed 12 months, to provide for correction of defects in workmanship committed by you, or for payment to the transferee of warrantied work performed by you.

7) The transferee shall, at our option, (i) agree to be bound by all the terms and conditions of this Agreement for the remainder of the term; or (ii) execute our then-current form of franchise agreement and ancillary documents (including guarantees) as are then customarily used by us in the grant of franchises; and the term of such new franchise agreement shall, at our option, be either for the balance of the term of this Agreement or for the full term generally awarded to new franchisees as of the time of the transfer.

8) You or the transferee shall pay us a non-refundable transfer fee of Ten Thousand Dollars ($10,000) with your application for a transfer.

9) You and each of your owners and/or affiliates, and the transferee (and each owner and/or affiliate of the transferee,) shall sign a General Release in a form we require.

10) You shall provide customer and warranty information to the transferee, and the transferee shall agree to honor all warranties on work performed by you.

11) You will agree with the transferee not to compete after the transfer in accordance with restrictions acceptable to us and substantially similar to those described in Section 7.

12) You agree that your license to access and use Customer Data terminates without further rights to such Customer Data as of the transfer date. You also agree that you or we, at our option, will delete and destroy any originals or copies of the Customer Data in your possession, custody, or control.

13) You agree that all rights to any rebates, incentives, allowances, credits, or similar benefits arising from or related to the operation of the Franchised Business, whether accrued before, on, or after the effective date of the transfer but not yet paid as of the closing transfer date, shall automatically transfer to and vest in the transferee, and you waive any claim to such amounts following the transfer.

B. You agree that you shall not sell, assign, hypothecate, or otherwise transfer your Franchised Business without our prior written consent and approval which we may withhold or condition our consent to any transfer in our Business Judgement. You also agree that any attempt to do so or purported sale, assignment, hypothecation, or other transfer occurring without our prior written approval is void.

C. You agree that we may (but are not required to) discuss with you and/or the proposed transferee any matters related to any transfer and/or proposed transfer at any time that we consider to be appropriate in our Business Judgment without liability (including our opinion of the terms of sale, performance of your franchise, etc.). You expressly consent to any such discussions by us, and we may contact any proposed transferee directly regarding such matters or otherwise.

D. Neither you nor any transferee shall rely on us to assist in the evaluation of the terms of any proposed transfer. You acknowledge and agree that an approval of a proposed transfer shall not be deemed to be an approval of the terms nor any indication as to any likelihood of success or economic viability.

13.4 Additional Conditions for Transfer to a Business Entity. We will consent to a transfer from you to a Business Entity entirely owned by you and formed for the sole purpose of operating the LINE-X Store if the conditions described in 13.3 above or such other reasonable conditions that we may impose are met. Such a transfer will not relieve you of your obligations under this Agreement. You will remain jointly and severally liable to us for your and the Business Entity's obligations.

13.5 Death or Disability of Franchisee. If the Franchisee, or if the owner of the Franchisee with a controlling interest, dies or is permanently disabled, then his or her interest in this Agreement, the Franchise, and/or the Franchisee shall be transferred to a third party subject to all of the provisions of this Section 13. A "permanent disability" occurs if due to a disability you are not able to personally and actively participate in the management of your LINE-X Store for six (6) consecutive months. Any transfer under this Section shall be completed within six (6) months from the date of death or permanent disability. If no transfer occurs, the Franchise will automatically terminate at the end of such period, unless a written extension is granted by us in our Business Judgment.

13.6 Right of First Refusal. You agree that all Transfers are subject to our right of first refusal. If you or any of your direct or beneficial owners (i) wish to Transfer any or all of your or any of its direct or beneficial owners' interest in this franchise, the Agreement, franchisee, the Location, the Location Agreement, or substantially all of your assets or (ii) receive a bona fide offer to Transfer any or all of franchisee or any of your direct or beneficial owners' interest in this franchise, the Agreement, franchisee, the Location, the Location Agreement, or substantially all of your assets (13.6(i) and (ii) together, an "Offer"), then you shall provide us with written notice of any Offer or proposed Transfer by you, as well as all Complete Transfer Request Material.

A. You agree that LINE-X may reject and exclude any term, condition, or obligation of the Offer that includes any term, condition, or obligation not relating to the Franchised Business, this Agreement, the Location, the Location Agreement, or the assets relating to the Franchised Business in LINE-X's Business Judgment (the "**Excluded Property**"). Should an Offer contain Excluded Property, either LINE-X may adjust the purchase and sale terms, including price, in its Business Judgment removing the Excluded Property and a reasonable value associated therewith or LINE-X may request that you resubmit the Offer with adjusted purchase and sale terms and conditions, including price (the "Adjusted Terms").

B. LINE-X shall exercise its right of first refusal for an Offer by providing you with written notice of its election to exercise its right of first refusal within ninety (90) days of LINE-X's receipt of the Complete Transfer Request Material on substantially the same terms and conditions of the Offer provided less the Excluded Property and on the Adjusted Terms, if applicable. You also agree that LINE-X may substitute cash for any form of non-monetary compensation or payment plan set forth in the Offer with a discount to net present value for any deferred Payments and that the final transaction documents between OTB and the transferor shall be modified as necessary to contain all revised terms and conditions, including removing the Excluded Property and including the Adjusted Terms, as well as the customary representations and warranties given by a seller of the relevant rights, title, and interest at issue.

C. If LINE-X elects to not to exercise its right of first refusal for an Offer (a "**Rejected Offer**"), then the final transaction contemplated by the Rejected Offer shall close within one hundred twenty (120) days after LINE-X received the Complete Transfer Request Material on the same terms and conditions set forth in the Rejected Offer. Should either (i) the terms of such Rejected Offer change or (ii) the transaction contemplated by the Rejected Offer not close within one hundred twenty (120) days after LINE-X received the Complete Transfer Request Material, then you agree to provide LINE-X with an additional right of first refusal during the thirty (30) day period immediately following (1) LINE-X's receipt of notice of a change to the Rejected Offer or (2) the expiration of the one hundred twenty (120) day period on the terms of the original Offer or the modified terms, at LINE-X's option.

D. Our decision not to exercise our right of first refusal for an Offer or a Rejected Offer shall not constitute a waiver of our right to subsequently exercise our right of first refusal for any change in Offer or later proposed Transfer or Offer.

14. FRANCHISE RENEWAL

14.1 Eligibility for Renewal.

A. If you are in material compliance with the terms and conditions of this Agreement throughout the Term, you may elect to renew the franchise for one additional term of ten (10) years subject to the terms and conditions of this Article 14 and your ability to meet all then-current successor terms and conditions, including potentially attending a training program. The successor franchise agreement you are required to enter at that time may materially differ from this Agreement in financial and other ways and terms, including terms and conditions that may be less favorable to you such as increased Royalty and Marketing Fund Contribution and/or a smaller Territory.

B. If we (i) make an announcement (at any time) that we have made a determination that continued franchising (on a national, regional, or other basis) is not appropriate for reasons that relate to our economic or other interests and that we do not intend to continue to regularly award franchises and maintain a franchise program for LINE-X Stores in your state; and (ii) do not open or award franchises for LINE-X Stores in your state for twenty-four (24) months after the date of such announcement (provided that we may award renewal or successor franchises where an older form of franchise agreement or otherwise requires us to do so, and/or continue to service existing franchisees under outstanding agreements), then we will not be required to offer you any successor franchise, or renewal or similar rights and will have no liability or obligation to you with respect thereto. You agree that if any statute or court decision requires "good cause" (or any similar standard) for non-renewal, compliance by us with the provisions of this subsection is considered good cause.

C. You agree that these provisions are commercially reasonable because commercial and other developments may make further participation in franchising by you or us inappropriate. Therefore, just as you have the option to not accept a successor franchise, we have the option to no longer award successor or other franchises or grant renewals for any of the reasons set forth in Section 14.

14.2 Notice of Election.

A. This Agreement does not automatically renew nor is any successor franchise automatically awarded. You shall give us written notice of your election to obtain the successor franchise not less than six (6) months, but not more than twelve (12) months, before the expiration of the Term and your agreement to comply with all conditions required to obtain a successor franchise. The requirement to provide written notice is a material condition precedent to our decision of whether to grant a successor franchise agreement. You agree that your failure to comply with this obligation will result in LINE-X's rejecting your request for a successor franchise or, possibly, or agreement to grant a successor franchise only on materially different terms, such as a different Territory or Royalty Program or amounts. Within ninety (90) days after our receipt of the notice, we will acknowledge receipt of your notice and provide in writing:

1) any reasons that could cause us to not award the successor franchise, including any deficiencies requiring correction; and

2) our then-current requirements, specifications, and standards relating to the image, appearance, and equipment then-necessary to operate the Franchised Business as a LINE-X Store.

B. If you are subject to a Correction Process (as defined below) under Section 15.5 when (i) you provide us with notice of your intent to obtain a successor franchise or (ii) the successor franchise would be awarded, then we may choose in our Business Judgment to defer the award of any successor franchise until you have successfully complied with the applicable LINE-X Performance Standards (as that term is defined in Section 15.5 below).

14.3 Conditions to the Award of a Successor Franchise. You agree that you shall meet or exceed all of the following conditions, together with the then-current standards applicable to successor franchisees, before we enter a successor franchise agreement:

A. You timely provide written notice of your election to seek a successor franchise in accordance with Section 14.2 above.

B. You (and each affiliate of yours) shall be in Good Standing and otherwise in compliance with the material terms of this Agreement.

C. Your LINE-X Store and its operations shall fully comply with all requirements, specifications, and standards then applicable for new LINE-X Stores and with the Manual.

D. You (and each affiliate of yours) shall be current on payment of all amounts owed to us and any Franchisor-Related Parties.

E. You execute our then-current form of franchise agreement and related documents then customarily used by us (with appropriate modifications to reflect the fact that the franchise agreement to be awarded relates to a single successor franchise agreement as contemplated by this Agreement). You will not be required to pay the then-current initial franchise fee. We will not be required to provide you with any site location assistance, initial training program, or other "start-up" services in connection with the award of any successor franchise.

F. You and your LINE-X Store shall comply with our then-current qualification and training requirements.

G. You (and each owner and/or affiliate of yours) shall execute a General Release of all claims, except for any claims exclusively related to the successor franchise (where expressly so required by applicable law), on a form that meets our approval in our Business Judgment.

H. You shall pay a renewal fee equal to ten percent (10%) of the then-current Initial Franchise Fee to us upon execution of the then-current form franchise agreement for the successor franchise.

You agree that failure by you and/or your owners to provide us with notice of your election to renew and to timely complete all requirements will be deemed an election not to obtain the successor franchise by you.

15. TERMINATION OF THE FRANCHISE.

15.1 Defaults with No Right to Cure. This Agreement will terminate upon delivery of our written Notice of Termination to you in compliance with Section 18 (without further action by us and without opportunity to cure) if you (or any of your owners):

A. fail to timely meet the site selection, development, opening, and other requirements provided in Sections 3.1 and 3.4 above;

B. abandon or fail to operate your LINE-X Store or the Location for more than seven (7) consecutive calendar days;

C. make any material misrepresentation or omission in your application for the franchise, including failure to disclose any prior litigation or criminal convictions (other than minor traffic offenses) or otherwise provide LINE-X with false or misleading books, records, documents, information, statements, representations, or warranties;

D. are judged bankrupt, become insolvent, make an assignment for the benefit of creditors, are unable to pay your debts as they become due, or a petition under any bankruptcy law is filed by or against you or any of your owners or a receiver or other custodian is appointed for a substantial part of the assets of your LINE-X Store;

E. are convicted of, or plead no contest to, a felony, or to any crime or offense, or engage in any misconduct (including, but not limited to, child abuse, health or safety hazards, drug or alcohol problems, or permitting unlawful activities at your LINE-X Store) that is likely to adversely affect the reputation of the franchise or any owner, your LINE-X Store, other LINE-X franchisees, us, the Marks, or our goodwill;

F. make, or attempt to make, an unauthorized Transfer or surrender control of your LINE-X Store without our prior written approval;

G. violate Section 7.2 above (or any other person identified therein commits such a violation);

H. have three (3) or more material customer complaints with respect to your LINE-X Store in any eighteen (18) month period, whether or not resolved;

I. fail to permit or cooperate with us or our designee in any audit or inspection or fail to retain (or to produce on request) any records required to be maintained by you;

J. make any unauthorized use or disclosure of any Confidential Information or use, duplicate, divulge, or disclose any portion of the Manual in violation of this Agreement;

K. violate any health, safety, or sanitation law, ordinance, or regulation and fail to immediately begin curing the noncompliance within three (3) days of receiving notice of such violation and do not completely cure such noncompliance within five (5) days of receiving notice;

L. commit an act or omission that results in a danger of compromises the safety of your employees, Customers, or the public;

M. lose the right of possession to the Location or fail to timely cure any default or breach of the Location Agreement; or

N. use, obtain, or sell designated equipment, products and/or services from any source other than the source we require without our prior written approval.

15.2 Defaults with Right to Cure. This Agreement will automatically terminate on delivery of our written Notice of Termination to you in compliance with Section 18 (without further action by us and without further opportunity to cure beyond that set forth in this Section):

A. If within ten (10) calendar days after delivery of our written notice of default to you, which period of time is subject to applicable state law, you (or any of your owners) do not cure any:

1) failure to maintain required insurance or provide evidence of such to us within ten (10) days of our request;

2) failure to correct any condition that, in our reasonable judgment, might pose a danger to public health and/or safety;

3) failure to submit any book, records, or report due under this Agreement;

4) failure to make payments of any amounts due us, any Franchisor-Related Parties, any designee of ours and/or any supplier/creditor of yours and do not correct such failure(s);

5) failure to have a trained, qualified spray technician at the Store;

6) failure to timely meet the Performance Standards (defined below) or otherwise implement and/or comply with the Performance Standards (defined below) as required by Section 15.5.

7) failure to comply with any of the dispute resolution provisions of this Agreement, including (but not limited to) failure to pay/deposit any amounts or otherwise and/or unexcused failure to appear or respond to any dispute resolution proceedings; or

8) failure to comply with any other provision of this Agreement, any other agreement with us and/or any affiliate of ours, or any specification, standard or operating procedure or rule prescribed by us in the Manual or by other writing which does not provide for a shorter notice period.

With respect to items A.1 and/or A.2 above, you agree we may require you to immediately cease all operations until such defaults are fully cured.

B. If any default under Section 15.2.A. cannot reasonably be corrected within the ten (10) day period, then you shall undertake diligent efforts within such ten (10) day period to come into full compliance. You shall furnish, at our request, proof acceptable to us of such efforts and the date full compliance will be achieved. In any event, all such defaults shall be fully cured within thirty (30) days after delivery of the initial written notice of default to you.

15.3 Repeated Defaults. This Agreement will Terminate upon delivery of our written Notice of Termination to you in compliance with Section 18 (without further action by us and without opportunity to cure) if you have committed two (2) or more applicable defaults within any twelve (12) consecutive months or three (3) or more applicable defaults within any twenty-four (24) consecutive months. An "applicable default" is a single breach of any obligation under this Agreement and/or the Manual or under any other agreement with us and/or any of our affiliates, whether or not such default is cured, or is the same as or similar to a prior event of default.

15.4 Cross-Defaults. Any default by you (or any owner or affiliate of yours) under this Agreement may be regarded by us as a default under any other agreement between us (or any Franchisor-Related Parties) and you (or any owner or affiliate of yours). Any default by you (or any owner or affiliate of yours) under any other agreement or any other obligation between us (or any Franchisor-Related Parties) and you (or any owner or affiliate of yours) may be regarded as a default under this Agreement.

15.5 Failure to Meet System Standards.

A. You and we have a shared interest in your LINE-X Store performing at or above the LINE-X System standards set forth in the Manual ("**System Standards**") We would not have entered into this franchise relationship with you if we had anticipated that you would not meet or exceed the System Standards. We have developed a "LINE-X Standards of Service" program that offers recognition, rewards, and benefits, including eligibility for reimbursements, to encourage Line-X franchisees to meet or exceed the Performance Standards.

B. LINE-X System Standards. We may choose, in our Business Judgment, to evaluate your LINE-X Store for compliance with LINE-X System Standards using various methods (including, but not limited to, inspections, field service visits, customer comments/surveys, and secret shopper reports). You agree to cooperate and participate in those efforts, when requested, in good faith. We reserve the right to terminate this Agreement if you receive three (3) or more material customer complaints about the quality of your workmanship in any twelve (12) month period, whether or not such complaints are resolved.

C. We may (but are not required to) implement the correction process described in 15.5.D., below, if you fail to meet System Standards.

D. Correction Process

1) In addition to or in the alternative of our rights under this Article, we may notify you of your failure to meet any of the System Standards (a "**Correction Notice**"). If we do so, you agree to meet all applicable standards within thirty (30) days of the date we send our Correction Notice to you in accordance with Section 18 (the "**Correction Period**").

2) In our Business Judgment, we may assist you in your efforts to meet your performance requirements under the System Standards. You agree to cooperate in good faith with our efforts to assist you in such circumstances. Among other things, we can (i) require you and/or your manager to attend and successfully complete a re-training seminar at our Franchise Support Center, with you to pay all related travel, meals, lodging and incidental expenses; or (ii) send a trainer to your location to present a re-training seminar, which you and your manager shall successfully complete, with you to pay us a Five Hundred Dollar ($500) per day re-training fee.

3) As part of the correction process, you agree to sign a probation report which clearly sets forth an admission by you of the problems identified, the remedial actions taken, and the consequences for repeated failure or defaults.

E. If within the Correction Period, your LINE-X Store does not meet the required System Standards set forth in the Correction Notice, then we can proceed to default and terminate your franchise in accordance with Section 15.2.

F. Nothing in this Section is intended to limit or diminish in any way any rights or remedies provided us under this Agreement or any other agreement between the Parties or otherwise at law or in equity. The fact that any correction process may be ongoing shall not prevent us from exercising any such rights and/or remedies, including any right to terminate this Agreement for another default under this or any other agreement.

15.6 Non-Exclusive Remedies. Whenever we have a right to terminate this Agreement or take other action, we (and any Franchisor-Related Parties) will have all remedies allowed at law and in equity. No right or remedy which we may have (including termination) is exclusive of any other right or remedy, and we may pursue any rights and/or remedies available.

15.7 Our Right To Discontinue Supplying Items Upon Default. We and any Franchisor-Related Parties have the right, in addition to all other rights and remedies available, to require you to pre-pay and/or pay by electronic transfer, certified check, or other method we designate for any goods and/or services, including LINE-X Products, related to the operation of your Franchise Business if you or any party related to you (i) commits a default under this or any other agreement between the Parties, (ii) fails to timely pay us or any Franchisor-Related Party any amount owed as a result of the operation of this LINE-X Store or any other LINE-X store, or (iii) has an unpaid or past due balance to us or a Franchisor-Related Party for goods or services relating to the operation of this LINE-X Store or any other. We and any Franchisor-Related Parties also have the right to stop selling and/or providing any goods and/or services to you until you have cured all defaults under this Agreement or any other agreement between the Parties.

16. RIGHTS AND OBLIGATIONS ON TRANSFER, REPURCHASE, TERMINATION AND/OR EXPIRATION OF THE FRANCHISE.

16.1 Payments of All Amounts Owed, Etc. You shall pay all amounts of any kind owed to us and/or any Franchisor-Related Parties in conjunction with the Transfer, termination, or expiration of the Franchise.

16.2 Confidential Information, Marks, Goodwill Etc. After any Transfer, termination, or expiration of the Franchise:

A. You agree to immediately and permanently discontinue your LINE-X Franchise Business and any use of the Marks, Confidential Information, Customer Data, and goodwill in any and all forms and on every and each platform in accordance with all details and requirements for de-identification specified in the Manual's "De-Identification Checklist". You further agree that you will not use any similar or derivative marks, materials, or colorable imitations of any of the Marks in any medium or manner or for any purpose;

B. You will, at our option and immediately upon our request, either return to us or destroy all Manuals, forms, materials, signage, and any other items containing the Marks, Confidential Information, or otherwise identifying or relating to a LINE-X Store to the extent they have not been assigned in connection with an authorized Transfer. You will immediately furnish and return all Customer Data to us;

C. You will immediately take such actions as may be required to cancel all fictitious or assumed names or equivalent registrations that contain or reference the Marks or the name "LINE-X" that have not been assigned in connection with an authorized Transfer;

D. You will remove from the Location any signage and physical and/or structural features associated with the LINE-X Store(s) so that the Location is clearly distinguished from other LINE-X stores and do not create any public confusion to the extent they have not been assigned in connection with an authorized Transfer or a Repurchase in accordance with the De-Identification Checklist;

E. You agree not to identify yourself, or any business you may operate or in which you may become involved, or to advertise or promote yourself in any manner, as a present or former LINE-X franchisee in accordance with the De-Identification Checklist; and

F. You will furnish us within thirty (30) days satisfactory evidence of your compliance with the obligations described in Section 16.2 and in Section 16.3 below. If you operate any business using any of the Marks, Confidential Information, or any aspect of the System, our remedies will include (but will not be limited to) recovery of the greater of (i) all profits earned by you in the operation of such business; or (ii) all royalties, marketing contributions, and other amounts which would have been due if this Agreement remained in effect with you.

16.3 Telephone and Other Directory Listings, Internet Sites. You understand and agree that we own all telephone numbers, domain names, internet addresses/sites and/or other communications services links, and any related directory listings/marketing including but not limited to Google My Business and Google Business Profile listings, used in connection with the operation of your LINE-X Store (collectively, the "Numbers"). We may, in our Business Judgment, require you to sign an assignment of such Numbers prior to training or at another time. After termination or expiration of the Agreement, you will promptly transfer, call forward, discontinue, or otherwise manage the Numbers and any related directory listings/marketing as we direct at your expense. You agree to sign any documents and/or pay any amounts required by a telephone/communication services provider as a condition to our exercising any rights under this Section. By signing this Agreement, you irrevocably appoint us your attorney in fact to take any such actions regarding the Numbers and any related directory listings/marketing if you do not do so yourself within ten (10) days after the termination or expiration of this Agreement. Such companies may accept this Agreement as conclusive evidence of our exclusive rights in such Numbers and related directory listings, web pages, and marketing. If we are required to pay any amounts owed by you to any telephone/communication services provider or other third party in connection with our exercising our rights under this Section or to obtain or exercise our rights to the Numbers, you will immediately reimburse us for such amounts and all related costs on demand.

16.4 Continuing Obligations.

A. All obligations and rights which expressly or by their nature survive the Transfer, expiration, or termination of this Agreement will continue in full force and effect until they are satisfied or by their nature expire, including all post-termination covenants in Article 7, post-termination obligations in Article 16, and obligations to maintain and keep books and records and submit to an audit in Articles 11 and 12.

B. If this Agreement is terminated because of a default of yours, you will not be released or discharged from your obligations, including payment of all amounts then due and those that would reasonably be due if your performance continued for the ten (10) year period after the Commencement Date as required. Our remedies will include (but are not limited to) the right to accelerate the balances of any promissory notes owed, to receive any other unpaid amounts owed to us or any Franchisor-Related Parties, to collect any amounts that would have become due if you had continued in operation as a LINE-X Franchisee, including but not limited to our lost profits, and recovery of any other damages caused by your default and/or termination. You understand and agree it is your intention to purchase all required items from us, including Chemical Products and the POS System, and pay all amounts due, including Royalty and Marketing Fund Contributions, to us for the entire ten (10) year period after the Commencement Date, even if you do not operate your LINE-X Store for the entire period. You (and each of your owners/affiliates) agree to sign a General Release if we choose in our Business Judgment to waive our rights to collect any amounts owed or that would have become due if you had continued in operation as a LINE-X franchisee.

C. If this Agreement is terminated because we cease to be in the business of both awarding and maintaining LINE-X franchises, then you may enter into a similar business so long as none of the LINE-X System, Marks, System, materials, supplies, goodwill, and anything else utilized in the creating or delivery of the Franchised Business are not used in any way in the operation or creation of the similar business.

17. DISPUTE AVOIDANCE AND RESOLUTION.

For the purposes of this Section 17, "you" shall be deemed to include your owners, affiliates, and their respective employees, and "we" shall be deemed to include "Franchisor-Related Parties."

17.1 Mandatory Binding Arbitration, Waiver of Right to Trial in Court, Etc. You and we believe that it is important to resolve any disputes amicably, quickly, cost effectively, and professionally and to return to business as soon as possible. You and we have agreed that the provisions of this Section 17 support these mutual objectives and, therefore, agree as follows:

A. Claim Process: Except as set forth in Section 17.1.D. below, any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever between or involving you and any of your affiliates, on the one hand, and us and any of our affiliates, on the other hand, arising out of, related to, or referencing LINE-X's franchise disclosure document, the sale of this franchise, this Agreement, the Franchised Business, you or our performance thereunder, or breach of the Agreement in any way, including, without limitation, any claim arising in contract or tort arising out of the relationship created by this Agreement, for equitable relief, or asserting that this Agreement is invalid, illegal, or void ("Claim") shall be submitted to and resolved by binding arbitration before a single arbitrator in the County where our then headquarters is located, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association or its successor. Judgment on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction (subject to the opportunity for appeal as contemplated below). You and we each expressly waive all rights to any court proceeding, except as expressly provided below in Section 17.1.D. Any dispute arising out of or in connection with this arbitration provision, including any question or objection regarding its existence, validity, scope, arbitrability of any claim or counterclaim, jurisdiction of the arbitrator, venue of arbitration, or termination shall be referred to and finally resolved solely by arbitration. The Parties agree that such arbitration proceeding shall permit and include appropriate discovery and exchange of information before a final hearing, including not less than initial disclosures then contemplated and provided for in the Federal Rules of Civil Procedure, ten (10) requests for admission, ten (10) interrogatories, thirty (30) requests for production, two (2) depositions not to exceed six (6) hours, third-party subpoenas for testimony and/or documents, and such additional and other discovery that an arbitrator determines is reasonably related to and proportionate to the claims and defenses in the arbitration.

B. Confidentiality: The parties to any arbitration will sign confidentiality agreements and direct the arbitrator to enter a protective order in the arbitration proceeding permitting parties to designate documents, material, testimony, and/or other evidence confidential and/or subject to review by attorneys-eyes only. Such confidentiality agreement and protective order shall be proportionate to the needs, claims, and defenses of the arbitration. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for arbitration, including but not limited to percipient witnesses and expert witnesses.

C. Fees and Costs: In the event of any arbitration or litigation (also including appeals, petitions for confirmation, modification, or vacation of an award) arising out of or relating to a Claim, this Agreement, the breach of this Agreement, or the relationship of the parties to this Agreement, the prevailing party will be reimbursed by the other party for all costs and expenses incurred in connection with such arbitration or litigation, including, without limitation, reasonable attorneys' fees.

D. Disputes Not Subject to the Arbitration Process: Claims or disputes seeking injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm, including those Claims related to or arising from: (a) the validity or your use of the Marks and/or any intellectual property licensed to you; (b) health and safety issues or violations; or (c) the enforcement of this Agreement's post-termination covenants and obligations set forth in Articles 7 and 15, may be submitted to a court as provided for in Section 17.2 below. We may seek and obtain such injunctive relief, without bond, but upon notice as required under applicable rules, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its

dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

E. Your and Our Intentions: You and we mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, provincial or other law, and/or any statements in our Franchise Disclosure Document required by a state as a condition to registration or for some other purpose:

1) all issues relating the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

2) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, and choice of laws;

3) you and we intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

4) **you and we each knowingly waive all rights to a court or jury trial** (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring arbitration as provided in this Agreement;

5) in the Claim Process, you and we agree that each may bring claims against the other only in your or our individual capacity and not as a plaintiff or member of any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both you and we agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding for discovery, final hearing, or otherwise; and

8) the terms of this Agreement (including but not limited to this Section 17) shall control

with respect to any matters of choice of law.

17.2 Venue. Without in any way limiting or otherwise affecting your and our obligations under Section 17.1 above, you and we agree that any litigation described in Section 17.1.D. will be brought, at our option, in the state or federal court in whose jurisdiction (1) our then-current headquarters is located or (2) your LINE-X Store is located.

17.3 Terms Applicable to All Proceedings, Waiver of Trial by Jury, Certain Claims, Class Action Rights. With respect to any arbitration, litigation, or other proceeding of any kind, you and we:

A. knowingly waive all rights to trial by jury; and

B. will pursue any proceeding on an individual basis only, and not on a class-wide or multiple-plaintiff basis.

17.4 Limitations on Claims. Neither party may make claims for emotional distress, whether negligent or intentional, nor punitive damages.

17.5 Periods in Which to Make Claims. No arbitration, action, litigation, or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either you or us will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type,

unless such party commences such arbitration proceeding, action, or suit before the expiration of the earlier of:

1) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

2) Eighteen (18) months after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. If any federal, state, or provincial law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party(ies) have been found liable and any time for appeals has run in the underlying action.

17.6 Our Exercise of "Business Judgment" and/or Meaning of "Sole Discretion"; Express Agreement. When we use the phrases "sole and absolute discretion", "sole discretion" and/or "Business Judgment", whether in this Agreement or another context, you and we agree that we have the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions in our sole and absolute discretion. We shall use our judgment in exercising such discretion based on our assessment of the interests we consider appropriate and will not be required to consider your individual interests or the interests of any other franchisee(s). You, we, and all other franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including but not limited to the competitive environment, new regulatory developments, and emerging business opportunities. Therefore, you and we agree that the ultimate decision-making responsibility for the LINE-X System shall be vested in us. So long as we act in compliance with the requirements of this Agreement, we will have no liability for the exercise of our discretion in accordance with the provisions of this Agreement.

17.7 Severability; Substitution of Valid Provisions. Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

17.8 Choice of Laws. You and we agree on the practical business importance of certainty as to the law applicable to your and our relationship and its possible effect on the development and competitive position of the System. Therefore, you and we also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the Lanham Act (15 U.S.C. §1051 et seq.) and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning you and us, will be governed by, and construed and enforced in accordance with, the laws of the state in which our headquarters is located; except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, and/or relationship laws) shall **not** apply unless that state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section. You and we agree that this provision shall be enforced without regard to the laws of the state of our headquarters relating to conflicts of laws or choice of law.

17.9 Application of Agreement to Parties and Others; Joint and Several Liability.

A. The rights and obligations of this Agreement run directly between you and us and are not intended to create any third-party beneficiary or similar rights or obligations unless specifically expressed in this Agreement; except that the protections which apply to us relating to indemnification and/or releases shall also apply to any past, current and/or future Franchisor-Related Parties as if they were expressly named beneficiaries thereof.

B. We have the right to elect in our Business Judgment to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to you and/or any other franchisee or other person, in a lawful manner without liability.

C. If two (2) or more persons are, at any time, the franchisee or the franchisee owners, all of their obligations and liabilities under this or any other agreement with us and/or any Franchisor-Related Parties will be joint and several.

18. NOTICES.

All written notices and reports to be delivered by the provisions of this Agreement or the Manual will be deemed so delivered when delivered (i) by hand, (ii) immediately on transmission by facsimile or other electronic system, including electronic mail or any similar means, (iii) one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or (iv) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to us at LINE-X LLC at our then-current headquarters to the attention of the CEO or to you at your LINE-X Store. Until your LINE-X Store has opened for business, we may send you notices at any address appearing in your application for a franchise or in our records.

19. FORCE MAJEURE.

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties that materially affects a party's ability to perform. In this Agreement, the term "**Force Majeure**" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, federal or state government-mandated restrictions, civil commotion, or act of terrorism; (iv) strikes or lockouts; (v) embargoes; (vi) lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection with the production, storage, shipment, or sale of goods and services; or (vii) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the production, storage, shipment, or sale of goods or services. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall neither apply nor result in an extension of the Term of this Agreement.

20. MISCELLANEOUS.

20.1 **No Fiduciary Relationship**. You and we agree that your and our relationship is not a fiduciary or similar special relationship, but rather is an ordinary commercial relationship between independent business people with arm's length dealings.

20.2 **Merger and Integration.** You and we agree that this Agreement contains the final, complete, and exclusive expression of the terms of your and our agreement (along with concurrently signed writings, such as but not limited to personal guarantees, Statement of Prospective Franchisee, addenda, exhibits, releases, and any other related documents and supersedes all other agreements and/or representations of any kind or nature). Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this Agreement are expressly disclaimed by you and us, including but not limited to any promises, options, rights-of-first refusal, guarantees, and/or warranties of any nature. Neither you nor we believe it to be fair or reasonable for the other party to have to address or respond to allegations about understandings, representations, etc. not fully expressed in writing in this Agreement. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations we made to you in the Franchise Disclosure Document

or in any related document that we heretofore furnished to you.

20.3 **Electronic Records**. You acknowledge and agree that we may elect to keep only electronic copies of any and all documents and records pertaining to the Franchised Business, the System, and the franchise relationship between the parties. Each such electronic record will accurately reflect the information in the document and will remain accessible to all persons entitled by law to access the information for the period of time required by law. The electronic record will be in a form capable of being accurately reproduced for later reference if necessary.

20.4 **Construction**. All captions in this Agreement are for the Parties' convenience and are not intended, nor shall be deemed, to affect the meaning or construction of any term, condition, or obligation herein.

20.5 **Waiver**. No delay, waiver, omission, or forbearance by us to exercise any right, option, duty, or power arising out of any breach or default by you under this Agreement shall constitute a waiver by us to enforce any such right, option, duty, or power as against you, or as to any subsequent breach or default. Subsequent acceptance by us of any payments due hereunder shall not be deemed to be a waiver by us of any preceding breach of any terms, provisions, covenants, or conditions of this Agreement.

20.6 **Professional Advice**. The Parties acknowledge and agree that they have had the opportunity to consult with legal counsel and financial advisors of their choosing before entering this Agreement. The Parties specifically acknowledge and agree that they are aware of and understand the business and legal risks associated with entering this Agreement, and that they, with knowledge of the risks, freely entered this Agreement.

20.7 **Variance of Terms and System Standards**. You acknowledge and agree that we may grant other franchisees different rights at different times pursuant to franchise agreements that may substantially differ from this Agreement or your other franchise agreements. You further acknowledge and agree that we reserve the right to vary the System and other standards, specifications, policies, and procedures in addition to the terms and conditions of franchise agreements in our sole and absolute discretion.

[SIGNATURE BLOCK CONTINUED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, you and we have executed and delivered this Agreement in counterparts on the day and year first above written to be effective upon execution by us.

FRANCHISOR:

LINE-X LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

FRANCHISEE (Individual):

_____
Signature

_____
Printed Name

FRANCHISEE (Corp., LLC, or Partnership):

_____
Legal Name of Franchisee Entity

a _____ (Jurisdiction of Formation)
Corporation, LLC, or Partnership

By: _____

Print Name:_____

Title: _____

LINE-X LLC
Exhibit 1 to Franchise Agreement

OWNER'S GUARANTY AND ASSUMPTION OF BUSINESS ENTITY FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by LINE-X LLC, a Delaware limited liability company ("Franchisor") of a franchise agreement of even date herewith (the "Agreement") between Franchisor and _____, a (n) _____ (state/province of formation) _____ (type of entity: LLC, LLP, corporation, etc.) (the "Business Entity Franchisee"), each of the undersigned hereby personally and unconditionally, jointly and severally:

1) guarantees to Franchisor, its affiliates, the Franchisor-Related Parties (as defined in the Agreement) and each of their successors and assigns, for the term of the Agreement, and for any renewal/successor franchise term, and thereafter as provided in the Agreement, that the Business Entity Franchisee will punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Agreement, as currently set forth and as amended and/or otherwise changed in the future, including any successor franchise agreement;

2) agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Agreement (including all confidentiality, non-competition, indemnity, and Post Termination Provisions), as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement; and

3) agrees to be personally bound by, and personally liable for, each past, current and/or future obligation of the Business Entity/Franchisee to Franchisor, its affiliates, the Franchisor-Related Parties and each of their successors and assigns.

The undersigned intends that the guarantees and other obligations herein be unqualifiedly general and without limitation in scope, nature and/or effect. Franchisor, and/or its affiliates, the Franchisor-Related Parties and each of their successors and assigns need not bring suit first against the undersigned in order to enforce this guarantee and may enforce this guarantee against any or all of the undersigned as it chooses in its/their sole and absolute discretion.

Each of the undersigned waives: presentment, demand, notice of demand, dishonor, protest, nonpayment, default and all other notices whatsoever, including (without limitation): acceptance and notice of acceptance, notice of any contracts and/or commitments, notice of the creation and/or existence of any liabilities under the Agreement or otherwise and of the amounts, terms or otherwise thereof; notice of any defaults, disputes or controversies between the Franchisor and the Business Entity Franchisee or otherwise, and any settlement, compromise or adjustment thereof; any right the undersigned may have to require that an action be brought against Franchisor, Business Entity Franchisee or any other person as a condition of liability, and any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this guaranty will be joint and several;

(2) he and/or she will render any payment or performance required under the Agreement on demand if the Business Entity Franchisee fails or refuses to do so punctually;

(3) such liability will not be contingent or conditioned on pursuit by Franchisor or otherwise of any remedies against the Business Entity Franchisee or any other person;

(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor or otherwise may from time to time grant to the Business Entity

Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guaranty, which will be continuing and irrevocable during the term of the Agreement and any renewal/successor franchise term;

(5) the liabilities and obligations of the undersigned, whether under this document or otherwise, will not be diminished or otherwise affected by the Termination, rescission, expiration, renewal, award of a successor franchise, modification or otherwise of the Agreement;

(6) terms not defined in this document shall have the meanings assigned in the Agreement; and

(7) the provisions of Section 17 of the Agreement are incorporated in and will apply to this document as if fully set forth herein and shall apply to any dispute involving the Franchisor, its affiliates, the Franchisor-Related Parties, and each of their successors and assigns and any of the undersigned.

In connection with such guarantee and the Franchisor (a) not requiring that the Franchise be initially awarded in the name of one or more of the Guarantors and/or (b) not requiring the payment of a full transfer fee in connection with any related transfer from the undersigned to the Business Entity Franchisee, each of the undersigned hereby grants a General Release of any and all claims, liabilities and/or obligations, of any nature whatsoever, however arising, known or unknown, against the Franchisor, its affiliates, the Franchisor-Related Parties and each of their successors and assigns. On request made at the time of signing this document, the Franchisor will grant the undersigned Guarantor(s) a Limited Release.

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

GUARANTOR(S) (Name and mailing address)	PERCENTAGE OF OWNERSHIP OF BUSINESS ENTITY FRANCHISEE
_____	_____%
_____	_____%
_____	_____%
_____	_____%

Individual Guarantors:

_____
Print Name:

_____
Print Name:

Business Entity Franchisee:
_____, a _____ corporation.

By: _____

Print Name: _____

Its: _____

LINE-X LLC
Exhibit 2.1 to Franchise Agreement

ACCEPTED PREMISES & PRE-EXISTING BUSINESSES

The address and location of the "Accepted Premises" is set forth on the first page of this Franchise Agreement dated _____:

Franchisee currently operates the following businesses at or near the Accepted Premises. The operation of other businesses at or near the Accepted Premises would normally violate the terms of the Franchise Agreement. However, Franchisor hereby consents to the operation of these businesses (but no others) from the Accepted Premises:

Name of Business Relationship to Franchisee Nature of Business

_____

_____

_____

Franchisee represents and warrants that any and all existing franchise agreements, stockholder agreements, partnership agreements, option agreements, or any other third party rights relating to the Pre-Existing Business, do not contain any covenants, terms and conditions which do now, or may in the future, prohibit the execution of the Franchise Agreement and the participation of any of the owners, managers or employees of the Franchisee in the Franchised Business and other than the consents of Franchisee and Franchisor there is no other third party consent required for the acquisition of the franchise to be legally binding and effective, and there are no existing restrictive covenants, other than those which the Pre-Existing Business has waived, binding on Franchisee or any of its partners, owners, agents representatives or employees that would be breached by the acquisition and operation of the Franchised Business

FRANCHISOR

LINE-X LLC
A Delaware limited liability company

By: _____

Print Name: _____

Title:_____

FRANCHISEE

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

LINE-X LLC
Exhibit 2.2 to Franchise Agreement

TERRITORY

The "Territory" is as follows:

_____

_____

_____

_____

Note: Boundary lines include only the area within the boundary line and extend only to the middle of the boundary demarcation (for example, only to the middle of a street or highway.) You have no rights under this Agreement or otherwise with respect to a facility on the other side of the boundary line, street, or highway or otherwise, and no matter how close to such boundary a facility may be, regardless of the distance from, impact on, or vicinity of, your LINE-X Store or the number of LINE-X Stores, other outlets or otherwise in any area or market. Your rights are limited as set forth in the Franchise Agreement.

FRANCHISOR

LINE-X LLC
A Delaware limited liability company

By: _____

Print Name: _____

Title: _____

FRANCHISEE

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

EXHIBIT B-2A and B-2B TO

LINE-X LLC

DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT AMENDMENT
(MUTUAL EARLY EXPIRATION)

LINE-X LLC AMENDMENT TO FRANCHISE AGREEMENT
MUTUAL MODIFICATION OF TERM AND RELEASE

This LINE-X LLC AMENDMENT TO FRANCHISE AGREEMENT (the "Amendment") is made and entered into this [DAY] day of [MONTH], [YEAR] (the "Effective Date") by and between LINE-X LLC, a Delaware limited liability company ("LINE-X") on one hand and [FRANCHISEE COMPANY NAME] and [FRANCHISEE INDIVIDUAL NAMES] (collectively, the "Franchisee") on the other hand. LINE-X and Franchisee may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on [DATE OF FRANCHISE AGREEMENT], LINE-X and Franchisee entered into a Franchise Agreement (the "Franchise Agreement") to operate a LINE-X Store located at [INSERT STORE ADDRESS] (the "Store"), from the date of its execution through to and including [INSERT ORIGINAL TERM END DATE] (the "Term");

WHEREAS, [INDIVIDUAL NAMES] guaranteed Franchisee's performance under the Franchise Agreement pursuant to an Owner's Guaranty and Assumption of Business Entity Franchisee's Obligations (the "Guaranty");

WHEREAS, Franchisee is obligated to operate the Store in compliance with all terms, conditions, and obligations of the Franchise Agreement for the duration of the Term;

WHEREAS, concurrent with the Effective Date, Franchisee elected to enter a Cornerstone Legacy Franchisee Incentive Addendum and new current LINE-X franchise agreement (the "New Franchise Agreement"), and LINE-X accepts Franchisee's election for the Store, and

WHEREAS, Franchisee has requested to amend the Franchise Agreement and modify the Term's expiration date to expire effective on [INSERT NEW EXPIRATION DATE] (the "New Expiration Date"), and to allow Franchisee the ability to enter into the New Franchise Agreement, and LINE-X accepts Franchisee's request for the New Expiration Date and to enter the New Franchise Agreement pursuant to the terms and conditions of this Amendment;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby agree as follows.

AGREEMENT

I. Acknowledgements, Warranties, and Representations

A. The Parties acknowledge and agree that the Recitals above are true and correct, and incorporate and adopt the Recitals above as if they were fully set forth herein.

B. The Parties acknowledge and agree that all capitalized terms not otherwise defined in this Amendment shall have the meanings set forth in the Franchise Agreement. Except as modified by this Amendment, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Amendment. All references in this Amendment to "Articles," "Sections," "Subsections," and/or "Exhibits" shall mean the applicable Article(s), Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below.

C. The Parties represent and warrant that they have the full power and authority to make, deliver, enter, and perform the terms and conditions of this Amendment and that the consent or approval

of a third party is not required to enter and perform under this Amendment. The Parties acknowledge and agree this Amendment is binding upon each Party and their respective heirs, successors, and assigns.

D. The Parties acknowledge and agree that the Term of the Franchise Agreement expires as of the New Expiration Date, and as of the New Expiration Date the Franchise Agreement shall have no further force or effect, other than those post-termination obligations naturally surviving the Franchise Agreement's expiration or termination, including Franchisee's post-termination obligations and covenants of non-competition, confidentiality, indemnification, and other post-termination restrictions not modified by this Amendment, as applicable.

E. Franchisee acknowledges and agrees that the terms, conditions, and obligations of the New Franchise Agreement are materially different from those of the Franchise Agreement. Franchisee further acknowledges and agrees to enter the New Franchise Agreement and warrants and represents that it has had the opportunity to seek independent legal and financial counsel in its review of the New Franchise Agreement.

F. Franchisee acknowledges and agrees that LINE-X complied with all of its obligations under the Franchise Agreement and the law.

II. The Parties' Obligations and Agreements

A. Franchisee agrees that all post-termination obligations under the Franchise Agreement survive the Franchise Agreement's termination herein, and that Franchisee shall abide by all post-termination obligations in the Franchise Agreement, including Franchisee's indemnification obligations (§ 6.3), confidentiality obligations (§ 7.1), and other post-termination obligations (§ 16) which remain in full force and effect.

B. Contemporaneous with the Effective Date and conditioned upon full compliance with this Amendment, the Parties acknowledge and agree that they shall fully execute a then-current franchise agreement for the Store (the "Subsequent Franchise Agreement") and the required corresponding addendum documents necessary to complete the transaction.

III. General Release of LINE-X

A. For and in consideration of LINE-X releasing Franchisee of their obligations to operate the LINE-X Store under the Franchise Agreement for the remaining Term, and permitting the New Expiration Date for the Franchise Agreement and Franchisee's execution of the New Franchise Agreement, and for other good and valuable consideration received from or on behalf of LINE-X, Franchisee for themselves and their direct, indirect, and beneficial owners, parent companies, affiliates, related companies, and all of Franchisee's members, officers, directors, agents, representatives, employees, subsidiaries, insurers, and all of their heirs, successors, and assigns (individually, and collectively in this Section III, "Franchisee Releasors"), hereby remise, release, acquit, satisfy, and forever discharge LINE-X, and its direct, indirect, and beneficial owners, parent companies, affiliates, related companies, and all of their and LINE-X's members, officers, directors, agents, representatives, employees, subsidiaries, insurers, and all of their heirs, successors, and assigns (individually and together in this Section III, "LINE-X Releasees"), of and from all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law or in equity, which Franchisee Releasors ever had, now have, or which any successor or assign of Franchisee Releasors hereafter can, shall, or may have, whether known or unknown, against LINE-X Releasee for, upon, or by reason of any matter, cause, or thing whatsoever, from the beginning of the world to the day of these presents.

B. Franchisee Releasors acknowledge and agree that it is their intent, with full knowledge and advice of counsel, to waive all claims they may now have against LINE-x Releasees, whether known or unknown, including all matters and causes of action relating to all claims, allegations, and/or defenses that were or could have been asserted.

C. Franchisee Releasors acknowledge and agree to the fullest extent permitted by law, subsequent to the execution of this Agreement, that they will not pursue, or cause or knowingly permit the prosecution, in any state, federal, or foreign court, alternate dispute forum, before any local, state, federal, or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature, or character, known or unknown, which Franchisee Releasors may now have, have ever had, or may in the future have against LINE-X Releasees, which is in whole or in part based on, arising from, or related to any matter released by this Section III.

IV. Limited General Release of Franchisee

A. For and in consideration of the Franchisee entering into this Amendment and the obligations described herein, including Franchisee's obligations set forth in Section II, and other good and valuable consideration received from or on behalf of the Franchisee, the receipt of which is hereby acknowledged, LINE-X hereby releases Franchisee and any of their respective officers, directors, board members, members, agents, employees, agents, attorneys, accountants, brokers, affiliates, subsidiaries, parents, predecessors, successors and assignees ("Franchisee Releasees") from all of their performance obligations under the Franchise Agreement except for Franchisee's indemnification obligations (§ 6.3), confidentiality obligations (§ 7.1), relevant covenant not to compete restrictions (§ 7.2), and other post-termination obligations (§ 16) arising from that Franchise Agreement, which remain in full force and effect. The Franchisee Releasees shall not be released whatsoever from their obligations pursuant to this Amendment or any subsequent ancillary agreements between the Parties.

B. LINE-X acknowledges and agrees to the fullest extent permitted by law, subsequent to the execution of this Amendment, that it will not pursue, or cause or knowingly permit the prosecution, in any state, federal, or foreign court, alternate dispute forum, before any local, state, federal, or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature, or character, known or unknown, which LINE-X may now have, has ever had, or may in the future have against Franchisee, which is in whole or in part based on, arising from, or related to any matter released by this Section IV.

V. General Terms

A. This Amendment sets forth the entire agreement and understanding of the Parties regarding the subject matter of this Amendment, and any agreement, representation or understanding, express or implied, heretofore made by any Party or exchanged between the Parties are hereby waived and canceled.

B. This Amendment shall be binding upon each of the Parties to this Amendment and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

C. The Parties acknowledge and agree they may execute this Amendment in any number of counterparts, electronically or otherwise, each of which shall be deemed an original, constitute the same instrument, and have the same effect as if all Parties executed the same original document.

D. The Parties acknowledge and agree that they have had the opportunity to consult with legal and financial counsel of their choosing and are aware of and understand the legal risks associated with entering into this Amendment.

E. All notices, consents, or other communications under this Amendment must be in writing and shall be deemed sufficiently given if delivered or sent via a nationally-recognized overnight delivery service or registered or certified mail, postage fully prepaid, as follows: if to LINE-X, then to LINE-X, LLC at

4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217; if to Franchisee, then to [FRANCHISEE PARTY NAME AND ADDRESS]. Notice shall be deemed delivered upon receipt of or refusal to accept the overnight delivery or the registered or certified mail delivery.

F. The Parties acknowledge and agree that Dispute Avoidance and Resolution provisions of Section 17 of the Franchise Agreement are incorporated into this Amendment and will govern all disputes related to this Amendment and the Franchise Agreement.

G. In the event any one or more of the provisions contained in this Amendment shall, for any reason, be held to be invalid, illegal, overbroad, or otherwise unenforceable in any respect, whether in whole or in part, then the Parties agree that it is their intention that (i) the offending provision be modified and/or reduced in scope and term so that it is enforceable; (ii) such invalidity, illegality, over breadth, or unenforceability does not affect any other provisions of this Amendment; and (iii) this Amendment shall be construed as if such invalid, illegal, over broad, or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year set forth above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

By: _____

Print Name: _____

LINE-X LLC:

By: _____

Print Name: _____

Title: _____

LINE-X LLC AMENDMENT TO FRANCHISE AGREEMENT
MUTUAL MODIFICATION OF TERM AND RELEASE (CALIFORNIA)

This LINE-X LLC AMENDMENT TO FRANCHISE AGREEMENT (the "Amendment") is made and entered into this [DAY] day of [MONTH], [YEAR] (the "Effective Date") by and between LINE-X LLC, a Delaware limited liability company ("LINE-X") on one hand and [FRANCHISEE COMPANY NAME] and [FRANCHISEE INDIVIDUAL NAMES] (collectively, the "Franchisee") on the other hand. LINE-X and Franchisee may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on [DATE OF FRANCHISE AGREEMENT], LINE-X and Franchisee entered into a Franchise Agreement (the "Franchise Agreement") to operate a LINE-X Store located at [INSERT STORE ADDRESS] (the "Store"), from the date of its execution through to and including [INSERT ORIGINAL TERM END DATE] (the "Term");

WHEREAS, [INDIVIDUAL NAMES] guaranteed Franchisee's performance under the Franchise Agreement pursuant to an Owner's Guaranty and Assumption of Business Entity Franchisee's Obligations (the "Guaranty");

WHEREAS, Franchisee is obligated to operate the Store in compliance with all terms, conditions, and obligations of the Franchise Agreement for the duration of the Term;

WHEREAS, concurrent with the Effective Date, Franchisee elected to enter a Cornerstone Legacy Franchisee Incentive Addendum and new current LINE-X franchise agreement (the "New Franchise Agreement"), and LINE-X accepts Franchisee's election for the Store, and

WHEREAS, Franchisee has requested to amend the Franchise Agreement and modify the Term's expiration date to expire effective on [INSERT NEW EXPIRATION DATE] (the "New Expiration Date"), and to allow Franchisee the ability to enter into the New Franchise Agreement, and LINE-X accepts Franchisee's request for the New Expiration Date and to enter the New Franchise Agreement pursuant to the terms and conditions of this Amendment;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby agree as follows.

AGREEMENT

II. Acknowledgements, Warranties, and Representations

G. The Parties acknowledge and agree that the Recitals above are true and correct, and incorporate and adopt the Recitals above as if they were fully set forth herein.

H. The Parties acknowledge and agree that all capitalized terms not otherwise defined in this Amendment shall have the meanings set forth in the Franchise Agreement. Except as modified by this Amendment, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Amendment. All references in this Amendment to "Articles," "Sections," "Subsections," and/or "Exhibits" shall mean the applicable Article(s), Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below.

I. The Parties represent and warrant that they have the full power and authority to make, deliver, enter, and perform the terms and conditions of this Amendment and that the consent or approval

of a third party is not required to enter and perform under this Amendment. The Parties acknowledge and agree this Amendment is binding upon each Party and their respective heirs, successors, and assigns.

J. The Parties acknowledge and agree that the Term of the Franchise Agreement expires as of the New Expiration Date, and as of the New Expiration Date the Franchise Agreement shall have no further force or effect, other than those post-termination obligations naturally surviving the Franchise Agreement's expiration or termination, including Franchisee's post-termination obligations and covenants of non-competition, confidentiality, indemnification, and other post-termination restrictions not modified by this Amendment, as applicable.

K. Franchisee acknowledges and agrees that the terms, conditions, and obligations of the New Franchise Agreement are materially different from those of the Franchise Agreement. Franchisee further acknowledges and agrees to enter the New Franchise Agreement and warrants and represents that it has had the opportunity to seek independent legal and financial counsel in its review of the New Franchise Agreement.

L. Franchisee acknowledges and agrees that LINE-X complied with all of its obligations under the Franchise Agreement and the law.

II. The Parties' Obligations and Agreements

A. Franchisee agrees that all post-termination obligations under the Franchise Agreement survive the Franchise Agreement's termination herein, and that Franchisee shall abide by all post-termination obligations in the Franchise Agreement, including Franchisee's indemnification obligations (§ 6.3), confidentiality obligations (§ 7.1), and other post-termination obligations (§ 16) which remain in full force and effect.

B. Contemporaneous with the Effective Date and conditioned upon full compliance with this Amendment, the Parties acknowledge and agree that they shall fully execute a then-current franchise agreement for the Store (the "Subsequent Franchise Agreement") and the required corresponding addendum documents necessary to complete the transaction.

III. General Release of LINE-X

For and in consideration of LINE-X releasing Franchisee of their obligations to operate the LINE-X Store under the Franchise Agreement for the remaining Term, and permitting the New Expiration Date for the Franchise Agreement and Franchisee's execution of the Subsequent Franchise Agreement, and for other good and valuable consideration received from or on behalf of LINE-X, Franchisee along with its respective officers, directors, owners, agents, heirs, administrators, successors, and assigns hereby release and forever discharge LINE-X, its parents and subsidiaries and their respective officers, directors, owners, employees, attorneys, agents, successors, and assigns (the "LINE-X Releasees") from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, at law or in equity, whether known or unknown (collectively the "Claims"), which arose on or before the date of this Amendment, including any Claims with respect to the Franchise Agreement, the Franchised Business, the LINE-X Store, and the Guaranty.

Franchisee waives any right or benefit which Franchisee may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

> **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

The general releases set forth in this Section III above covers claims the Parties know about and those that any Party may not know about that exist in that Party's favor at the time of executing this Amendment. The Parties understand and for valuable consideration hereby expressly waive all of the rights and benefits of Section 1542 of the California Civil Code, set forth fully above.

IV. Limited General Release of Franchisee

A. For and in consideration of the Franchisee entering into this Amendment and the obligations described herein, including Franchisee's obligations set forth in Section II, and other good and valuable consideration received from or on behalf of the Franchisee, the receipt of which is hereby acknowledged, LINE-X hereby releases Franchisee and any of their respective officers, directors, board members, members, agents, employees, agents, attorneys, accountants, brokers, affiliates, subsidiaries, parents, predecessors, successors and assignees ("Franchisee Releasees") from all of their performance obligations under the Franchise Agreement except for Franchisee's indemnification obligations (§ 6.3), confidentiality obligations (§ 7.1), relevant covenant not to compete restrictions (§ 7.2), and other post-termination obligations (§ 16) arising from that Franchise Agreement, which remain in full force and effect. The Franchisee Releasees shall not be released whatsoever from their obligations pursuant to this Amendment or any subsequent ancillary agreements between the Parties.

B. LINE-X acknowledges and agrees to the fullest extent permitted by law, subsequent to the execution of this Amendment, that it will not pursue, or cause or knowingly permit the prosecution, in any state, federal, or foreign court, alternate dispute forum, before any local, state, federal, or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature, or character, known or unknown, which LINE-X may now have, has ever had, or may in the future have against Franchisee, which is in whole or in part based on, arising from, or related to any matter released by this Section IV.

V. General Terms

A. This Amendment sets forth the entire agreement and understanding of the Parties regarding the subject matter of this Amendment, and any agreement, representation or understanding, express or implied, heretofore made by any Party or exchanged between the Parties are hereby waived and canceled.

B. This Amendment shall be binding upon each of the Parties to this Amendment and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

C. The Parties acknowledge and agree they may execute this Amendment in any number of counterparts, electronically or otherwise, each of which shall be deemed an original, constitute the same instrument, and have the same effect as if all Parties executed the same original document.

D. The Parties acknowledge and agree that they have had the opportunity to consult with legal and financial counsel of their choosing and are aware of and understand the legal risks associated with entering into this Amendment.

E. All notices, consents, or other communications under this Amendment must be in writing and shall be deemed sufficiently given if delivered or sent via a nationally-recognized overnight delivery service or registered or certified mail, postage fully prepaid, as follows: if to LINE-X, then to LINE-X, LLC at 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217; if to Franchisee, then to [FRANCHISEE PARTY NAME AND ADDRESS]. Notice shall be deemed delivered upon receipt of or refusal to accept the overnight delivery or the registered or certified mail delivery.

F. The Parties acknowledge and agree that Dispute Avoidance and Resolution provisions of Section 17 of the Franchise Agreement are incorporated into this Amendment and will govern all disputes related to this Amendment and the Franchise Agreement.

G. In the event any one or more of the provisions contained in this Amendment shall, for any reason, be held to be invalid, illegal, overbroad, or otherwise unenforceable in any respect, whether in whole or in part, then the Parties agree that it is their intention that (i) the offending provision be modified and/or reduced in scope and term so that it is enforceable; (ii) such invalidity, illegality, over breadth, or unenforceability does not affect any other provisions of this Amendment; and (iii) this Amendment shall be construed as if such invalid, illegal, over broad, or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year set forth above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

By: _____

Print Name: _____

LINE-X LLC:

By: _____

Print Name: _____

Title: _____

EXHIBIT B-3 TO

LINE-X LLC

DISCLOSURE DOCUMENT

MULTI-UNIT OPERATOR ADDENDUM
TO FRANCHISE AGREEMENT

MULTI-UNIT OPERATOR ADDENDUM
TO FRANCHISE AGREEMENT

THIS MULTI-UNIT OPERATOR ADDENDUM TO FRANCHISE AGREEMENT (this **"MSO Addendum"**) is entered into this [DAY] day of [MONTH], [YEAR] by and between **LINE-X, LLC**, a Delaware limited liability company ("**LINE-X,**" "**Franchisor**," "**we**," "**our**," or "**us**"), and [FRANCHISEE PARTY COMPANY NAME] ("**Franchisee**", "**you**", or "**your**"). We and you may each be referred to as a "**Party**," or collectively, the "**Parties**."

RECITALS

WHEREAS, Franchisee is operating LINE-X stores as set forth on Exhibit A to this MSO Addendum (the "Stores") pursuant the LINE-X Franchise Agreements set forth on Exhibit A (the "Franchise Agreements").

WHEREAS, the Parties hereby modify the Franchise Agreements according to the terms and conditions set forth in this Addendum to permit Franchisee to participate in the benefits of LINE-X's Multi-Store Operator Program (the "MSO Program").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals**. This MSO Addendum shall annex to and form a part of the Franchise Agreements. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreements. Except as modified by this MSO Addendum, the Franchise Agreements shall remain in full force and effect. Any conflict between the provisions hereof and the Franchise Agreements shall be construed in favor of this MSO Addendum. All references in this MSO Addendum to "Sections," "Subsections," and/or "Exhibits" shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreements, unless specified otherwise below. The Recitals above are incorporated into this MSO Addendum by reference.

2. **Qualifications**. You represent and warrant that: (i) you own currently open, and operate, at least three (3) Stores; (ii) you are Good Standing in full compliance with all currently effective agreements with us or our affiliates, under each of your Franchise Agreements; (iii) you will remain a franchisee in Good Standing, and comply with all currently effective agreements with Franchisor-Related Parties, including each of the Franchise Agreements; and (iv) you agree to operate your Stores in full compliance with operating requirements and procedures as listed in the Franchise Agreements and Manual (the "MSO Qualifications").

3. **One Account**. By participating in this MSO Program, you hereby acknowledge and agree that any and all accounts with us or any Franchisor-Related Party shall be consolidated into one, single account under your name and that each of your Stores is not subject to separate or individual accounts. For the sake of clarity, if one of your Stores is on a credit hold or has a past-due balance, then all of your Stores are subject to those conditions and balances.

4. **Reduced Fees and Reduced Royalty**. In consideration of your continued qualification for the MSO Program by meeting or exceeding the MSO Qualifications, LINE-X agrees to provide you with the following incentives:

    a) A fifty percent (50%) reduction in the then-current listed Initial Franchise Fee for the Franchise Agreements and any then-current franchise agreement you execute (the "Reduced Fees") during the period in which you (i) own and operate more than two (2) Stores and (ii) you meet or exceed the MSO Qualifications (the "Reduction Period"); and

b) Once you are obligated to pay Royalty pursuant to your Franchise Agreements and/or any relevant incentive addendum, you shall pay Royalty as follows:

i. If you own and operate at least three (3) but less than five (5) LINE-X Stores that are fully operational and open for business, you shall pay a Royalty equal to 5.40% of the Stores' Gross Revenue on the sale and installation of spray-on bedliners, spray-on product on items other than bedliners, and premium/topcoat spraying ("Bedliner Services") and 1.80% of your Store's remaining Gross Revenues besides the Bedliner Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements.

ii. (ii) If you own and operate five (5) or more, but less than ten (10), LINE-X Stores that are fully operational and open for business, you shall pay a Royalty equal to 4.80% of the Stores' Gross Revenue on Bedliner Services and 1.60% of your Store's remaining Gross Revenues besides the Bedliner Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements.

iii. If you own and operate ten (10) or more LINE-X Stores that are fully operational and open for business, you shall pay a Royalty equal to 4.2% of the Stores Gross Revenue on Bedliner Services and 1.40% of your Store's remaining Gross Revenues besides the Bedliner Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements.

5. **Failure to Meet MSO Qualifications**. You agree to pay us no later than thirty (30) days after our written notice to you the amount or value of the Reduced Fees and Reduced Royalty, as well as any other fee reduction, discount, or other benefit afforded to you under the Program during the MSO Period if you breach and fail to cure, or are later found to have breached and failed to cure any of the MSO Qualifications in addition to any other remedies available under this MSO Addendum, the Franchise Agreements (including termination), and/or at applicable law.

6. **Entire Agreement**. The Parties acknowledge that this MSO Addendum contains the entire understanding and agreement of the Parties with respect to this Addendum's subject matter; supersedes all other written or oral agreements between them or their representatives in this regard; and may not be altered, amended, or modified, except by a writing properly executed by the Parties.

7. **Counterparts**. The Parties may execute this MSO Addendum in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

8. Electronic Signatures. The counterparts of this MSO Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgment (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

IN WITNESS WHEREOF, you and we have executed and delivered this MSO Addendum in counterparts on the day and year first above written to be effective upon execution by Franchisor.

[SIGNATURE BLOCK ON FOLLOWING PAGE]

FRANCHISOR:
LINE-X LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

FRANCHISEE (Individual):

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

FRANCHISEE (Corp., LLC, or Partnership):

_____
Legal Name of Franchisee Entity
a _____ (Jurisdiction of Formation)
Corporation, LLC, or Partnership

By: _____

Print Name: _____

Title:_____

EXHIBIT B-4 TO

LINE-X LLC

DISCLOSURE DOCUMENT

CO-BRANDING ADDENDUM
TO FRANCHISE AGREEMENT

CO-BRANDING ADDENDUM
TO FRANCHISE AGREEMENT

THIS CO-BRANDING ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") is entered into this [DAY] day of [MONTH], [YEAR] by and between **LINE-X, LLC**, a Delaware limited liability company ("**Franchisor**," "**we**," "**our**," or "**us**"), and [FRANCHISEE COMPANY NAME] ("**Franchisee**", "**you**", or "**your**"). We and you may each be referred to as a "**Party**," or collectively, the "**Parties**."

RECITALS

WHEREAS, Franchisee is operating a LINE-X store located at [INSERT ADDRESS] (the "Store").

WHEREAS, Franchisee desires to qualify for and receive the benefits of LINE-X's pre-approved co-branding, as defined below, wherein LINE-X agrees to waive only certain specific Gross Revenues from the Royalties calculation during Term of Franchisee's Franchise Agreement entered contemporaneously herewith (the "Franchise Agreement") as specifically detailed herein.

WHEREAS, the Parties hereby modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals**. This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to "Sections," "Subsections," and/or "Exhibits" shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.

2. **Qualifications**. You represent and warrant that: (a) you are in full compliance with all currently effective agreements with us or our affiliates; (b) you will remain a franchisee in Good Standing, and comply with all currently effective agreements with us and the Franchisor-Related Parties, including the Franchise Agreement; and (c) you agree to operate Store in full compliance with operating requirements and procedures as listed in the Franchise Agreement and Manual.

3. **Co-Branding**. By this Addendum, Franchisee is granted LINE-X's limited right to conduct business activities during the Term, including in some instances specific Services authorized by LINE-X and as descried in Exhibit A to this Addendum (the "**Co-Brand Services**"), at the Location related to Franchisee's pre-existing agreement with [INSERT DEALER OR BRAND NAME HERE] (the "**Approved Co-Brand**")

4. **Gross Revenues** The Parties acknowledge and agree that Section 8.2(A) of the Franchise agreement is hereby deleted in its entirety and replaced with the following:

> "The term "**Gross Revenues**" means all revenue resulting from all sales which include the provision and/or sale of Core Services and Choice Services offered at your Location (collectively, the "Services") arising from the operation of your Franchised Business, *excluding* the revenue resulting from the specific Approved Co-Brand and Co-Brand

Services (the "**Co-Brand Revenue**"). You acknowledge and agree that only the Approved Co-Brand and Co-Brand Services are permitted by LINE-X at the Location in addition to the operation of your LINE-X business. Gross Revenues includes all remuneration received from the offering and sale of Services, whether or not such sales have been approved or authorized by us and whether for cash, credit, gift, or barter and with no deductions or exclusions whatsoever (including for any third-party delivery services or processing fees); provided, however, that "Gross Revenue" shall not include any of the following: (i) service personnel tips; (ii) any products or services not include in the Services; (iii) any Co-Brand Revenue; and (iv) any sales taxes or other taxes collected by you for transmittal to the appropriate taxing authority. We reserve the right to modify the definition of "Gross Revenues" including those items exempted from the definition in our sole and absolute discretion. You agree to accurately record all Gross Revenues on the POS System, as well as allow LINE-X to access to such POS System or other computer software and systems in the manner, increments, and times LINE-X determines, in its sole and absolute discretion."

5. **Entire Agreement.** The Parties acknowledge that this Addendum contains the entire understanding and agreement of the Parties with respect to this Addendum's subject matter; supersedes all other written or oral agreements between them or their representatives in this regard; and may not be altered, amended, or modified, except by a writing properly executed by the Parties.

6. **Enforceability**. Should one or more provisions contained in this Addendum be held to be invalid, illegal, overbroad, or otherwise unenforceable in any respect, whether in whole or in part, then the Parties agree it is their intention that (i) the offending provision be modified and/or reduced in scope and term so that it is enforceable to the maximum extent permitted by applicable law; (ii) such invalidity, illegality, overbreadth, or unenforceability does not affect any other provision of this Agreement; and (iii) the provision at issue and this Addendum shall be construed as if such invalid, illegal, overbroad, or unenforceable provision was never contained herein.

7. **Counterparts.** The Parties may execute this Addendum in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

8. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgment (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

[SIGNATURE BLOCK ON FOLLOWING PAGE]

IN WITNESS WHEREOF, you and we have executed and delivered this Agreement in counterparts on the day and year first above written to be effective upon execution by Franchisor.

FRANCHISOR:
LINE-X LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

FRANCHISEE (Individual):

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

FRANCHISEE (Corp., LLC, or Partnership):

_____
Legal Name of Franchisee Entity
a _____ (Jurisdiction of Formation)
Corporation, LLC, or Partnership

By: _____

Print Name: _____

Title:_____

Exhibit A

The Co-Brand Services

EXHIBIT B-5 TO

LINE-X LLC

DISCLOSURE DOCUMENT

LEASE ADDENDUM TO FRANCHISE AGREEMENT

FRANCHISE ADDENDUM TO LEASE AGREEMENT

This Franchise Addendum to Lease Agreement (the "Addendum") is made as of the ____ day of_____, 202__ ("Effective Date") by and between_____ ("Landlord"), _____("Tenant"), and LINE-X, LLC ("LINE-X" or "Franchisor") and their respective successors and assigns (Landlord, Tenant, and LINE-X may collectively be referred to as the "Parties").

RECITALS

WHEREAS, Tenant and Franchisor have executed a Franchise Agreement dated _____ (the "Franchise Agreement"), pursuant to which Franchisor has granted Tenant the right to establish and operate a franchised LINE-X store at the following location:_____ (the "Premises");

WHEREAS, Tenant and Landlord are entering into a lease agreement (the "Lease"), pursuant to which Tenant will lease the Premises from Landlord; and

WHEREAS, Franchisor has required Tenant to include certain terms in the Lease in order to protect Franchisor's rights, and Landlord has agreed to such terms.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. The Parties acknowledge and agree that the recitals set forth above are true and correct and are hereby incorporated by this reference as if they were fully set forth herein. The Parties warrant and represent that they have the full power and authority to make, deliver, enter, and perform the terms and conditions of this Addendum and that the consent or approval of a third party is not required to enter and perform under this Addendum or, if such consent is required, that they will use their best efforts to gain such consent as is necessary.

2. Landlord and Tenant hereby expressly agree that for so long as the Franchise Agreement and the Lease are in effect, the Premises shall be used solely for the operation of a franchised LINE-X store, unless prior written consent of Franchisor is obtained for any alternative use. The term of the Lease will not be less than ten (10) years with a renewal option of ten (10) years.

3. During the term of the Lease, it is agreed that: (a) Landlord shall not alter, change, or otherwise modify the Premises, but may make repairs and perform maintenance as permitted or required under the Lease; (b) Tenant shall be permitted to make such interior or exterior, non-structural repairs, remodeling, improvements, and alterations to the Premises as may be required by Franchisor pursuant to the Franchise Agreement; and (c) Landlord shall not in any way restrict or limit Tenant's ability to operate the Premises as a franchised LINE-X store.

4. Subject only to applicable law, Landlord expressly grants to Tenant the right to display the trade name, service mark, and/or trademark "LINE-X®" and certain other trademarks, service marks, trade names, and symbols used in connection with the operation of a system developed by Franchisor, which display will be in accordance with the specifications required by Franchisor.

5. Landlord agrees to: (a) furnish to Franchisor a copy of any default notice served on Tenant and/or another lessee under the Lease simultaneously with the service of the notice to Tenant and/or such other lessee; (b) provide Franchisor with notice of any proposed renewals, extensions, modifications and amendments to the Lease; (c) give Franchisor the opportunity, but Franchisor shall not be required, to cure any default by Tenant or other lessee under the Lease within thirty (30) days following the expiration of any

applicable cure period if Tenant and/or such other lessee fail to cure such default; and (d) to furnish to Franchisor, at Franchisor's request, a copy of any sales or operating information for the Premises provided by Tenant. All notices to Franchisor shall be sent to the following address: 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217, unless Landlord is notified otherwise in writing by Franchisor. No notice to Tenant shall be effective unless and until a copy thereof is served upon Franchisor.

6. Landlord agrees that if Franchisor exercises its right to cure a default by Tenant and/or another lessee under the Lease, then Franchisor may, at its option, succeed to Tenant's and/or such other lessee's interests under the Lease and shall be recognized by Landlord as the lessee or sublessee thereunder for the remaining term of the Lease.

7. Landlord agrees that the expiration of the Franchise Agreement (unless Tenant enters into a renewal Franchise Agreement with Franchisor) or a termination of the Franchise Agreement prior to expiration shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant's and/or any other lessee's interests as the new lessee or sublessee under the Lease.

8. Landlord agrees that upon the termination or expiration of the Lease, Franchisor shall have the first right of refusal to lease the Premises as the new lessee or sublessee.

9. Landlord agrees that Franchisor shall have the right to enter the Premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect its franchise system, trademarks, trade names, trade dress and other intellectual property without being guilty of trespass or any other tort or crime.

10. Landlord agrees that upon the expiration or termination of the Franchise Agreement, Landlord shall remove any trade fixtures, interior or exterior signs or other items bearing Franchisor's trademarks. Landlord agrees upon the expiration or termination of the Franchise Agreement to relinquish to Franchisor any and all liens or other ownership interests, whether by operation of law or otherwise, in and to any tangible property bearing Franchisor's trademarks, service marks or trade dress.

11. Landlord agrees that, if Franchisor succeeds to Tenant's and/or any other lessee's interests under the Lease for any reason, Franchisor shall have the right to further assign the lease or to sublease the Premises to either an entity owned or controlled by Franchisor, or to another LINE-X franchisee upon obtaining Landlord's written consent, which consent may not be unreasonably withheld, conditioned or delayed by Landlord. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

12. Upon Franchisor's delivery to Landlord and Tenant of its election to exercise its rights under this Addendum, Franchisor shall be entitled to all of Tenant's rights and interests in the Lease, as if Franchisor were the tenant under the Lease, including, by way of example and not limitation, the right to exercise any and all renewal options thereunder, without the need for any further action or instrument.

13. Landlord and Tenant expressly agree that Franchisor is an intended third party beneficiary of the terms of this Addendum. Landlord and Tenant further agree that Franchisor has no liability or obligation under the Lease unless and until Franchisor exercises it right to assume the Lease under this Addendum.

14. Tenant agrees to indemnify and hold Franchisor and all of its affiliated parties, including its indemnities, agents, officers, directors, employees, parent companies, and affiliated companies (the "Indemnified Parties") harmless against any cost, damage, expense, liability, or loss which any or all of them may suffer or incur which arise from or in connection with Tenant's use of the Premises or breach of any agreement, contract, or understanding with the Landlord, or resulting from Tenant's nonpayment of any debt or obligation to the Landlord.

14. Tenant and Landlord understand that Franchisor is entering into or has entered into the

Franchise Agreement with Tenant for a franchised LINE-X store at the Premises in reliance on the agreements of Tenant and Landlord as herein contained and that Franchisor, in this instance, would not have otherwise entered into such Franchise Agreement. In the event of any conflict between the terms of the Lease between Landlord and Tenant and the terms of this Addendum, the terms of this Addendum shall control.

15. Nothing in this Addendum shall affect any term or condition in the Franchise Agreement.

16. The Parties agree that the Lease and this Addendum may not be modified or amended in any manner without the prior written consent of all Parties hereto.

17. Landlord shall not be liable or obligated to Franchisor except (a) as provided in this Addendum, or (b) in the Lease, if and when Franchisor exercises its option to become substitute tenant under the Lease.

IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this Assignment as of the Effective Date.

LANDLORD:

By:_____

Name:_____

Title:_____

Date Signed:_____

TENANT:

By:_____

Name:_____

Title:_____

Date Signed:_____

LINE-X LLC

By:_____

Name:_____

Title:_____

Date Signed:_____

EXHIBIT B-6 TO

LINE-X LLC

DISCLOSURE DOCUMENT

CORNERSTONE LEGACY FRANCHISEE INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT

CORNERSTONE LEGACY FRANCHISEE INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT

THIS CORNERSTONE LEGACY FRANCHISEE INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT (this "Addendum") is entered into this [DAY] day of [MONTH], [YEAR] by and between **LINE-X, LLC**, a Delaware limited liability company ("**LINE-X**," "**Franchisor**," "**we**," "**our**," or "**us**"), and [FRANCHISEE PARTY COMPANY NAME] ("**Franchisee**", "**you**", or "**your**"). We and you may each be referred to as a "**Party**," or collectively, the "**Parties**."

RECITALS

WHEREAS, Franchisee is a current LINE-X franchisee or former LINE-X franchisee that was active and part of the System on or before December 31, 2023, and that made proper timely election of the incentive program detailed herein ("Qualified Franchisee").

WHEREAS, Franchisee is a Qualified Franchisee operating a LINE-X store located at [INSERT ADDRESS] (the "Store") and has requested to enter a new franchise agreement for the operation of the Store executed contemporaneously with this Addendum (the "Franchise Agreement").

WHEREAS, Franchisee desires to qualify for and receive the benefits of LINE-X's Cornerstone Legacy Franchisee Incentive (the "Incentive") wherein LINE-X agrees provide a store improvement initiative, along with other incentives as detailed in this Addendum.

WHEREAS, the Parties wish to enter a new Franchise Agreement contemporaneous with this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals**. This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to "Sections," "Subsections," and/or "Exhibits" shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.

2. **Qualifications**. You represent and warrant that: (a) you have properly and timely elected for participation in the Incentive; (b) you will remain a franchisee in Good Standing, and comply with all currently effective agreements with us and the Franchisor-Related Parties, including the Franchise Agreement; and (c) you agree to operate Store in full compliance with operating requirements and procedures as listed in the Franchise Agreement and Manual, including but not limited to the required implementation and use prescribed by LINE-X in the Manual of the LINE-X Growth Performance System as the point-of-sale software and accompanying hardware (the "POS System"). You acknowledge and agree that your failure to comply with the representations, warranties, and obligations in this Paragraph and this Addendum will automatically and without notice end your ability to participate in the Incentive and LINE-X shall have no further obligation under this Addendum as of the day of your failure to comply.

3. **Initial Franchise Fee Waiver**. The Parties acknowledge and agree that in accordance with your qualification pursuant to Paragraph 2 of this Addendum, LINE-X extends a one-time waiver of any Initial Franchise Fee, as detailed in Section 8.1(A) of the Franchise Agreement, at the time of execution of this Addendum and the Franchise Agreement.

4. **POS System Installation**. You represent and warrant, and in connection with signing this Addendum and the new Franchise Agreement, that you shall fully install and implement, including any hardware and software purchase at your cost associated with same, the POS System which we develop, offer, designate, and/or approve as required in Section 3.8(A) of the Franchise Agreement and specified in the Manual, and you shall utilize the POS System in the manner proscribed by LINE-X in the Franchise Agreement, Manual, or as otherwise detailed by LINE-X.

5. **POS System Fee**. In consideration of your continued qualification for the Incentive under Section 2 hereof, Section 3.8(A) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

   "We require you to purchase and use, in accordance with the use requirements prescribed by us and in the Manual, specific point-of-sale software, including shop management functions, communication and reference portals, and accompanying hardware ("POS System") which we develop, offer, designate, and/or approve. From the Commencement Date of this Agreement, through to and including the second (2nd) anniversary of the Commencement Date, the monthly fee for the POS System is fully waived. After the second (2nd) anniversary of the Commencement Date, through the Expiration Date of the Agreement, you are required to pay us an ongoing monthly fee for the POS System in the amount of Four Hundred Fifty and 00/100 dollars ($450.00) per month. We reserve the right, in our sole and absolute discretion, to raise the POS System fee amount no more than ten percent (10%) in any given calendar year, with no more frequency than once per calendar year, with a ninety (90) day notice to you for such change. You agree we may designate a different approved POS System that may require you to pay more in monthly fees and/or purchase additional hardware or equipment during the Term. You shall have a computer with hardware and software that meets the minimum requirements to operate the POS and a business of the nature of the LINE-X Store. Such minimum requirements include internet access and capability, e-mail capability, and accounting functions. We also reserve the right to require you to update or upgrade any computer hardware or software, including the POS System, during the term of this Agreement, and if we choose to do so, there are no limitations on the cost and frequency of this obligation. You shall provide and we will have full and independent access to all computers and any other systems, including the POS System, and the information and data they contain relating to the operation of your Franchised Business during the Term and for up to five (5) years after the expiration or termination of the Term. There are no limitations on our right to access information and data. You agree that your compliance with these provisions, use of the POS System, and LINE-X's right to unfettered and independent access to the POS System is a material term and condition of this Agreement."

6. **Royalty**. In consideration of your continued qualification for the Incentive under Section 2 hereof, Section 8.2(B) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

   "During months one (1) through month three (3) of the Term of this Agreement, there is no royalty due to LINE-X based on your Store's Gross Revenues (the "**Royalty-Free Period**"). During the remaining Term of this Agreement, you shall pay LINE-X a royalty equal to six percent (6%) of your Store's Gross Revenues on the sale and installation of spray-on bedliners, spray-on product on items other than bedliners, and premium/topcoat spraying ("**Bedliner Services**") and two percent (2%) of all of your Store's remaining Gross Revenues besides Bedliner Services for the prior week's operation ("**Royalty**"). You acknowledge and agree that you expect to pay Royalty to LINE-X on a weekly basis for the full Term after the Royalty-Free Period expires, and that this agreement is a material inducement for LINE-X to enter this Agreement. You acknowledge and agree that during the Term, LINE-X may raise the non-Bedliner Services Royalty from two percent (2%) to three percent (3%) of your Store's Gross Revenues, but that LINE-X will not make such modification on less than six (6) months' written notice."

7. Individual Store Improvement Reimbursement Program.

a. Eligibility. You must execute LINE-X's then current-form of Franchise Agreement contemporaneously with this Addendum. You must remain in Good Standing and compliance with the Franchise Agreement, this Addendum, and all other agreements between the Parties and you must implement and use the POS System in the manner prescribed by LINE-X. The Store Improvement Reimbursement Program begins on the date you begin payment of Royalty to LINE-X as described in Section 8.2(B) of the Franchise Agreement (the "Implementation Date") and continues provided you remain in Good Standing and in compliance with the Franchise Agreement and Paragraph 2 of this Addendum for a period equal to two (2) years immediately following the Implementation Date (the "Two Year Program Period").

b. Reimbursement Program. Provided Franchisee remains in Good Standing and compliance with Paragraph 2 of this Addendum, LINE-X agrees to reimburse Franchisee forty percent (40%) of its Royalty paid to LINE-X (the "Store Improvement Reimbursement"), in a total amount equal to or less than One Hundred Thousand and 00/100 Dollars ($100,000.00) for the Two Year Program Period, in accordance with the terms and conditions of this Paragraph 5 and, as applicable, and in the Manual (the "Reimbursement Program") during the Two Year Program Period.

c. Reimbursement Calculation and Reporting. Provided you remain in Good Standing and compliance with Paragraph 2 of this Addendum, LINE-X shall calculate the amount of potential reimbursement for which the Store qualifies by multiplying your Store's reported and paid Royalty by four tenths (0.4) beginning the first full calendar month after the Implementation Date (the "Monthly Reimbursement Amount") for a period of twenty-four (24) months after the Implementation Date. The Parties agree that the maximum amount the Franchisee may receive per Store during the Two Year Program Period is One Hundred Thousand Dollars ($100,000.00).

d. Reimbursement Process. Provided you remain in Good Standing and compliance with Paragraph 2 of this Addendum, you are eligible to and shall submit to LINE-X your written request to (i) participate in the Reimbursement Program and (ii) disclose the intended use of the Monthly Reimbursement Amount for the Store Improvement Reimbursement. LINE-X shall approve or disapprove your request within thirty (30) days of receipt in accordance with Paragraph 5(f) below and in its sole discretion. LINE-X's failure to respond shall be deemed a disapproval of the proposed use. Should LINE-X disapprove the proposed use, you shall resubmit the intended use of the Store Improvement Reimbursement within thirty (30) days for written approval. Upon approval, you shall make the expenditure as approved and fully complete and provide all reasonably required documentation for reimbursement (including, proof of purchase, invoice or receipt demonstrating payment, photographic evidence of equipment in Store, media schedule for advertising, etc.) to us (the "Purchase"). You agree the Purchase is not complete until you provide and we receive all reasonably requested information and documentation regarding the expense.

e. End of Reimbursement Program; Forfeiture of Store Improvement Reimbursement. Franchisee acknowledges and agrees that any unused amounts from the Monthly Reimbursement Amount(s) at the end of the Two Year Program Period is forfeited and shall not be paid from LINE-X to you.

f. Contribution Use. Franchisee acknowledges and agrees that it may only utilize the Store Improvement Contribution during the Two Year Program Period, with prior written approval the LINE-X, for the following purposes:
   i. Equipment purchases to complete its offerings of the Core Services;
   ii. Equipment purchases to add to its offerings in Choice Services;

iii. Replacement equipment purchases for Core Services and Choice Services as needed and approved by LINE-X;
iv. Improvement, refurbishing, or repair of existing designated and approved equipment used at the Store for either Core Services or Choice Services;
v. Improvement, refurbishing, or repair of Store showroom, customer waiting area, building exterior and parking lot, or other Store improvement which Franchisee specifically requests in writing and obtains Franchisor's prior written approval for such Store improvement; or
vi. Documented Local Advertising efforts and activities.

8. **Chemical Pricing.** You agree to operate the Store as a franchised LINE-X Store and exclusively purchase LINE-X Products, including the Coating Products, solely from Franchisor or a Supplier for the entire Term of the Franchise Agreement. You acknowledge and agree that you will continue to pay prices for LINE-X Products, including the Coating Products, at the amounts designated by LINE-X for those franchisees similarly situated to you during the Term, including the obligation to pay royalties in accordance with their franchise agreement.

9. **Transfer**. The Parties agree that Franchise Agreement Section 13.3 (A)(7) is deleted in its entirety and replaced with the following:

"Should an approved transfer occur during the Term, the transferee shall be bound by all the terms and conditions of this Agreement and any ancillary addenda for the remainder of the Term and shall execute our then-current form guarantees as are then customarily used by us in the grant of franchises (the "First Transfer"). The term of such new franchise agreement for the First Transfer shall be for the balance of the Term of this Agreement. Any subsequent approved transferee of the LINE-X Store shall, at our option, (i) agree to be bound by all the terms and conditions of this Agreement for the remainder of the term; or (ii) execute our then-current form of franchise agreement and ancillary documents (including guarantees) as are then customarily used by us in the grant of franchises, what may be materially different from the terms and obligations of this Agreement; and the term of such new franchise agreement shall, at our option, be either for the balance of the term of this Agreement or for the full term generally awarded to new franchisees as of the time of the transfer."

10. Restrictive Covenant. The Parties acknowledge and agreement that Franchise Agreement Section 7.2 (A) is deleted in its entirety and replaced with the following:

"A. In consideration of your inclusion in the System, LINE-X's disclosure of its Confidential Information, license of the Marks and goodwill, initial and ongoing training and support, as well as other good and valuable consideration, you hereby agree that during the Term and for a period equal to one (1) year after the later of: (i) the Term expires or is terminated, (ii) any sale, assignment, or transfer of this Agreement or the Franchised Business, (iii) the date upon which you stop operating the LINE-X Store, using the Marks and/or System, or stop offering, selling, or installing spray-on bedliners, spray-on product on items other than bedliners, and premium/topcoat spraying (the "Bedliner Services"); or (iv) comply with this Section 7.2 (the "Restricted Period") neither you nor any affiliate of yours, nor any shareholder, member, or partner of yours (if you are or become a business entity), nor any family member of any of the foregoing shall either directly or indirectly, work for, own, operate, develop, engage in, advise, assist, consult, invest in, franchise, make loans to, or have any direct, indirect, or beneficial interest in any business that (1) offers, sells, or installs Bedliner Services which you offer from your Location in the last 12 months of your operation as a LINE-X store, and/or (2) manufactures, distributes sells, or applies spray-on coating products that are similar to or competitive with the Coating Products you sold or applied from your Location in the last 12 months of your operation as a LINE-X Store, within the Territory."

11. **Expiration**. The Parties agree that the Incentive and all terms, conditions, and modification of the Franchise Agreement set forth herein expires and will not continue after the expiration or termination of the Term of the Franchise Agreement. The Parties further agree the Incentive will

not continue and will otherwise terminate upon renewal of the Franchise Agreement or the issuance of a new franchise agreement pursuant to a transfer unrelated to the First Transfer.

12. **Entire Agreement.** The Parties acknowledge that this Addendum contains the entire understanding and agreement of the Parties with respect to this Addendum's subject matter; supersedes all other written or oral agreements between them or their representatives in this regard; and may not be altered, amended, or modified, except by a writing properly executed by the Parties.

13. **Enforceability**. Should one or more provisions contained in this Addendum be held to be invalid, illegal, overbroad, or otherwise unenforceable in any respect, whether in whole or in part, then the Parties agree they intend that (i) the offending provision be modified and/or reduced in scope and term so that it is enforceable to the maximum extent permitted by applicable law; (ii) such invalidity, illegality, overbreadth, or unenforceability does not affect any other provision of this Agreement or the Franchise Agreement; and (iii) the provision at issue and this Addendum shall be construed as if such invalid, illegal, overbroad, or unenforceable provision was never contained herein.

14. **Counterparts.** The Parties may execute this Addendum in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

15. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For this Addendum, electronic signature means, without limitation, an electronic act or acknowledgment (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

IN WITNESS WHEREOF, you and we have executed and delivered this Agreement in counterparts on the day and year first above written to be effective upon execution by Franchisor.

FRANCHISOR:
LINE-X LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

FRANCHISEE (Individual):

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

FRANCHISEE (Corp., LLC, or Partnership):

_____
Legal Name of Franchisee Entity
a _____ (Jurisdiction of Formation)
Corporation, LLC, or Partnership

By: _____

Print Name: _____

Title:_____

EXHIBIT B-7 TO

LINE-X LLC

DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

LINE-X LLC DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made and entered into by and between **LINE-X LLC** ("LINE-X," "Franchisor", "we" or "us"), a Delaware corporation, with its principal place of business located at 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217 and **[INSERT DEVELOPER ENTITY NAME]** ("Developer" or "you"), a [INSERT DEVELOPER ENTITY STATE OF INCORPORATION] [INSERT ENTITY TYPE (LLC/INC/PARTNERSHIP)] whose principal address is [INSERT ENTITY PRINCIPAL ADDRESS], and [INSERT DEVELOPER ENTITY INDIVIDUAL OWNER(S)], an individual with an address at [INSERT INDIVIDUAL(S) MAILING ADDRESS] ("Guarantor") as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. INTRODUCTION

1.01 The System. We and our predecessors developed and own a system for establishing and operating businesses specializing in vehicle upfit services, including LINE-X's training programs, operational and image standards, Coating Products (as defined below), offering of Accessories (as defined below), and LINE-X's goodwill (the "**System**"). Vehicle upfit services are aftermarket vehicle accessories, enhancements, or improvements to existing vehicles (the "**Vehicle Upfit Services**"), including the provision of a set of core services and products specified in LINE-X's Confidential Operations Manual (the "**Core Services**") such as the sale and application of LINE-X® brand spray-on coatings (the "**Coating Products**") and the sale and installation of LINE-X BRANDED PRODUCTS and other vehicle accessories, products, and services (the "**Accessories**") and the provision of optional services and products specified LINE-X's Confidential Operations Manual that you may elect to offer but are not required to do so (the "**Choice Services**").

1.02 The Franchised Business. The distinguishing characteristics of the System include, among other things, the goodwill associated with LINE-X, the LINE-X System, LINE-X BRANDED PRODUCTS, and LINE-X's trademarks, service marks, trade dress, commercial symbols and signs, logos, emblems, slogans, and other indicia of origin associated with LINE-X (collectively, the "**Marks**"); use and display of the LINE-X Marks; the procedures and techniques for marketing and selling Vehicle Upfit Services, including marketing and applying Coating Products and the marketing and sale of Accessories, including LINE-X BRANDED PRODUCTS; LINE-X's uniform operating methods, procedures and techniques, including methods and techniques for store operations, inventory, installation, cost controls, record keeping and reporting, purchasing, sales promotion, marketing and advertising, all of which may be changed, improved, and further developed by us from time to time and set forth in LINE-X's Confidential Operations Manual (the "**Manual**"); and LINE-X's franchisee training program. We call this the "**Franchised Business**."

1.03 LINE-X Products and Designated Equipment. As an integral part of the Franchised Business, pursuant to the terms and conditions of our then-current franchise agreement, we or an affiliate of ours will sell you select products and other chemicals, which are the core ingredients of the Coating Products. Our training specified and required equipment ("**Designated Equipment**"), and the System are designed around our Core Services menu, which includes our select products, such as the Coating Products and LINE-X BRANDED PRODUCTS (collectively, the "**LINE-X Products**"). Pursuant to an active franchise agreement, you are required to purchase Designated Equipment and LINE-X Products only from suppliers or distributors that we designate. Those approved suppliers and distributors may include us, our parents, subsidiaries, and/or affiliates (the "**Franchisor-Related Parties**") and you acknowledge and agree that we or the Franchisor-Related Parties will receive revenue and profit, as well as other material benefits from the sale of Designated Equipment and LINE-X Products to you. You agree that if you purchase or use other non-approved products in connection with the Franchised Business, you will tarnish the LINE-X Marks, you will irreparably harm the goodwill associated with LINE-X, the LINE-X System, and the Marks, you will cause customer confusion, you will defeat the economic purpose of this Agreement, and you will be in breach of this Agreement. We may terminate this Agreement pursuant to its obligations, terms, and conditions if you purchase anything other than approved products without our prior written permission.

1.04 **Ownership of the System**. We own the rights to the System, the LINE-X Products, the LINE-X Marks, and the goodwill associated with LINE-X, the System, the LINE-X Products, and the LINE-X Marks and may license you the right to use parts or all of the System, LINE-X Products, and LINE-X Marks, as well as the goodwill associated therewith, in the operation of your LINE-X Store under the terms and conditions set forth herein. Your license to use parts or all of the System, LINE-X Products, and LINE-X Marks and the goodwill therein in the operation of your LINE-X Store is conditioned upon your compliance with the terms, conditions, and obligations set forth herein and in the Manual.

1.05 **Development of the System**. You agree that it is critical to you, us, and each franchisee for the System to evolve and be flexible to respond to commercial opportunities and challenges. An inability to change the System could adversely affect you, us, all LINE-X franchisees, and the System. Therefore, you agree and anticipate that we will change the Manual and the System, including the required Core Services, from time to time, in our sole and absolute discretion, which may result in additional cost to you. You agree to comply with the Manual and the System as they are changed by us.

1.06 **Your Acknowledgments**. You have read this Agreement and our Franchise Disclosure Document. You understand the terms of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high-quality standards at all LINE-X Stores in order to protect and preserve the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the Vehicle Upfit Services, Coating Products, and Accessories industries are highly competitive, with constantly changing market conditions. You recognize that the nature of LINE-X Stores may change over time, that an investment in LINE-X Stores involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts and financial resources. You have not received or relied on: (a) any guaranty or assurance, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement; or (b) any promises that any parent company or Affiliate will back us up financially or otherwise guarantee our performance.

1.07 **Your Representations**. You, Guarantor, and your Owners, if applicable, represent and warrant to us that: (a) neither you, Guarantor, nor any of your Owners have made any untrue statement of any material fact or have omitted to state any material fact in obtaining the rights granted hereunder; and (b) the execution and performance of this Agreement will not violate any other agreement to which you, Guarantor, or any of your Owners may be bound. You recognize that we have approved your franchise application in reliance on all of the statements you and your Owners have made in connection therewith.

1.08 **Certain Definitions.** The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

"Affiliate" – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"LINE-X Store" – Franchised LINE-X locations that operate pursuant to a franchise agreement using the Marks and System.

"Confidential Information" - Includes all System Information and all other information relating to the operation of a LINE-X Store or the System, including, among other things, all current and future: (i) Manuals, training, techniques, processes, policies, procedures, systems, data and know-how regarding the development, marketing, operation, and franchising of LINE-X Stores; (ii) specifications, designs, formulas, and any other information about the LINE-X Products and services; and (iii) all information regarding customers and Suppliers, including any statistical and/or financial information and all lists. Specifically, and without limitation, you agree that we own and control all domain names and URLs relating to any and all LINE-X

stores. You also agree that we own and control all rights, titles, and interests to information, lists, and data related to past, present, and future customers of your LINE-X Store and the LINE-X system of franchise locations (the "**Customer Data**").

"Development Rights" – Those rights set forth in Section 2.02 below.

"Franchise Disclosure Document" – The most recent version of franchise disclosure document for LINE-X Stores that we or our designee delivered to you, your Owners, and/or your authorized representative.

"Gross Revenues" - The term means all revenue resulting from all sales which include the provision and/or sale of Core Services and Choice Services offered at any LINE-X Store location (collectively, the "**Services**") arising from the operation of the Franchised Business. This includes all remuneration received from the offering and sale of Services, whether or not such sales have been approved or authorized by us and whether for cash, credit, gift, or barter and with no deductions or exclusions whatsoever (including for any third-party delivery services or processing fees); provided, however, that "Gross Revenue" shall not include any of the following: (i) service personnel tips; (ii) any products or services not include in the Services; and (Iii) any sales taxes or other taxes collected by you for transmittal to the appropriate taxing authority. We reserve the right to modify the definition of "Gross Revenues" including those items exempted from the definition in our sole and absolute discretion.

"Owner" – Each person or entity, including the Guarantor, that has a direct or indirect legal or beneficial ownership interest in you, if you are a business corporation, partnership, limited liability company or other legal entity.

"Royalty" – Pursuant to the Franchise Agreements, this amount due to LINE-X in the intervals detailed in the Franchise Agreements and the Manual is equal to six (6) percent of a LINE-X Store's Gross Revenues on the sale and installation of Bedliner Services and two percent (2%) of your Store's Gross Revenues on all remaining services and sales besides the Bedliner Services.

"Transfer" – The direct or indirect sale, assignment, transfer, exchange, conversion, license, sublicense, lease, sublease, mortgage, pledge, collateral assignment, grant of a security, collateral or conditional interest or other encumbrance in or on, or other disposition, whether voluntary, involuntary, by operation of law or otherwise, of this Agreement, any interest in or right under this Agreement, any form of legal or beneficial ownership interest in you or any of your Owners, or any form of ownership interest or right to participate in or receive the benefit of the assets, revenues, income or profits of your business operated hereunder, or any one or more other acts or events not covered by the foregoing that we reasonably determine to be a form of direct or indirect transfer, including: (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, a membership interest in, or a partnership interest in, you or of any interest convertible into or exchangeable for capital stock of, or a membership interest or partnership interest in, you or your Owners; (2) any merger or consolidation between you and another entity, whether or not you are the surviving entity, or any conversion of you from one form of legal entity into another form of legal entity, or any sale, exchange, encumbrance or other disposition of your assets; (3) any transfer in connection with or as a result of a divorce, dissolution of marriage or similar proceeding or a property settlement or legal separation agreement in the context of a divorce, dissolution or marriage or similar proceeding, an insolvency, bankruptcy or assignment for benefit of creditors, a judgment, a corporate, limited liability company or partnership dissolution or otherwise by operation of law; or (4) any transfer by gift, declaration of trust, transfer in trust, revocation of trust, trustee succession, trust termination, discretionary or mandatory trust distribution, occurrence of any event (e.g., death of a person) that affects or ripens the rights of contingent beneficiaries, exercise of a power of appointment, exercise of a withdrawal right, adjudication of you or any Owner as legally disabled, or upon or after your death or the death of any of your Owners by will, disclaimer or the laws of intestate succession or otherwise.

2. DEVELOPMENT RIGHTS.

2.01 Term and Development Fee. Unless sooner terminated in accordance with Section 8, the term of this Agreement (the "**Term**") starts on the Effective Date and expires on the expiration date set forth

in Exhibit A. You have no right to renew or extend your rights or the timelines established under this Agreement. In exchange for the Development Rights, you agree to pay us a fee of Twenty Thousand and 00/100 Dollars ($20,000.00) per LINE-X Store location set forth in Exhibit A (the "**Development Fee**"). The Development Fee due upon execution of this Agreement and is fully earned by us when paid and is not refundable under any circumstances, including your failure to develop any of the LINE-X Stores contemplated hereunder. For each franchise agreement that you enter into in accordance with the Development Schedule as defined in Section 2.03 below, we will apply the Development Fee per location against the initial franchise fee due under the respective franchise agreement.

2.02 Development Rights. During the Term and provided you and your Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates (including Franchise Agreements signed pursuant to this Agreement), we will:

(a) grant to you, in accordance with Section 3, at least that cumulative number of franchises for LINE-X Stores set forth in Exhibit A, all of which are to be located within the geographical area described in Exhibit A (the "**Development Area**"); and

(b) not grant the right to operate any other LINE-X Stores located within the Development Area, except for: (1) franchises granted pursuant to this Agreement; or (2) LINE-X Stores open (or under commitment to open) as of the Effective Date provided that You (a) timely meet the development obligations set forth in Exhibit A, (b) are otherwise in material compliance with this Agreement and all other agreements between the Franchisor-Related Parties and you and/or your Affiliates, and (c) except as set forth in this Agreement.

2.03 Development Obligations. You agree to exert your best efforts to fully develop the market potential for LINE-X Stores in the Development Area. Without limiting the foregoing, you agree to open and operate in the Development Area, in accordance with and pursuant to Franchise Agreements, those cumulative numbers of LINE-X Stores set forth in Section 3 of Exhibit A by the corresponding dates set forth therein and to achieve those cumulative numbers in accordance with the timelines set forth in Section 3 of Exhibit A (those dates and timelines collectively referred to herein as the "**Development Schedule**"). Time is of the essence in this Agreement, and we have no obligation under any circumstances to extend any of the dates or timelines in the Development Schedule. You acknowledge and agree that so long as you remain in compliance with the dates and timelines provided in the Development Schedule, Franchisor will apply the corresponding Royalty listed in Section 3 of Exhibit A to each relevant Franchise Agreement entered into pursuant to this Agreement.

2.04 Reservation of Rights. You expressly acknowledge and agree that the rights granted by this Agreement are not exclusive, and LINE-X, LINE-X's parents, subsidiaries, affiliates, franchisees, and licensees may compete with you for customers within and outside of a franchised territory. The Franchisor-Related Parties expressly reserve all other rights not expressly set forth in Section 2.02, and can (along with anyone we designate) directly or indirectly own and/or operate, and/or authorize others to:

(a) own and/or operate any kind of business inside the Development Area, except for a brick-and-mortar retail LINE-X Store, whether or not using the LINE-X Marks, System, Chemical Products, or LINE-X Products;

(b) own and/or operate any kind of business outside of the Development Area, including, without limitation, LINE-X Stores, whether or not using the LINE-X Marks and System, Chemical Products, or LINE-X Products

(c) sell LINE-X brand products and services (whether or not competitive or substantially similar to LINE-X Products) to customers located anywhere (including within the Development Area) using any channel of distribution (including, but not limited to, LINE-X franchisees who have been trained and approved to use mobile applicators, by mail and/or via the Internet or via LINE-X's National Fleet Services Program performed by LINE-X or franchisees) other than a brick and mortar retail LINE-X Store located in the Development Area;

(d) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether using the LINE-X System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere, even those that may compete with you; and/or

(e) acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive with you or not) with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the LINE-X Marks and System). You may be responsible for any reasonable conversion costs.

3. GRANT OF FRANCHISES.

3.01 Site Selection. We will furnish you with our standard site selection criteria for LINE-X Stores, as we may establish at any time and from time to time. You are solely responsible for identifying, locating, and selecting proposed site locations for the LINE-X Stores contemplated by this Agreement. We only provide such on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate.

3.02 Applications for Franchises. We will grant franchises to you for the operation of that cumulative number of LINE-X Stores set forth in Exhibit A and located within the Development Area, subject to the following conditions:

(a) You must submit to us, in accordance with procedures we establish from time to time, a complete application for a franchise and site application form for each site for a LINE-X Store that you propose to develop and operate (the "**Location**") and that you in good faith believe to conform to our then current standard site selection criteria for LINE-X Stores. Such site application shall include, without limitation, population density, demographics, proximity to other LINE-X Stores, available parking, traffic flow, and entrance to and exit from the site (the "**Site Selection Package**") for LINE-X's confirmation that the Location meets LINE-X's then-current site acceptance standards.

(b) We will accept or reject each Location site for which you submit to us complete applications in accordance with Section 3.02(a) and, if we accept such site, we will do so by delivering our standard franchise site package. Our site acceptance letter, duly executed by us, is the exclusive means by which we accept a proposed site, and no other direct or indirect representation or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site acceptance decision and, if the site is accepted, deliver a site acceptance letter to you, within 30 days after we acknowledge receipt of the complete site report and any other materials we have requested. In deciding whether to accept or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other LINE-X Stores, and size, condition, configuration, appearance and other physical characteristics of the site. You acknowledge and agree that, if we suggest, accept, or give you information regarding a site, our action is not a representation or warranty of any kind, express or implied, of the site's suitability for a LINE-X Store or any other purpose. We do not represent that we, or any of our Affiliates, owners, employees or agents, have expertise in selecting sites. Our action indicates only that we believe that the site meets our then acceptable criteria and not that the Location or LINE-X Store operated there will be profitable or successful. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we suggest or accept for the Location fails to meet your expectations. Accordingly, you acknowledge and agree that your decision to develop and operate a LINE-X Store at any site is based solely on your own independent investigation of the suitability of the site for the Location.

(c) Upon our acceptance of a proposed site, we will offer you a franchise to operate the

Location at the proposed site by delivering to you our then-current form of standard franchise agreement, together with all standard ancillary documents (including exhibits, riders, collateral assignments of leases, Owner guarantees and other related documents) that we then customarily use in granting franchises for the operation of LINE-X Stores in the state in which the Location is to be located (the "**Franchise Agreement**"). The Franchise Agreement must be executed by you and your Owners and returned to us not earlier than 7 days and not later than 21 days after we deliver it to you, with payment of the initial fees required thereunder. If we do not receive the fully executed Franchise Agreement and payment of the required initial fees, we may revoke our offer to grant you a franchise to operate a Location at the proposed site and may revoke our acceptance of the proposed site.

4. YOUR ORGANIZATION AND MANAGEMENT.

4.01 Organizational Documents. If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Owners represent, warrant and agree that: (a) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which the Development Area is located; (b) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder; (c) true and complete copies of the articles of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control have been delivered to us and all amendments thereto shall be promptly delivered to us; (d) your activities are restricted to those necessary solely for the development, ownership and operation of Location(s) in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (e) the articles of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; and (f) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to such restrictions.

4.02 Disclosure of Ownership Interests and Personal Guaranty. You and each of your Owners represent, warrant and agree that Exhibit B is current, complete, and accurate as of the Effective Date. You agree that updated Exhibits B will be furnished to us promptly, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes an Owner must execute an agreement in form as we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement, as currently provided in Exhibit C and incorporated by reference herein. Each Owner must be an individual acting in his individual capacity, unless we waive this requirement.

5. RELATIONSHIP OF THE PARTIES.

5.01 Independent Contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence. Franchisor and Developer, as between themselves, are and shall be independent contractors. We and you acknowledge and agree that this Agreement (and the relationship of the parties which arises from this Agreement) grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests. You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of our franchise network, at the time our decision is made, without regard to: (a) whether other reasonable or even arguably preferable alternative decisions or actions could have been made by us; (b) whether our decision or the action we take promotes our financial or other individual interest; (c) whether our decision or the action we take applies differently to you and one (1) or more other franchisees; or (d) whether our

decision or the exercise of our rights is adverse to your individual interests or the individual interests of any other particular franchisees. We will have no liability to you for any such decision or exercise of our rights. Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. You must conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, personnel and others as the owner of development rights granted hereunder and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we require at any time and from time to time.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

5.02 Indemnification.

(a) You will indemnify and hold us, and our current and former affiliates, parents, subsidiaries, and all of their owners, shareholders, members, officers, directors, employees, agents, accountants, and attorneys (individually and collectively, the "**Indemnified Parties**") harmless from all fines, suits, proceedings, allegations, claims, demands, actions, losses, expenses, damages, costs, fees (including attorneys' fees, related expenses, and interest) and/or any other loss or liability of any kind or nature, however arising, growing out of, or otherwise connected with and/or related to any act, conduct, error, and/or omission of yours (including but not limited to your ownership and/or management, selection, development, operation, or closing of any Location or work or action in the Development Area and/or any transfer of any interest in this Agreement or any Location) breach of this Agreement, and development activity in the Development Area, regardless of whether it resulted from any strict or vicarious liability imposed by law on the Indemnified Parties (collectively, the "**Claims**"). You agree to give us prompt notice of any event or Claims for which you are aware for which indemnification is required. We will have the right to control all litigation, direct which counsel shall represent the Indemnified Parties, and defend and/or settle any Claims, against and/or including us and/or the Indemnified Parties, or affecting our and/or their interests, in such manner as we deem appropriate in our Business Judgment, without affecting our rights under this indemnity. This Section 5.02 will continue in full force and effect after and notwithstanding the expiration or termination of this Agreement.

(b) Unless we give you a specific written warranty for a particular item or service, any goods and/or services provided by us, the Indemnified Parties, and/or any approved vendor or supplier are provided without any warranties, express or implied, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED, absent a specific written warranty expressly provided in connection with a particular product or service. For all Designated Equipment, you will receive from the respective manufacturer such warranty as they customarily may provide. You must maintain all Designated Equipment in accordance with the applicable warranty obligations and to make any and all warranty claims directly to the supplier or manufacturer.

(c) All reasonable expenses actually incurred by, or in the case of retainers, to be incurred by, the Franchisor-Related Parties in connection with any Claims shall be paid by you in advance of the final disposition of such Claims, if so requested by the Indemnified Parties, as incurred and within ten (10) days after the receipt by you of a statement or statements from the Indemnified Parties requesting such payment for incurred costs or fees, advance, or advances. The Indemnified Parties may submit such statements from time to time. The Indemnified Parties' entitlement to such expenses shall include those incurred, or in the case of retainers, to be incurred, in connection with any Claims. Such statement or statements shall reasonably evidence the expenses incurred by, or in the case of retainers, to be incurred by, the Indemnified Parties in connection therewith, however, in no instance shall you receive or be entitled to statement or statements indicating or exposing attorney-client or attorney work product information.

(d) You agree that the terms and conditions of this Section 5.02 are not the Indemnified Parties exclusive remedy against you for such Claim or demand and the Indemnified Parties hereby specifically reserve all rights and remedies they may otherwise have available to them at law or in equity.

6. CONFIDENTIAL INFORMATION; EXCLUSIVE RELATIONSHIP.

6.01 Confidential Information.

(a) You acknowledge and agree LINE-X possesses and will continue to acquire, develop, and maintain certain data, information, knowledge, know-how, and best practices that are proprietary and/or exclusive to LINE-X relating to the development, method, and operation of LINE-X Stores, including that data and information relating to the System or contained in the Manual such as training materials, site selection, development, construction specifications and standards, specifications and standards for furniture, fixture, and equipment, preparation methods, service techniques, product designs, product formulas, pricing, discounts, supplier information and contract terms, operational standards, strategic plans, marketing plans and strategies, unit performance, store operating results and financial performance, and System sales results (the "**System information**").

(b) "**Confidential Information**" includes all System Information and all other information relating to the operation of LINE-X Stores or the System, including, among other things, all current and future: (i) Manuals, training, techniques, processes, policies, procedures, systems, data and know-how regarding the development, marketing, operation, and franchising of LINE-X Stores; (ii) specifications, designs, formulas, and any other information about the LINE-X Products and services; and (iii) all information regarding customers and Suppliers, including any statistical and/or financial information and all lists. Specifically, and without limitation, you agree that we own and control all domain names and URLs relating to any and all LINE-X stores. You also agree that we own and control all rights, titles, and interests to information, lists, and data related to past, present, and future customers of your Location(s) and the LINE-X system of franchise locations (the "**Customer Data**"). Your only interest in any of this Confidential Information is the revocable license to use it pursuant to this Agreement. You have the burden of proof and of going forward in any dispute between you and us involving the proprietary or confidential nature of any information.

(c) Both during and after the term of this Agreement, you agree (i) to use the Confidential Information only for the development of the Development Area and in the operation of your Location under a Franchise Agreement and not to otherwise communicate, copy, disclose, disseminate, divulge, misappropriate, transfer, or use the Confidential Information; (ii) to maintain the confidentiality of the Confidential Information; (iii) not to make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (iv) to implement and follow all prescribed procedures for the prevention of unauthorized use or disclosure of the Confidential Information.

(d) You acknowledge and agree that you and/or your employees may provide LINE-X with information relating to or improvements to the System. You acknowledge and agree that any information or improvements relating to the System by you and/or your employees are considered a part of the Confidential Information. You hereby agree, therefore, to assign all rights, titles, and interests to such improvements and information to LINE-X, and LINE-X shall be deemed to own such improvements or information and may sub-license or franchise such improvements or information. You agree and grant us the perpetual and unfettered right to use, and to authorize others to use, Customer, Data, all ideas, techniques, methods, and processes relating to your Development Area or Location(s), which are conceived or developed by you and/or your employees. You also agree to disclose all ideas, techniques, and other similar information relating to the Development Area or Location(s) that you and/or your employees conceive or develop, which we will have a perpetual right to use, and to authorize others to use, without further compensation or other obligation.

(e) We grant you a temporary and revocable license to use Customer Data during the term of this Agreement provided you are in strict compliance with all of the terms and conditions of this Agreement. At the end of the term of this Agreement, you no longer may use Customer Data or have a license to use

the Customer Data and you shall return all Customer Data to us and destroy any copy of the Customer Data you maintained during the Term.

6.02 Restrictive Covenants.

(a) In consideration of your inclusion in the System, LINE-X's disclosure of its Confidential Information, license of the Marks and goodwill, the Development Area, initial and ongoing training, as well as other good and valuable consideration, you hereby agree that during the Term and for a period equal to one (1) after the later of (i) the Term expires or is terminated, (ii) any sale, assignment, or transfer of this Agreement or a Location, (iii) the date upon which you stop operating a Location, using the Marks and/or System, or (iv) comply with this Section 6.02 (the "**Restricted Period**") neither you nor any affiliate of yours, nor any shareholder, member, or partner of yours (if you are or become a business entity), nor any family member of any of the foregoing shall either directly or indirectly, work for, own, operate, develop, engage in, advise, assist, consult, invest in, franchise, make loans to, or have any direct, indirect, or beneficial interest in any business that (1) offers or sells spray-on bedliners, spray-on product on items other than bedliners, and premium/topcoat spraying (the "**Bedliner Services**") per the Franchise Agreement which you offer from your Location in the last twelve (12) months of your operation as a LINE-X Store, and/or (2) manufactures, distributes sells, or applies spray-on coating products that are similar to or competitive with the Coating Products you sold or applied from your Location in the last twelve (12) months of your operation as a LINE-X Store, within the Development Area.

(b) You agree the covenants in Section 6 are fair and reasonable and will not impose any undue hardship on you because, among other reasons, you and your owners possess considerable other skills, experience, and education which afford you and your owners the opportunity to derive comparable earnings from other endeavors while complying with these restrictions.

(c) You agree that your failure to strictly comply with the terms and conditions of Section 6 is a material breach of this Agreement that will cause LINE-X irreparable harm resulting from, among other things, injury to the goodwill associated with LINE-X and LINE-X's System and Marks. As a result, you hereby consent to the entry of an interim award, temporary restraining order, or other appropriate injunction prohibiting any conduct in violation of the terms of the restrictive covenants set forth herein. You further agree that it may be conclusively presumed that any violation of the terms of these restrictive covenants were accomplished by and through your wrongful use of LINE-X's Confidential Information, goodwill, or other business interests.

(d) Should one or more provisions contained in this Agreement be held to be invalid, illegal, overbroad, or otherwise unenforceable in any respect, whether in whole or in part, then the parties to this Agreement agree it is their intention that (i) the offending provision be modified and/or reduced in scope and term so that it is enforceable to the maximum extent permitted by applicable law; (ii) such invalidity, illegality, overbreadth, or unenforceability does not affect any other provision of this Agreement; and (iii) the provision at issue and this Agreement shall be construed as if such invalid, illegal, overbroad, or unenforceable provision was never contained herein. The parties to this Agreement further acknowledge and agree that this provision specifically authorizes and does not prohibit the modification of the restrictive covenants set forth in this Agreement so that they are enforceable to the maximum extent permitted by law, whether such modification occurs pre-suit or during a legal proceeding, including any hearing on a motion seeking or objecting to an interim, award, temporary restraining order, or preliminary injunction, or any proceeding thereafter.

7. DEVELOPER'S RIGHT TO TRANSFER.

7.01 Franchisor's Approval. Your rights and duties under this Agreement are personal to you and if you are a business corporation, partnership, limited liability company or any other legal entity, your Owners. Accordingly, neither you nor any of your Owners may Transfer the Development Rights without our prior approval and without complying with the terms and conditions of Section 7. Any transfer without such approval or compliance constitutes a breach of this Agreement and is void and of no force or effect.

7.02 **Conditions for Approval**. If we have not exercised our right of first refusal under Section 7.06, we will not unreasonably withhold our approval of a Transfer of the Development Rights that meets all of the reasonable restrictions, requirements and conditions we impose on the transfer, the transferor(s) and/or the transferee(s), including the following:

(a) You and your Owners and Affiliates must be in compliance with the provisions of this Agreement and all Franchise Agreements executed pursuant hereto;

(b) at the time of the proposed Transfer, you have opened and continue to operate at least one (1) Location;

(c) the proposed transferee and its owners (if the proposed transferee is a corporation, partnership, limited liability company or other legal entity) must provide us on a timely basis all information we request, and must be individuals acting in their individual capacities who are of good character and reputation, who must have sufficient business and development experience, aptitude and financial resources to develop LINE-X Stores pursuant to this Agreement, and who must otherwise meet our approval;

(d) the proposed transferee may not be an entity, or be affiliated with an entity, that is required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(e) the transferee and its owners must agree to be bound by all of the provisions of this Agreement for the remainder of its term;

(f) the transferee must acquire, in a concurrent transaction, all of your rights and the rights of your Owners and Affiliates under all franchise agreements for LINE-X Stores executed by your or your Owners or Affiliates pursuant to this Agreement or pursuant to any other development or similar agreement with us;

(g) You or the transferee must pay us a transfer fee equal to Ten Thousand Dollars ($10,000);

(h) You and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to us, of any and all claims against us, our Affiliates and stockholders, officers, directors, employees, agents, successors and assigns;

(i) you (and your Immediate Family) will not, for one (1) year beginning on the transfer's effective date, engage in any of the activities proscribed in Section 6.02 above; and

(j) You and your Owners and Affiliates must execute such other documents and do such other things as we reasonably require to protect our rights under this Agreement and any Franchise Agreements.

7.03 **Effect of Approval**. Our approval of a transfer of the Development Rights does not constitute: (a) a representation as to the fairness of the terms of any agreement or arrangement between you or your Owners and the transferee or as to the prospects of success by the transferee; or (b) a release of you and your Owners, a waiver of any claims against you or your Owners or a waiver of our right to demand the transferee's exact compliance with this Agreement. Any approval shall apply only to the specific transfer of the Development Rights being proposed and shall not constitute our approval of, or have any bearing on, any other proposed transfer of the Development Rights.

7.04 **Special Transfers.** Section 7.06 does not apply to any transfer of the Development Rights among any of your then current Owners or to any transfer of the Development Rights to any member of your Immediate Family or the immediate family of a then current Owner of Developer (if you are a corporation, partnership, limited liability company or other legal entity). On 30 days' notice to us, you (if you are an individual or partnership) may transfer this Agreement, in conjunction with a transfer of all of the Franchise Agreements executed pursuant hereto and all of the assets of the Location(s) operated pursuant thereto, by an agreement in form and substance approved by us, to a business corporation or limited liability

company which conducts no business other than the development and operation of LINE-X Stores and of which you own and control all of the equity and voting power of all issued and outstanding capital stock. None of the foregoing assignments shall relieve you or your Owners of your obligations hereunder, and you and your Owners shall remain jointly and severally liable for all obligations hereunder.

7.05 Death or Disability. Upon your death or permanent disability or an Owner of a controlling interest in Developer, the executor, administrator, or other personal representative of such person shall transfer his interest in this Agreement or his interest in Developer to a third party approved by us in accordance with all of the applicable provisions of Section 7 within a reasonable period of time, not to exceed 9 months from the date of death or permanent disability.

7.06 Franchisor's Right of First Refusal. You agree that all Transfers are subject to our right of first refusal. If you or any of your direct or beneficial owners (i) wish to Transfer any or all of your or any of its direct or beneficial owners' interest in this franchise, the Agreement, franchisee, the Location, or substantially all of your assets or (ii) receive a bona fide offer to Transfer any or all of franchisee or any of your direct or beneficial owners' interest in this franchise, the Agreement, franchisee, the Location, or substantially all of your assets (7.06(i) and (ii) together, an "Offer"), then you shall provide us with written notice of any Offer or proposed Transfer by you.

(a) You agree that LINE-X may reject and exclude any term, condition, or obligation of the Offer that includes any term, condition, or obligation not relating to the Development Rights, this Agreement, the Location, or the assets relating to the Location in LINE-X's Business Judgment (the "Excluded Property"). Should an Offer contain Excluded Property, either LINE-X may adjust the purchase and sale terms, including price, in its Business Judgment removing the Excluded Property and a reasonable value associated therewith or LINE-X may request that you resubmit the Offer with adjusted purchase and sale terms and conditions, including price (the "Adjusted Terms").

(b) LINE-X shall exercise its right of first refusal for an Offer by providing you with written notice of its election to exercise its right of first refusal within ninety (90) days of LINE-X's receipt of the Offer on substantially the same terms and conditions of the Offer provided less the Excluded Property and on the Adjusted Terms, if applicable. You also agree that LINE-X may substitute cash for any form of non-monetary compensation or payment plan set forth in the Offer with a discount to net present value for any deferred Payments and that the final transaction documents between LINE-X and the transferor shall be modified as necessary to contain all revised terms and conditions, including removing the Excluded Property and including the Adjusted Terms, as well as the customary representations and warranties given by a seller of the relevant rights, title, and interest at issue.

(c) If LINE-X elects to not to exercise its right of first refusal for an Offer (a "Rejected Offer"), then the final transaction contemplated by the Rejected Offer shall close within one hundred twenty (120) days after LINE-X received the Complete Transfer Request Material on the same terms and conditions set forth in the Rejected Offer. Should either (i) the terms of such Rejected Offer change or (ii) the transaction contemplated by the Rejected Offer not close within one hundred twenty (120) days after LINE-X received the Complete Transfer Request Material, then you agree to provide LINE-X with an additional right of first refusal during the thirty (30) day period immediately following (1) LINE-X's receipt of notice of a change to the Rejected Offer or (2) the expiration of the one hundred twenty (120) day period on the terms of the original Offer or the modified terms, at LINE-X's option.

(d) Our decision not to exercise our right of first refusal for an Offer or a Rejected Offer shall not constitute a waiver of our right to subsequently exercise our right of first refusal for any change in Offer or later proposed Transfer or Offer.

7.07 Securities Offerings. Neither you nor any of your Owners shall issue or sell, or offer to issue or sell, any of your securities or any securities of any of your Affiliates, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our

Affiliates. Under no circumstances may you or any of its Owners issue or sell your securities or any securities of any of your Affiliates if: (a) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons; or (b) after such issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

8. TERMINATION OF THE AGREEMENT.

8.01 Immediate Termination. You are in material breach of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if you become insolvent by reason of your inability to pay your debts as they mature; if you are adjudicated bankrupt or insolvent; if you file a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States or have such a petition filed against you which is not discharged within 30 days; if a receiver or other custodian, permanent or temporary, is appointed for your business, assets, or property; if you request the appointment of a receiver or make a general assignment for the benefit of creditors; if a final judgment against you in the amount of $25,000 or more remains unsatisfied of record for 30 days or longer; if your bank accounts, property or accounts receivable are attached; if execution is levied against your business or property; if suit is filed to foreclose any lien or mortgage against any of your assets and such suit is not dismissed within 30 days; if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within 30 days; or if your assets, property or interests are "blocked" under any law or regulation relating to terrorist activities or if you are otherwise in violation of any such law or regulation.

8.02 Termination Upon Notice. In addition to our right to terminate pursuant to other provisions of this Agreement or under applicable law, we may terminate this Agreement, effective upon delivery of notice of termination to you:

i. if you fail to meet any part of the Development Schedule;
ii. if you or any of your Owners or Affiliates make an unauthorized transfer of the Development Rights;
iii. if you or any of your Owners or Affiliates make any material misstatement or omission in the application for the development rights conferred by this Agreement or in any other information provided to us, or are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the goodwill associated with the Marks;
iv. if you or any of your Owners or Affiliates engage in conduct that is abusive of others or adversely affects the reputation and goodwill associated with the System or Marks;
v. if you or any of your Owners or Affiliates make any unauthorized use or disclosure of the Confidential Information;
vi. if you or any of your Owners or Affiliates fail to comply with any other provision of this Agreement and do not correct such failure within 30 days after written notice of such failure to comply is delivered to you;
vii. if you or any of your Owners or Affiliates are in breach of any Franchise Agreement or other agreement with us or our Affiliates such that we or our Affiliates have the right to terminate the Franchise Agreement or such other agreement, whether or not we or they elect to exercise such right of termination; or
viii. if we determine that any applicable federal or state legislation, regulation or rule, which is enacted, promulgated or amended after the Effective Date, may have an adverse effect on our rights, remedies or discretion in franchising LINE-X Stores.

We have no obligation whatsoever to refund any portion of the Development Fee, if applicable, upon any termination, except that we will refund the unapplied portion of the development fee, if applicable, paid pursuant to Section 2.01 in the event of a termination pursuant to Section 8.02(h).

8.03 Cross-Default. Any default or breach by you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) of any other agreement with us or our Affiliate will be considered an event of default under this Agreement, and any default or breach by you (or any of your Owners) of this Agreement

will be considered an event of default or breach by you under any and all agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then we or our Affiliate will have the right to terminate all other agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) in accordance with the termination provisions of this Agreement.

9. EFFECT OF TERMINATION AND EXPIRATION.

9.01 Effect of Termination or Expiration. Upon the termination or expiration of this Agreement, Developer's (i) rights under this Agreement, including any exclusive right to the Development Area, and (ii) all incentives set forth in this Agreement and/or on Exhibit A shall immediately terminate and be of no further force and effect. Developer shall have no further right to develop or operate any LINE-X Store that is contemplated by this Agreement but not yet open other than those Locations for which the parties fully executed a Franchise Agreement and such Franchise Agreement was delivered by Franchisor to Developer before termination. Developer may, however, continue to operate all LINE-X Stores open and in operation before the date of termination in accordance with the terms and conditions of those agreements.

9.02 Continuing Obligations. All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

10. MISCELLANEOUS.

10.01 Severability and Substitution of Provisions. Every part of this Agreement shall be considered severable. If for any reason any part or all of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement that are enforceable. If any covenant herein that restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination than is required hereunder, a different standard of "good cause" to terminate this Agreement or the taking of some other action not required hereunder, the prior notice, the "good cause" standard and/or the other action required by such law shall be substituted for the comparable provisions hereof.

10.02 Waiver of Obligations. We and you may only by written instrument waive or reduce any obligation of the other under this Agreement. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice. You and we shall not be deemed to have waived any right reserved by this Agreement or be deemed to have modified this Agreement by virtue of any custom or practice of the parties at variance with it.

10.03 Exercise of Rights of Parties. The rights of Franchisor and Developer hereunder are cumulative and no exercise or enforcement by Franchisor or Developer of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Developer of any other right or remedy hereunder which Franchisor or Developer is entitled to enforce by law. If Developer commits any act of default under this Agreement for which Franchisor exercises its right to terminate this Agreement, Developer shall pay to Franchisor all actual, consequential, special and incidental damages Franchisor incurs as a result of the premature termination of this Agreement regardless of whether or not such damages are reasonably foreseeable. Developer acknowledges and agrees that the proximate cause of such damages sustained by Franchisor is Developer's act of default and not Franchisor's exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right

arising from or in connection with this Agreement, shall constitute a waiver of such right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying such breach or violation is provided to the other party within 12 months after the later of: (a) the date of such breach or violation; or (b) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to such breach or violation.

10.04 Costs of Enforcement. If we file a claim in a judicial or arbitration proceeding for amounts you or any of your Owners owe us or any of our Affiliates, or if we enforce this Agreement in a judicial or arbitration proceeding, and we prevail in any such proceeding, you agree to reimburse us for all of our costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees. If we are required to engage legal counsel in connection with your failure to comply with this Agreement, you must reimburse us for any attorneys' fees, costs and expenses we incur.

10.05 Injunctive Relief. We, as an alternative or supplement to arbitration pursuant to Section 10.06, may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may seek and obtain such injunctive relief, without bond, but upon notice as required under applicable rules, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). You and each of your Owners acknowledge that any violation of Sections 6.02 and 7.02(i) would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent and agree to the issuance of an injunction prohibiting any conduct in violation of any of those sections and agrees that the existence of any claim you or any of your Owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

10.06 Arbitration.

(a) Subject to Section 10.05, all controversies, disputes, or claims between us or any of our Affiliates, or any of their respective officers, directors, agents, employees and attorneys and you, any of your Affiliates or any of their respective Owners, arising from or relating, directly or indirectly, to (i) this Agreement or any other agreement between you and us or your or our respective Affiliates, (ii) the scope and validity of any provision of this Agreement or any other agreement between you and us or any provision of such agreements (including the validity of the arbitration obligations under this Section 10.06, which the parties acknowledge is to be determined by an arbitrator and not a court); (iii) our relationship with you, including, without limitation, your application to become a franchisee and/or to acquire the right to operate an additional Location, our decision to award a franchise, approve a site or any other matter related to your franchise application or site selection process for the LINE-X Stores you develop under this Agreement or for an additional LINE-X Stores; or (iv) any of our specifications and standards, shall on demand of either party be submitted to and resolved by binding arbitration before a single arbitrator in the County where our then headquarters is located, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association or its successor, except as set forth in Section 10.05 above. Judgment on any preliminary or final arbitration award will be final and binding. The arbitration shall be governed exclusively by the United States Federal Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. You and we each expressly waive all rights to any court proceeding, except as expressly provided in Section 10.05. Any dispute arising out of or in connection with this arbitration provision, including any question or objection regarding its existence, validity, scope, arbitrability of any claim or counterclaim, jurisdiction of the arbitrator, venue of arbitration, or termination shall be referred to and finally resolved solely by arbitration. The Parties agree that such arbitration proceeding shall permit and include appropriate discovery and exchange of information before a final hearing, including not less than initial disclosures then contemplated and provided for in the Federal Rules of Civil Procedure, ten (10) requests for admission, ten (10) interrogatories, thirty (30) requests for production, two (2) depositions not to exceed six (6) hours, third-party subpoenas for testimony and/or documents, and such additional and other discovery that an arbitrator determines is reasonably related to and proportionate to the claims and defenses in the arbitration.

(b) The parties to any arbitration will sign confidentiality agreements and direct the arbitrator

to enter a protective order in the arbitration proceeding permitting parties to designate documents, material, testimony, and/or other evidence confidential and/or subject to review by attorneys-eyes only. Such confidentiality agreement and protective order shall be proportionate to the needs, claims, and defenses of the arbitration. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for arbitration, including but not limited to percipient witnesses and expert witnesses.

(c) Your and Our Intentions: You and we mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, provincial or other law, and/or any statements in our Franchise Disclosure Document required by a state as a condition to registration or for some other purpose:

1) all issues relating the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

2) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, and choice of laws;

3) you and we intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

4) **you and we each knowingly waive all rights to a court or jury trial** (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring arbitration as provided in this Agreement;

5) in the Claim Process, you and we agree that each may bring claims against the other only in your or our individual capacity and not as a plaintiff or member of any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both you and we agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding for discovery, final hearing, or otherwise; and the terms of this Agreement (including but not limited to this Section 10) shall control with respect to any matters of choice of law.

10.07 Jurisdiction and Venue. SUBJECT TO SECTION 10.06 ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS IRREVOCABLY AGREE THAT: (A) ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN DEVELOPER AND FRANCHISOR MUST BE COMMENCED PURSUANT TO SECTION 10.05 IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO OUR THEN CURRENT CORPORATE HEADQUARTERS; AND (B) ANY SUCH MATTER SHALL BE TRIED BY AND TO THE COURT SITTING WITHOUT A JURY, AND YOU WAIVE ANY RIGHT TO A JURY TRIAL. YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT YOU MAY LAWFULLY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUIT, ACTION OR PROCEEDING COMMENCED PURSUANT TO SECTION 10.05 OR SECTION 10.06 ABOVE, AND AGREE THAT SERVICE OF PROCESS FOR PURPOSES OF ANY SUCH SUIT, ACTION OR PROCEEDING NEED NOT BE PERSONALLY SERVED OR SERVED WITHIN THE STATE OF NORTH CAROLINA, BUT MAY BE SERVED WITH THE SAME EFFECT AS IF YOU WERE SERVED WITHIN THE STATE OF NORTH CAROLINA, BY CERTIFIED MAIL OR ANY OTHER MEANS PERMITTED BY LAW ADDRESSED TO YOU AT THE ADDRESS SET FORTH HEREIN. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE DEVELOPER'S BUSINESS IS LOCATED.

10.08 Governing Law. The Parties agree on the practical business importance of certainty as

to the law applicable to your and our relationship and its possible effect on the development and competitive position of the System. Therefore, you and we also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the Lanham Act (15 U.S.C. §1051 et seq.) and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning you and us, will be governed by, and construed and enforced by, the laws of the state in which our headquarters is located; except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, and/or relationship laws) shall not apply unless that state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section. You and we agree that this provision shall be enforced without regard to the laws of the state of our headquarters relating to conflicts of laws or choice of law.

10.09 No Recourse. Developer agrees that except under an express statutory obligation for such conduct, none of Franchisor's Franchisor-Related Parties or Franchisor or Franchisor-Related Parties past, present, or future owners, members, shareholders, partners, directors, officers, employees, subsidiaries, affiliates, vendors, service providers, agents, attorneys, or representatives shall have no liability for (i) any obligation or liability arising from or relating to this Agreement, (ii) any claim arising from or relating to Developer and Franchisor's relationship, or (ii) any claim arising from or relating to an alleged act or omission of Franchisor.

10.10 Successors and Assigns. This agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This agreement is fully transferable by us, whether by operation of law or otherwise, and shall inure to the benefit of any transferee or other legal successor to our interest herein.

You agree that, for our System to function properly, we should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between you (and your Owners) and us shall be considered unique as to its facts and shall not be brought as a class action, and you (and each of your Owners) waive any right to proceed against us or any of our shareholders, members, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

10.10 Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements between us and you relating to the subject matter of this Agreement that either party may or does rely on or that will have any force or effect, except that nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our most recent Franchise Disclosure Document (including that document's exhibits and amendments) delivered to you or your representative. Nothing in this Agreement is intended or shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified except by written agreement signed by both parties. This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

10.11 Notices and Payments. All notices, requests and reports permitted or required to be made by the provisions of this Agreement shall be in writing and shall be deemed delivered: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the same date of the transmission by facsimile or other reasonably reliable electronic communication system; (c) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) 5 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Such notices, requests and reports shall be sent to the

addresses identified in this Agreement unless and until a different address has been designated by appropriate written notice to the other party. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind us, and our acceptance of any such payment shall not constitute an accord and satisfaction.

10.12 Developer's Release of Franchisor. To the full extent permitted by applicable law, Developer, for itself and on behalf of its Affiliates, and their respective shareholders, directors, officers, limited liability company members, managers and employees, and their respective successors and assigns, and on behalf of Developer's Owners, hereby (i) releases and forever discharges Franchisor and its Affiliates, and their respective directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, from any and all claims, demands and causes of action, whether known or unknown, of any kind or nature, absolute or contingent, if any at law or in equity, arising prior to or on the date you sign this Agreement, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against Franchisor or its affiliates and their directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, directly or indirectly, relating to any claim or demand released under this Section 10.12. Developer shall take whatever actions are necessary or appropriate to carry out the terms of this release and covenant not to sue upon Franchisor's request. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our Franchise Disclosure Document (including any of that document's exhibits and amendments) delivered to you, your Owners, Affiliates or representatives. This Section 10.12 shall survive the expiration or termination of this Agreement.

10.13 Electronic Signatures. The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

10.14 Receipt of Disclosure Document and Agreement. You acknowledge having received our Franchise Disclosure Document and this Agreement, with all blanks completed, within the time periods required by applicable law.

[SIGNATURE BLOCK ON FOLLOWING PAGE]

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

FRANCHISOR:
LINE-X LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Date: _____

DEVELOPER (Individual):

_____
Signature

_____
Printed Name

Date: _____

DEVELOPER:
[INSERT ENTITY NAME]
a [INSERT ENTITY INCORPORATION STATE] [INSERT ENTITY TYPE]

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A
TO THE DEVELOPMENT AGREEMENT

1. The Term expires on **[INSERT LAST DAY THAT LAST LOCATION MUST BE OPEN].**

2. The Development Area is the geographical area described as follows: [INSERT DEVELOPMENT AREAS AS NEEDED BELOW]

a) _____
b) _____
c) _____

Zip code boundaries described above shall be considered fixed as of the Effective Date and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions.

3. The Agreement authorizes and obliges Developer to establish and operate [INSERT NUMBER OF STORES TO DEVELOP IN WORDS] ([INSERT NUMBER]) LINE-X Stores, each pursuant to our then-current form of Franchise Agreement. Developer must develop LINE-X Stores under this Agreement no later than [INSERT LAST DAY THAT LAST LOCATION MUST BE OPEN]. The following is Developer's Development Schedule and mutually agreed Royalty and initial franchise fee amounts pursuant to each corresponding Franchise Agreement:

LINE-X Store Number	LINE-X Store Open and Operating By	Cumulative Number of Stores	Total Amount of Initial Franchise Fee Due at Time of Signing the Franchise Agreement (Development Fee credit will be applied when Initial Franchise Fee is due)	Royalty Due During the Operation of the LINE-X Store
One (1)	[INSERT DATE]	One (1)	$40,000	(a) Once you are obligated to pay Royalty pursuant to your Franchise Agreements and/or any relevant incentive addendum, you shall pay Royalty as follows: i. If you own and operate at least three (3) but less than five (5) LINE-X Stores that are all open for business, you shall pay a Royalty equal to 5.40% of the Stores' Gross Revenue on Bedliner Services and 1.80% of your Store's remaining Gross Revenues besides the Bedliner Services for the prior week's operation in accordance with all terms
Two (2)	[INSERT DATE]	Two (2)	$30,000	
Three (3)	[INSERT DATE]	Three (3)	$20,000	
Four (4) [INSERT ADDITIONAL STORE COUNT AS NEEDED]	[INSERT DATE]	Four (4)	$20,000	

LINE-X Store Number	LINE-X Store Open and Operating By	Cumulative Number of Stores	Total Amount of Initial Franchise Fee Due at Time of Signing the Franchise Agreement (Development Fee credit will be applied when Initial Franchise Fee is due)	Royalty Due During the Operation of the LINE-X Store
				and conditions of your Franchise Agreements. ii. If you own and operate five (5) or more, but less than ten (10), LINE-X Stores that are all open for business, you shall pay a Royalty equal to 4.80% of the Stores' Gross Revenue on Bedliner Services and 1.60% of your Store's remaining Gross Revenues besides the Bedliner Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements. iii. If you own and operate ten (10) or more LINE-X Stores that are open for business, you shall pay a Royalty equal to 4.2% of the Stores Gross Revenue on Bedliner Services and 1.40% of your Store's remaining Gross Revenues besides the Bedliner Services for the prior week's operation in accordance with all terms and conditions of your Franchise Agreements.

[SIGNATURE BLOCK ON FOLLOWING PAGE]

FRANCHISOR:
LINE-X LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Date: _____

DEVELOPER (Individual):

_____
Signature

_____
Printed Name

Date: _____

DEVELOPER:
[INSERT ENTITY NAME]
a [INSERT ENTITY INCORPORATION STATE] [INSERT ENTITY TYPE]

By: _____

Print Name:_____

Title: _____

Date: _____

EXHIBIT B
TO DEVELOPMENT AGREEMENT

1. Form of Entity of Area Franchise.

(a) Corporation or Limited Liability Company. Developer was incorporated on [INSERT INCORPORATION DATE], under the laws of the State of [INSERT STATE OF ENTITY FORMATION]. It has not conducted business under any name other than its corporate name. The following is a list of all of Developer's directors and officers as of _____, 202__.

Name of Each Director/Officer	Position(s) Held
_____	_____
_____	_____

2. Owners. Developer and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Developer, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Developer. Developer, and each Owner as to his ownership interest in Developer, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address	Description of Interest
[INSERT INDIVIDUAL(S) NAME] [INSERT INDIVIDUAL(S) MAILING ADDRESS]	[INSERT PERCENT OWNERSHIP]%

[SIGNATURE BLOCK ON FOLLOWING PAGE]

Accepted by Franchisor and
made a part of the
Development Agreement as of
_____, ____.

Submitted by Developer
on _____, ___.

FRANCHISOR:
LINE-X LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Date: _____

DEVELOPER (Individual):

_____
Signature

_____
Printed Name

Date: _____

DEVELOPER:
[INSERT ENTITY NAME]
a [INSERT ENTITY INCORPORATION STATE] [INSERT ENTITY TYPE]

By: _____

Print Name:_____

Title: _____

Date: _____

EXHIBIT C
OWNER'S GUARANTY AND ASSUMPTION OF
BUSINESS ENTITY DEVELOPER'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by LINE-X LLC, a Delaware limited liability company ("Franchisor") of a development agreement of even date herewith (the "Agreement") between Franchisor and [INSERT DEVELOPER ENTITY NAME], a (n) [INSERT ENTITY STATE OF INCORPORATION] [INSERT ENTITY TYPE] (the "Business Entity Developer"), each of the undersigned hereby personally and unconditionally, jointly and severally:

1) guarantees to Franchisor, its affiliates, the Franchisor-Related Parties (as defined in the Agreement) and each of their successors and assigns, for the term of the Agreement, and for any renewal/successor franchise term, and thereafter as provided in the Agreement, that the Business Entity Developer will punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Agreement, as currently set forth and as amended and/or otherwise changed in the future, including any successor franchise agreement;

2) agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Agreement (including all confidentiality, non-competition, indemnity, and Post Termination Provisions), as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement; and

3) agrees to be personally bound by, and personally liable for, each past, current and/or future obligation of the Business Entity Developer to Franchisor, its affiliates, the Franchisor-Related Parties and each of their successors and assigns.

The undersigned intends that the guarantees and other obligations herein be unqualifiedly general and without limitation in scope, nature and/or effect. Franchisor, and/or its affiliates, the Franchisor-Related Parties and each of their successors and assigns need not bring suit first against the undersigned in order to enforce this guarantee and may enforce this guarantee against any or all of the undersigned as it chooses in its/their sole and absolute discretion.

Each of the undersigned waives: presentment, demand, notice of demand, dishonor, protest, nonpayment, default and all other notices whatsoever, including (without limitation): acceptance and notice of acceptance, notice of any contracts and/or commitments, notice of the creation and/or existence of any liabilities under the Agreement or otherwise and of the amounts, terms or otherwise thereof; notice of any defaults, disputes or controversies between the Franchisor and the Business Entity Developer or otherwise, and any settlement, compromise or adjustment thereof; any right the undersigned may have to require that an action be brought against Franchisor, Business Entity Developer or any other person as a condition of liability, and any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this guaranty will be joint and several;

(2) he and/or she will render any payment or performance required under the Agreement on demand if the Business Entity Developer fails or refuses to do so punctually;

(3) such liability will not be contingent or conditioned on pursuit by Franchisor or otherwise of any remedies against the Business Entity Developer or any other person;

(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor or otherwise may from time to time grant to the Business Entity Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend

this guaranty, which will be continuing and irrevocable during the term of the Agreement and any renewal/successor franchise term;

(5) the liabilities and obligations of the undersigned, whether under this document or otherwise, will not be diminished or otherwise affected by the Termination, rescission, expiration, renewal, award of a successor franchise, modification or otherwise of the Agreement;

(6) terms not defined in this document shall have the meanings assigned in the Agreement; and

(7) the provisions of Section 10 of the Agreement are incorporated in and will apply to this document as if fully set forth herein and shall apply to any dispute involving the Franchisor, its affiliates, the Franchisor-Related Parties, and each of their successors and assigns and any of the undersigned.

In connection with such guarantee and the Franchisor (a) not requiring that the Developer be initially awarded in the name of one or more of the Guarantors and/or (b) not requiring the payment of a full transfer fee in connection with any related transfer from the undersigned to the Business Entity Developer, each of the undersigned hereby grants a General Release of any and all claims, liabilities and/or obligations, of any nature whatsoever, however arising, known or unknown, against the Franchisor, its affiliates, the Franchisor-Related Parties and each of their successors and assigns. On request made at the time of signing this document, the Franchisor will grant the undersigned Guarantor(s) a Limited Release.

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

GUARANTOR(S) (Name and mailing address)	PERCENTAGE OF OWNERSHIP OF BUSINESS ENTITY FRANCHISEE
[INSERT INDIVIDUAL(S) NAME] [INSERT INDIVIDUAL(S) MAILING ADDRESS]	_[PERCENTAGE OWNERSHIP AMOUNT]_ %

Business Entity Developer:

[INSERT ENTITY NAME]

By: _____

Print Name: _____

Its: _____

[INSERT INDIVIDUAL NAME], individually:

_____
[INSERT INDIVIDUAL NAME]

EXHIBIT C TO

LINE-X LLC

DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

LINE-X LLC

Consolidated Financial Statements
For the years ended September 30, 2025, 2024 and 2023

LINE-X LLC
Consolidated Financial Statements

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GRANT THORNTON LLP
27777 Franklin Road, Suite 800
Southfield, MI 48034

D +1 248 262 1950
F +1 248 350 3581

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Line-X LLC and Subsidiaries

Opinion
We have audited the consolidated financial statements of Line-X LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of September 30, 2025, 2024 and 2023, and the related consolidated statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025, 2024 and 2023, 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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Grant Thornton

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 US GAAS 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

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

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

Grant Thornton LLP

Southfield, Michigan
December 22, 2025

LINE X LLC
Consolidated Balance Sheets

As of	**September 30, 2025**	September 30, 2024	September 30, 2023
Assets			
Current assets			
Cash	**$ 1,060,173**	$ 3,970,208	$ 1,861,852
Trade receivables, net of allowance for doubtful accounts of $258,693, $373,844, and $353,238	**1,351,629**	1,723,400	4,638,272
Related party receivables, net of allowance for doubtful accounts of $1,288,473 at September 30, 2025 and 2024 and 2023	**564,883**	478,901	1,927,051
Inventories, net	**440,070**	454,260	1,179,075
Prepaid expenses and other current assets	**245,136**	1,139,066	197,519
Total current assets	**3,661,891**	7,765,835	9,803,769
Property and equipment, net	**1,417,185**	2,083,288	3,604,591
Other assets			
Right of use asset - operating lease	**373,836**	2,605,103	3,679,611
Total assets	**$ 5,452,912**	$ 12,454,226	$ 17,087,971
Liabilities and member's equity			
Current liabilities			
Accounts payable	**$ 706,136**	$ 1,278,446	$ 705,739
Related party payables	**2,279,928**	1,696,435	2,337,336
Accrued expenses	**1,393,814**	1,810,830	2,238,448
Right of use liability - operating lease, current portion	**285,135**	1,189,440	1,135,267
Total current liabilities	**4,665,013**	5,975,151	6,416,790
Long-term liabilities			
Long-term debt	**61,707**	95,606	-
Right of use liability - operating lease	**135,067**	1,706,846	2,896,287
Total liabilities	**4,861,787**	7,777,603	9,313,077
Member's equity	**591,125**	4,676,623	7,774,894
Total liabilities and member's equity	**$ 5,452,912**	$ 12,454,226	$ 17,087,971

See accompanying notes to Consolidated Financial statements.

LINE X LLC
Consolidated Statements of Operations

	Year ended September 30, 2025	Year ended September 30, 2024	Year ended September 30, 2023
Revenue			
Chemical and equipment revenue	**$ 19,827,537**	$ 36,862,196	$ 57,322,708
Franchise fee revenue	**526,000**	250,000	213,500
Royalty revenue	**326,933**	1,573	-
Total revenues	**20,680,470**	37,113,769	57,536,208
Cost of revenues	**13,899,629**	21,056,250	36,123,511
Gross profit	**6,780,841**	16,057,519	21,412,697
Sales and marketing	**962,534**	870,837	1,193,876
General and administrative	**10,327,214**	15,398,387	16,413,022
Depreciation	**621,567**	1,134,670	922,466
Loss on lease termination	**1,135,868**	-	85,521
Restructuring expense	**349,562**	1,046,060	-
Total operating expenses	**13,396,745**	18,449,954	18,614,885
Operating (loss) / income	**(6,615,904)**	(2,392,435)	2,797,812
Other income / (expense)			
Interest income	**-**	397,568	329,378
Other income / (expense)	**(199,589)**	10,894	(411,195)
Net (loss) / income	**$ (6,815,493)**	$ (1,983,973)	$ 2,715,995

See accompanying notes to Consolidated Financial statements.

LINE X LLC
Consolidated Statements of Changes in Member's Equity

Balance, September 30, 2022	$	17,856,623
Net income		2,715,995
Distributions to affiliates		(12,797,724)
Balance, September 30, 2023	$	7,774,894
Net loss		(1,983,973)
Distributions to affiliates		(435,139)
Other transactions with affiliates		(679,159)
Balance, September 30, 2024	$	4,676,623
Net loss		(6,815,493)
Distributions from affiliates		2,729,995
Balance, September 30, 2025	**$**	**591,125**

See accompanying notes to Consolidated Financial statements.

LINE-X LLC
Consolidated Statements of Cash Flows

	Year ended September 30, 2025	Year ended September 30, 2024	Year ended September 30, 2023
Operating activities			
Net (loss) / income	**$ (6,815,493)**	$ (1,983,973)	$ 2,715,995
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	**621,567**	1,134,670	922,466
Asset Impairment	**-**	-	469,040
Loss on lease termination	**1,135,868**	-	85,521
Provision for doubtful accounts	**(23,039)**	40,321	262,773
Loss / (gain) on sale of fixed assets	**169,036**	1,388	(7,773)
Changes in operating assets and liabilities:			
Trade and related party receivables	**285,789**	4,363,022	1,781,038
Inventories	**14,190**	724,815	12,598,324
Prepaid expenses and other current assets	**893,930**	(941,547)	245,248
Accounts payable	**11,183**	(68,193)	(4,590,750)
Accrued expenses	**(417,016)**	(427,618)	182,240
Other assets and liabilities	**(1,357,403)**	(101,347)	(358,647)
Net cash (used in) provided by operating activities	**$ (5,481,388)**	$ 2,741,538	$ 14,305,475
Investing activities			
Purchase of property and equipment	**$ (124,743)**	$ (293,648)	$ (513,215)
Net cash (used in) investing activities	**$ (124,743)**	$ (293,648)	$ (513,215)
Financing activities			
Borrowings, long-term debt	**$ -**	$ 111,706	$ -
Principal payments	**(33,899)**	(16,100)	-
Distributions from / (to) affiliates	**2,729,995**	(435,139)	(12,797,724)
Net cash provided by (used in) financing activities	**$ 2,696,096**	$ (339,533)	$ (12,797,724)
Net (decrease) increase in cash and cash equivalents	**$ (2,910,035)**	$ 2,108,357	$ 994,536
Cash, beginning of year	**$ 3,970,208**	$ 1,861,852	$ 867,316
Cash, end of year	**$ 1,060,173**	$ 3,970,208	$ 1,861,852

See accompanying notes to Consolidated Financial statements

1. Description of the Company

LINE-X LLC (the "Company", "we", "our" or "us") is incorporated in the state of Delaware and was formed to sell LINE-X franchises and LINE-X branded chemicals to the LINE-X franchise network and other manufacturing and industrial companies. The consolidated financial statements reflect the consolidated financial position, results of operations and cash flows of LINE-X LLC.

As specified in the Third Amended and Restated Limited Liability Company Agreement ("LLC Agreement") dated September 30, 2024 LINE-X Holdings LLC is the direct parent and sole member of the Company. LINE-X Holdings LLC shall not be liable for debts, obligations, or liabilities of the Company, except to the extent provided in the Delaware Limited Liability Company Act ("Act"). To the extent permitted by the Act, LINE-X Holdings LLC shall not be (a) personally liable for the debts, obligations or liabilities of the Company, including any such debts, obligations or liabilities arising under a judgment, decree or order of a court, (b) obligated to cure any deficit in any capital account, (c) required to return all or any portion of any distribution from the Company, or (d) required to lend or contribute any funds to the Company.

Nature of Operations

We offer for sale a franchise to operate a business specializing in vehicle upfit services. Vehicle upfit services are aftermarket vehicle accessories, enhancements, or improvements to existing vehicles, which includes the provision of a set of core services and products and includes the sale and application of LINE-X® brand spray-on coatings as well as the sale and installation of vehicle accessories, enhancements, and improvements, such as the LINE-X branded products.

The Company is providing services to 223 open franchise outlets as of September 30, 2025. During the periods presented, the following number of franchise outlets were either opened or terminated:

	Year ended September 30, 2025	Year ended September 30, 2024	Year ended September 30, 2023
Outlets at Start of Year	**268**	420	433
Outlets Opened	**6**	3	4
Terminations	**(51)**	(155)	(17)
Outlets at End of Year	**223**	268	420

Increased franchise outlet terminations occurred during the years ended September 30, 2025 and 2024, in connection with the Company's transition to a royalty-based business model. Refer to Note 9 – Restructuring Actions for additional information.

Ownership

LINE-X LLC is a wholly owned subsidiary of LINE-X Holdings LLC which is directly owned by Ignition Intermediate Holdings, L.P. ("Indirect Parent"). The Company has transactions with certain entities under common control of its Indirect Parent. For example, LINE-X LLC employees participate in the Innovative XCessories and Services, LLC 401(k) plan. Refer to Note 7 – Retirement Plan and Note 8 – Related Party Transactions, for additional information.

2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and includes the assets, liabilities, revenues, and expenses of all majority-owned subsidiaries over which the Company exercises control. Intercompany accounts and transactions are eliminated in consolidation. All amounts are presented in United States dollars.

Cash

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company does not have any investments that are considered to be cash equivalents. At September 30, 2025, 2024 and 2023, the Company's domestic cash accounts exceeded federally insured limits by approximately $800,000, $3,700,000, and $1,600,000, respectively.

Trade Receivables

On October 1, 2022, opening accounts receivable were $5,096,383.

Trade receivables are recorded at the invoice amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of probable credit losses in the Company's existing trade receivables. The Company determines the allowance based on historical write-off experiences, current economic conditions, asset-specific risk characteristics, and reasonable and supportable forecasts. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined by the first-in, first-out (FIFO) method. We maintain an allowance for slow-moving inventory for items which we do not expect to sell within the next 12 months. Inventory acquired in a business acquisition is recorded at fair value.

Leases

We lease warehouses and office buildings. We account for these leases in accordance with ASC 842 by recording right-of-use assets and lease liabilities. The right-of-use asset represents our right to use underlying assets for the lease term and the lease liability represents our obligation to make lease payments under the leases. We determine if an arrangement is or contains a lease at contract inception and exercise judgment and apply certain assumptions when determining the discount rate, lease term, and lease payments. ASC 842 requires a lessee to record a lease liability based on the discounted unpaid lease payments using the interest rate implicit in the lease or, if the rate cannot be readily determined, the incremental borrowing rate. Generally, we do not have knowledge of the rate implicit in the lease and, therefore, we use the incremental borrowing rate for a lease. The lease term includes the non-cancelable period of the lease plus any additional periods covered by an option to extend that we are reasonably certain to exercise.

The Company elected to use a risk-free discount rate in lieu of its incremental borrowing rate when assessing lease classification and when measuring its lease liabilities. Lease payments may be fixed

or variable; however, only fixed payments are included in the Company's lease liability calculation and the variable non-lease components such as maintenance, utilities, or real estate taxes are recognized as operating expenses in the period in which they are incurred.

Operating leases are included in right-of-use assets, short-term lease liabilities, and long-term lease liabilities within the Company's consolidated balance sheets. Lease expense is recognized on a straight-line basis in the statement of operations over the lease term. During the year ended September 30, 2025, the Company negotiated and settled an early lease termination agreement at its former headquarters location in Huntsville, Alabama. Refer to Note 6 Leases for additional information.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Major additions and betterments are capitalized while maintenance and repairs are expensed as incurred. When property and equipment are disposed of, the cost and related accumulated depreciation are removed from the respective accounts and resulting gains or losses are reflected in earnings. Depreciation expense is computed on the straight-line method for financial statement purposes. Leasehold improvements are depreciated over the lesser of the life of the lease or the estimated useful life of the asset. Property and equipment are reviewed for impairment when events indicate the carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value and an impairment charge (if any) is recorded.

Income Taxes

The Company is a disregarded entity with respect to United States corporate federal income tax and therefore no income tax expense or benefit has been recorded in the Company's financial statements.

Fair Value of Financial Instruments

The Company has no financial instruments measured at fair value on a recurring basis. The carrying amounts of all the financial instruments, other than related party balances, included in the balance sheets approximate fair value. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The Company considers the carrying amounts to approximate fair value because of the short maturity of the financial instruments, such as cash and cash equivalents, trade accounts receivable, and trade accounts payable.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Significant items subject to such estimates and assumptions include depreciation, the accounting for doubtful accounts, inventories, accruals, and contingencies. Actual results could differ from those estimates.

Revenues

Revenue Recognition

The majority of the Company's revenue is derived from the sale of chemical and equipment products while the remaining revenue primarily relates to franchise fees and sales-based royalties.

Product Sales

Product sales generally consist of the sale of chemical and equipment products to franchisees and other third parties. Product sale contracts are generally short-term contracts where the time between order confirmation and satisfaction of all performance obligations is less than one year. Revenues from product sales are recognized when the customer obtains control of the Company's product, which occurs at a point in time, usually upon shipment, with payment terms typically in the range of 30 to 90 days after invoicing, depending on the customer. When the Company performs shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to shipment), these are considered fulfillment activities, and accordingly, the costs are accrued within cost of revenues when the related revenue is recognized, consistent with all other fulfilment activities. The Company has elected to make the accounting policy election based on ASC 606-10-32-2A to exclude any amount charged to customers for sales or similar taxes from the transaction price and shall provide the accounting policy disclosures in ASC 235-10-50-1 through 50-6 in the financial statements. This is consistent with the Company's historical policy for revenue recognition. The Company elected the practical expedient to not adjust the amount of consideration for the effects of a significant financing component for all instances in which the period between payment and transfer of the goods will be one year or less.

Under guidance provided by ASC 606-10-55, *Principal versus Agent Considerations,* generally the Company has risks and rewards of a principal and therefore, for sales transactions, revenue is recognized on a gross basis for the entire amount of the sale. In certain cases, the Company acts as an agent for its franchisees through a distribution agreement in which the franchisees are supplied products from a third party, in which the Company is separately compensated by the third party based on a percentage of the products sold to the franchisees. In this instance, the distribution agreement serves as the performance obligation and the Company recognizes revenue for the amount of commission received from the third party.

The majority of the Company's contracts contain one performance obligation.

Franchise Fees

Franchise fees primarily relate to pre-opening activities such as selection of site, training services, and other services to ready a franchisee to open their store. The Company has applied the practical expedient to consider the pre-opening activities as distinct from the franchise license. The Company has elected to account for the pre-opening activities as a single performance obligation.

Deferred franchise fee revenue is included within accrued expenses in the consolidated balance sheets. Deferred franchise fee revenue as of September 30, 2025, 2024 and 2023 was $180,000, $285,000 and $245,000, respectively. On October 1, 2022 opening deferred franchise fee revenue was $238,500. Revenue recognized for the years ended September 30, 2025, 2024 and 2023 that was included in the contract liability balance at the beginning of each year was $160,000, $170,000, and $133,500, respectively.

Sales-Based Royalties

Sales-based royalty revenue from franchisees is based on a percentage of underlying sales and is recognized by the Company at the time the underlying sales occur. Our sales-based royalty program ("Royalty Program") applies to new franchisees as well as existing franchisees who agree to install, implement, utilize and pay fees for our point-of-sale ("POS") system, and pay sales-based royalties to us. We charge a royalty rate of six percent on store revenues which include the franchisee's sale

and installation of spray-on bedliners, spray-on product on items other than bedliners, and premium/topcoat spraying ("Bedliner Services"). We charge a lower royalty rate on all other franchisee store revenues. New franchisees and existing franchisees, upon adoption of the Royalty Program, will pay reduced prices on chemicals and other products purchased from us. For existing franchisees that have not yet adopted the Royalty Program, we recognize revenue from product sales as described above. Our performance obligation for sales-based royalties is met as the franchisee's underlying sales occur. We invoice and collect sales-based royalties weekly.

Sales-based royalties were implemented during the year ended September 30, 2024. Sales-based royalty revenue for the years ended September 30, 2025, 2024, and 2023 were $326,933, $1,573 and $0, respectively.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to unsatisfied or partially unsatisfied performance obligations. As of September 30, 2025, 2024, and 2023 the amount of unsatisfied performance obligations was not material.

Disaggregation of Revenue

The Company disaggregates its revenue between the sale of chemical and equipment products, franchise fees, and royalty revenue.

Advertising

The Company expenses advertising costs as incurred. Advertising costs for the years ended September 30, 2025, 2024 and 2023, were $962,534, $870,837, and $1,193,876, respectively, and are presented as sales and marketing expenses in the accompanying consolidated statements of operations.

Research and Development Costs

The Company has previously incurred costs to continuously improve the appeal and safety of its products. Research and development ("R&D") costs are expensed when incurred and included in general and administrative expenses in the consolidated statements of operations. There were no R&D costs for the years ended September 30, 2025 and 2024. During the year ended September 30, 2023, R&D costs were $154,836.

3. Recent Accounting Guidance

Current Expected Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses*. ASU 2016-13 replaces the incurred loss model under current guidance, and will require entities to consider forecasted credit losses, in addition to past events and current conditions when measuring incurred credit losses. ASU No. 2016-13 also requires the inclusion of an allowance for credit losses roll-forward in the notes to the financial statements. This guidance became effective for fiscal years beginning after December 15, 2022. The Company has adopted the standard which did not have a material impact on the consolidated balance sheets, statements of operations, and cash flows.

4. Inventories

Inventories consist of the following:

	September 30, 2025	September 30, 2024	September 30, 2023
Inventories			
Raw Materials	$ -	$ -	$ -
Work in Progress	-	-	1,403
Finished Goods	**391,638**	445,346	1,077,895
Machine Parts and Accessories	**80,131**	89,471	117,333
Slow moving and obsolete reserve	**(31,699)**	(80,557)	(17,556)
Inventories, net	$ **440,070**	$ 454,260	$ 1,179,075

5. Property and Equipment

Property and equipment consist of the following:

	Estimated Useful Lives	September 30, 2025	September 30, 2024	September 30, 2023
	(years)			
Leasehold improvements	5-10	$ **29,476**	$ 1,044,712	$ 1,027,085
Computer hardware and software	3-7	**2,470,307**	2,368,543	3,118,583
Machinery and equipment	3-7	**74,679**	1,596,465	2,643,901
Furniture and fixtures	3-7	**138,216**	1,111,984	1,123,513
Transportation equipment	3-5	**305,232**	387,497	722,820
Construction in progress	N/A	**7,000**	-	273,338
		3,024,910	6,509,201	8,909,240
Less: Accumulated depreciation		**(1,607,725)**	(4,425,913)	(5,304,649)
Property and equipment, net		$ **1,417,185**	$ 2,083,288	$ 3,604,591

Depreciation expense for the years ended September 30, 2025, 2024, and 2023 was $621,587, $1,134,760 and $922,466, respectively.

Property and equipment are reviewed for impairment when events indicate the carrying amount may not be recoverable from future undiscounted cash flows.

No impairment charges were recorded during the years ended September 30, 2025 and 2024. During the year ended September 30, 2023, the Company performed an impairment review of its fixed assets. As a result of this review, the Company determined that the carrying value of capitalized software costs exceeded their fair value. Therefore, an impairment charge of $469,040 was recognized during the year ended September 30, 2023, and has been included within other (expense) / income in the consolidated statements of operations.

6. Leases

The Company's operating leases[1] are included in the consolidated balance sheets as follows:

	Balance Sheet Classification	September 30, 2025	September 30, 2024	September 30, 2023
Assets:				
Operating	Right of Use Asset	$ 373,836	$ 2,605,103	$ 3,679,610
Liabilities				
Current Liabilities				
Operating	Right of use liability, current portion	$ 285,135	$ 1,189,440	$ 1,135,268
Other Noncurrent Liabilities				
Operating	Right of use liability	$ 135,067	$ 1,706,846	$ 2,896,287
Weighted average remaining lease term:				
Operating Leases		1.4 yrs	2.4 yrs	3.4 yrs
Weighted average discount rate:				
Operating Leases		2.99%	1.68%	1.67%

[1] *There are no finance leases for the Company*

Our lease costs are as follows:

	Year ended September 30, 2025	Year ended September 30, 2024	Year ended September 30, 2023
Operating Lease Expense	$ 989,961	$ 1,131,121	$ 1,199,528

Variable lease expense and short-term lease expenses were not material.

Supplemental cash flow information related to leases is as follows:

	Year ended September 30, 2025	Year ended September 30, 2024	Year ended September 30, 2023
Cash paid for amounts included in the measurement of lease liabilities for finance leases:			
Operating - Operating cash flows	$ 1,147,603	$ 1,191,881	$ 1,214,826
ROU assets obtained in exchange for lease liabilities:			
Operating leases	$ -	$ -	$ (180,367)

Future minimum lease payments for operating leases as of September 30, 2025, are as follows:

Fiscal Years Ending	Operating Leases
9/30/2026	$ 292,719
9/30/2027	135,735
Total future lease payments	428,454
Less lease interest	(8,252)
Total lease liability balance	$ 420,202

During the year ended September 30, 2025, in connection with an early lease termination agreement at its former headquarters location in Huntsville, Alabama, the Company recognized additional lease expense of $1,135,868 which is presented within operating expenses in the consolidated statements of operations. The Company made a $1,300,000 termination payment which is presented within other assets and liabilities in the consolidated statement of cash flows.

7. Retirement Plan

LINE-X LLC employees participate in a 401(k) plan, which was merged into the Innovative Xcessories and Services, LLC 401(k) Plan (the "IXS 401(k) Plan"). The IXS 401(k) Plan covers all employees who are at least 18 years of age and have completed six months of service. LINE-X LLC will provide a 4% matching contribution if the employee contributes at least 5% of their earnings in a contribution year. LINE-X LLC's contributions to the plan for the years ended September 30, 2025, 2024, and 2023 were $128,251, $195,678 and $132,150, respectively, which is included in general and administrative expenses in the consolidated statements of operations.

8. Related Party Transactions

The Company transacts with business entities that are under common ownership of its ultimate parent, Ignition Intermediate Holdings, L.P. These entities include Ground Effects Ltd. and Ground Effects LLC (collectively, "Ground Effects"), LINE-X Canada, Ltd. ("LINE-X Canada"), IXS Netherlands B.V. ("UL Europe", formerly "LINE-X Europe"), Paxcon Coating Solutions, S. de R.L. de C.V. ("UL Mexico", formerly "Recubrimientos de Proteccion LINE-X, S. de R.L. de C.V."), and Ultimate Linings.

From time to time, LINE-X LLC makes payments to its parent or affiliates to provide additional liquidity as needed for debt and tax-related obligations. A summary of related party balances and transactions with affiliates as of and for the years ended September 30, 2025, 2024, and 2023 is as follows:

Sales

	Year ended September 30, 2025	Year ended September 30, 2024	Year ended September 30, 2023
LINE-X Canada	**$ 988**	$ 1,933	$ 1,416,242
UL Europe	-	-	5,125
UL Mexico	-	-	566,424
Ultimate Linings	-	-	5,134,579
Total	**$ 988**	$ 1,933	$ 7,122,370

Accounts Receivable

	September 30, 2025	September 30, 2024	September 30, 2023
Ground Effects	**$ 137,462**	$ 51,480	$ 19,076
UL Europe	**-**	-	1,209,164
UL Mexico[1]	**427,421**	427,421	698,811
Total	**$ 564,883**	$ 478,901	$ 1,927,051

[1] *Amounts shown are net of $1,288,473 allowance for doubtful accounts in each of the years presented.*

Exclusive Supply Agreement with Ultimate Linings

Effective October 1, 2024, ("Effective Date") the Company entered into a new five-year supply agreement to exclusively purchase chemicals, consumables, equipment and parts from Ultimate Linings LLC ("Ultimate Linings"). This Agreement shall be automatically renewed under the same terms for additional one (1) year periods thereafter (each, a "Renewal Term" and together with the Initial Term, the "Term"), unless either party sends a notice of non-renewal, with or without cause, at least one hundred eighty (180) days prior to the end of the Initial Term or any Renewal Term. The pricing terms and conditions of this supply agreement, which management believes are comparable to those that would be obtained in an arm's-length transaction with an unrelated third party are prospective from the Effective Date. Payment terms were agreed to be net 45 days of receipt of invoicing. Purchases from and Accounts Payable balances with Ultimate Linings are as follows:

	2025	2024	2023
Purchases during the Year Ended September 30	**$ 8,767,166**	$ 11,188,692	$ 17,726,774
Accounts Payable balance due at September 30	**$ 1,250,427**	$ 1,696,435	$ 2,337,336

During the year ended September 30, 2024, we recorded transfers of certain training assets with a net book value of $679,159 to Ultimate Linings. This transfer is included within other transactions with affiliates in the consolidated statements of changes in member's equity. There were no such transfers during the years ended September 30, 2025 and 2023.

9. Restructuring Actions

During the year ended September 30, 2024, LINE-X transitioned to a sales-based royalty model, which resulted in a significant decrease in the number of franchise outlets. In response to the reduction in the number of outlets, the LINE-X division performed a fundamental reorganization of its business and assumed certain liabilities related to specific restructuring actions. These liabilities represented workforce reductions and employee retention actions, legal and professional fees and other franchise-network related costs. The Company recorded employee related restructuring costs and other costs of $151,458 and $198,104, respectively, during the year ended September 30, 2025. The Company recorded employee related restructuring costs and other costs of $645,471 and $400,589, respectively, during the year ended September 30, 2024. These costs are included within restructuring expense in the consolidated statements of operations. We will continue to execute the remaining actions under the restructuring initiatives. Costs associated with these remaining actions

include, but are not limited to, workforce reduction and employee retention actions, legal and professional fees, and other franchise-network related costs.

A summary of our restructuring actions is shown below:

	Employee related costs	Other costs	Total
Accrual at October 1, 2023	$ -	$ -	$ -
Charges	645,471	400,589	1,046,060
Cash utilization	(122,978)	(147,539)	(270,517)
Accrual at September 30, 2024	$ 522,493	$ 253,050	$ 775,543
Charges	151,458	198,104	349,562
Cash utilization	(489,368)	(220,478)	(709,846)
Accrual at September 30, 2025	$ 184,583	$ 230,676	$ 415,259

10. Commitments and Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management and in consideration of all facts available at the time, the ultimate dispositions of these matters are not expected to have a material impact on the financial position, results of operations or liquidity of the Company.

The Company is a named guarantor in a lending arrangement of its ultimate parent, Ignition Intermediate Holdings, L.P. Under this arrangement, the Company has pledged as collateral all of its assets.

11. Subsequent Events

Management has performed an evaluation of subsequent events through December 22, 2025, the date these financial statements were available for issuance.

EXHIBIT D TO

LINE-X LLC

DISCLOSURE DOCUMENT

STATEMENT OF PROSPECTIVE FRANCHISEE

LINE-X LLC
STATEMENT OF PROSPECTIVE FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Franchisee's Own Handwriting.]

THIS DOCUMENT SHALL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF CALIFORNIA OR MARYLAND, DO NOT SIGN THIS DOCUMENT.

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and LINE-X LLC (also called the "Franchisor" or "LINE-X") both have an interest in making sure that no misunderstandings exist between them and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

1.	_____, 20___ **Initials** _____	The date of my/our first meeting with any person to discuss the possible purchase of a LINE-X Franchise.
2.	_____, 20___ **Initials** _____	The date on which I/we received a Uniform Franchise Disclosure Document about a LINE-X Franchise.
3.	_____, 20___ **Initials** _____	The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed.
4.	_____, 20___ **Initials** _____	The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.)
5.	_____, 20___ **Initials** _____	The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal, or otherwise of any type (collectively, the "Representations"), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement, or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory, or otherwise) except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

   _____.

   (If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

   Prospective Franchisee's Initials: _____

2. No oral, written, visual or other claim, guarantee, or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits,

cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by Franchisor, its affiliates or agents/representatives, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

_____.

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

_____.

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors, and/or principals of the Prospective Franchisee and each of such individuals has received the Uniform Franchise Disclosure Document and all exhibits and have carefully read, discussed, understand and agree to the Franchise Agreement, each written Addendum, and any Personal Guarantees.

Prospective Franchisee's Initials: _____

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a LINE-X Franchise with existing LINE-X Franchisees prior to signing any binding documents or paying any sums, and I/we have been supplied with a list of existing LINE-X Franchisees.

Prospective Franchisee's Initials: _____

6. I confirm that, as advised, I've spoken with past and/or existing LINE-X Franchisees, and that I made the decision as to which, and how many, LINE-X Franchisees to speak with.

Prospective Franchisee's Initials: _____

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of a LINE-X Franchise (or any other) is a speculative investment, there exists no guarantee against possible loss or failure in this or any other business, and the most important factors in the success of any LINE-X Franchise, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

Prospective Franchisee's Initials: _____

8. If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the officer of the Franchisor set forth in the Disclosure Document and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such

issue(s) at this time and before either party goes forward.

Prospective Franchisee's Initials: _____

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct, and complete.

Date: _____

PROSPECTIVE FRANCHISEE (Individual)

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) - Must be accompanied by appropriate personal guarantee(s):

_____
Legal Name of Entity

a_____ _____
(Jurisdiction of Formation) (Corporation, LLC. or Partnership)

By: _____
Name

_____
Signature

Title: _____

PRINCIPALS

_____ _____

_____ _____

Reviewed by: LINE-X LLC

_____ _____
President Franchise Agreement Number

EXHIBIT E TO

LINE-X LLC

DISCLOSURE DOCUMENT

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OF
THE OPERATIONS MANUAL

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EXHIBIT F TO

LINE-X LLC
DISCLOSURE DOCUMENT

SAMPLE GENERAL RELEASE
OF ALL CLAIMS

THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT. THIS FORM IS SUBJECT TO CHANGE OVER TIME.

("FRANCHISEE") and , an individual ("GUARANTOR") enter into this General Release on , with reference to the following facts:

1. On , LINE-X LLC, a Delaware limited liability company ("LINE-X"), and FRANCHISEE entered into a Franchise Agreement (the "Franchise Agreement") to operate a LINE-X Franchised Business located at (the "Premises"). GUARANTOR guaranteed FRANCHISEE's performance under the Franchise Agreement pursuant to an Owner's Guaranty and Assumption of Business Entity Franchisee's Obligations (the "Guaranty"). In consideration of LINE-X's processing and approval of , FRANCHISEE and GUARANTOR agree to this General Release as a condition of such . All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guaranty.

2. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR, along with their respective officers, directors, owners, agents, heirs, administrators, successors, and assigns (the "Releasors") hereby release and forever discharge LINE-X, its parents and subsidiaries and their respective officers, directors, owners, employees, attorneys, agents, successors, and assigns (the "Releasees") from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, at law or in equity, whether known or unknown (collectively the "Claims"), which arose on or before the date of this General Release, including any Claims with respect to the Franchise Agreement, the Franchised Business, the Premises, and the Guaranty. FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year set forth above.

FRANCHISEE:

By:
Print Name:
Title:

GUARANTOR:

By:
Print Name:

EXHIBIT G TO

LINE-X LLC

DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDA
TO
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND DEVELOPMENT AGREEMENT

ADDITIONAL STATE DISCLOSURES

If the franchise is located in, or if franchisee is a resident of any of the following states, then the designated provisions in the Uniform Franchise Disclosure Document ("Disclosure Document") and Franchise Agreement will be amended as follows:

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

As listed on the cover page of the Disclosure Document, our website is www.linex.com and www.linexfranchise.com, and has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at https://dfpi.ca.gov

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

1. The following language is added to the end of Item 3 of the Disclosure Document:

   Neither we, nor BUC, nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

   The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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

   The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

No statement, questionnaire, or acknowledgment 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.

The franchise agreement contains a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

Under the California Corporations Code section 31512.1 – Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by franchisor or its personnel or agents to a prospective franchisee.
(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
(d) Violations of any provision of this division.

CALIFORNIA

AMENDMENT TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

The Franchise Agreement is specifically amended as follows:

1. In Section 20.2., the following language is deleted:

> "Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this Agreement are expressly disclaimed by you and us, including but not limited to any promises, options, rights-of-first refusal, guarantees, and/or warranties of any nature (except for the written representations made by you in connection with your application for this franchise). Neither you nor we believe it to be fair or reasonable for the other party to have to deal with allegations about understandings, representations, etc. not fully expressed in writing in this Agreement."

2. The following language is added to Franchise Agreement Section 20.2 as replacement to above deletion, and added to Development Agreement Section 10.01:

> "No statement, questionnaire, or acknowledgment 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."

For franchisees operating outlets in California, the California Franchise Investment Law and the California Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

Under the California Corporations Code section 31512.1 – Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by franchisor or its personnel or agents to a prospective franchisee.
(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
(d) Violations of any provision of this division.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands, and consents to be bound by all of its terms.

LINE-X LLC	**Franchisee**: _____
By:_____	By: _____
Title:_____	Title:_____

HAWAII

ADDENDUM TO DISCLOSURE DOCUMENT

These franchises will be/have been filed under the Franchise Investment Law of the State of Hawaii. Filing does not constitute approval, recommendation or endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director of Commerce and Consumer Affairs that the information provided herein is true, complete, and not misleading.

The Franchise Investment Law makes it unlawful to offer or sell any franchise in this state without first providing to the prospective franchisee, or subfranchisor, at least seven days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least seven days prior to the payment of any consideration by the franchisee, or subfranchisor, whichever occurs first, a copy of the Disclosure Document, together with an copy of all proposed agreements relating to the sale of the franchise.

This Disclosure Document contains a summary only of certain material provisions of the franchise agreement. The contract or agreement should be referred to for a statement of all rights, conditions, restrictions and obligations of both the franchisor and the franchisee.

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety.

2. The "**Summary**" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Illinois law applies.

3. Illinois law governs the agreement(s) between the parties to this franchise.

4. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that arbitration may take place outside of Illinois. 815 ILCS 705/4 (West 2010).

5. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2010).

6. In fiscal year 2024, 6 Illinois franchisees declined to renew their Line-X franchises and 1 ceased operating for "other reasons".

7. 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 behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

ADDENDUM TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Franchise Agreement ("**Agreement**") agree as follows:

1. Franchise Agreement Section 17.8, "**CHOICE OF LAWS**," and Development Agreement Section 10.08 is deleted in its entirety and replaced with the following:

> EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), THE FEDERAL ARBITRATION ACT, OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THE STATE OF ILLINOIS.

2. Section 17.2, "**VENUE**," is deleted in its entirety.

3. Under the law of Illinois, any condition, stipulation, or provision that purports to bind a person acquiring a franchise to waive compliance with the Franchise Disclosure Act of Illinois is void. Accordingly, insofar as the Franchise Agreement requires you to waive your rights under the Illinois franchise law, these requirements are deleted from the Franchise Agreement. This provision will not prevent the franchisor from requiring you to sign a general release of claims as part of a negotiated settlement of a dispute or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

4. In fiscal year 2024, 6 Illinois franchisees declined to renew their Line-X franchises and 1 ceased operating for "other reasons".

5. Illinois law governs the Agreements.

6. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

7. Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

8. Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

9. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

10. 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 behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

LINE-X LLC

By:_____

Title:_____

Franchisee: _____

By: _____

Title:_____

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "Summary" section of both the Franchise Agreement and Development Agreement summaries in Item 17(c) entitled Requirements for you to renew or extend, and the "Summary" section of both the Franchise Agreement and Development Agreement summaries in Item 17(m) entitled Conditions for our approval of transfer, is amended by adding the following:

> Any general release you sign shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

2. The "Summary" section of both the Franchise Agreement and Development Agreement summaries in Item 17(h) entitled "Cause" defined – non-curable defaults, is amended by adding the following:

> The Franchise Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following language is added to the end of the charts in Item 17:

> Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.
>
> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
>
> The Franchise Agreement and Development Agreement are amended to provide as follows: This franchise agreement or development agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

1. The Statement of Prospective Franchisee (Exhibit D) is amended to state that all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. Item 5 is revised to state:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

3.
No statement, questionnaire, or acknowledgment 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. The provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

ADDENDUM TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

The Franchise Agreement and Development Agreement is specifically amended as follows:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (as amended), Md. Code Bus. Reg. Sections 14-201 through 14-233, the parties to the attached Franchise Agreement or Development Agreement (collectively, the "Agreement") agree as follows:

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Franchise Agreement Section 3.7, "RELOCATION," Section 13.3.A.(9) "CONDITIONS FOR APPROVAL OF ANY TRANSFER," and Section 14.3, "CONDITIONS TO THE AWARD OF A SUCCESSOR FRANCHISE," , and a new Section 10.15 shall be added to the Development Agreement, shall be supplemented by the following new sentence:

> Any provision requiring Franchisee to execute a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Section 15.1.D, "TERMINATION OF THE FRANCHISE," shall be supplemented by the following new paragraph:

> Termination upon bankruptcy of the Franchisee might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but Franchisor intends to enforce it to the extent enforceable.

4. Franchise Agreement Section 17.2, "VENUE," and Development Agreement Section 10.07 "Jurisdiction and Venue," shall be supplemented by the following new sentence:

> However, subject to Franchisee's arbitration obligation, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Franchise Agreement Section 17.5, "PERIODS IN WHICH TO MAKE CLAIMS," shall be supplemented by the following additional language:

> All claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of a franchise.

6. Franchise Agreement Section 20., "ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT, NO FIDUCIARY RELATIONSHIP, ETC.," (regarding acknowledgments) shall be supplemented by the following new paragraph as new paragraph 20.8, and the following shall also be added to the Development Agreement as new paragraph 10.16:

> All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Development Agreement Section 1.06 is deleted in its entirety.

8. The Franchise Agreement and Development Agreement are amended to provide as follows: This franchise agreement or development agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

9. No statement, questionnaire, or acknowledgment 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. The provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands, and consents to be bound by all of its terms.

LINE-X LLC

By:_____

Title:_____

Franchisee: _____

By: _____

Title:_____

MINNESOTA
ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota, the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. The **Special Risks** page is amended by adding the following:

Supplier Control: You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Unopened Franchises: The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

2. Item 13 **Trademarks** is amended by adding the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

3. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

A. **Renewal and Termination**

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Agreement.

B. **Choice of Forum**

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

C. **Releases**

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

These franchises have been registered under the Minnesota Franchise Act, registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment

of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.

No statement, questionnaire, or acknowledgment 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 with the franchise.

MINNESOTA

ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement ("Agreement") agree as follows:

1. Section 2.2, "**TERM,**" shall be supplemented by the following new paragraph:

   With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

2. Section 5, "**MARKS,**" shall be supplemented by the following new paragraph:

   As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

3. Section 15, "**TERMINATION OF THE FRANCHISE**," shall be supplemented by the following new paragraph:

   With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

4. Section 13.3.A.(9), "**CONDITIONS FOR APPROVAL OF ANY TRANSFER**," shall be supplemented by the following new sentence:

   A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

5. Section 17.2, "**VENUE**" (regarding choice of forum), shall be supplemented by the following:

   Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands, and consents to be bound by all of its terms.

LINE-X LLC	**Franchisee**: _____
By:_____	By: _____
Title:_____	Title:_____

NEW YORK

NEW YORK STATE ADDENDUM TO FDD

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment 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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the "Summary" section of Item 17(c) entitled **Requirements for you to renew or extend** and Item 17(m) entitled **Conditions for our approval of a transfer**:

The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The applicable portion of the "Summary" section of Item 17(i) entitled **Your obligations on termination/non-renewal** is amended to read as follows:

If we prevail in any enforcement action, you will pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement.

Any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

3. The following is added to the "Summary" section of Item 17(u) entitled **Dispute resolution by arbitration or mediation**:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

4. The following is added to the "Summary" section of Item 17(r) entitled **Non-competition covenants after the agreement is terminated or expires**:

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

5. The following is added to the "Summary" section of Item 17(v) entitled **Choice of forum**:

However, to the extent allowed by the North Dakota Franchise Investment Law, you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of North Dakota.

6. The following is added to the "Summary" section of Item 17(w) entitled **Choice of law**:

Item 17 (u) (governing law) and Section 12 of the Franchise Agreement are amended as follows: "Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

NORTH DAKOTA

ADDENDUM TO FRANCHISE AGREEMENT

1. The following is added to Section 3.7, "**RELOCATION**," Section 13.3A. (9) "**CONDITIONS FOR APPROVAL OF ANY TRANSFER**," and Section 14.3, "**CONDITIONS TO THE AWARD OF A SUCCESSOR FRANCHISE**":

> The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The following is added to Section 17.2, **"VENUE,"** (regarding choice of forum):

> However, to the extent allowed by the North Dakota Franchise investment Law, Franchisee may commence any cause of action against Franchisor in any court of competent jurisdiction, including the state or federal courts of North Dakota.

3. The following is added to Section 17.1.A. "**MANDATORY BINDING ARBITRATION, WAIVER OF RIGHT TO TRIAL IN COURT, ETC.**" (regarding arbitration):

> To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which Franchisor and Franchisee mutually agree.

4. Section 20., "**ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT, NO FIDUCIARY RELATIONSHIP, ETC**." (regarding acknowledgments,) is amended by the addition of the following language to the original language that appears therein to read as follows:

> Franchisee acknowledges that Franchisee received a copy of this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

5. Section 7.2, "**RESTRICTIVE COVENANTS,**" is amended by the addition of the following language to the original language that appears therein:

> Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

6. Section 17.3 of the Franchise Agreement is amended as follows:

> "In North Dakota, provisions of the Franchise Agreement which unreasonably limit remedies under the North Dakota Franchise Investment Law, such as the right to jury trial, may not be enforceable."

7. Section 17.4 of the Franchise Agreement is amended as follows:

"Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

8. Section 17.5 of the Franchise Agreement is amended as follows:

> "In the State of North Dakota, the statute of limitations under North Dakota Law will apply".

[Signatures on Following Page]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands, and consents to be bound by all of its terms.

LINE-X LLC

By:_____

Title:_____

Franchisee: _____

By: _____

Title:_____

RHODE ISLAND

ADDENDUM TO DISCLOSURE DOCUMENT

The following language is added to Item 17(v) entitled **Choice of forum**:

, except as otherwise required by the Rhode Island Franchise Investment Act.

RHODE ISLAND

ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act (Section 19-28.1-14), the parties to the attached Franchise Agreement agree as follows:

Section 17.2., "**VENUE**" (regarding choice of forum,) is amended by adding the following:

> §19-24.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands, and consents to be bound by all of its terms.

LINE-X LLC	**Franchisee**: _____
By:_____	By: _____
Title:_____	Title:_____

SOUTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

The Franchise Agreement includes a covenant not to compete after termination of the franchise. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law. The Franchise Agreement provides for arbitration in a state other than South Dakota. Under South Dakota law, arbitration must be conducted at a mutually agreed upon site in accordance with §11 of the Commercial Arbitration Rules of the American Arbitration Association.

The Franchise Agreement designates the law of a state other than South Dakota as the governing law, except that the arbitration clause is to be construed under the Federal Arbitration Act, and trademark issues are to be construed under the Lanham Act. Franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but contractual and all other matters will be subject to application, construction, enforcement, and interpretation under the governing law specified by the Franchise Agreement.

Under South Dakota law, any provision in a Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue outside South Dakota is void with respect to any cause of action which is governed by the law of South Dakota.

Under South Dakota law, termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make fee payments contained in the Disclosure Document and Franchise Agreement must afford a franchisee thirty (30) days' written notice with an opportunity to cure the default prior to termination. Under SDL 37-5B-21, any condition, stipulation, or provision purporting to waive compliance with any provision of this chapter or any rule or order under it is void.

Any acknowledgment, provision, disclaimer or integration clause or a provision having a similar effect in a Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate the South Dakota franchise law or a rule or order under the South Dakota franchise law.

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Healthy Inspirations, LLC for use in the Commonwealth of Virginia shall be amended as follows:

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 ground 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."

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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

LINE-X LLC	**Franchisee**: _____
By:_____	By: _____
Title:_____	Title:_____

WASHINGTON

ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, AND ALL OTHER AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum. Dated this _____ day of _____ 20_____.

LINE-X LLC **Franchisee**: _____

By:_____ By: _____

Title:_____ Title:_____

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

EXHIBIT H TO

LINE-X LLC

DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AND THEIR OUTLETS

FRANCHISEE	STREET	CITY	STATE	ZIP	PHONE
LINE-X Custom Trucks Unlimited	1817 Opelika Rd	Auburn	Alabama	36830	(334) 704-0909
LINE-X Custom Trucks Unlimited Huntsville	4510 Research Park Boulevard Northwest	Huntsville	Alabama	35806	(256) 721-1331
LINE-X of Montgomery	233 Gunn Road	Montgomery	Alabama	36117	(334) 272-0842
LINE-X of Pelham	2633 Pelham Parkway	Pelham	Alabama	35124	(205) 655-1060
LINE-X of the Shoals	2625 Woodward Ave	Muscle Shoals	Alabama	35661	(256) 389-3917
LINE-X of Trussville	3229 Veteran Circle, Suite 111	Birmingham	Alabama	35235	(205) 655-1060
Arizona LINE-X	21242 N. Black Canyon Hwy, Suite A	Phoenix	Arizona	85027	(623) 516-8711
LINE-X Custom Shop	5101 W Maryland Ave	Glendale	Arizona	85301	(623) 842-8748
LINE-X of Flagstaff	5100 N. Test Drive	Flagstaff	Arizona	86004	(928) 543-9300
LINE-X of Tucson	275 E. Ft. Lowell Road	Tucson	Arizona	85705	(520) 292-0828
LINE-X of West Phoenix	7150 West Roosevelt Street, Suite D131	Phoenix	Arizona	85043	(602) 909-6755
LINE-X of Little Rock	11421 Stagecoach Rd, Suite 1500	Little Rock	Arkansas	72210	(501) 683-8408
Corona LINE-X	2175 Sampson Ave, Suite 116	Corona	California	92879	(951) 738-8320
Desert LINE-X	73605 Dinah Shore Drive #500	Palm Desert	California	92211	(760) 999-1070
Empire LINE-X	9261 Bally Court	Rancho Cucamonga	California	91730	(909) 982-6663
LINE-X Kustoms and Accessories	2961 E. LeLand Road	Pittsburg	California	94565	(925) 427-5100
LINE-X of Bakersfield	6561 White Lane Avenue	Bakersfield	California	93309	(559) 217-0066
LINE-X of Orange County	1104 W. Collins Ave	Orange	California	92867	(714) 632-5656
LINE-X of Oxnard	90 South Wood Rd	Camarillo	California	93010	(805) 981-0748
LINE-X of Pasadena	1815 S. Myrtle Avenue	Monrovia	California	91016	(626) 303-8647
LINE-X of Porterville	788 W. Olive Avenue	Porterville	California	93257	(559) 784-3878
LINE-X of San Diego	2704 Transportation Avenue Suite A&B	National City	California	91950	(619) 477-1796

LINE-X of Santa Barbara	59 Depot Road	Goleta	California	93117	(805) 964-0640
LINE-X of Santa Fe Springs	12510 East Slauson Avenue, Unit F	Santa Fe Spring	California	90670	(562) 696-9272
LINE-X of Santa Maria	1915 North Broadway, Unit C	Santa Maria	California	93454	(805) 347-7387
LINE-X of Simi Valley	2296 Agate Court	Simi Valley	California	93065	(805) 299-8850
LINE-X of South Bay	5117 West Rosecrans Avenue	Hawthorne	California	90250	(562) 776-8000
LINE-X of South Coast	2126 S. Lyon	Santa Ana	California	92705	(714) 647-9322
LINE-X of South LA	5901 Firestone Blvd	South Gate	California	90280	(562) 776-8000
LINE-X of Woodland	2000 East Main Street, Suite A	Woodland	California	95776	(530) 668-6550
Visalia LINE-X	2211 E. Main Street	Visalia	California	93292	(559) 713-0500
LINE-X of Boulder	2516 49th Street, Unit 3	Boulder	Colorado	80301	(303) 915-7371
LINE-X of Colorado Springs	4934 Northpark Drive	Colorado Springs	Colorado	80918	(719) 635-8626
LINE-X of South Metro	6559 South Broadway	Littleton	Colorado	80121	(303) 471-2447
LINE-X of Connecticut	175 Freight Street, Rear Building	Waterbury	Connecticut	06702	(203) 754-1444
First State LINE-X	2221 Ogletown Road, Suite A	Newark	Delaware	19711	(302) 738-4870
Gilbert LINE-X	315 S Parrott Ave	Okeechobee	Florida	34974	(863) 763-6434
LINE-X of East Jacksonville	4051 Philips Highway	Jacksonville	Florida	32207	(425) 578-4028
LINE-X of Fort Lauderdale	450 West McNab Road, Suite 7	Fort Lauderdale	Florida	33309	(954) 969-7795
LINE-X of Gainesville	4333 Northwest 6th Street	Gainesville	Florida	32609	(404) 834-6330
LINE-X of Lakeland	4117 Waring Road	Lakeland	Florida	33811	(863) 581-9173
LINE-X of Palm Beach	8330 Currency Drive, Unit 3	Riviera Beach	Florida	33404	(847) 778-6924
LINE-X of Sarasota	5115 15th Street East	Bradenton	Florida	34203	(941) 527-1387
LINE-X of Southwest Florida	6150 Metro Plantation Rd.	Fort Meyers	Florida	33966	(239) 745-8225
LINE-X of St. Cloud (FL)	6478 Way Point Blvd.	St. Cloud	Florida	34771	(407) 361-1970
LINE-X of St. Petersburg	400 34th Street South	St. Petersburg	Florida	33711	(727) 377-1733
LINE-X of Tallahassee	3342 Garber Drive	Tallahassee	Florida	32303	(850) 510-0595
LINE-X of Treasure Coast	5435 S US Highway 1	Fort Pierce	Florida	34982	(772) 461-5700
LINE-X of West Jacksonville	5860 Old Timuquana Road Ste 1	Jacksonville	Florida	32210	(425) 578-4028
Liberty LINE-X & Accessories	305 West Oglethorpe Highway	Hinesville	Georgia	31313	(912) 920-7455
LINE-X Custom Trucks Unlimited Columbus	1542 Manchester Expressway	Columbus	Georgia	31904	(706) 323-0250

LINE-X of Alpharetta	11220 Alpharetta Highway E	Roswell	Georgia	30076	(678) 297-1101
LINE-X of Lawrenceville	461-A Pike Blvd	Lawrenceville	Georgia	30046	(770) 995-4639
LINE-X of Macon	2129 Riverside Dr. Suite A	Macon	Georgia	31204	(478) 741-4146
LINE-X of Savannah	7927 Abercorn St.	Savannah	Georgia	31406	(912) 920-7455
LINE-X Southeast Customs	606 South Zetterower Avenue	Statesboro	Georgia	30458	(912) 225-6062
LINE-X of Hilo	154 Holomua St, Suite 203	Hilo	Hawaii	96720	(808) 961-2002
LINE-X of Treasure Valley	108 West 37th Street	Boise	Idaho	83714	(208) 869-4234
LINE-X of Canton	71 E Alder Rd	Canton	Illinois	61520	(309) 226-4444
LINE-X of Marion	3206 W Deyong Street, Suite A	Marion	Illinois	62959	(618) 997-7845
LINE-X of Montgomery (IL)	617 Montgomery Rd	Montgomery	Illinois	60538	(630) 851-5463
LINE-X of Bloomfield	131 North 375 West	Bloomfield	Indiana	47424	812-384-5060
LINE-X of Columbus	1622 Southpark Ct, Suite A	Columbus	Indiana	47201	(812) 799-1355
LINE-X of Centerville	1312 South 18th Street	Centerville	Iowa	52544	(641) 856-6328
LINE-X of Clear Lake - Mason City	11201 265th Street (Hwy 122)	Clear Lake	Iowa	50428	(641) 938-4607
LINE-X of East Des Moines	3701 E 14th ST #100	Des Moines	Iowa	50313	(515) 644-4400
LINE-X by Luxury and Imports	5239 S. 4th Street	Leavenworth	Kansas	66048	(913) 250-0007
LINE-X of Bangor	195 Thatcher St Suite 2	Bangor	Maine	04401	(207) 990-3757
LINE-X of Farmington (ME)	484 Wilton Road	Farmington	Maine	04938	(207) 778-3334
LINE-X of Skowhegan	242 Madison Avenue	Skowhegan	Maine	04976	(207) 474-3334
LINE-X of Western Maine	70 Main Street	Paris	Maine	04281	(207) 744-9835
Eldersburg LINE-X	5301 Enterprise St, Suite B	Sykesville	Maryland	21784	(410) 795-2746
Frederick LINE-X	5112 Pegasus Court, Suite Y	Frederick	Maryland	21704	(301) 360-9900
LINE-X of Cape Cod	58 Plant Road	Barnstable	Massachusetts	02601	(508) 776-0716
LINE-X of Fall River	1591 Bay Street	Fall River	Massachusetts	02724	(508) 675-5422
LINE-X of Escanaba	1416 North Lincoln Road	Escanaba	Michigan	49829	(231) 409-5862
LINE-X of Lansing	2702 South Cedar Street Suite B	Lansing	Michigan	48910	(517) 394-1222
LINE-X of Sault Saint Marie	2601 Ashmun Street	Sault Saint Marie	Michigan	49783	(906) 253-1639
LINE-X of Jackson (MS)	5219 Hwy 80E	Pearl	Mississippi	39208	(601) 664-0030
MidSouth LINE-X - Olive Branch	8245 Hwy 178	Olive Branch	Mississippi	38654	(662) 420-7995

LINE-X of Cape Girardeau	606 S Kings Highway	Cape Girardeau	Missouri	63703	(573) 382-4636
LINE-X of Farmington (MO)	4783 Flat River Road	Farmington	Missouri	63640	(573) 431-2902
LINE-X of St. Louis	8740 Watson Rd	Saint Louis	Missouri	63119	(314) 729-1300
LINE-X Coatings of Clark County	515 N Gibson Rd Suite 120	Henderson	Nevada	89011	(702) 434-9274
LINE-X of Las Vegas	2901 South Highland Drive	Las Vegas	Nevada	89109	(702) 848-6449
LINE-X of Reno	254 East Glendale Avenue	Sparks	Nevada	89431	(775) 355-0710
Tri City LINE-X (Dover)	1 Sumner Dr	Dover	New Hampshire	03820	(603) 742-9800
Upper Valley LINE-X	275 NH RT 118	Canaan	New Hampshire	03741	(603) 523-4442
LINE-X of Monmouth County	2 Industrial Drive Suite F	Keyport	New Jersey	07735	(732) 722-2955
FLX LINE-X	875 State Route 5 & 20	Geneva	New York	14456	(315) 694-0408
LINE-X of Bath	7334 New York 54	Bath	New York	14810	(607) 622-4444
LINE-X of Central New York	3577 RTE 31	Baldwinsville	New York	13027	(315) 638-1036
LINE-X of Long Island	639 Sunrise Highway	West Babylon	New York	11704	(631) 422-0300
LINE-X of Orange County NY	1022 New York 52	Walden	New York	12586	(845) 335-9090
LINE-X of Western New York	50 Burkhardt Ave	Depew	New York	14043	(716) 686-9133
LINE-X of Wilson	1425 Thorne Avenue	Wilson	North Carolina	27893	(252) 246-9440
Fargo LINE-X	1265 Main Ave East Suite C	West Fargo	North Dakota	58078	(701) 281-1015
LINE-X of Mayville	935 3rd Street SE	Mayville	North Dakota	58257	(701) 524-1200
LINE-X of Akron-Medina	387 Medina Road, Suite 1000	Medina	Ohio	44256	(330) 474-0614
LINE-X of Greater Cleveland	10800 Royalton Road	North Royalton	Ohio	44133	(216) 403-2278
LINE-X of Lake County	1717 Mentor Avenue	Painesville	Ohio	44077	(440) 352-7062
LINE-X of Lancaster	541 Mill Park Drive, Suite A	Lancaster	Ohio	43130	(740) 689-9991
LINE-X of Newark (OH)	1410 East Main St.	Newark	Ohio	43055	(740) 345-4639
LINE-X of Streetsboro	5170 Hudson Drive, Suite E	Hudson	Ohio	44236	(330) 422-0370
LINE-X of Stillwater	5703 East 6th Avenue	Stillwater	Oklahoma	74074	(405) 743-0911
LINE-X of Clackamas	10325 SE Hwy 212	Clackamas	Oregon	97015	(503) 482-9511
LINE-X of Clatsop County	781 Avenue A	Seaside	Oregon	97138	(503) 440-6145
Delaware Valley LINE-X	220-J Jacksonville Road	Hatboro	Pennsylvania	19040	(215) 441-5727
LINE-X of Crawford County	13266 State Hwy 198	Conneautville	Pennsylvania	16406	(814) 587-0035
LINE-X of Lehigh Valley	1155 Doylestown Pike	Quakertown	Pennsylvania	18951	(215) 536-1235
LINE-X of Wysox	1895 Golden Mile Road	Wysox	Pennsylvania	18854	(570) 265-5533

LINE-X of Aiken-Augusta	5950 Jefferson Davis Hwy	North Augusta	South Carolina	29841	(803) 426-8629
LINE-X of Columbia (SC)	4319 Augusta Road, Suite F	Lexington	South Carolina	29073	(803) 201-5133
LINE-X of Greenville	1000 Woodruff Rd	Greenville	South Carolina	29607	(864) 438-4700
LINE-X of Lugoff	1572 Whiting Way	Lugoff	South Carolina	29078	(803) 438-0900
LINE-X of Rock Hill	3839 Celanese Road	Rock Hill	South Carolina	29732	(803) 327-8838
LINE-X of the Carolinas	1660 Calhoun Road	Greenwood	South Carolina	29649	(864) 378-3700
Tri-County LINE-X	7410 Cross County Rd.	N. Charleston	South Carolina	29418	(843) 760-9551
MidSouth LINE-X	5900 Summer Ave	Memphis	Tennessee	38134	(901) 383-9470
LINE-X of Fort Worth	8155 Camp Bowie West Boulevard	Fort Worth	Texas	76116	(817) 244-6500
LINE-X of Johnson County	1736 North Main St	Cleburne	Texas	76033	(817) 558-4466
LINE-X of Kaufman	600 Farm to Market Road 148	Terrell	Texas	75160	(972) 431-0508
LINE-X of McAllen	2905 North Sugar Road	Pharr	Texas	78577	(956) 686-4778
LINE-X of McKinney-Frisco	1513 S Tennesse St	McKinney	Texas	75069	(469) 269-6536
LINE-X of Odessa	2027 East 8th Street	Odessa	Texas	79761	(432) 245-4639
LINE-X of Round Rock	600 Lemens Avenue	Hutto	Texas	78634	(512) 642-5406
LINE-X of South Dallas	6906 South R L Thornton Freeway	Dallas	Texas	75232	(469) 703-6252
LINE-X of Sulphur Springs	1315 Industrial Drive W	Sulphur Springs	Texas	75482	(903) 885-5327
LINE-X of Midvale	7000 South State Street	Midvale	Utah	84047	(801) 255-1512
LINE-X of Chesapeake	1720 South Park Court, Suite D	Chesapeake	Virginia	23320	(757) 938-9188
LINE-X of Fredericksburg	712 B Warrenton Road	Fredericksburg	Virginia	22406	(540) 361-1949
LINE-X of Lynchburg	1313 Thomas Jefferson Road	Forest	Virginia	24551	(434) 525-8878
Virginia LINE-X	7205 D GEORGE WASHINGTON MEM HWY	Yorktown	Virginia	23692	(757) 877-2328
Emerald City LINE-X	17709 Hwy 99	Lynnwood	Washington	98037	(425) 742-9566
LINE-X of Kirkland	5809 238th St SE	Woodinville	Washington	98034	(425) 820-5809
LINE-X of Vancouver	3214 Northeast 65th Street	Vancouver	Washington	98661	(360) 258-0199
LINE-X of Wenatchee	601 S Wenatchee Ave	Wenatchee	Washington	98801	(509) 664-5123
LINE-X of Clintonville	N2885 Pioneer Road	Clintonville	Wisconsin	54929	(715) 823-8917
LINE-X of Fox Valley	2200 Tower Drive	Kaukauna	Wisconsin	54130	(920) 462-4608
LINE-X of Kenosha	7426 12th Street	Kenosha	Wisconsin	53144	(262) 605-0444
LINE-X of Milwaukee	5200 N 124th Street	Milwaukee	Wisconsin	53225	(262) 781-2345
LINE-X of Southwestern Wisconsin	1500 W Hwy 16, Suite A	West Salem	Wisconsin	54669	(608) 786-4403

EXHIBIT I TO

LINE-X LLC

DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT AS OF SEPTEMBER 30, 2025

The following is the name and contact information of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year ended September 30, 2025 or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date

FID	FRANCHISEE	OWNER	CITY	STATE	ZIP	PHONE
F1326	LINE-X of Oxford	Stephen Leone	Oxford	Alabama	36203	(770) 861-3260
F0028	Clovis LINE-X	Ed Henderson	Clovis	California	93612	(559) 323-5578
F0739	LINE-X of Antelope Valley	Craig Johnson	Lancaster	California	93534	(661) 212-8292
F0918	LINE-X of Escondido	Alex Martinez	Escondido	California	92029	(760) 735-9800
F1416	LINE-X of Huntington Beach	Brian Fulton	Huntington Beach	California	92674	(714) 375-2833
F1076	LINE-X of Rancho Cordova	Tyrone Miller	Rancho Cordova	California	95742	(916) 631-0339
F1094	LINE-X of Temecula	Alex Martinez	Murrieta	California	92562	(951) 297-0663
F1275	LINE-X of Tulare	Curt Owens	Tulare	California	93274	(559) 688-1810
F0048	LINE-X of Turlock	Wade Allen Gant	Turlock	California	95380	(209) 667-2975
F1237	TruckGear by LINE-X of Delano	Curt Owens	Delano	California	93215	(661) 832-3093
F1166	LINE-X of Durango	Brad Pontine	Durango	Colorado	81301	(970) 259-1662
F0699	LINE-X of Grand Junction	Frank Haynie	Grand Junction	Colorado	81505	(970) 243-0777
F1399	LINE-X of Hartford	Eric Laizer	Hartford	Connecticut	06114	(860) 216-6180
F1329	LINE-X of Cape Coral	Paul Poppell	Cape Coral	Florida	33990	(239) 850-6051
F0072	LINE-X of Athens	Chris Waldrip	Athens	Georgia	30607	(706) 543-4696

F1109	LINE-X of Coeur d`Alene	Matt Hill	Dalton Gardens	Idaho	83815	(208) 762-4547
F1316	LINE-X of Idaho Falls	Josh Warnberg	Idaho Falls	Idaho	83401	(208) 520-9318
F1223	LINE-X of Magic Valley	Mark Bell	Twin Falls	Idaho	83301	(208) 736-9333
F1085	Central Illinois LINE-X	Elizabeth Robertson	Peoria Heights	Illinois	61616	(309) 633-1380
F0712	LINE-X of Quincy	Chuck Carlson	Quincy	Illinois	62305	(217) 222-0829
F0603	LINE-X of Evansville	Matt Schapker	Evansville	Indiana	47710	(812) 491-9475
F1063	LINE-X of Fort Wayne	Matt Bennett	Fort Wayne	Indiana	46804	(260) 436-9274
F1327	LINE-X of Quad Cities	Donald Dohrmund	Davenport	Iowa	52806	(563) 391-1077
F0460	LINE-X of Topeka	Jennifer Ireland	Topeka	Kansas	66611	(785) 228-3777
F1313	LINE-X of Danville	Tim Hollon	Danville	Kentucky	40422	(859) 583-0968
F1370	LINE-X of Lexington	Joshua Trotter	Nicholasville	Kentucky	40356	(859) 881-8181
F1302	LINE-X of Louisville	Craig Beyerle	Louisville	Kentucky	40228	(502) 961-0404
F1317	LINE-X of Morehead	Gina Waltz	Morehead	Kentucky	40351	(606) 784-1155
F0104	LINE-X of Baton Rouge	Jean Ann Cooper	Baton Rouge	Louisiana	70819	(225) 753-6000
F1345	LINE-X of Augusta - Gone	Jeffrey Lyon	Farmingdale	Maine	04344	(207) 332-4034
F0672	LINE-X of Gaylord	Robert Butler	Gaylord	Michigan	49735	(989) 732-1941
F0744	LINE-X of Rochester	Chris Mertesdorf	Rochester	Minnesota	55906	(507) 281-5900
F1088	LINE-X of St. Cloud, MN	Nick Neu	Waite	Minnesota	56387	(320) 529-8555
F0772	LINE-X Pros	Chris Ewals	Arden Hills	Minnesota	55112	(651) 251-6834
F0954	LX Coatings	Chris Ewals	Lakeville	Minnesota	55044	(952) 469-6009
F0441	LINE-X of Missouri	Nina Held	St. Charles	Missouri	63304	(636) 498-4477
F1304	LINE-X of Rolla	Justus Wilson	Rolla	Missouri	65401	(573) 308-7661

F0449	LINE-X of Southern New Hampshire	Todd Boyer	Hudson	New Hampshire	03051	(603) 821-7272
F1060	LINE-X of Jamestown	Steven Kaczar	Jamestown	New York	14701	(716) 720-5120
F1341	LINE-X of Pink Hill	Josh Dunham	Pink Hill	North Carolina	28572	(252) 568-1055
F1298	LINE-X of Raleigh	Jason Connolle	Raleigh	North Carolina	27616	(919) 559-1161
F0153	LINE-X of Bismarck / Mandan	Robin Lee	Mandan	North Dakota	58554	(701) 667-2199
F0665	LINE-X of Dayton	Ann Richart	Franklin	Ohio	45005	(937) 641-8816
F0566	LINE-X of Southern Ohio	Frank Marino Jr.	Cincinnati	Ohio	45245	(513) 272-6260
F0969	LINE-X of Broadway	Brent DeQuasie	Edmond	Oklahoma	73013	(405) 844-7230
F0692	LINE-X of Chickasha	Greg Mobley	Chickasha	Oklahoma	73018	(405) 224-8900
F0529	LINE-X of Shawnee	Brent DeQuasie	Shawnee	Oklahoma	74801	(405) 214-5463
F0172	LINE-X of Tulsa	Laura Keck	Tulsa	Oklahoma	74146	(918) 641-5599
F1073	LINE-X of Tualatin	Brian Navarro	Tualatin	Oregon	97062	(503) 855-3519
F0901	Starbucks Midvalley LINE-X	Wade Starbuck	Salem	Oregon	97301	(503) 540-0096
F1333	LINE-X of Kingston (PA)	Donald E. Wittkopp	Kingston	Pennsylvania	18704	(570) 288-6311
F1226	LINE-X of Pittsburgh North	Yasmine Sieber	Zelienople	Pennsylvania	16063	(724) 831-1135
F1082	LINE-X of South Central PA	Michael Linebaugh	York	Pennsylvania	17404	(717) 430-2866
F1179	LINE-X of Spartanburg	Charlie Wise	Spartanburg	South Carolina	29301	(864) 595-0091
F1366	LINE-X of Watertown	Chad Orthaus	Watertown	South Dakota	57201	(701) 213-3012
F1328	LINE-X of Atoka	Chris Howard	Atoka	Tennessee	38004	(901) 406-8259
F1368	LINE-X of Chattanooga	George Watson	Chattanooga	Tennessee	37421	(423) 888-3717
F1408	LINE-X of Jackson (TN)	George Watson	Jackson	Tennessee	38301	(731) 524-5795
F0929	Alamo Truck Gear	Dan Kraussman	San Antonio	Texas	78216	(210) 366-4422

F1135	LINE-X Custom Trucks Unlimited Grapevine	Michael Colvard	Grapevine	Texas	76051	(817) 527-7073
F1136	LINE-X Custom Trucks Unlimited North Richland Hills	Michael Colvard	Haltom City	Texas	76148	(817) 576-3833
F1321	LINE-X of Amarillo	Kirk Skipper	Amarillo	Texas	79106	(806) 374-1842
F1090	LINE-X of Austin	Kari French	Leander	Texas	78641	(512) 528-6038
F1139	LINE-X of Brownsville	George Vasquez	Brownsville	Texas	78521	(956) 621-0686
F1356	LINE-X of East Austin	Kari French	Austin	Texas	78753	(512) 444-8677
F0400	LINE-X of El Paso	Clay Lowenfield	El Paso	Texas	79925	(915) 772-1488
F1086	LINE-X of Harker Heights	Mary Stout	Harker Heights	Texas	76548	(254) 690-1763
F1348	LINE-X of Katy	Rachel Rubio	Katy	Texas	77449	(281) 717-2200
F1092	LINE-X of Laredo	Fidel Gonzalez	Laredo	Texas	78041	(956) 712-8933
F1111	LINE-X of Lubbock	Garrett Ritchi	Lubbock	Texas	79423	(806) 370-6295
F1107	LINE-X of San Angelo	Scott Anderson	San Angelo	Texas	76901	(325) 651-8101
F0979	LINE-X of Texoma	Barry Fontaine	Sherman	Texas	75090	(903) 870-2040
F0500	LINE-X of the Texas Hill Country	Rich Webster	Boerne	Texas	78006	(830) 981-4501
F1407	LINE-X Trucks & Stuff	Tod Miley	Plano	Texas	75023	(972) 516-9580
F0936	Metroplex LINE-X	Bryce McCallum	Denton	Texas	76210	(940) 243-6264
F0622	LINE-X of Manassas	David Gideonse	Manassas	Virginia	20109	(703) 393-0001
F0325	LINE-X of Northern VA (EPM)	David Gideonse	Sterling	Virginia	20164	(703) 433-9333
F0239	LINE-X of Olympia	Clint Owen	Tumwater	Washington	98501	(360) 709-0363
F0236	LINE-X Plus	John W. Swaw	Auburn	Washington	98002	(253) 735-1220
F1359	LINE-X of Nitro	Joeseph Murphy	Nitro	West Virginia	25143	(304) 755-0036
F1132	LINE-X of North Central WV	Jeff Tucker	Bridgeport	West Virginia	26330	(304) 592-3800

F0251	Ellingford LINE-X	Scott Ellingford	Evanston	Wyoming	82930	(307) 789-8280

FRANCHISEES WHO TRANSFERRED A STORE DURING FISCAL YEAR 2025

FRANCHISEE	CONTACT	CITY	STATE	ZIP	PHONE
Safari Truck & SUV Accessories	Eric Kronforst	Jacksonville	FL	32210	(904) 716-4385
Safari Truck & SUV Accessories	Eric Kronforst	Jacksonville	FL	32207	(904) 716-4385
LINE-X of Lauderdale	Art Koerber	Fort Lauderdale	FL	33309	(954) 969-7795
South Bay LINE-X	Emilee Layne	Hawthorne	CA	90250	(310) 322-9191

EXHIBIT J TO

LINE-X LLC DISCLOSURE DOCUMENT

FRANCHISE DATA RELEASE AUTHORIZATION AND CONFIDENTIALITY AGREEMENT

By signing this Franchise Data Release Authorization and Confidentiality Agreement (this "Agreement"), you authorize Keystone Automotive Operations, Inc. ("Keystone") to share purchase data with LINE-X LLC ("LINE-X"), which data includes the sharing of part numbers, pricing, and quantity. This will enable LINE-X to coordinate group buys based on order history from the Franchise Network to provide you with favorable pricing. Access to purchase data will also allow LINE-X and Keystone to evaluate national network trends which can be provided to all Franchisees to optimize store product offerings. Your specific Franchise order history and purchase data will be for internal use only and will not be shared publicly or with other LINE-X Franchisees.

Under this exclusive partnership between LINE-X and Keystone, you, as a LINE-X Franchisee, will receive key benefits, including, but not limited to:

- A broad distribution network. Average shipping time of 2-days or less (including Truck Gear), in many cases, same day/next day shipping available
- Monthly fees are waived for the LINE-X Keystone web portal based on your participation as a LINE- X Franchisee
- LINE-X-only website for online ordering, detailed product tracking and availability
- Free web access (to all participating Franchisees)
- Dedicated 1-800 customer support phone number for LINE-X Franchises only
- Greater availability of top branded accessories
- More potential products for the Truck Gear brand
- Competitive group pricing that leverages buying power of LINE-X Network
- Potential to qualify for LINE-X rewards to include accessory purchases

All information about this program, including pricing, is confidential and is not to be shared with competitors of LINE-X or Keystone. Failure to keep information confidential may result in loss of access to this program, future rewards, or other benefits of being a LINE-X Franchisee.

□ **I AGREE WITH THESE TERMS AND CONDITIONS. I CERTIFY THAT I AM A LINE-X FRANCHISEE OR THAT I HAVE THE LINE-X FRANCHISEE'S AUTHORIZATION TO ACCEPT THE TERMS OF THIS NOTICE.**

□ **I have attached my business resale certificate/sales tax permit**.

Please complete this form, sign, and fax this document to 1-800-861-8319 or scan and email to **RMORSE@LINEX.COM.**

Franchise Store Name: _____

Franchise Address: _____

Franchise Phone Number: _____

Franchise Number: _____

Franchise Owner Name: _____

Franchise Owner Signature: _____

Date: _____

EXHIBIT K TO

LINE-X LLC

DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Documents 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
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

EXHIBIT L TO

LINE-X LLC

DISCLOSURE DOCUMENT

RECEIPTS

ITEM 23
RECEIPT

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If LINE-X LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, whichever comes first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If LINE-X LLC 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 the appropriate State Agency identified on Exhibit A.

The franchisor is LINE-X LLC, located at 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217. The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Matt Labuda, George Lezon, Hannah Erlenbusch, William Scott Harmon, Sean Ferguson, Rebecca Morse, Mike Roberts, Brad Almand, Jacob Motley, Christian Taylor, Scott McGarry, Neal LaComb, Michelle Griffin, all at 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217, (980) 600-8010.

LINE-X LLC authorizes the agents listed in Exhibit A to receive service of process for it.
Issuance Date: January 15, 2026.

I have received a Franchise Disclosure Document dated January 15, 2026. This Disclosure Document included the following Exhibits:

A. List of State Agents for Service of Process and State Administrators	D. Statement of Prospective Franchisee
B-1 Franchise Agreement and Exhibits	E. Table of Contents of The Operations Manual
B-2A and B-2B Franchise Agreement Amendment (Mutual Early Expiration)	F. Sample General Release of All Claims
B-3 Multi-Unit Operator Addendum to Franchise Agreement	G. State-Specific Addenda
B-4 Co-Branding Addendum to Franchise Agreement	H. List of Franchisees and Their Outlets
B-5 Lease Addendum to Franchise Agreement	I. List of Franchisees Who Ceased to do Business under The Franchise Agreement
B-6 Cornerstone Legacy Franchisee Incentive Addendum to Franchise Agreement	J. Franchise Data Release Authorization and Confidentiality Agreement
B-7 Development Agreement	K. State Effective Dates
C. Financial Statements	L. Receipts

_____
(Signature)

_____ _____
(Print Name) Date

Keep this copy for your records

ITEM 23
RECEIPT

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B-4 Co-Branding Addendum to Franchise Agreement	H. List of Franchisees and Their Outlets
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B-7 Development Agreement	K. State Effective Dates
C. Financial Statements	L. Receipts

_____
(Signature)

_____ _____
(Print Name) Date

Please sign this copy of the receipt, date your signature, and return it to 4001 Yancey Road, Suite C-200, Charlotte, North Carolina 28217